

# Preface

**T**his Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.

Chapters 1 and 2 of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2010. Information has also been obtained from the Government of Maharashtra, wherever necessary. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

The Reports containing the findings of performance audit 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

## Background

Maharashtra is the second largest State in India both in terms of population and geographical area. Gross State Domestic Product (GSDP) of the State has been growing at a higher compound annual growth rate of 14.18 *per cent* as compared to the General Category States. Yet, population below poverty line in Maharashtra (35.7 *per cent*) is much more than the average of the General Category States.

This Report on the Finances of the Government of Maharashtra is being brought out with a view to assess objectively the financial performance of the State during 2009-10 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 Budget Management (FRBM) Act, 2005 and in the Budget estimates of 2009-10.

The Comptroller and Auditor General (C&AG) has been commenting upon the Government's finances for over four years since the FRBM legislation. Since these comments formed part of the Civil Audit Report, it was felt that the audit findings on State Finances remained relatively obscure in the large body of audit findings on compliance and performance audits. Accordingly, from the year 2009 onwards, the C&AG decided to bring out a separate volume titled "Report on State Finances". This Report is the second in this endeavour.

## The Report

Based on the audited accounts of the State Government for the year ending March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act and Fiscal Correction Path of the Government, budget documents, Economic Review 2009-10, Twelfth Finance Commission (TFC) Report and other financial data obtained from various Government departments and organisations. The report is structured in three Chapters.

**Chapter 1** is based on the audit of Finance Accounts and makes an assessment of the Maharashtra Government's fiscal position as on 31 March 2010. It provides an insight into trends in committed expenditure, borrowing

pattern besides a brief account of Central funds transferred directly to the State implementing agencies through off-budget route.

**Chapter 2** is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter 3** is an inventory of Maharashtra Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collected from several sources in support of the findings. **Appendix 4.1** at the end gives a glossary of selected terms related to State economy, as used in this report.

## Audit findings and recommendations

### Return to fiscal correction:

**Revenue Receipts:** Growth of revenue receipts during the year was only seven *per cent* mainly due to significant decrease in non-tax revenue over the previous year. The revenue receipts were higher than the assessment made by Government in its FCP, but were lower than its Medium Term Fiscal Policy Statement (MTFPS) for 2009-10. The growth rate of State's own taxes was much lower than that of GSDP of the State. The arrears of revenue as on 31 March 2010 amounted to ₹ 38,362 crore. *Government should expand the tax base and rationalise user charges to mobilise additional resources and improve the tax administration in order to reduce the revenue arrears.*

**Revenue Expenditure:** The revenue expenditure (RE) increased by 25 *per cent* over the previous year and constituted 84 *per cent* of total expenditure during 2009-10. Non-plan Revenue Expenditure (NPRE) constituted 82 *per cent* of the RE and exceeded the assessment made by Government in its FCP and MTFPS. **(Para 1.6.1).** The ratio of non-plan salary expenditure to RE net of interest payments and pensions was 48 *per cent* during 2009-10 against the TFC norms of 35 *per cent*. Expenditure under subsidies increased by 87 *per cent* over the previous year and constitutes 8.5 *per cent* of RE. The ratio of expenditure on Health and Family Welfare to Aggregate Expenditure was lower than the ratios of General Category States **(Para 1.7.1).** *Government may prune unproductive expenditure and phase out implicit subsidies to contain the growth of RE. The increase in expenditure in health sector would, however, improve the overall quality of life of the population of the State.*

**Deficits:** State Government's early gains in achieving deficit targets suffered a setback during the current year mainly due to low growth of revenue receipts compared to very high growth in revenue expenditure over the previous year. The targets set for revenue deficit under the FRBM Act/Rules and MTFPS have not been achieved. This could be attributed largely to the slump in the economy impacting the revenue receipts and the Sixth Pay Commission award which increased committed expenditure. The fiscal deficit increased

during the year and constituted 3.14 *per cent* of GSDP, which was within the limit (4 *per cent*) fixed by Government of India (GoI). The primary deficit also increased significantly during 2009-10. *The State has the reasonable prospect of achieving the targets set out in FRBM Act of 2005 provided efforts are made to increase tax compliance, collect revenue arrears and prune unproductive expenditure so that deficits are contained to the levels envisaged in the Act.*

## Capital Expenditure

**Priority to capital expenditure:** The ratio of capital expenditure as a proportion of Aggregate Expenditure in 2005-06 and 2009-10 was higher than the ratio of the General Category States (**Table 1.20**). However, the capital expenditure decreased over the previous year and was lower than that projected in the MTFPS. *Government may consider enhancing the priority to capital expenditure.*

## Financial Management

**Review of Government investments:** The average return on State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.13 to 0.28 *per cent* in the past three years while Government paid an average interest of 7.29 to 7.74 *per cent* on this investment (**Para 1.8.3**). Government should ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return. *Government should work out a revival strategy for those which can be made viable or consider closing them if they are not likely to be viable.*

## Debt Management

During 2009-10, the ratio of fiscal liabilities to GSDP was lower than the norm of 30 *per cent* recommended by the TFC. These liabilities stood at two times of the revenue receipts (**Para 1.9.2**). The emergence of positive sum of quantum spread and primary deficit since 2007-08 indicates the tendency towards the debt stabilisation. However, the positive resource gap during 2007-08 turned negative during the years 2008-09 and 2009-10, indicating the beginning of risk of non-sustainability of debt (**Para 1.10**). *A clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.*

**Prudent cash management:** The cost of holding surplus cash balances is reported high. In 2009-10, interest received on investment of cash balances was only 5 *per cent* while the Government borrowed on an average rate at 7.38 *per cent*. *Proper debt management through advanced planning and borrowing only what is required could minimise the need to hold large cash surpluses.*

**Oversight of funds transferred directly from the GoI to the State implementing agencies:** Funds flowing directly to the implementing agencies through off-budget routing inhibits FRBM requirements of transparency and



therefore bypasses accountability. There is no single agency monitoring its use and there is no readily available data on the amounts spent in any particular year on major flagship schemes. *A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General (A&E).*

**Financial management and budgetary control:** Slow pace of programme implementation in the State left an overall saving of ₹ 22,466 crore set off by excess of ₹ 2,389 crore; this requires regularisation under Article 205 of the Constitution of India. There were instances of inadequate provision of funds and unnecessary/ excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of the year leaving no scope for utilizing these funds for other development purposes. *Budgetary controls should be strictly observed to avoid such deficiencies in financial management. The departments should submit realistic budget estimates keeping in view the trends in expenditure and actual requirement of funds; the Controlling Officers should closely monitor the expenditure against the allocations to avoid excess expenditure over the grants.*

**Financial reporting:** State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delays in furnishing utilization certificates against the loans and grants from various grantee institutions, indicating lack of monitoring by the departments for the utilisation of grants and loans. Delays were also experienced in submission of annual accounts by some autonomous bodies and departmental undertakings. Government's investments in such organisations remain outside the scrutiny of Audit. *Departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes and the annual accounts in respect of the autonomous bodies to the Principal Accountant General.*

There were instances of large outstanding cases of losses and misappropriations which indicated lack of sincere efforts by the departments to make good the losses. *Departmental enquiries in such cases should be expedited to bring the defaulters to book.*

The Controlling Officers did not submit the Detailed Contingent bills in respect of large amount drawn on Abstract Contingent bills. A rigorous monitoring mechanism should be put in place in the departments to adjust these advances within the stipulated period, as required under the extant rules. 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 2009-10, affecting the transparency in financial reporting. *Amounts received or expended under various schemes should be depicted in the Accounts distinctly, instead of clubbing the same under the Minor head - 800.*

# 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. Maharashtra is the second largest State in India both in terms of population (around 10 crore) and geographical area (3.08 lakh sq.km.). Population of Maharashtra has been growing at a higher annual growth rate (13.87 *per cent*) as compared to other General Category States (13.42 *per cent*) for the past decade (**Appendix 1.1**). Maharashtra has a higher literacy rate (77 *per cent*) and higher life expectancy at birth (67 *per cent*) when compared to General Category States' average. However, the infant mortality rate (33 *per thousand*) of the State is above the General Category States' average. The Gross State Domestic Product (GSDP) of Maharashtra State has been growing at a compound annual growth rate (14.18 *per cent*) as compared to other General Category States (12.54 *per cent*<sup>1</sup>). Despite this, population below poverty line in Maharashtra (35.7 *per cent*) is much more than the average of General Category States (27.5 *per cent*). The State has 0.31 *per cent* of rural inequality when compared to General Category States' average (0.30 *per cent*).

## 1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of Maharashtra during 2009-10 and analyses the 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 is depicted in **Appendix 1.2 Part B**. In April 2005, Maharashtra Government responded to the Twelfth Finance Commission (TFC) recommendation by legislating its "Fiscal Responsibility and Budgetary Management (FRBM) Act". According to the Act, Government developed its Own Fiscal Correction Path (FCP). As prescribed in the Act, Government laid in State Legislature (June 2009) the Medium Term Fiscal Policy Statement (MTFPS) for 2009-10. A summary of FRBM Act, 2005 of the State and the 'Outcome Indicators of the State's own Fiscal Correction Path' are given in **Appendix 1.3** and **Appendix 1.4** respectively.

## 1.2 Summary of current year's fiscal transactions

**Table 1.1** presents the summary of the State Government's fiscal transactions during 2009-10 *vis-à-vis* the previous year while **Appendix 1.6** provides details of receipts and disbursements as well as overall fiscal position during the current year.

<sup>1</sup> General Category States' average is for 2000-01 to 2008-09; average of Maharashtra is for 2000-01 to 2009-10.

## Finances of the State Government

**Table 1.1 : Summary of current year's fiscal operations**

(₹ in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
Section-A: Revenue					Non Plan	Plan	Total
81270.68	Revenue receipts	86910.29	75693.92	Revenue expenditure	78179.04	16736.93	94915.97
52029.94	Tax revenue	59106.34	26584.71	General services	31857.42	213.54	32070.96
9789.94	Non-tax revenue	8352.61	31052.20	Social services	29604.93	11399.73	41004.66
8018.41	Share of Union Taxes/ Duties	8248.11	16813.24	Economic services	15343.75	5028.19	20371.94
11432.39	Grants from Government of India	11203.23	1243.77	Grants-in-aid and Contributions	1372.94	95.47	1468.41
Section-B: Capital							
18.01	Misc Capital Receipts	25.07	18873.21	Capital Outlay	2760.36	14668.30	17428.66
560.21	Recoveries of Loans and Advances	514.84	1280.59	Loans and Advances disbursed	—	—	1261.08
20709.02	Public debt receipts*	21564.42	3220.77	Repayment of Public Debt*	—	—	3825.39
400	Appropriation from Contingency fund	600	650	Appropriation to Contingency fund	—	—	350
708.94	Contingency Fund	351.93	401.93	Contingency Fund	—	—	603
37356.22	Public Account receipts	44071.51	30506.56	Public Account disbursements	—	—	31721.02
11230.32	Opening Cash Balance	21626.42	21626.42	Closing Cash Balance	—	—	25559.36
152253.40	Total	175664.48	152253.40	Total			175664.48

\* Excluding ways and means advances and overdraft (Receipt: nil and Disbursement : nil).

Following are the significant changes during 2009-10 over the previous year:

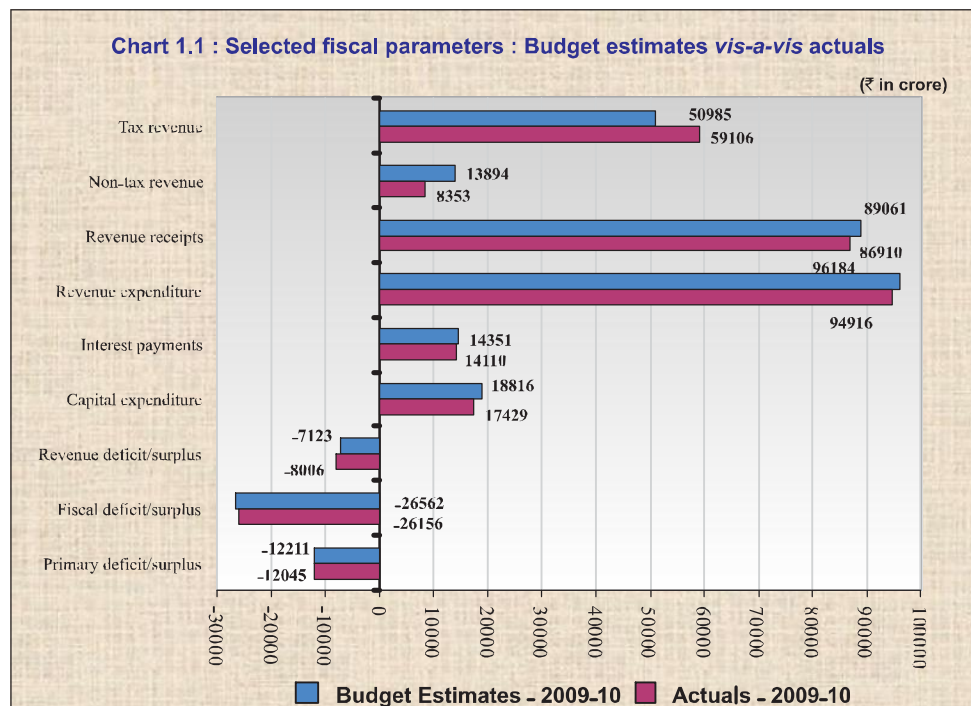
- **Revenue receipts grew by 6.9 per cent over the previous year.** The increase was the net effect of increase in tax revenue by 14 per cent and State's share of Union Taxes and Duties by 3 per cent set off by a decrease in non-tax revenue by 15 per cent and grants-in-aid from Government of India (Gol) by 2 per cent. **The revenue receipts at ₹ 86,910 crore were higher (by 9.6 per cent) than the amount assessed by the Government in its FCP. However, it was lower (by 2.4 per cent) than the MTFPS projection for the year 2009-10.**
- **The decrease in non-tax revenue by 15 per cent over 2008-09** was mainly under 'Miscellaneous General Services' due to less receipts of Guarantee fees (₹ 551.77 crore in 2009-10 compared to ₹ 3,539.02 crore in 2008-09). **The non-tax revenue significantly exceeded the FCP of the Government by 36 per cent as well as TFC projection by 48 per cent. These were, however, 40 per cent below the MTFPS projection.**
- **Revenue expenditure increased by 25 per cent over the previous year.** While 23 per cent of the increase was under plan heads the remaining 77 per cent was under non-plan heads. The major heads that registered increases include general education, interest payments, urban development, power, police, pension and other retirement benefits and welfare of scheduled castes, scheduled tribes and other backward classes. **The revenue expenditure (₹ 94,916 crore) exceeded the assessment made by the State Government in its FCP by 36.7 per cent, however, it fell short of the projection made in MTFPS by 1.3 per cent. The Non-plan revenue expenditure (NPRE) remained higher than the normative assessments made by TFC and the State Government's projections in its FCP (by 30 per cent) and MTFPS (by 5 per cent).**
- **Capital expenditure (₹ 17,429 crore) decreased by 7.65 per cent over the previous year.** **The Capital expenditure was lower than the assessment made by the State Government both in its FCP by 5.2 per cent and MTFPS by 12 per cent for the year 2009-10.** The decrease was mainly due to less contribution of Government's share capital

to the Irrigation Corporations, as discussed in para 1.6.1.

- **Recoveries and disbursements of Loans and Advances decreased** by eight *per cent* and two *per cent* respectively.
- **Public Debt receipts** increased by four *per cent* (₹ 855 crore) while Public Debt disbursement increased by 19 *per cent* (₹ 604 crore) **resulting in net increase of ₹ 251 crore in Public Debt receipts.**
- **Increase of 18 per cent (₹ 6,716 crore) in Public Account receipts** over the previous year was on account of increase of receipts under deposits and advances by 24 *per cent* (₹ 2,712 crore), remittances by 10 *per cent* (₹ 1,749 crore), small savings and provident fund by 49 *per cent* (₹ 1,089 crore), suspense and miscellaneous by 33 *per cent* (₹ 1,034 crore) and reserve funds by 5 *per cent* (₹ 131 crore).
- **Public Account disbursements increased** by four *per cent* (₹ 1,214 crore) mainly due to increase under reserve funds by 108 *per cent* (₹ 874 crore), deposit and advances by 4 *per cent* (₹ 451 crore), suspense and miscellaneous by 1067 *per cent* (₹ 160 crore) and small savings and provident funds by 7 *per cent* (₹ 102 crore) along with decrease under remittances by 2 *per cent* (₹ 373 crore).
- **Appropriation from contingency fund increased** by ₹ 200 crore from ₹ 400 crore in 2008-09 to ₹ 600 crore in 2009-10 while appropriation to contingency fund decreased by ₹ 300 crore from ₹ 650 crore in 2008-09 to ₹ 350 crore in 2009-10.
- **Cash balances** of the State at the close of the year 2009-10 (₹ 25,559 crore) **increased** by ₹ 3,933 crore (18 *per cent*) over the previous year. Of the above, ₹ 19,762 crore was invested in GoI Treasury Bills, as also discussed at para 1.8.6.

### 1.3 Budget estimates and actuals

During 2009-10, the actual revenue receipts were less than the budget estimates by 2.4 *per cent* while actual revenue expenditure was less than the estimates by 1.3 *per cent* resulting in increase in revenue deficit. The capital expenditure decreased by eight *per cent* and interest payments decreased by two *per cent* over the budget estimates. The budgeted and actual figures under revenue receipts and expenditure are given in **Chart 1.1** and **Appendix 1.8**.



As may be observed from **Chart 1.1** (also see **Appendix 1.8**) there was considerable variation between budget estimates and actuals in the case of several key parameters. **Due to the general economic slowdown, revenue receipts had a negative variation (₹ 2,151 crore: 2.42 per cent) over budget estimates and almost all categories of revenue receipts (with the exception of Taxes on Sales, Trade etc., Stamps and Registration Fees, Taxes on Goods and Passenger and Non-ferrous Mining and Metallurgical Industries) were lower than budget estimates.** Revenue expenditure also showed a negative variation of 1.32 per cent over budget estimates, mainly because of less expenditure in General Education, Social Welfare and Nutrition and Water Supply and Sanitation.

The decrease in revenue receipts was the net result of increase in tax revenue by 16 per cent set off by a decrease in non-tax revenue by 40 per cent, grants-in-aid from Gol by 28 per cent and share in Central taxes by 4 per cent.

The actual capital expenditure was less by ₹ 1,387 crore (7 per cent) compared to the original budget estimates during 2009-10. The shortfall was mainly under rural development (₹ 11,131 crore) set off by increase in irrigation (₹ 4,959 crore), transport (₹ 1,790 crore) and power (₹ 1,131 crore). This has also been discussed in **para 1.6.1**.

The actual revenue deficit was more than the budget estimates by 12 per cent (₹ 883 crore), mainly because of shortfall under non-tax revenue by 40 per cent over the budget estimates. Non-tax revenue decreased mainly under miscellaneous general services due to less receipt (by ₹ 2,988 crore) of guarantee fees over the previous year, as also discussed in **para 1.5.1**.

Actual fiscal deficit<sup>2</sup> was less than the assessment made in the budget estimates by 2 per cent (₹ 407 crore), mainly due to decrease in capital expenditure.

## 1.4 Resources of the State

### 1.4.1 Resources of the State as per annual Finance Accounts

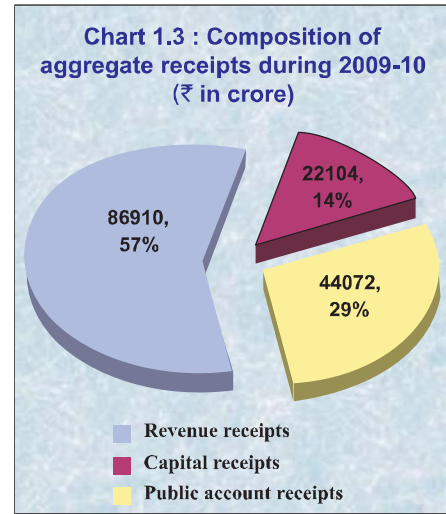
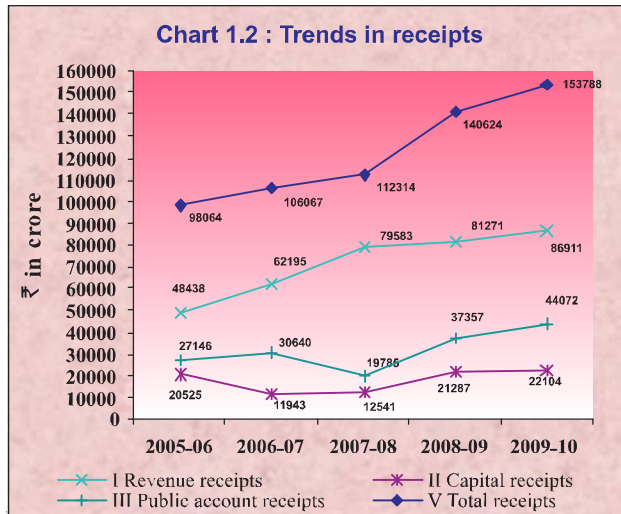
Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Gol. Capital receipts comprise miscellaneous capital receipts such 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 Gol as well as accruals from Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its annual Finance Accounts while **Chart 1.2** and **Table 1.2** depict the trends in various components of the aggregate receipts of the State during 2005-10. **Chart 1.3** depicts the composition of aggregate resources of the State during the current year.

The total receipts of the State increased by 56 per cent from ₹ 98,064 crore in 2005-06 to ₹ 1,53,438 crore in 2009-10. The share of revenue receipts in total receipts of the State increased from 49 per cent in 2005-06 to 57 per cent in 2009-10. While the share of capital receipts in total receipts decreased from 21 per cent in 2005-06 to 14 per cent in 2009-10, the share of public account receipts increased marginally from 28 per cent to 29 per cent during the same period.

The **table 1.2** shows that the growth of debt capital receipts reduced from 75.38 per cent in 2008-09 to 4.13 per cent in 2009-10 while non-debt capital receipts showed negative growth of (-) 21.15 per cent in 2008-09 and (-) 6.57 per cent in 2009-10.

<sup>2</sup> See glossary at page 99.





Note: IV Contingency Fund receipts were ₹ 251 crore (0.16 per cent of total receipts) during 2009-10.

**Table 1.2 : Trends in growth and composition of aggregate receipts**

(₹ in crore)

	Sources of State's Receipts	2005-06	2006-07	2007-08	2008-09	2009-10
I	Revenue Receipts	48,438	62,195	79,583	81,271	86,910
II	Capital Receipts (CR)	20,525	11,943	12,541	21,287	22,104
	Miscellaneous Capital Receipts	—	—	—	18	25
	Recovery of Loans and Advances	551	51	733	560	515
	Public Debt Receipts	19,974	11,892	11,808	20,709	21,564
	Growth rate of debt capital receipts	-9.98	-40.46	-0.71	75.38	4.13
	Growth rate of non-debt capital receipts	-73.00	-90.74	1337.25	-21.15	-6.57
	Growth rate of GSDP	16.28	17.79	16.03	17.22	20.10
	<b>Rate of growth of CR (per cent)</b>	<b>-15.29</b>	<b>-41.81</b>	<b>5.01</b>	<b>69.74</b>	<b>3.84</b>
III	Contingency Fund*	1,955	1,289	405	709	352
IV	Public Account Receipts	27,146	30,640	19,785	37,357	44,072
	a. Small Savings, Provident Fund etc	1,794	1,895	2,060	2,220	3,309
	b. Reserve Fund	5,504	5,988	-9,196	2,428	2,559
	c. Deposits and Advances	8,371	8,898	10,847	11,438	14,150
	d. Suspense and Miscellaneous	-905	436	325	3,132	4,166
	e. Remittances	12,382	13,423	15,749	18,139	19,888
V	Total Receipts	98,064	1,06,067	1,12,314	1,40,624	1,53,438

\* Under the Contingency Fund ₹ 3 crore was not recouped at the end of the year.

Source : Finance Accounts.

Public Account receipts increased by 62.35 per cent over the period 2005-10. As compared to 2008-09, the increase during 2009-10 was 17.97 per cent, which was mainly under deposits and advances, remittances, suspense and miscellaneous and small savings, provident fund etc.

#### 1.4.2 Transfer of funds to State implementing agencies outside the State budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies<sup>3</sup> for implementation of various schemes/programmes in social and

3 State Implementing Agencies include any Organization/Institution including Non-Governmental Organization which is authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State.

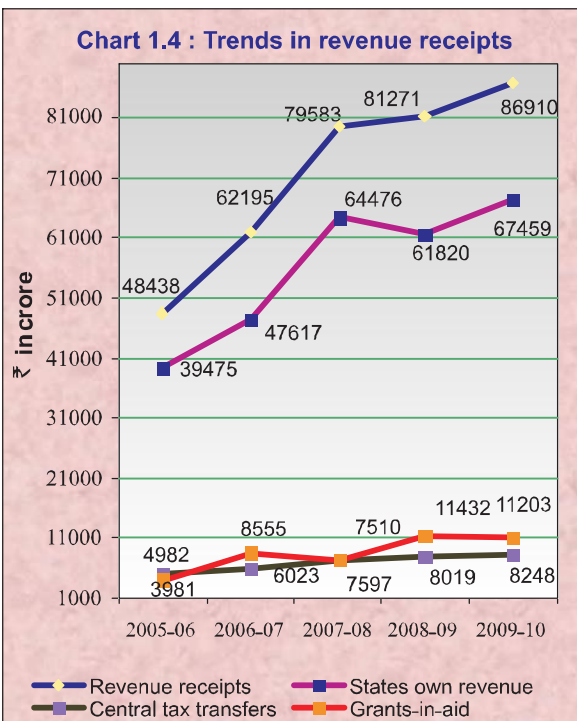


economic sectors for the human and social development of population. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underscored and underestimated. To present the holistic picture on availability of aggregate resources, funds directly transferred to State implementing agencies during 2009-10 are presented in **Appendix 1.9**.

The GoI directly transferred ₹ 4,369.52 crore to the State implementing agencies during 2009-10. The major recipients were National Rural Health Mission (₹ 659.31 crore i.e. 15 per cent), Accelerated Rural Water Supply Programme (₹ 656.16 crore i.e. 15 per cent), Maharashtra Prathamik Shikshan Parishad (₹ 564.32 crore i.e. 13 per cent) for Sarva Shiksha Abhiyan and District Rural Development Agencies (₹ 950.16 crore i.e. 22 per cent) for Indra Awas Yojana, Swarnajayanti Gram Swarajgar Yojana and National Rural Employment Guarantee Scheme. Since the funds are generally not being spent fully by the implementing agencies in the same financial year, there remain unspent balances in the bank accounts of these implementing agencies. The aggregate amount of the unspent balances in the accounts of the implementing agencies kept outside Government accounts (in bank accounts) is not readily ascertainable. The Government expenditure as reflected in the Accounts to that extent is, therefore, not final. **Transfer of funds directly from the Union to the State Implementing Agencies results in failure to monitor the expenditure incurred by them on various schemes as these funds are not reflected in the State budget. This also contradicts the FRBM requirement of transparency in fiscal operations and thus bypasses accountability.**

### 1.5 Revenue receipts

The revenue receipts consist of its own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2005-10 are depicted in **Charts 1.4 and 1.5** respectively and also presented in **Appendix 1.5**.



The revenue receipts have shown a progressive increase over the period 2005-10. As shown in **Chart 1.5**, there was a declining trend in the share of the own taxes during the period 2005-08 which increased during 2008-10. The share of grants-in-aid decreased in alternative years during 2005-10. The shares of non-tax revenue and Central tax transfers after showing a relative stability during 2005-09 decreased marginally in 2009-10. **The revenue receipts at ₹ 86,910 crore was higher (9.6 per cent) than the assessment made by the State Government in its Fiscal Correction Path (FCP) but lower (2.4 per cent) than Medium Term Fiscal Policy Statement (MTFPS) for the year 2009-10.**

The trends in revenue receipts relative to GSDP are presented below:

**Table 1.3 : Trends in Revenue Receipts relative to GSDP**

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Receipts(RR) (₹ in crore)	48,438	62,195	79,583	81,271	86,910
Rate of growth <sup>4</sup> of RR (per cent)	18.1	28.4	28	2.1	6.9
RR/GSDP (per cent)	11.2	12.2	13.5	11.7	10.4
<b>Buoyancy Ratio's<sup>5</sup></b>					
Revenue Buoyancy w.r.t. GSDP	1.112	1.596	1.747	0.122	0.343
State's own tax buoyancy w.r.t. GSDP	0.589	1.099	1.156	0.550	0.677
Gross State Domestic Product (₹ in crore)	432413	509356	590995*	692749*	831971*
Growth rate of GSDP	16.28	17.79	16.03	17.22	20.10

Source: \* Based on Economic Survey of Maharashtra (Preliminary estimates).

# Advance estimates furnished by Directorate of Economics & Statistics, Government of Maharashtra.

The increase in revenue receipts during 2009-10 (6.9 per cent) as compared to the previous year was due to the net effect of increase in tax revenue by 14 per cent (₹ 7,076 crore) and State's share of Union Taxes and Duties by 3 per cent (₹ 230 crore), set off by a decrease in non-tax revenue by 15 per cent (₹ 1,437 crore) and grants-in-aid from Gol by 2 per cent (₹ 229 crore).

State's own tax buoyancy with reference to GSDP gradually increased from 0.589 in 2005-06 to 1.156 in 2007-08. However, it decreased to 0.550 in 2008-09 and 0.677 in 2009-10, mainly because the non-tax revenue declined during 2008-09 and then slightly improved in 2009-10 while GSDP increased substantially during these years.

#### **Grants-in-aid from Government of India**

The grants-in-aid from Gol decreased marginally by 2 per cent from ₹ 11,432 crore in 2008-09 to ₹ 11,203 crore in 2009-10. The decrease was mainly under grants for Central Plan schemes (37 per cent) and State Plan schemes (19 per cent). The non-plan grants increased by 31 per cent while the grants for Centrally Sponsored Plan schemes increased by 13 per cent in 2009-10 (**Table 1.4**).

The decrease under plan grants for the State plan schemes was due to decrease in 'Block Grants' (₹ 1,479 crore) while the increase under non-plan grants was due to increase in grants for contribution towards Calamity Relief Fund (₹ 489 crore) and grants from National Calamity Contingency Fund (₹ 182 crore). Under Centrally sponsored schemes, the increase was mainly in social securities and welfare (₹ 535 crore), welfare of scheduled castes, scheduled tribes and other backward classes (₹ 144 crore) and family welfare (₹ 100 crore).

4 See glossary at page 99.

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 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by 1 per cent (also see glossary at page 99).

**Table 1.4 : Grants-in-aid from Government of India**

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Grants for State Plan Schemes	1,255	3,919	3,780	6,683	5,396
Non-Plan grants	1,582	3,489	2,106	2,832	3,707
Grants for Central Schemes	286	89	63	139	87
Grants for Central and Centrally Sponsored Schemes	858	1,058	1,561	1,778	2,013
<b>Total</b>	<b>3,981</b>	<b>8,555</b>	<b>7,510</b>	<b>11,432</b>	<b>11,203</b>
Percentage of increase/decrease over previous year	47.8	114.9	(-)12.2	52.22	(-)2.0

Source : Finance Accounts.

## Central tax transfers

Central tax transfers increased by 3 per cent from ₹ 8,018 crore in 2008-09 to ₹ 8,248 crore in 2009-10. The increase was mainly under corporation tax (₹ 766 crore).

## Debt waiver under Debt Consolidation and Relief facilities

The Twelfth Finance Commission has framed a scheme of debt relief of Central loans named Debt Consolidation and Relief Facilities based on fiscal performance of the State linked to the reduction of deficits of the States. Under the scheme, the repayments due on Central loans from 2005-06 to 2009-10, after consolidation and rescheduling of loans, will be eligible for write-off. The amount sanctioned by Gol as debt relief each year will be adjusted by showing repayment of Central loans and crediting the amount to the head of account '0075 Miscellaneous receipts'. The States will be eligible for the benefit subject to fulfillment of certain conditions, viz. legislating FRBM Act, gradual abolition of revenue deficit by 2008-09, bringing annual reduction targets for fiscal deficit, bringing out the Annual Fiscal Policy Statement etc. As assessed by the TFC, in the case of Maharashtra, the amount of repayment due for the period 2005-10 after consolidation and rescheduling was ₹ 1,953.22 crore. The ratio of total repayment to average revenue deficit (2001-02 to 2003-04) is 0.22 by which repayments will be written off for every rupee reduction in revenue deficit. Thus, the annual repayment due was ₹ 390.64 crore. During the period 2005-10, Gol sanctioned ₹ 1,379.22 crore as debt relief for Government of Maharashtra, as detailed below.

**Table 1.5 : Debt relief sanctioned by Government of India**

(₹ in crore)

Year	Debt relief due as per TFC recommendations	Debt relief sanctioned by the Central Government
2005-06	390.64	0.00
2006-07	390.64	231.74
2007-08	390.64	467.54 <sup>6</sup>
2008-09	390.64	339.97
2009-10	390.64	339.97
<b>Total</b>	<b>1953.20</b>	<b>1379.22</b>

The shortfall of ₹ 573.98 crore in receipt of the benefit of debt relief scheme and the non-tax revenue receipts to that extent was due to non-fulfillment of the conditionalities for receiving the debt relief, by the State Government.

## 1.5.1 State's Own Resources

The gross collection in respect of major taxes and duties as well as the components of non-tax receipts, the expenditure incurred on their collection and the percentage of such expenditure

<sup>6</sup> Debt relief of ₹ 108.23 crore and interest relief of ₹ 19.34 crore pertaining to 2006-07 were adjusted during 2007-08.

to the gross collection during the years from 2005-06 to 2009-10 are presented in **Appendix 1.5**. The actual revenue receipts during 2009-10 *vis-à-vis* assessments made by TFC and State Government are given in **Table 1.6**.

**Table 1.6 : Revenue receipts relative to TFC and State's projections**

(₹ in crore)

	Assessments made by TFC	Projections in FCP	Projections in MTFPS	Actuals
Tax revenue	58150	57041	59554	59106
Non-tax revenue	5649	6155	13894	8353
GSDP	–	668204	797840	831971

### **Tax revenue**

The tax revenues exceeded the projections made in FCP by 3.62 *per cent*; these were almost equal to the projections made in MTFPS. The sector-wise components of tax revenue during the period 2005-10 are shown in **Table 1.7**.

**Table 1.7 : Sector-wise components of tax revenue**

(₹ in crore)

Tax Revenue	2005-06	2006-07	2007-08	2008-09	2009-10		
					Budget Estimates	Actuals	Percentage w.r.t. budget estimates
Taxes on Sales, Trade, etc.	19,677	24,131	26,753	30,681	27,006	32,676	21.00
State Excise	2,824	3,301	3,963	4,434	4,800	5,057	5.35
Taxes on Vehicles	1,309	1,841	2,143	2,220	2,600	2,682	3.15
Stamps and Registration fees	5,266	6,416	8,550	8,288	9,600	10,774	12.23
Taxes and duties on electricity	1,661	1,577	2,688	2,395	3,000	3,289	9.63
Land Revenue	429	484	512	546	770	714	(-)7.27
Taxes on Goods and Passengers	505	224	388	892	665	977	46.92
Other taxes	1,869	2,125	2,531	2,574	2,544	2,937	15.45
<b>Total</b>	<b>33,540</b>	<b>40,099</b>	<b>47,528</b>	<b>52,030</b>	<b>50,985</b>	<b>59,106</b>	<b>15.93</b>

Source : Finance Accounts, Budget Estimates : Financial Statement (Budget) Government of Maharashtra.

The tax revenue of the State during 2009-10 exceeded the budget estimates by ₹ 8,121 crore. It increased by ₹ 7,076 crore (14 *per cent*) over the actuals for 2008-09. The increase over previous year was mainly under (a) taxes on vehicles by 21 *per cent* (₹ 462 crore) due to more tax collection under State Motor Vehicles Taxation Act, (b) Stamps and Registration fees by 30 *per cent* (₹ 2,486 crore) due to growth in stamp duty and registration fees collection, (c) State excise by 14 *per cent* (₹ 623 crore) due to receipt of more excise duty on commercial and denatured spirits and medicated wines, distillery spirit, beer manufactured in India, medicinal and toilet preparation containing alcohol, opium etc. and licence fees for sale of foreign liquor and (d) taxes on Sales, Trades, etc. by 6 *per cent* (₹ 1,995 crore) due to more tax collection under Value Added Tax and Sales Tax.

**The tax revenue as a percentage of GSDP (7.10 per cent) was also more than the normative assessment of TFC (6.99 per cent) as well as the projections made by the State Government in FCP (6.86 per cent) and MTFPS (7.46 per cent).**

## Non-tax revenue

The non-tax revenue of the State decreased by 15 per cent (₹ 1,437 crore) from ₹ 9,790 crore in 2008-09 to ₹ 8,353 crore in 2009-10, mainly due to sharp decrease in receipts on account of Guarantee Fees (₹ 2,987 crore)<sup>7</sup> under the Major Head 'Miscellaneous General Services' and less receipt of rents from lands under Urban Development (₹ 265 crore).

**Table 1.6** shows that the actual realisation of tax revenue during 2009-10 was higher than the normative assessment of TFC as well as the projection made by the State Government in FCP; but it was less than the MTFPS projection. **The non-tax revenue of the Government significantly exceeded both the FCP (36 per cent) of the Government as well as the TFC projection (48 per cent).** These were, however, 40 per cent below the MTFPS projection. The components under which the non-tax revenue increased were Unclaimed Deposits (₹ 48 crore), State Lotteries (₹ 53 crore) and Debt Relief from Gol under Debt Consolidation and Relief Facilities (₹ 339.97 crore) booked under miscellaneous general services (also see **para 1.5** at page 8).

## 1.5.2 Cost of collection

The gross collection in respect of three major heads of revenue receipts, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years 2007-08, 2008-09 and 2009-10 along with the relevant all India average percentage of expenditure on gross collection for the year 2008-09 are given in the following table:

**Table 1.8 : The expenditure incurred on collection of taxes**

(₹ in crore)						
Sl. No.	Head of revenue	Year	Gross collection <sup>8</sup>	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year 2008-09
1.	Sales Tax/ VAT	2007-08	26,752.80	155.53	0.58	0.83
		2008-09	30,680.53	216.38	0.71	0.88
		2009-10	32,676.02	283.65	0.87	
2.	State Excise	2007-08	3,963.05	39.45	1.00	3.27
		2008-09	4,433.76	39.25	0.89	3.66
		2009-10	5,056.63	62.68	1.24	
3.	Taxes on Vehicles	2007-08	2,143.11	46.52	2.17	2.58
		2008-09	2,220.22	57.93	2.61	2.93
		2009-10	2,682.29	76.96	2.86	

As compared to the previous year, percentage of expenditure on collection of taxes increased gradually in all heads of revenue for the period 2007-08 to 2009-10 (except in 2008-09 for State Excise). **It would be seen that the cost of collection of revenue in the State is less than the All India average in all the three important heads of revenue.** However, it would be prudent to improve the tax administration in order to increase the revenue and thereby reduce the percentage of expenditure on collection of taxes.

## 1.5.3 Revenue arrears

The arrears of revenue as on 31 March 2010 in respect of some principal heads of revenue as furnished by the department amounted to ₹ 38,361.87 crore, of which ₹ 30,995.32 crore had been outstanding for more than five years, as mentioned in **Table 1.9**.

<sup>7</sup> 2008-09 : ₹ 3,539 crore; 2009-10 : ₹ 552 crore (also discussed in Para 1.9.3).

<sup>8</sup> Figures as per the Finance Accounts.



Table 1.9 : Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2010	Amount outstanding for more than five years as on 31 March 2010	Remarks
1.	Sales Tax, etc.	38,357.32	30,991.47	Stay orders were granted by the appellate authorities for ₹ 18,097.80 crore; recovery proceedings for ₹ 10,413.42 crore were not initiated as the time limit was not over and the remaining amount was in different stages of recovery.
2.	State Excise	4.55	3.85	Recoveries amounting to ₹ 1.93 crore were pending in the courts. Out of the balance amount of ₹ 2.62 crore, recovery of ₹ 2.18 crore was in progress as arrears of land revenue and ₹ 0.44 crore was in the normal process of recovery.
	<b>Total</b>	<b>38,361.87</b>	<b>30,995.32</b>	

## 1.6 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising the 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 sectors.

### 1.6.1 Growth and composition of expenditure

The total expenditure and its compositions during the years 2005-06 to 2009-10 are presented in the Table 1.10.

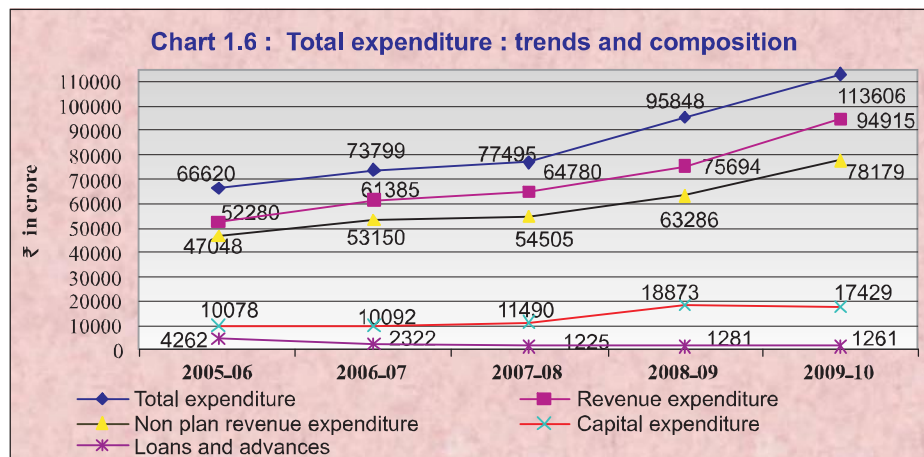
Table 1.10 : Total expenditure and its composition

(₹ in crore)

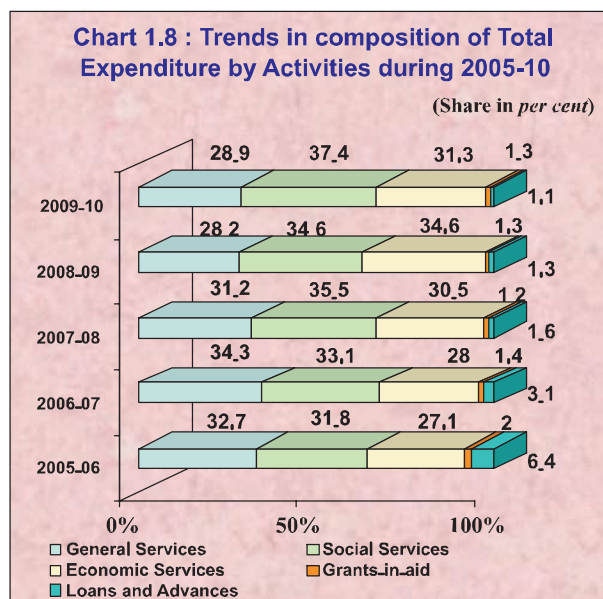
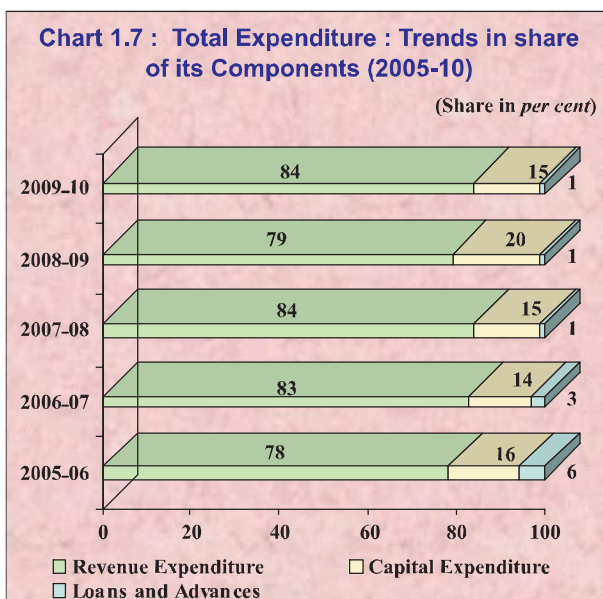
	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Total Expenditure</b>	<b>66,620</b>	<b>73,799</b>	<b>77,495</b>	<b>95,848</b>	<b>1,13,606</b>
Revenue Expenditure	52,280	61,385	64,780	75,694	94,916
Of which, Non-plan Revenue Expenditure	47,048	53,150	54,505	63,286	78,179
Capital Expenditure	10,078	10,092	11,490	18,873	17,429
Loans and Advances	4,262	2,322	1,225	1,281	1,261

Source : Finance Accounts.

Chart 1.6 presents the trends in total expenditure over a period of the last five years (2005-10) and its composition both in terms of 'economic classification' and 'expenditure by activities' depicted in Charts 1.7 and 1.8 respectively.







## Total expenditure

The total expenditure of the State increased at an average growth rate of 14 per cent from ₹ 66,620 crore in 2005-06 to ₹ 1,13,606 crore in 2009-10. The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.11**.

**Table 1.11 : Total expenditure – basic parameters**

	2005-06	2006-07	2007-08	2008-09	2009-10
Total expenditure (TE) (₹ in crore)	66,620	73,799	77,495	95,848	1,13,606
Rate of growth (per cent)	8.0	10.8	5	23.7	18.53
TE/GSDP ratio (per cent)	15.4	14.5	13.1	13.8	13.7
RR /TE ratio (per cent)	72.7	84.3	102.7	84.8	76.5
Buoyancy of Total Expenditure with reference to :					
GSDP (ratio)	0.491	0.607	0.312	1.376	0.92
RR (ratio)	0.442	0.380	0.179	11.286	2.681

The increase of ₹ 17,758 crore (18.5 per cent) in total expenditure in 2009-10 was mainly on account of an increase of ₹ 19,222 crore in revenue expenditure set off by decrease of ₹ 1,444 crore in capital expenditure and ₹ 20 crore in disbursement of loans and advances.

## Revenue expenditure

Revenue expenditure constituted 84 per cent of the total expenditure. The increase in revenue expenditure was mainly on (a) General education (₹ 5,496 crore), (b) Interest Payments (₹ 1,811 crore), (c) Urban Development (₹ 1,797 crore), (d) Power (₹ 1,334 crore), (e) Police (₹ 1,127 crore), (f) Pension and other retirement benefits (₹ 980 crore), (g) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 945 crore), (h) Housing (₹ 632 crore), (i) Medical and Public Health (₹ 526 crore) and (j) Crop Husbandry (₹ 513 crore).

## Capital expenditure

The decrease of ₹ 1,444 crore (7.65 per cent) in capital expenditure during 2009-10 was mainly on account of decrease in Government's share capital contribution (₹ 2,555 crore) to Maharashtra Krishna Valley Development Corporation and Vidarbha Irrigation Development Corporation set off by increase in Energy (₹ 809 crore), Agriculture and allied activities (₹ 202 crore) and Police (₹ 208 crore). The decrease in disbursement of loans and advances during 2009-10 was mainly in power projects (₹ 21 crore).

There was a consistent fall in buoyancy ratio of total expenditure with reference to revenue receipts during the period 2004-08. The ratio which rose to 11.286 during 2008-09 indicating increase in expenditure at a pace greater than the receipt, however, declined to 2.681 during 2009-10. This was due to decrease in rate of growth of total expenditure as compared to previous year whereas the rate of growth of revenue receipts increased as compared to previous year.

The buoyancy of total expenditure with reference to GSDP was less than one during 2005-06 to 2007-08, due to the combined effect of decrease in rate of growth in expenditure along with sharp rise in GSDP during these years. This indicated a relative fall in the State's propensity to spend with the increase in GSDP. However, this ratio rose to 1.376 during 2008-09 but once again declined to less than one during 2009-10 due to decrease in rate of growth of total expenditure as compared to the rate of growth of GSDP.

Of the total expenditure during 2009-10, non-plan expenditure contributed 72 *per cent* while the plan expenditure was 28 *per cent*. Of the increase of ₹ 17,758 crore in total expenditure, non-plan expenditure contributed 65 *per cent*, while plan expenditure shared 35 *per cent*.

#### ***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 services and economic services, grants-in-aid and loans and advances. Relative shares of these components in the total expenditure are indicated in **Table 1.12**.

**Table 1.12 : Components of expenditure – relative shares**

	(in per cent)				
	2005-06	2006-07	2007-08	2008-09	2009-10
General Services	32.7	34.4	31.2	28.2	28.9
of which, Interest Payments	14.0	15.8	15.7	12.8	12.4
Social Services	31.8	33.1	35.5	34.6	37.4
Economic Services	27.1	28.0	30.5	34.6	31.3
Grants-in-aid	2.0	1.4	1.2	1.3	1.1
Loans and Advances	6.4	3.1	1.6	1.3	1.3

The movement of the relative shares of the above components of expenditure indicated that the shares of general services and social services in the total expenditure increased during 2009-10 over the previous year. These increases were set off by decrease in the respective shares of economic services and grants-in-aid, while loans and advances remained the same.

The shares of general services in total expenditure increased mainly on account of increase in Interest Payments (₹ 1,181 crore), Police (₹ 1,127 crore), Pension and other retirement benefits (₹ 979 crore), District Administration (₹ 352 crore) and Election (₹ 339 crore) whereas the share of social services increased mainly due to General Education (₹ 5,496 crore), Urban Development (₹ 1,797 crore), Welfare of Schedule Castes, Schedule Tribes and other backward classes (₹ 945 crore), Housing (₹ 632 crore) and Medical and Public Health (₹ 526 crore).

The decrease in the share of economic services was mainly on account of Co-operation (₹ 641 crore) and capital expenditure on Irrigation and Flood Control (₹ 3,250 crore).

Though the shares of economic services and grants-in-aid in total expenditure decreased there was increase in expenditure on economic services mainly on account of increase in expenditure on Energy (₹ 1,330 crore), Transport (₹ 536 crore), Rural Development (₹ 513 crore) and Irrigation and Flood Control (₹ 401 crore). The increase in grants-in-aid was on account of aid, material and equipment (₹ 279 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. Revenue expenditure had the predominant share of around 83.5 *per cent* in

## Finances of the State Government

the total expenditure during 2009-10. The overall revenue expenditure, its rate of growth, the ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in Table 1.13.

**Table 1.13: Revenue expenditure – basic parameters**

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Expenditure (RE), of which	52,280	61,385	64,780	75,694	94,916
Non-Plan Revenue Expenditure (NPRE)	47,048	53,150	54,505	63,286	78,179
Plan Revenue Expenditure (PRE)	5,232	8,235	10,275	12,408	16,737
Rate of Growth of					
RE (per cent)	2.4	17.4	5.5	16.8	25.4
NPRE (per cent)	1.4	13.0	2.5	16.1	23.5
PRE (per cent)	12.4	57.4	24.8	20.8	34.9
Revenue Expenditure as percentage to TE	78.5	83.2	83.6	79.0	83.5
NPRE/GSDP (per cent)	10.9	10.4	9.2	9.1	11.3
NPRE as percentage of TE	70.6	72.0	70.3	66.0	68.8
NPRE as percentage of RR	97.1	85.5	68.5	77.9	90
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.147	0.978	0.343	0.976	1.264
Revenue Receipts (ratio)	0.132	0.613	0.196	8	3.681

Source : Finance Accounts.

The revenue expenditure increased by ₹ 19,222 crore (25.4 per cent) over the previous year. **The revenue expenditure exceeded (36.7 per cent) the assessment made by the State Government in its FCP, however, it decreased (1.3 per cent) with respect to MTFPS for the year 2009-10.**

### Plan Revenue Expenditure

The PRE increased by ₹ 4,329 crore (35 per cent) during the year mainly due to increase in expenditure under rural development (₹ 670 crore), welfare of scheduled castes, scheduled tribes and other backward classes (₹ 626 crore), social welfare and nutrition (₹ 381 crore) and education, sports, arts and culture (₹ 144 crore). The buoyancy of revenue expenditure with reference to both GSDP and revenue receipts fluctuated widely. This might be on account of the fact that NPRE largely forms committed expenditure of the Government and constitutes the dominant share in the revenue expenditure and is not affected greatly either by GSDP or revenue receipts.

### Non Plan Revenue Expenditure

The NPRE constituted a dominant share of 82 per cent in the revenue expenditure and has increased by ₹ 14,893 crore (24 per cent) over the previous year. The variations in NPRE under the major heads indicate increase in expenditure under general services (₹ 5,656 crore), education, sports, arts and culture (₹ 5,617 crore), water supply, sanitation, housing and urban development (₹ 481 crore) and energy (₹ 1,662 crore).

Table 1.14 provides the comparative position of NPRE with reference to assessments made by TFC and the projections of the State Government.

**Table 1.14: NPRE vis-à-vis assessment made by TFC and FCP**

(₹ in crore)

Year	Assessments made by TFC	Projections in FCP	Projections in MTFPS	Actuals
2008-09	47429	56782	64296	63286
2009-10	51537	60189	74434	78179

The NPRE during 2008-09 and 2009-10 remained significantly higher than the normative assessments made by TFC and MTFPS, while it reflected only marginal variations with reference to State Government's projections (MTFPS) during both the years.

### 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, pensions and subsidies. The committed expenditure constituted 68 per cent of total revenue expenditure during 2009-10. Table 1.15 and Chart 1.9 present the trends in the expenditure on these components during 2005-10.

Table 1.15: Components of committed expenditure

(₹ in crore)

Components of Committed expenditure	2005-06#	2006-07#	2007-08#	2008-09*	2009-10 BE*	2009-10 Actuals*
Salaries & Wages, Of which	7956(16)	8136(13)	8851(11)	24875(31)	34346	36263(42) \$
Non-Plan Head	6837(14)	7155(12)	8015(10)	23627(29)	NA	35721(41)
Plan Head**	1119(02)	981(02)	836(01)	1248(02)	NA	542(01)
Interest Payments	9347(19)	11656(19)	12204(15)	12299(15)	14351	14110(16)
Pensions	3328(07)	3542(07)	4191(05)	5153(06)	5406	6133(07)
Subsidies	2885(06)	3777(06)	4935(06)	4308(05)	NA	8041(09)
<b>Total Committed expenditure</b>	<b>23516(49)</b>	<b>27111(44)</b>	<b>30181(38)</b>	<b>46635(57)</b>	<b>54103</b>	<b>64547(74)</b>
Other Components	28764(59)	34274(55)	34599(43)	29059(36)	34958	30369(35)
<b>Total Revenue Expenditure</b>	<b>52280</b>	<b>61385</b>	<b>64780</b>	<b>75694</b>	<b>96184</b>	<b>94916</b>
<b>Revenue Receipts</b>	<b>48438</b>	<b>62195</b>	<b>79583</b>	<b>81271</b>	<b>89061</b>	<b>86910</b>

Figures in the parentheses indicate percentage to Revenue Receipts

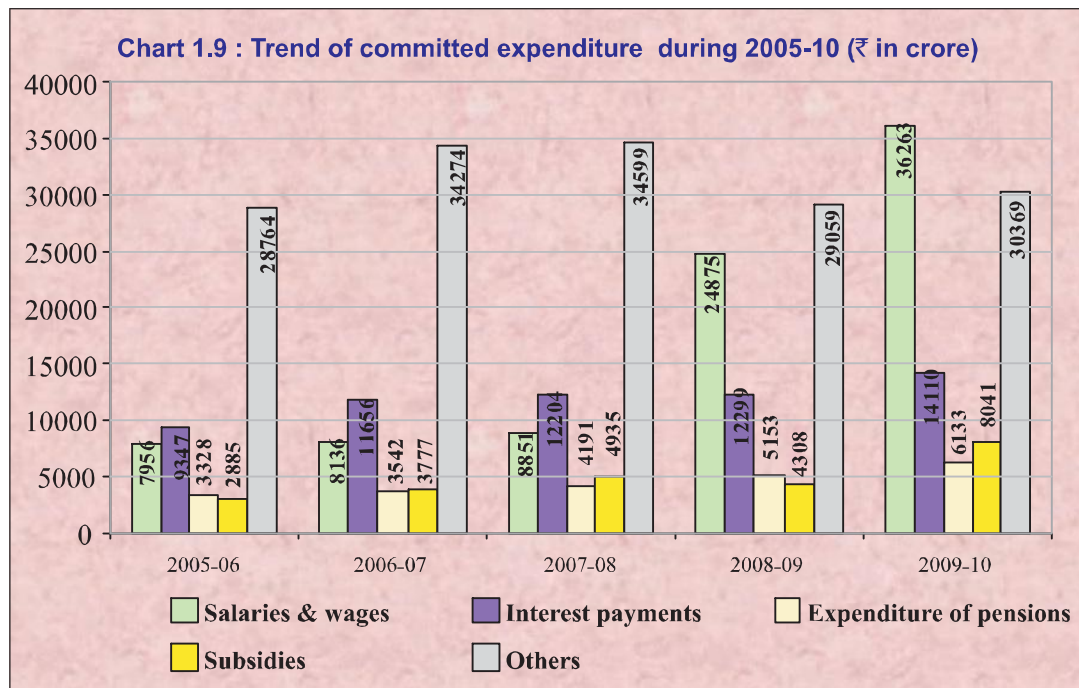
\* includes the salaries paid out of grants-in-aid.

# does not include salaries paid out of grants-in-aid as information is not available for the period 2005-08.

\$ Salaries : ₹ 35,721 crore (Finance Accounts) + Wages : ₹ 542 crore (VLC data of PAG(A&E))

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

Source : Finance Accounts.



**Note:** Expenditure on Salaries and Wages included grants-in-aid component during 2008-09 (₹ 14,405 crore) and 2009-10 (₹ 22,666 crore).

### Salaries and Wages

The average annual growth in salaries excluding the grant-in-aid component during 2005-09 was 10.53 per cent.

The expenditure on salaries and wages (including grant-in-aid component) increased by ₹ 11,388 crore (46 per cent) from ₹ 24,875 crore in 2008-09 to ₹ 36,263 crore in 2009-10 mainly on account of payment of Sixth Pay Commission arrears. **The ratio of non-plan salary expenditure (inclusive of grants-in-aid component) to revenue expenditure net of interest payments and pensions was 48 per cent during 2009-10 which was much higher than the TFC norms of 35 per cent.**

### Pension payments

The expenditure on pension payments had increased at an average annual growth of 21 per cent from ₹ 3,328 crore in 2005-06 to ₹ 6,133 crore in 2009-10.

The increase in pension payments of ₹ 980 crore (19 per cent) during 2009-10 over the previous year was mainly due to more expenditure on Superannuation and Retirement allowances, commutations of pension, family pension and contribution for defined contribution pension scheme.

The **Table 1.16** below shows actual pension payments with reference to assessment made by TFC and projections of the State Government.

**Table 1.16: Pension payments vis-à-vis TFC assessment and State's projections**

(₹ in crore)

Year	Projections in MTFPS	Assessments made by TFC	Projections in FCP	Actuals
2008-09	6,223	3,998	5,363	5,153
2009-10	6,831	43,98	5,792	6,133

**The pension payments during 2008-09 and 2009-10 were higher than the normative assessments made by TFC while they were lower than the projections of the State Government under MTFPS but higher than the projections in FCP during 2009-10.** The large gap of pension payments with reference to projections of the State Government further emphasised the need of working out the pension liabilities on actuarial basis. In order to limit future pension liabilities, the Government had, however, introduced contributory pension scheme for employees recruited after 1 November 2005.

The expenditure on "Pension and Other Retirement Benefits to State Government Employees" during the year was ₹ 6132.51 crore. However, the State Government employees recruited with effect from 1 November 2005 are eligible for New Pension Scheme. An amount of ₹ 278.44 crore towards employee's contribution and employer's share has been deposited under the head '8342-Other Deposits-117' Defined Contribution Pension Scheme for Government Employees during the year. The State Government liability on this account as on 31 March 2010 was ₹ 362.22 crore. Out of these deposits no investments were made by the State Government till 31 March 2010.

### Interest payments

Interest payments increased by 51 per cent from ₹ 9,347 crore in 2005-06 to ₹ 14,110 crore in 2009-10, primarily due to increase in debt liabilities. However, relative to revenue receipts, interest payments reveal a declining trend. It declined from 19 per cent in 2005-06 to 15 per cent in 2008-09, however, marginally increased to 16 per cent in 2009-10.

The interest payments with reference to assessment made by TFC and the projections in FCP of the State Government (**Table 1.17**) indicate that **the interest payments during 2008-09 and**



**2009-10 exceeded the assessments made by TFC.** Further, during 2008-09 and 2009-10, it was lower than the projection made by State Government in FCP. However, as compared to MTFPS, it reflected marginal variations in both the years. During the current year, actual interest payment exceeded the TFC's assessment by 14 per cent.

**Table 1.17: Interest payments vis-à-vis TFC assessment and State's projections**

(₹ in crore)

Year	Projections in MTFPS	Assessments made by TFC	Projections in FCP	Actuals
2008-09	12,388	11,521	13,380	12,299
2009-10	14,860	12,385	14,473	14,110

**The actual interest payment as a percentage of revenue receipts (16.23 per cent) was lower than the normative assessment of TFC (19.4 per cent), projections made by the State Government in FCP (22.90 per cent) and MTFPS (16.69 per cent).**

During 2009-10, the State Government raised open market loans of ₹ 15,500 crore at an average interest rate of 8.26 per cent. Government also borrowed ₹ 5,312 crore from the National Small Savings Fund and other institutions and ₹ 752 crore from Government of India during the year.

The increase in interest payments was ₹ 1,811 crore over the previous year and was mainly due to more interest on market loan (₹ 1,604 crore) and interest on State provident fund (₹ 187 crore).

### Subsidies

**Table 1.18** indicates that expenditure under subsidies increased by 87 per cent from ₹ 4,308 crore in 2008-09 to ₹ 8,041 crore in 2009-10. The subsidies as a percentage of revenue receipts increased from 6 per cent in 2005-06 to 9 per cent in 2009-10. During the current year, subsidies constituted about 8.5 per cent of the revenue expenditure; the major areas which received subsidy include power (42 per cent), agriculture (14 per cent), food (11 per cent), medium and large industries under graded Package Scheme of Incentives (9 per cent) and gharkul yojana for schedule castes and nav boudh people (6 per cent) etc.

The subsidies projected by the Government in the FCP and the actual expenditure during 2009-10 were as under:

**Table 1.18: Subsidies vis-à-vis FCP**

(₹ in crore)

	2008-09		2009-10	
	Projections	Actuals	Projections	Actuals
Power	1,611	2063	1,611	3,354
General/Others	740	2245	740	4,687
<b>Total</b>	<b>2,351</b>	<b>4308</b>	<b>2,351</b>	<b>8,041</b>

As per recommendation of the TFC, food subsidy for Maharashtra was fixed at ₹ 96.75 crore each year during the period 2005-10. State Government provided food subsidy of ₹ 218 crore in the State budget 2009-10 and actual expenditure was ₹ 908.25 crore (against ₹ 391.37 crore in 2008-09). Similarly, for the schemes 'Subsidy to Distribution/ Transmission licencees for reduction in Agriculture and Power loom Tariff' and 'Subsidy to medium and large industries under graded Package Scheme of Incentives' Government provided ₹ 2,082 crore and ₹ 400 crore respectively in the State Budget 2009-10. Actual expenditure incurred was, however, ₹ 3,354 crore (2008-09 : ₹ 2,063 crore) and ₹ 750 crore (2008-09 : ₹ 467 crore) respectively.

The subsidies to power and General (other) subsidies with reference to the projections in FCP of the State Government as shown in **table 1.18** above indicate that expenditure on subsidies



increased significantly during 2009-10 and the subsidy payments exceeded the projection made by State Government in FCP in 2008-09 and 2009-10.

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

The quantum of assistance provided by way of grants and loans to local bodies and others during 2009-10 relative to the previous years is presented below:

**Table 1.19: Financial assistance to local bodies etc.**

(₹ in crore)

Institutions	2005-06	2006-07	2007-08	2008-09	2009-10
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	2,200.13	5,234.33	6,859.58	8,214.83	11,638.18
Municipal Corporations and Municipalities	1,031.02	2,652.27	1,351.25	1,651.47	1,708.89
Zilla Parishads and Other Panchayati Raj Institutions	7,472.84	7,321.27	8,007.34	10,501.98	11,726.62
Development Agencies	2,463.92	761.65	1,148.03	1,914.93	299.45 <sup>9</sup>
Hospital and Other Charitable Institutions	131.07	64.15	80.57	674.43	1,065.48
Other Institutions	14,088.71	10,818.55	10,842.90	12,711.32 <sup>10</sup>	18,150.70 <sup>11</sup>
<b>Total</b>	<b>27,387.69</b>	<b>26,852.22</b>	<b>28,289.67</b>	<b>35,668.96</b>	<b>44,589.32</b>
Assistance as per percentage of RE	52	44	44	47	47

Source : Finance Accounts and vouchers compiled by PAG (A&E)

It would be seen that the financial assistance to local bodies and other institutions by the Government has increased from ₹ 27,388 crore in 2005-06 to ₹ 44,589 crore in 2009-10. During 2009-10, more financial assistance was given to (a) educational institutions (₹ 3,423 crore) due to more expenditure on grant-in-aid to secondary schools; (b) municipal corporations and councils (₹ 58 crore) mainly for aesthetic improvements in Greater Mumbai; (c) zilla parishads and other panchayati raj institutions (₹ 1,225 crore) due to expenditure on account of establishment grants to zilla parishads; and (d) hospitals and other charitable institutions (₹ 391 crore) due to increased grants given to primary health centres and (e) others (₹ 5,440 crore).

**Huge pendency in furnishing of utilisation certificates indicated lack of monitoring on utilisation of the funds released to the local bodies etc.**

## 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 the expenditure (*i.e.* adequate provisions for providing public services); efficiency of expenditure use and the effectiveness (assessment of outlay-outcome relationships for select services).

9 Huge variation due to misclassification in the previous year.

10 Includes Agriculture and Allied Activities : ₹ 3,758.75 crore, Education, Sports, Art & Culture ₹ 2,082.34 crore, Energy : ₹ 1,006.39 crore, General Services : ₹ 558.87 crore, Industries & Minerals : ₹ 112.23 crore, Rural Development : ₹ 791.10 crore, Transport : ₹ 287.73 crore, Water Supply, Sanitation, Housing and Urban Development : ₹ 997.12 crore and Welfare of SCs, STs and OBCs : ₹ 1,131.83 crore.

11 Includes Agriculture and Allied Activities : ₹ 2,320.47 crore, Education, Sports, Art & Culture ₹ 2,028.41 crore, General Services : ₹ 804.98 crore, Rural Development : ₹ 1,809.43 crore, Social Welfare and Nutrition : ₹ 1,151.00 crore, Water Supply, Sanitation, Housing and Urban Development : ₹ 5,121.62 crore and Welfare of SCs, STs and OBCs : ₹ 1,488.85 crore.

### 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. **Table 1.20** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2005-06 and 2009-10.

**Table 1.20: Fiscal Priority of the State in 2005-06 and 2009-10**

Fiscal Priority by the State	AE / GSDP	DE <sup>#</sup> / AE	SSE / AE	CE / AE	Education, Sports, Art and Culture / AE	Health and Family Welfare / AE
General Category State's Average (Ratio) 2005-06	17.75	61.76	30.76	13.97	14.95	4.05
Maharashtra's Average (Ratio) 2005-06	15.18	65.30	32.14	15.13	16.17	3.32
General Category State's Average (Ratio) 2009-10	18.24	66.05	35.76	14.85	16.21	4.28
Maharashtra's Average (Ratio) 2009-10	13.66	69.85	37.80	15.34	19.70	3.44

AE : Aggregate Expenditure; DE: Development Expenditure.

SSE : Social Sector Expenditure CE: Capital Expenditure.

# Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Loans and Advances disbursed.

As shown in **Table 1.20**, the comparison of fiscal priority given to different categories of expenditure of the State in 2005-06 (the first year of award period of TFC) and current year 2009-10 (terminal year of the TFC award period) is given below:

- The ratios of AE to GSDP in 2005-06 and 2009-10 (15.18 *per cent* and 13.66 *per cent*) were lower in the State as compared to general category States (17.75 *per cent* and 18.24 *per cent*). This means that other general category States are spending more as a proportion of their GSDP when compared to Maharashtra.
- Government has given adequate fiscal priority to DE and SSE respectively in 2005-06 and 2009-10, as their ratios to AE were higher than the average ratio of general category States.
- The ratio of CE to AE (15.13 *per cent*) in 2005-06 and (15.34 *per cent*) in 2009-10 was higher than the ratio of General Category States (13.97 *per cent*) and (14.85 *per cent*) respectively.
- The ratios of expenditure on Education, Sports, Art and Culture to AE in 2005-06 and 2009-10 were higher than the ratios of general category States.
- The ratio of expenditure on Health and Family Welfare to AE in 2005-06 and 2009-10 were lower than the ratios of General Category States.

***Since Maharashtra State has a higher population below poverty line as compared to the General Category States, it would be prudent to utilise the funds in such manner which would reduce the population below the poverty line.***

### 1.7.2 Efficiency of expenditure use

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 Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit

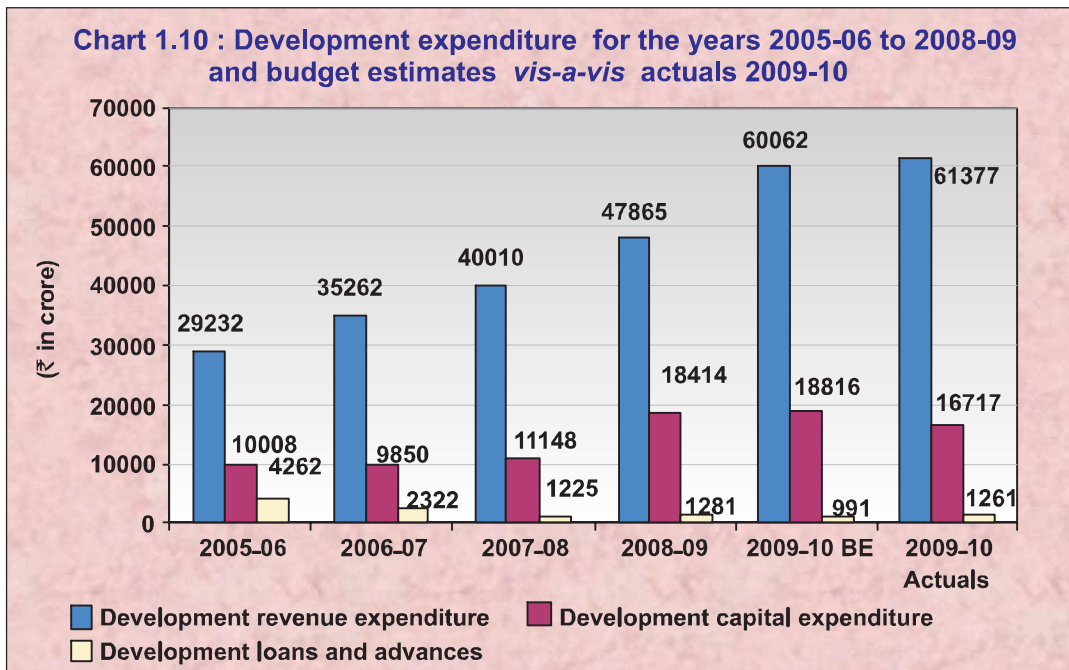
goods<sup>12</sup>. Apart from improving the allocation towards development expenditure<sup>13</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and 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. While the **Table 1.21** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted and during the previous year. **Table 1.22** provides the details of capital expenditure and the component of revenue expenditure incurred on the maintenance of the selected social and economic services.

**Table 1.21: Development expenditure**

Components of Development Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Development Expenditure (a to c)	43,502 (65.3)	47,433 (64.3)	52,383 (67.6)	67,560 (70.5)	79,869 (65.0)	79,355 (69.8)
a. Development Revenue Expenditure	29,232 (43.9)	35,262 (47.8)	40,010 (51.6)	47,865 (49.9)	60,062 (48.9)	61,377 (54.0)
b. Development Capital Expenditure	10,008 (15)	9,849 (13.3)	11,148 (14.4)	18,414 (19.2)	18,816 (15.3)	16,717 (14.7)
c. Development Loans and Advances	4,262 (6.4)	2,322 (3.1)	1,225 (1.6)	1,281 (1.3)	991 (0.8)	1,261 (1.1)

Source: Finance Accounts

Figures in the parentheses indicate as *per cent* to total expenditure.



12 See the glossary at page 99.

13 The analysis of the expenditure data is disaggregated 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.

**Development revenue expenditure**

The development revenue expenditure increased by ₹ 13,512 crore from ₹ 47,865 crore in 2008-09 to ₹ 61,377 crore in 2009-10. The increase under social services was ₹ 9,953 crore while increase under economic services was ₹ 3,559 crore. The actual development revenue expenditure was more than the State's projection in budget by ₹ 1,315 crore.

**Development capital expenditure**

The development capital expenditure decreased by ₹ 1,697 crore from ₹ 18,414 crore in 2008-09 to ₹ 16,717 crore in 2009-10. The decrease under social services was ₹ 586 crore (mainly under welfare of scheduled castes, scheduled tribes and other backward classes and education, sports, art and culture) while decrease under economic services was ₹ 1,111 crore (mainly under irrigation and flood control). The actual development capital expenditure was less than the State's projection in budget by ₹ 2,099 crore.

**Development loans and advances**

The development loans and advances decreased by ₹ 20 crore from ₹ 1,281 crore in 2008-09 to ₹ 1,261 crore in 2009-10. The actual development loans and advances was more than the State's projection in budget by ₹ 270 crore.

**Table 1.22 – Efficiency of expenditure used in selected social and economic services**

(in per cent)

Social / Economic Infrastructure	2008-09			2009-10		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S &W	O&M		S&W	O &M
<b>Social Services (SS)</b>						
Education, Sports, Art & Culture	0.79	76.68	0.05	0.79	84.46	0.06
Health and Family Welfare	9.87	63.2	0.01	5.51	74.37	0.10
Housing & Urban Development and Water Supply, Sanitation	10.03	6.47	0.34	8.4	5.31	4.22
<b>Total Social Services (SS)</b>	<b>6.24</b>	<b>51.83</b>	<b>0.38</b>	<b>3.48</b>	<b>57.86</b>	<b>0.76</b>
<b>Economic Services (ES)</b>						
Agriculture & Allied Activities	16.89	26.63	0.05	18.88	46.89	0.18
Irrigation and Flood Control	85.32	30.8	0.56	77.41	34.94	0.14
Power & Energy	24.23	0.53	0.02	29.21	0.44	0.00
Transport	44.52	2.16	1.5	50.25	1.69	37.65
<b>Total Economic Services (ES)</b>	<b>49.3</b>	<b>17.11</b>	<b>2.77</b>	<b>42.79</b>	<b>21.66</b>	<b>6.04</b>
<b>Grand Total of SS and ES</b>	<b>27.78</b>	<b>39.63</b>	<b>3.14</b>	<b>21.41</b>	<b>45.84</b>	<b>2.51</b>

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

The trends presented in **Table 1.22** reveal that development capital expenditure as a percentage to total expenditure decreased from 27.78 in 2008-09 to 21.41 in 2009-10. While the share of salary and wages in revenue expenditure increased from 39.63 *per cent* in 2008-09 to 45.84 *per cent* in 2009-10, operations and maintenance in revenue expenditure decreased (2.51 *per cent*) as compared to the previous year.

The percentage of capital expenditure on social services to total expenditure decreased from 6.24 in 2008-09 to 3.48 in 2009-10 while percentage of capital expenditure on economic services to total expenditure also decreased from 49.30 *per cent* in 2008-09 to 42.79 *per cent* in 2009-10. The decrease was mainly seen under health and family welfare and water supply, sanitation and housing and urban development under social services and irrigation and flood control under economic services.

The share of salary and wages in revenue expenditure on social services increased from 51.83 *per cent* in 2008-09 to 57.86 *per cent* in 2009-10 while the share of salary and wages in revenue expenditure on economic services also increased from 17.11 *per cent* in 2008-09 to 21.66 *per cent* in 2009-10. The increase was mainly seen under education, sports, art & culture and health and family welfare under social services while the increase was seen under agriculture and allied activities and irrigation and flood control under economic services.

The share of operations and maintenance in revenue expenditure on social services increased from 0.38 *per cent* in 2008-09 to 0.76 *per cent* in 2009-10 while the share of operations and maintenance in revenue expenditure on economic services increased from 2.77 *per cent* in 2008-09 to 6.04 *per cent* in 2009-10. The increase was mainly seen under water supply, sanitation and housing and urban development under social services while the increase was seen under agriculture and allied activities and transport under economic services.

### 1.8 Financial analysis of Government expenditure and investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) 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 return 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 undertaken by the Government during the current year *vis-à-vis* previous years.

#### 1.8.1 Financial results of irrigation works

The financial results of six major irrigation projects<sup>14</sup> of the Government which are considered as commercial projects having a capital outlay of ₹ 700.14 crore at the end of March 2010, showed that revenue realised from these projects during 2009-10 (₹ 143.86 crore) was 20.54 *per cent* of the capital outlay. After considering the working and maintenance expenses (₹ 11.40 crore) and interest charges (₹ 70.51 crore), the schemes gained a net profit of ₹ 61.95 crore during 2009-10.

#### 1.8.2 Incomplete projects

The department-wise information pertaining to the incomplete projects<sup>14</sup> as on 31 March 2010 is given in Table 1.23.

**Table 1.23: Department-wise profile of incomplete projects**

(₹ in Crore)					
Department	No of incomplete projects	Initial budgeted cost	Revised total cost of projects	Cost over run	Cumulative actual expenditure as on 31.3.2010
Public Works	43	224.94	NA	NA	82.33
	25	NA	NA	NA	47.74
Housing	5	18.57	NA	NA	17.38
Road & Bridges	81	1,320.09	NA	NA	235.35
	29	NA	NA	NA	49.66
Irrigation and Flood Control	25	862.38	3,467.59	2,605.21	2,945.05
	1	49.24	NA	NA	2,255.47
<b>Total</b>	<b>209</b>	<b>2,473.22</b>	<b>3,467.59</b>	<b>2,605.21</b>	<b>5,632.95</b>

Source : Finance Accounts, NA = Not available

14 Details are given in Appendix IX (i) of Finance Accounts, Government of Maharashtra for 2009-10.



The details of incomplete projects pertaining to four departments are presented in **Table 1.23**. In respect of incomplete irrigation projects, the initial budgeted cost increased from ₹ 862.38 crore to ₹ 3,467.59 crore resulting in significant cost overrun of ₹ 2,605.21 crore. The time overruns occurred in the incomplete projects was up to 24 years in respect of the major and medium irrigation projects, up to eight years in respect of PWD projects, up to five years in respect of projects under Housing and up to four years in respect of the projects under Roads and Bridges.

### 1.8.3 Investment and returns

As of 31 March 2010, Government had invested ₹ 64,192 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.24**). The average return on this investment was 0.11 *per cent* in the last five years while the Government paid average interest rate of 7.46 *per cent* on its borrowings during 2005-10.

**Table 1.24: Return on investment**

Investment / Return / Cost of Borrowings	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year (₹ in crore)	31,917.62	37,531.49	44,256.26	56,386.38	64,192.68
Return (₹ in crore)	3.66	6.16	122.00	71.16	80.88
Return ( <i>per cent</i> )	0.01	0.02	0.28	0.13	0.13
Average rate <sup>15</sup> of interest on govt borrowing ( <i>per cent</i> )	7.09	7.78	7.74	7.29	7.38
Difference between interest rate and return ( <i>per cent</i> )	7.08	7.76	7.46	7.16	7.25

Source : Finance Accounts

The increase in investments of ₹ 7,806 crore during 2009-10 was attributable to increased capital contributions to Godavari Marathwada Irrigation Development Corporation (₹ 1,386 crore), Konkan Irrigation Development Corporation (₹ 615 crore), Maharashtra Krishna Valley Development Corporation (₹ 1,853 crore), Tapi Irrigation Development Corporation (₹ 466 crore), Vidarbha Irrigation Development Corporation (₹ 3,131 crore) and Maharashtra State Road Transport Corporation (₹ 176 crore) as compared to the previous year.

As on 31 March 2010, 33 Companies in which Government had invested ₹ 13,947.90 crore (share capital: ₹ 9,830 crore, loan: ₹ 4,118 crore) were incurring losses and their accumulated losses amounted to ₹ 8,724 crore (net). According to the information furnished by the Commissioner for Co-operation and Registrar of Co-operative Societies as on 31 March 2010, 18,629 societies with an aggregate investment of ₹ 477.75 crore (equity: ₹ 331.41 crore and loan: ₹ 146.34 crore) of which 8956 number of societies had incurred losses of ₹ 85.23 crore (17.84 *per cent* of the initial investments) made in these societies.

### 1.8.4 Departmental commercial undertakings

Activities of quasi-commercial nature are also performed by departmental undertakings of certain Government departments. Position of the department-wise investment by the Government up to the year for which proforma accounts are finalised, net profits/loss as well as return on capital invested in these undertakings are given in **Appendix 1.10**. It is observed that:

- An amount of ₹ 1,640.55 crore had been invested by the State Government in these four undertakings having 49 units, at the end of financial year up to which their accounts were finalised.
- Of the four undertakings having 49 units, five units (10.20 *per cent*) earned net profit amounting to ₹ 8.89 crore against the capital investment of ₹ 16.39 crore, thereby

<sup>15</sup> See glossary at page 99 for method of calculation.

yielding the rate of return of 54.24 *per cent*. The major profit making units were Allapalli and Pendigundam Forest Ranges of Forest divisions including Saw Mills & Timber Depot (₹ 3.83 crore), Unit Scheme, Mumbai (₹ 3.44 crore) and Agricultural Scheme, Mumbai (₹ 1.06 crore) of Animal Husbandry, Dairy Development & Fisheries Department as per the last accounts finalised.

- Of the loss making units, 19 units were incurring losses continuously for more than five years.
- As per the accounting system being followed by the departmental commercial undertakings (Government Milk Schemes, Procurement, Distribution and Price Control Scheme in Mumbai/Thane Rationing Area and Mofussil), the net loss/profit for the year is deducted/added directly from the/to the Capital Account in the Balance Sheet. Therefore, the figures of accumulated loss cannot be ascertained from the *Proforma* Accounts of the Departmental Undertakings.

In view of the heavy losses of some of the undertakings, Government should review their working so as to clean their balance sheets in the short run and to make them self-sustaining in the medium to long term.

### 1.8.5 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, Government has also been providing loans and advances to many of these institutions/ organisations. **Table 1.25** presents the outstanding loans and advances as on 31 March 2010, interest receipts *vis-à-vis* interest payments during the last three years.

**Table-1.25: Average interest received on loans advanced by the State Government**

	(₹ in crore)		
Quantum of loans / interest receipts / cost of borrowings	2007-08	2008-09	2009-10
Opening balance	17,634	18,126	18,844*
Amount advanced during the year	1,225	1,281	1,261
Amount repaid during the year	733	560	515
Closing balance	18,126	18,847	19,590
Of which outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	492	721	746
Interest receipts	522	99	691
Interest receipts as <i>per cent</i> to outstanding Loans and advances	2.92	0.54	3.60
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.74	7.29	7.38
Difference between interest payments and interest receipts ( <i>per cent</i> )	(-)4.82	(-)6.75	(-)3.78

The total outstanding loans and advances as on 31 March 2010 was ₹ 19,590 crore (**Table 1.25**). The amount of loans disbursed during the year decreased from ₹ 1,281 crore in 2008-09 to ₹ 1,261 crore in 2009-10. Out of the total amount of loans and advances paid during the year, ₹ 456 crore went to social services and ₹ 568 crore to economic services. Under the economic services, the major portion of loans went to power (23 *per cent*) followed by co-operatives (19 *per cent*). However, recovery of loans and advances decreased from ₹ 560 crore to ₹ 515 crore during the current year mainly on account of less recoveries from loans for water supply and sanitation (₹ 14 crore), loans to consumer industries (₹ 46 crore) and other loans to industries and minerals (₹ 15 crore).

\* Difference in the closing balance of previous year and opening balance of current year is due to *pro-forma* correction.

Similarly, interest received against these loans increased from 0.54 *per cent* during 2008-09 to 3.60 *per cent* in 2009-10 mainly due to more interest receipts from minor irrigation, (₹ 499 crore), water supply and sanitation (₹ 70 crore) and power projects (₹ 52 crore).

### 1.8.5.1 Loans and Investments

In spite of the instructions from the Finance Department none of the Administrative Department of the Government has furnished the information about outstanding loans as on 31 March 2010 given by the Government. Due to non-availability of the information the balances shown as outstanding which are derived from the initial accounts received from the treasuries *etc.*, are not treated as confirmed. Further, the investments reflected in the accounts are also not confirmed as the Administrative Departments with whom the investment documents (share certificates, *etc.*) are available did not furnish the information.

### 1.8.6 Cash balances and investment of cash balances

Table 1.26 and Chart 1.11 depict the cash balances and investments made by the State Government out of cash balances during the year.

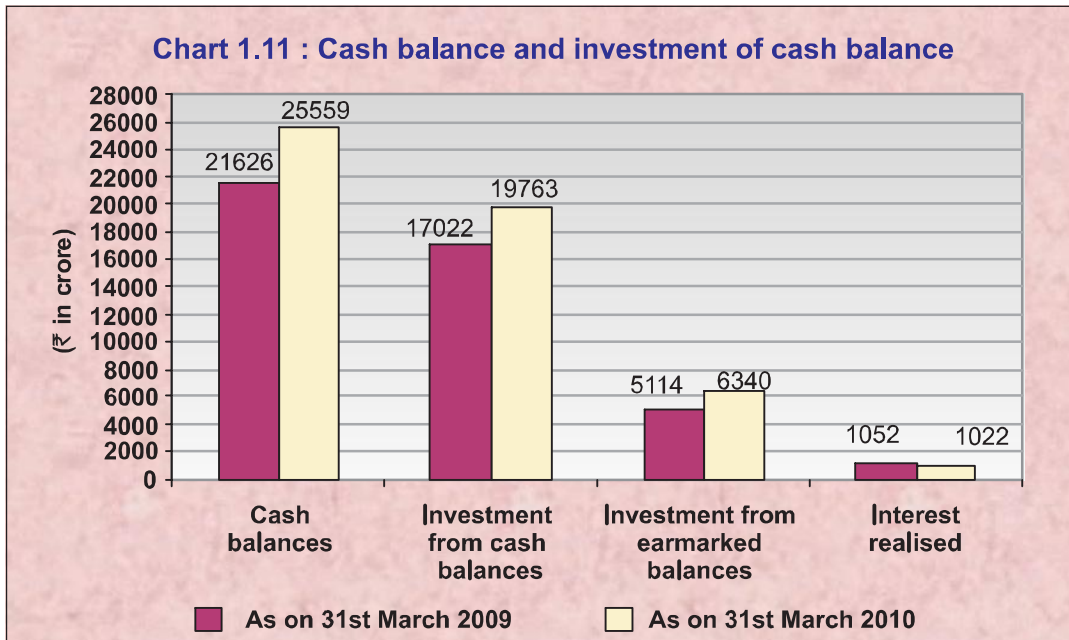
Table 1.26: Cash balances and investment of cash balances

(₹ in crore)			
Particulars	As on 31 March 2009	As on 31 March 2010	Increase / Decrease
Cash in treasuries	1.16	0.21	(-) 0.95
Deposits with Reserve Bank	(-) 721.83	(-) 863.47	(-) 141.64
Remittances in transit-Local	177.88	182.83	4.95
Cash with the departmental officers	32.81	136.70	103.89
Permanent advance for contingent expenditure with departmental officers	0.46	0.46	0.00
Investments from cash balances (a to d)	17,022.33	19,762.99	2,740.66
a. Gol Treasury Bills	17,021.63	19,762.29	2,740.66
b. Gol Securities	—	—	—
c. Other Securities, if any specify	—	—	—
d. Other Investments	0.70	0.70	0.00
Funds-wise break-up of investment from Earmarked balances (a to e)	5,113.61	6,339.64	1,226.03
a. General and other Reserve Funds	30.74	30.74	0.00
b. Sinking Fund	5,068.36	6,294.39	1,226.03
c. Funds for Development of Milk supply	1.00	1.00	0.00
d. Other Development and Welfare Funds	13.43	13.43	0.00
e. Miscellaneous Deposits	0.08	0.08	0.00
<b>Total Cash Balances</b>	<b>21,626.42</b>	<b>25,559.36</b>	<b>3,932.94</b>
Interest realised	1,051.50	1,022.02	(-) 29.48

Source : Finance Accounts

The interest received on investment of cash balances was 5 *per cent* during 2009-10 while interest paid by Government on its borrowings during the year was 7.38 *per cent*.

The State Government's cash balances of ₹ 25,559 crore at the end of current year showed an increase by 18 *per cent* (₹ 3,933 crore) over the previous year. Of the above, ₹ 19,762 crore was invested in Government of India Treasury Bills and earned an interest of ₹ 627 crore during the year. Further, ₹ 6,340 crore was invested in earmarked funds. However, the balance with Reserve Bank of India was (-) ₹ 863 crore as on 31 March 2010. The State Government



maintained the minimum cash balance of ₹ 5.58 crore with the Reserve Bank during 2009-10 under an agreement with the Reserve Bank of India.

No ways and means advance and overdraft was taken during the year.

Cash Balance as on 31 March 2010 worked out by the Accountant General was ₹ 863.47 crore (credit). The cash balance reported by Reserve Bank of India as on 31 March 2010 was ₹ 864.54 crore (debit). Thus, there was a difference of ₹ 1.07 crore (debit) between the two figures. The difference was mainly due to (1) misclassification by the treasuries ₹ 0.06 crore (Debit), (2) misclassification by the agency banks ₹ 1.39 crore (Debit) and (3) unadjusted advices of ₹ 0.38 crore (Credit). Out of this difference up to July 2010, items amounting to ₹ 1.12 crore (Debit) pertaining to misclassification by the agency banks and unadjusted advices of ₹ 0.38 crore (Credit) have been identified and taken into account during the next accounting period.

## 1.9 Assets and Liabilities

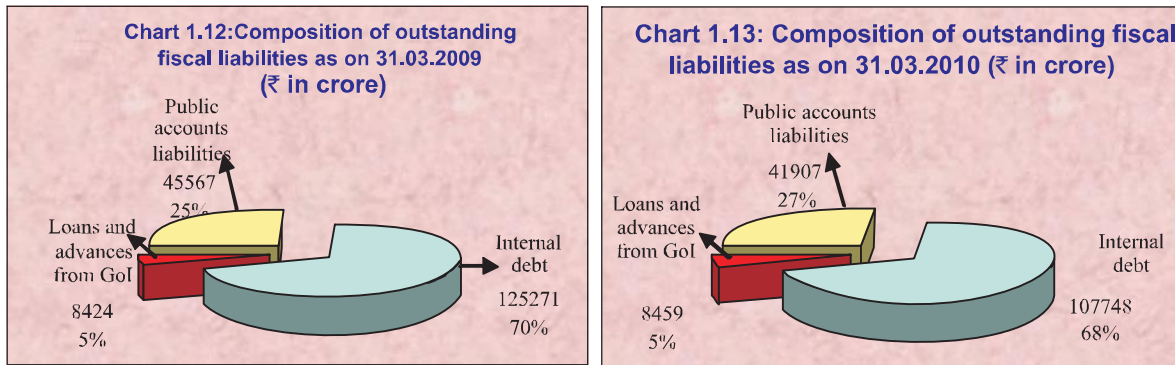
### 1.9.1 Growth and composition of assets and liabilities

In the 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 1.7** gives an abstract of such liabilities and the assets as on 31 March 2010, compared with the corresponding position on 31 March 2009. While the liabilities in **Appendix 1.7** consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly of the capital outlay and loans and advances given by the State Government and cash balances.

According to the Maharashtra Fiscal Responsibility and Budgetary Management Act, 2005, the "total liabilities of the State" means the liabilities under the Consolidated Fund of the State and the Public Account of the State.

### 1.9.2 Fiscal liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.12** and **1.13**.



**Table 1.27** gives the fiscal liabilities of the State, their rate of growth, their ratio of these liabilities to GSDP, to revenue receipts and to State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

**Table-1.27: Fiscal liabilities – basic parameters**

	2005-06	2006-07	2007-08	2008-09	2009-10
Fiscal Liabilities (₹ in crore)	1,42,491	1,57,039	1,58,114	1,79,262	2,03,165
Rate of Growth ( <i>per cent</i> )	17.74	10.21	0.68	13.38	13.33
Ratio of Fiscal Liabilities to					
GSDP ( <i>per cent</i> )	33	30.8	26.8	25.9	24.4
Revenue Receipts ( <i>per cent</i> )	294.1	252.5	198.7	220.6	233.8
Own Resources ( <i>per cent</i> )	424.8	391.63	332.7	344.5	343.7
Buoyancy of Fiscal Liabilities with reference to :					
GSDP (ratio)	1.09	0.574	0.042	0.777	0.663
Revenue Receipts (ratio)	0.98	0.36	0.024	6.371	1.932
Own Resources (ratio)	1.848	0.521	0.037	1.408	0.980

The overall fiscal liabilities of the State increased at an average annual rate of 8.5 *per cent* during the period 2005-10. The growth rate marginally decreased from 13.38 *per cent* in 2008-09 to 13.33 *per cent* in 2009-10. **During 2009-10, debt to GSDP ratio at 18.20 *per cent* was lower than the projections made in MTFPS (23.29 *per cent*) and it was lower than projections in FCP (24.62 *per cent*) and TFC (30.8 *per cent*). These liabilities were around two times the revenue receipts and three times the State's own resources at the end of 2009-10.** The buoyancy of these liabilities with respect to GSDP during 2009-10 was 0.663, indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.66 *per cent*.

Of the total fiscal liabilities, the share of public debt was maximum (75 *per cent*), followed by deposits (11 *per cent*); reserve funds (8 *per cent*) and small savings, provident fund *etc.* (6 *per cent*). Fiscal liabilities increased by ₹ 23,903 crore from ₹ 1,79,262 crore in 2008-09 to ₹ 2,03,165 crore in 2009-10 mainly due to increase in public debt (₹ 17,739 crore), reserve fund (₹ 875 crore), deposits (₹ 3,499 crore) and small savings and provident funds (₹ 1,790 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 2010, the outstanding balance in Sinking Fund was ₹ 6,294.39 crore, including ₹ 1,226.03 crore for 2009-10 and the entire amount was invested.

### 1.9.3 Status of guarantees – contingent liabilities

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 and the outstanding guarantees for the last three years, as given in the Statement 9 of the Finance Accounts (Vol.II), are at **Table 1.28**.

**Table-1.28: Guarantees given by the Government of Maharashtra**

(₹ in crore)			
Guarantees	2007-08	2008-09	2009-10
Maximum amount guaranteed	84,164	88,371	73,958
Outstanding amount of guarantees	58,276	51,471	42,683
Percentage of maximum amount guaranteed to total revenue receipt	106	109	85

During 2009-10, guarantees of ₹ 2,112.18 crore were sanctioned for repayment of share capital, raising loans, debentures, bonds etc. by Co-operative sugar factories (₹ 34.66 crore) Maharashtra State Cotton Co-operatives (₹ 500 crore), Shabari Adivasi Finance and Development Corporation (₹ 25 crore), Maharashtra State Road Development Corporation (₹ 1,084.52 crore), Maharashtra State Co-operative Marketing Federation (₹ 318 crore), and Maharashtra Agriculture Industries Development Corporation (₹ 150 crore). Outstanding guarantees during 2009-10 accounted for 49 per cent of the revenue receipts. The outstanding guarantees during 2009-10 were 5.13 per cent of the GSDP. The State Government has achieved the commitment made in MTFPS (March 2009) to bring it down to less than 10 per cent. **However, the State Government has not set up the Guarantee Redemption Fund so far (March 2010) despite the recommendation of TFC and commitment made in the MTFPS of 2008-09 laid before the State legislature, to meet the contingent liabilities arising from the guarantees given by the Government.**

The State Government charges guarantee fees for guarantees given to institutions and the same is booked under 'Miscellaneous General Services'. As the maximum amount guaranteed and the outstanding amount of guarantee decreased during 2009-10, receipt under guarantee fees also decreased to ₹ 551.77 crore (receivable: ₹ 374.26 crore) during 2009-10, as against ₹ 3,539.02 crore received during 2008-09.

Sums paid by the Government in the event of invocation of guarantee are charged to Consolidated Fund of the State under the concerned loan head and irrecoverable sums are adjusted under the concerned revenue expenditure heads where the Guarantee Reserve Fund does not exist and under the Guarantee Reserve Fund where it exists. A Guarantee Reserve Fund created in 1963-64 to meet the liabilities which may arise as a result of the invocation of guarantees given by the Government was closed with effect from 1st April 1990. In the Medium Term Fiscal Policy Statement for the year 2008-09, laid before the Maharashtra State Legislature, it was stated that the State was in the process of setting up a Guarantee Redemption Fund to meet the contingent liabilities arising from the guarantees given by the Government. However, the fund has not been set up till 31 March 2010. Out of ₹ 165.39 crore recoverable at the end of 2007-08 on account of invocation of guarantee initially met by the Government, ₹ 11.03 crore was recovered from the institutions during 2008-09 leaving a balance of ₹ 154.36 crore as at the end of the year. No amount was paid by the Government on account of invocation of guarantee during 2009-10.

### 1.9.4 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 1.28**, the State also guaranteed loans availed of by the Government companies/corporations. These companies/corporations borrowed funds from the market/financial institutions for implementation of various State plan programmes projected outside the State budget. Although the State Government projected that funds for these programmes would be met out of the resources mobilised by these companies/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'. The off-budget borrowings are not permissible under Article 293 (3). *In Maharashtra, there were no off-budget borrowings during the years 2005-06 to 2009-10. However, at the close of 2009-10, ₹ 4,098 crore was outstanding on account of off-budget borrowings prior to 2005-06.*

As per the Medium Term Fiscal Policy Strategy Statement 2008-09, the State Government had completely stopped off-budget borrowings from the year 2005-06.

## 1.10 Debt sustainability

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability<sup>16</sup> of the State. This section assesses the sustainability<sup>16</sup> of debt of the State Government in terms of debt stabilization<sup>16</sup>, sufficiency of non-debt receipts<sup>16</sup>, net availability of borrowed fund<sup>16</sup>, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.29** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2007-08.

**Table 1.29: Debt sustainability: indicators and trends**

Indicators of debt sustainability	2007-08	2008-09	2009-10
Debt Stabilization (₹ in crore) (Quantum Spread + Primary Deficit) <sup>17</sup>	28,044	14,001	10,757
Sufficiency of non-debt receipts (Resource Gap) (₹ in crore)	14,375	-16,820	- 12,157
Net Availability of Borrowed Funds (₹ in crore)	-11,130	8,848	9,793.92
Burden of Interest Payments(IP/RR Ratio) (in <i>per cent</i> )	15	15	16

### Debt Stabilisation

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.

**Table 1.29** reveals that the emergence of positive sum of quantum spread and primary deficit since 2007-08 indicates the tendency towards the debt stabilisation which would eventually improve the debt sustainability position of the State in ensuing years.

<sup>16</sup> See glossary at page 99.

<sup>17</sup> See glossary at page 99.

### Sufficiency of Non-Debt Receipts

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

The persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. During the year 2007-08 there was a positive resource gap indicating increasing capacity of the State to sustain the debt in the medium to long run; however, during the year 2008-09 and 2009-10 there was negative resource gap indicating the beginning of risk of non-sustainability of debt.

### Net availability of borrowed funds

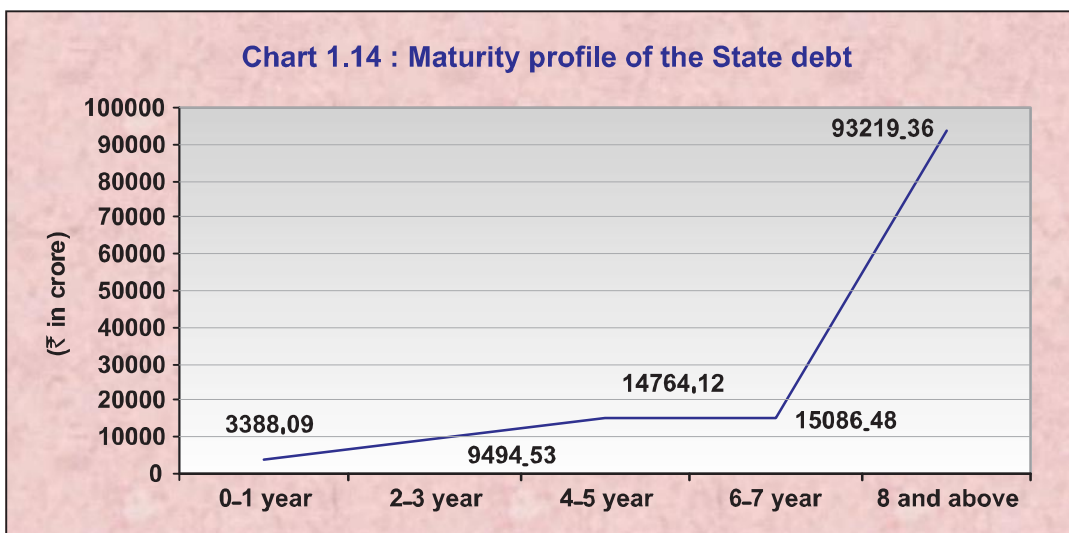
Net availability of borrowed funds is defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption.

During 2009-10, Government raised internal debt of ₹ 20,812 crore, GoI loans of ₹ 752 crore and other obligations of ₹ 19,818 crore. Government repaid internal debt of ₹ 3,398 crore, GoI loans of ₹ 427 crore and discharged other obligations of ₹ 13,653 crore and paid interest of ₹ 14,110 crore resulting in net increase in debt receipts by ₹ 9,794 crore during the year.

**Table 1.30 : Maturity profile of State debt**

(₹ in crore)		
Maturity Profile	Amount	Per cent
0 – 1	3388.09	2.38
2 – 3	9494.53	6.65
4 – 5	14764.12	10.35
6 – 7	15086.48	10.57
8 and above	93219.36	65.33
Information not furnished by the State Government	6731.92	4.72
<b>Total</b>	<b>142684.50</b>	<b>100.00</b>

Source : Finance Accounts



The maturity of the State Debt as per **Table 1.30** indicates that nearly 19.38 *per cent* of the total State debt is repayable within the next five years while the remaining 80.62 *per cent* are required to be paid in more than five years. It further indicates that the liability of the State to repay the debt would be ₹ 14,764.12 crore during the period 2013-15 and ₹ 15,086.48 crore during 2015-17 which would put a strain on the Government budget during that period. The State may have to borrow further to repay those loans.

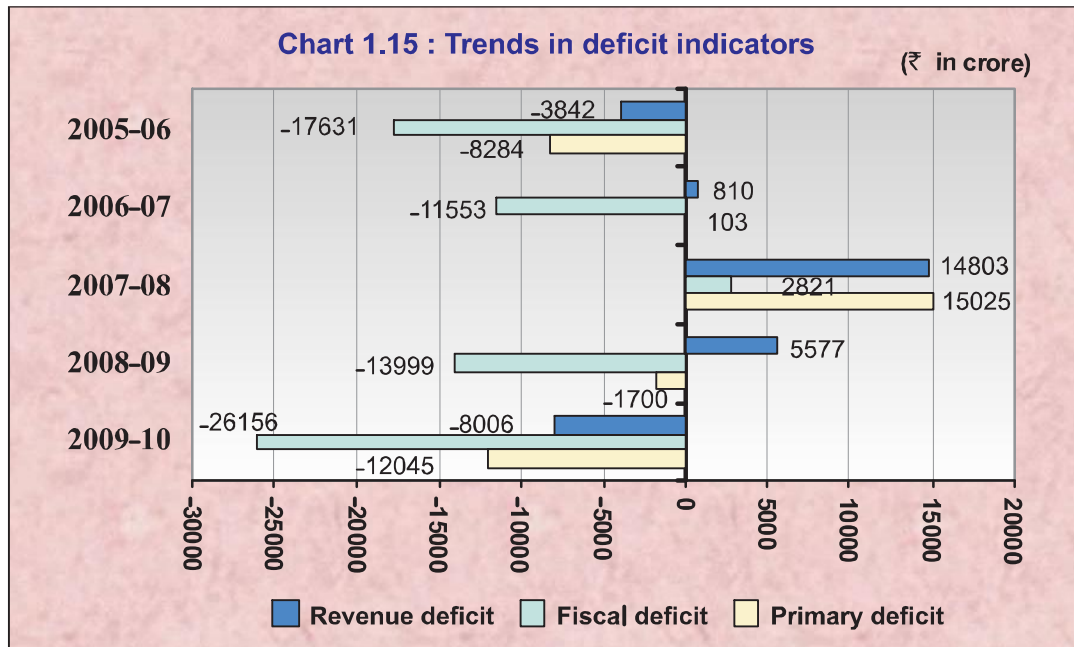
**Interest as a percentage of revenue receipts was higher in 2009-10 but still within manageable limits.**

## 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, 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 FRBM Act/ Rules for the financial year 2009-10.

### 1.11.1 Trends in deficits

Charts 1.15 and 1.16 present the trends in deficit indicators over the period 2005-10:



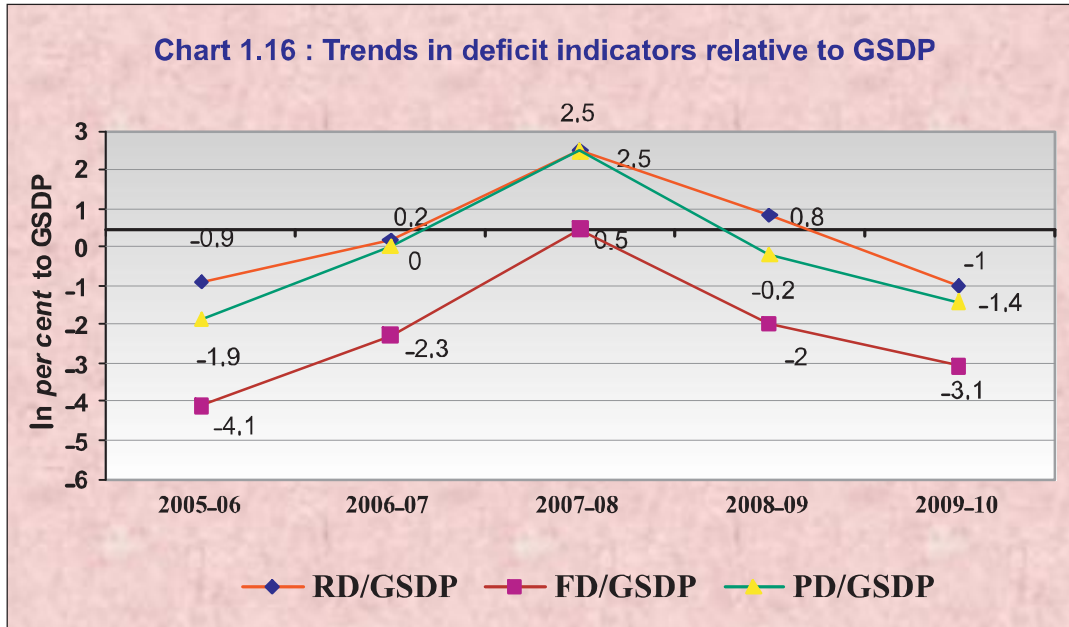


Chart 1.15 shows that revenue deficit of ₹ 3,842 crore in 2005-06 turned into a surplus of ₹ 810 crore during 2006-07. The revenue surplus increased to ₹ 14,803 crore during 2007-08 due to augmentation of non-tax receipts by way of transfer of ₹ 10,868 crore lying in various inoperative reserve funds in Public Account by the State Government to its Consolidated Fund. Gradually the revenue surplus turned into revenue deficit of ₹ 8,006 crore in 2009-10 mainly due to sharp increase in revenue expenditure by 25 per cent as against increase in revenue receipts by 7 per cent.

The fiscal deficit of ₹ 13,999 crore during 2008-09 increased to ₹ 26,156 crore which was the result of large revenue deficit (₹ 8,006 crore), net capital expenditure (₹ 17,404 crore) and net loans and advances disbursed (₹ 746 crore).

The primary deficit<sup>18</sup> which persisted till 2005-06 took a turnaround and resulted into a primary surplus during 2006-07 and 2007-08. It again turned to primary deficit during 2008-09 and 2009-10. A sharp increase of ₹ 12,157 crore in fiscal deficit set off by an increase of ₹ 1,881 crore in interest payments increased the primary deficit to ₹ 12,045 crore during 2009-10 from ₹ 1,700 crore in 2008-09.

The expenditure on 'Grants-in-aid' and 'Subsidies' should be booked under revenue expenditure. However, during 2009-10, due to misclassification in the State budget, expenditure of ₹ 633.11 crore under 'Grants-in-aid' and ₹ 347.15 crore under 'Subsidies' were booked under capital expenditure, resulting in understatement of revenue expenditure and revenue deficit to the extent of ₹ 980.26 crore.

**Table 1.31 : Trends in major fiscal parameters / variables vis-à-vis projections for 2009-10**

Fiscal variables	2009-10			
	TFC	MTFPS	FCP	Actuals
Revenue deficit as percentage of GSDP	0.0	0.89	0.88	0.96
Fiscal Deficit as percentage of GSDP	3.0*	3.33	2.12	3.14

\* Gol increased the limit to 4 per cent of GSDP due to economic slow down in the country.

18 See glossary at page 99.



**Table 1.31** reveals that the State had not achieved the target for revenue deficit as laid down in the MFRBM Act/Rules and TFC for the current year. However fiscal deficit at 3.14 *per cent* of GSDP was within the limit (4 *per cent*) fixed by Gol and the projection made in the MTFPS.

### 1.11.2 Decomposition and financing pattern of fiscal deficit

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.32**.

**Table 1.32: Decomposition and financing pattern of fiscal deficit**

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Decomposition of Fiscal Deficit / Surplus (1+2+3)</b>	<b>17,630(4.08)</b>	<b>11,553(2.27)</b>	<b>-2,821(-0.48)</b>	<b>13,999(2.01)</b>	<b>26,156(3.14)</b>
1 Revenue Deficit(+)/ Surplus (-)	3,842(0.89)	-810(-0.16)	-14,803(-2.5)	-5,577(-0.8)	8,006(0.96)
2 Net Capital Expenditure	10,078(2.33)	10,092(1.98)	11,490(1.94)	18,855(2.7)	17,404(2.09)
3 Net Loans and Advances	3,710(0.86)	2,271(0.45)	492(0.08)	721(0.1)	746(0.09)
<b>Financing Pattern of Fiscal Deficit*</b>					
1 Market Borrowings	1,147(0.27)	1,167(0.23)	7,641(1.29)	16,866(2.42)	14,509(1.74)
2 Loans from Gol	-35(-0.01)	95(0.02)	-84(-0.01)	-35(-0.01)	325(0.04)
3 Special Securities Issued to NSSF	15,733(3.64)	8,838(1.74)	1,475(0.25)	428(0.06)	2,751(0.33)
4 Loans from Financial Institutions	1,072(0.25)	-250(-0.05)	30(0.01)	229(0.03)	154(0.02)
5 Small Savings, PF etc.	587(0.14)	640(0.13)	685(0.12)	803(0.12)	1,790(0.22)
6 Deposits and Advances	1,426(0.33)	1,714(0.34)	1,876(0.32)	1,240(0.18)	3,502(0.42)
7 Suspense and Misc	-608(-0.14)	283(0.06)	225(0.04)	3,148(0.45)	4,020(0.48)
8 Remittances	-178(-0.04)	-1,315(-0.26)	-72(-0.01)	42(0.01)	2,163(0.26)
9 Reserve Funds	1,536(0.36)	2,344(0.46)	-10,547(-1.78)	1,617(0.23)	875(0.11)
10 Contingency Fund	666(0.15)	-617(-0.12)	-4(0)	307(0.04)	-251(-0.03)
11 Appropriation to/ from Contingency fund	-800(-0.19)	800(0.16)	--	-250(-0.04)	250(0.03)
12 Increase(-)/ Decrease (+) in Cash Balance	-2,916(-0.67)	-2,146(-0.42)	-4,046(-0.68)	-10,396(-1.49)	-3,932(-0.47)

Figures in brackets indicate the *per cent* to GSDP.

\* All these figures are net of disbursements / outflows during the year

Large fiscal deficit during 2005-06 and 2009-10 was the combined effect of revenue deficit and large net capital expenditure. The net capital expenditure as a percentage of the fiscal deficit increased from 57 *per cent* during 2005-06 to 67 *per cent* in 2009-10. During 2008-09, capital expenditure was much higher at 135 *per cent* of fiscal deficit, as a part of it was met out of revenue surplus. During the years 2005-06 the fiscal deficit was financed by special securities issued to NSSF, market borrowings and reserve funds whereas during 2009-10, the fiscal deficit was mainly financed by market borrowings.

**During the period 2005-10, there was overall surplus (increasing the cash balance) after financing fiscal deficit.**

### 1.11.3 Quality of deficit/surplus

The ratio of RD to FD and the decomposition 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. Further, persistently, high ratio of revenue

deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit shown in **Table 1.33** indicates the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

**Table 1.33: 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)
2005-06	48,990	42,933	10,078	4,262	57,273	6,057	-8,283
2006-07	62,246	49,729	10,092	2,322	62,143	12,516	103
2007-08	80,316	52,576	11,490	1,225	65,291	27,740	15,025
2008-09	81,849	63,395	18,873	1,281	83,549	18,454	-1,700
2009-10	87,450	80,805	17,429	1,261	99,495	6,644	-12,045

During the period 2005-10, non-debt receipts of the State were enough to meet the primary expenditure<sup>19</sup> requirements in the revenue account and left some receipts to meet the expenditure increased under the capital account. But the surplus non-debt receipts were not enough to meet the expenditure requirements under capital account resulting in primary deficit during the years 2005-06, 2008-09 and 2009-10. However, during 2006-07 and 2007-08, non-debt receipts were sufficient to meet the expenditure requirement both under revenue and capital account resulting in primary surplus. This indicates the extent to which the primary deficit in the current year has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

The capital expenditure as a percentage to primary expenditure increased from 17.59 per cent during 2005-06 to 22.59 per cent during 2008-09 and again came down to 17.51 per cent during 2009-10.

## 1.12 Conclusion and Recommendations

### *Return to fiscal correction:*

**Revenue Receipts:** The revenue receipts (₹ 86,910 crore) increased marginally by 6.9 per cent over the previous year. Low growth was mainly due to decrease (15 per cent) in non-tax revenue. The revenue receipts were 9.6 per cent higher than the assessment made by Government in its FCP, but were 2.4 per cent lower than its MTFPS for 2009-10. Similarly, receipts under non-tax revenue were 36 per cent higher than the projections in FCP, but were 40 per cent lower than the projections made in MTFPS. (**Para 1.5**). The growth rate of State's own taxes was much lower than that of GSDP of the State. The arrears of revenue as on 31 March 2010 amounted to ₹ 38,361.87 crore. Government should expand the tax base and rationalise user charges to mobilise additional resources and improve the tax administration in order to reduce the revenue arrears.

**Revenue Expenditure:** The revenue expenditure (RE) increased by 25 per cent over the previous year, and constituted 84 per cent of total expenditure during 2009-10. Non-Plan

<sup>19</sup> 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.

Revenue Expenditure (NPRE) constituted 82 per cent of the RE. The NPRE exceeded the assessment made by the State Government in its FCP by 30 per cent and MTFPS by 5 per cent for 2009-10. The Plan Revenue Expenditure (PRE) and NPRE increased by 35 per cent and 24 per cent over the previous year. (Para 1.6.1).

**The ratio of non-plan salary expenditure to revenue expenditure net of interest payments and pensions was 48 per cent during 2009-10, against the TFC norms of 35 per cent.** Expenditure under subsidies increased by 87 per cent over the previous year and constitutes 8.5 per cent of revenue expenditure. Government may phase out implicit subsidies to contain the growth of revenue expenditure.

The ratio of expenditure on Health and Family Welfare to Aggregate Expenditure in 2005-06 and 2009-10 were lower than the ratios of General Category States (Para 1.7.1). The increase in expenditure in Health sector would improve the overall quality of life of the population of the State.

**Deficits:** The significant gap between the growth rates of the revenue receipts (7 per cent) and revenue expenditure (25 per cent) over the previous year increased the revenue deficit to ₹ 8,006 crore during 2009-10 from a revenue surplus of ₹ 5,577 crore during 2008-09. The targets set for revenue deficit under the FRBM Act/Rules and MTFPS have not been achieved. The fiscal deficit (₹ 26,156 crore) also increased compared to the previous year and constituted 3.14 per cent of GSDP, which was within the limit (4 per cent) fixed by Gol (Para 1.11.1). The primary deficit also increased significantly during 2009-10.

Although there was a slippage in 2009-10 in achieving the revenue deficit targets, this could be attributed largely to the slump in the economy (which impacted revenue receipts) as well as the Sixth Pay Commission award (which increased committed expenditure). However, the State has the reasonable prospect of achieving the targets set out in FRBM Act of 2005 provided an effort is made to increase tax compliance, make efforts to collect revenue arrears and prune unproductive expenditure so that deficits are contained to the levels envisaged in the Act.

### Capital Expenditure

**Priority to Capital expenditure:** The ratio of Capital expenditure as a proportion of Aggregate Expenditure in 2005-06 and 2009-10 was higher than the ratio of the General Category States (Table 1.20). However, the capital expenditure decreased by 7.65 per cent over the previous year and it was 12 per cent lower than that projected in MTFPS. Government may consider enhancing the priority it gives to capital expenditure.

### Financial Management

**Review of Government investments:** The average return on State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.13 to 0.28 per cent in the past three years while the Government paid an average interest of 7.29 to 7.74 per cent on this investment (Para 1.8.3). State Government should ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritized with full justification on why high cost borrowings should be channeled there. Government should review the working of State public sector undertakings which are incurring huge losses (Para 1.8.4). Government should work out a revival strategy for those which can be made viable or close them down if they are not likely to be viable.

### Debt Management

During 2009-10, the fiscal liabilities (₹ 2,03,165 crore) decreased marginally over the previous year. The fiscal liabilities to GSDP ratio at 24.4 per cent was lower than the norm of 30 per

cent recommended by the TFC. These liabilities stood at two times of the revenue receipts (**Para 1.9.2**).

The emergence of positive sum of quantum spread and primary deficit since 2007-08 indicates the tendency towards the debt stabilisation which would eventually improve the debt sustainability position in the ensuing years. The positive resource gap in the State during 2007-08 indicated increasing capacity to sustain the debt in the medium to long run. But, the resource gap turned negative during the years 2008-09 and 2009-10, indicating the beginning of risk of non-sustainability of debt (**Para 1.10**). *A clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.*

**Prudent cash management:** Cash balances of the State at the close of the year 2009-10 (₹ 25,559 crore) increased by 18 per cent over 2008-09. The cost of holding surplus cash balances is high. In 2009-10, the interest received on investment of cash balances in RBI Investment in Treasury Bills and Auction Treasury Bills was only 5 per cent while the Government borrowed on an average at 7.38 per cent (**Para 1.8.6**). *Proper debt management through advance planning and borrowing only as per requirement could reduce the need for the State government to hold large cash surpluses.*

### **Transfer of funds to State implementing agencies**

#### **Oversight of funds transferred directly from the Gol to the State implementing agencies:**

The Gol directly transferred ₹ 4,369.52 crore to the State implementing agencies during 2009-10. Since the funds are generally not being spent fully by the implementing agencies in the same financial year, there remain unspent balances in the bank accounts of these implementing agencies. The aggregate amount of the unspent balances kept outside government account is not readily ascertainable. As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies but are funded directly by the Gol. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General. *Funds transferred directly from the Union to the State Implementing Agencies results in failure to monitor the expenditure incurred by them on various schemes as these funds are not reflected in the State budget. It also inhibits the FRBM requirement of transparency in fiscal operations and thus bypasses accountability (Para 1.4.2).*

# Financial Management and Budgetary Control

## 2.1 Introduction

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 Acts. 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 budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether 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.

As per Maharashtra Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the Head of Departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates and 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 management of budget and expenditure and violation of Budget manual noticed in audit have been discussed in the subsequent paragraphs.

## 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2009-10 against 332 grants/appropriations is as given in **Table 2.1**:



**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant / appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
<b>Voted</b>	I Revenue	82,138.71	29,302.69	1,11,441.40	82,338.32	(-) 29,103.08
	II Capital	21,073.59	14,527.23	35,600.82	21,573.65	(-)14,027.17
	III Loans and Advances	990.52	684.57	1,675.09	1,261.10	(-) 413.99
<b>Total Voted</b>		<b>1,04,202.82</b>	<b>44,514.49</b>	<b>1,48,717.31</b>	<b>1,05,173.07</b>	<b>(-) 43,544.24</b>
<b>Charged</b>	IV Revenue	15,943.79	57.41	16,001.20	15,881.63	(-) 119.57
	V Capital	1.16	6.03	7.19	4.32	(-) 2.87
	VI Public Debt-Repayment	6,771.52	59.76	6,831.28	3,825.39	(-) 3,005.89
<b>Total Charged</b>		<b>22,716.47</b>	<b>123.20</b>	<b>22,839.67</b>	<b>19,711.34</b>	<b>(-) 3,128.33</b>
	Appropriation to Contingency Fund	350.00	..	350.00	350.00	..
<b>Grand Total</b>		<b>1,27,269.29</b>	<b>44,637.69</b>	<b>1,71,906.98</b>	<b>1,25,234.41</b>	<b>(-) 46,672.57</b>

**Note:** The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure ₹ 3,303.98 crore and capital expenditure ₹ 4,149.33 crore.

The overall saving of ₹ 46,672.57 crore was the result of saving of ₹ 48,390.15 crore in 131 grants and 52 appropriations under Revenue Section, 72 grants and 11 appropriations under Capital Section, offset by excess of ₹ 1,717.58 crore in 44 grants and 6 appropriations.

The saving and excess were intimated to the Controlling Officers requesting them to explain the significant variations. Besides issue of regular reminders, the Controlling Officers were requested to furnish the reasons for excess/saving in separate meetings held with each of them during May-June 2010 by the Principal Accountant General (Accounts and Entitlement). The reasons for saving/excess have not been received from the concerned Controlling Officers (August 2010).

## 2.3 Financial accountability and budget management

### 2.3.1 Appropriation vis-à-vis allocative priorities

The outcome of the appropriation audit reveals that in 36 cases, saving exceeded by ₹ 10 crore in each case and also by more than 20 per cent of total provision (**Appendix 2.1**). Out of the total saving of ₹ 48,390.15 crore, saving of ₹ 39,347.22 crore (81 per cent)<sup>20</sup> occurred in 16 cases relating to 15 grants and 1 appropriation as indicated in **Table 2.2** below :

**Table 2.2 : List of Grants with saving of ₹ 100 crore and above**

(₹ in crore)

Sr. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving
Revenue-Voted						
1.	A-2 Elections	416.74	111.69	528.43	425.05	103.38
2.	B-7 Economic Services	9.18	255.13	264.31	48.02	216.29
3.	D-5 Dairy Development	782.08	3.33	785.41	575.82	209.59
4.	G-2 Other Fiscal and Miscellaneous Services	4,734.74	--	4,734.74	94.49	4,640.25
5.	L-3 Rural Development Programmes	1,055.42	1,189.09	2,244.51	1,786.57	457.94
6.	O-4 Other Rural Development Programmes	14,935.57	0.10	14,935.67	0.06	14,935.61
7.	Q-3 Housing	685.31	1,858.01	2,543.32	978.65	1,564.67

<sup>20</sup> Exceeding ₹ 100 crore in each case.

**Table 2.2 : List of Grants with saving of ₹ 100 crore and above (Contd.)**

(₹ in crore)

Sr. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving
<b>Revenue-Voted</b>						
8.	V-2 Co-operation	2,825.57	174.99	3,000.56	2,268.97	731.59
9.	X-1 Social Security and Nutrition	676.27	1,079.91	1,756.18	1,346.18	410.00
10.	Y-2 Water Supply and Sanitation	309.68	405.76	715.44	564.36	151.08
<b>Capital-Voted</b>						
11.	B-9 Capital Expenditure on Economic Services	317.12	649.50	966.62	515.30	451.32
12.	F-6A Loans for Urban Development	--	235.77	235.77	100.32	135.45
13.	H-8 Capital Expenditure on Public Works Administrative and Functional Buildings	154.72	497.37	652.09	470.63	181.45
14.	K-11 Capital Expenditure on Energy	715.08	1,207.50	1,922.58	1,359.12	563.46
15.	O-9 Capital Outlay on Other Rural Development Programmes	11,728.58	328.33	12,056.91	466.37	11,590.54
<b>Capital-Charged</b>						
16.	G-8 Public Debt and Inter State Settlement	6,053.64	--	6,053.64	3,049.05	3,004.59
	<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>39,347.22</b>

In Grant No.X-1 Social Security and Nutrition saving of ₹ 410 crore occurred mainly under 2236 Nutrition – Special Nutrition Programmes – Integrated Child Development Services Scheme due to non-implementation/non-functioning of 10,932 Anganwadis out of 11,293 existing Anganwadis and non-functioning of 16 new projects and 1315 new Anganwadis.

In Grant No.G-2 Other Fiscal and Miscellaneous Services, saving of ₹ 4,640.25 crore occurred mainly under 2070 Other Administrative Services (₹ 2,419 crore for salaries and allowances etc.) and under 2075 – Miscellaneous General Services ( ₹ 545.84 crore for two digit lottery and on-line lottery).

## 2.3.2 Persistent saving

In 7 cases, during the last five years there was persistent saving of more than ₹ 10 crore in each case, as shown in Table 2.3.

**Table 2.3: List of grants indicating persistent saving during 2005-10**

(₹ in crore)

Sr. No.	No. and Name of the grant	Amount of saving (Per cent to total grant)				
		2005-06	2006-07	2007-08	2008-09	2009-10
Capital-Voted						
1.	H-9 Capital Outlay on Removal of Regional Imbalance	18.55 (4.57)	15.87 (3.48)	(64.14) (14.93)	33.82 (16.28)	19.91 (24.25)
2.	L-7 Capital Expenditure on Rural Development	36.78 (28.60)	35.42 (11.13)	29.17 (6.31)	36.42 (10.56)	470.84 (61.91)
3.	O-9 Capital Outlay on Other Rural Development Programmes	340.57 (42.34)	205.05 (30.10)	760.87 (62.45)	987.61 (68.26)	11,590.54 (96.13)
4.	T-6 Capital Expenditure on Tribal Area Development Sub-plan	14.33 (4.95)	36.25 (7.33)	78.17 (12.44)	156.04 (15.94)	97.35 (10.73)
5.	V-3 Capital Expenditure on Social Services	176.77 (15.94)	123.96 (36.00)	160.88 (58.41)	32.42 (12.32)	59.27 (26.35)
6.	V-5 Capital Expenditure on Economic Services	423.46 (7.94)	154.07 (9.10)	163.33 (26.04)	36.16 (10.83)	30.60 (7.68)
Capital Charged						
7.	G-8 Public Debt and Inter State Settlement	83.99 (1.70)	218.03 (5.05)	1,000.40 (20.13)	2,098.77 (38.38)	3,004.59 (49.63)

The persistent saving indicates that the budgetary controls in the departments were either not effective or not observed properly.

### 2.3.3 Excess expenditure

In 4 cases, expenditure aggregating ₹ 5,726.19 crore exceeded the approved provisions by ₹ 10 crore or more in each case and also by more than 20 *per cent* of the total provision resulting in excess expenditure of ₹ 1,420.54 crore (83 *per cent* of total excess). Reasons for excess expenditure were not received from the Departments. Details are given in **Table 2.4**.

**Table 2.4: Excess expenditure more than ₹ 10 crore and 20 *per cent* of total provision**

(₹ in crore)

No. and name of the Grant / Appropriation	Total Grant / Appropriation	Expenditure	Percentage of excess expenditure
C-6 Natural Calamities	0.70	182.48	25969
H-3 Housing	293.99	362.22	23
K-11A Internal Debt	0.0001	101.86	101860000
M-4 Capital Expenditure on Food	4010.96	5079.63	27
<b>Total</b>		<b>5726.19</b>	

### 2.3.4 Expenditure without provision

As per the Budget Manual, expenditure should not be incurred on a scheme/ service without provision of funds. It was, however, noticed that expenditure of ₹ 601.53 crore was incurred in 28 cases as detailed in **Appendix 2.2** without any provision in the original estimates/ supplementary demand and without any re-appropriation orders to this effect.

### 2.3.5 Excess over provisions relating to previous years

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 discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 9,055.53 crore for the years 2002-03 to 2008-09 was yet to be regularised as detailed in **Appendix 2.3**. Though the State PAC discussed the Appropriation Accounts for the years 2002-03 to 2005-06 during May-June 2010, their recommendations for regularization of excess expenditure were not received as of October 2010. The year-wise excess expenditure pending regularisation is summarised below:

**Table 2.5: Excess over provisions relating to previous years requiring regularization**

(₹ in crore)

Year	Number of		Amount of excess over provision
	Grants	Appropriations	
2002-03	12	17	2,542.87
2003-04	11	15	1,015.24
2004-05	9	17	407.35
2005-06	19	15	1,156.99
2006-07	16	13	956.30
2007-08	11	11	587.41
2008-09	38	9	2,389.37
<b>Total</b>	<b>116</b>	<b>97</b>	<b>9,055.53</b>

Source: Appropriation Accounts

### 2.3.6 Excess over provisions during 2009-10 requiring regularisation

During 2009-10, excess expenditure was incurred in 51 grants aggregating to ₹ 1,717.58 crore over the grant/appropriation authorized by the Legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The details are in **Appendix 2.4**.

### 2.3.7 Unnecessary/excessive/inadequate supplementary provision

In 34 cases, supplementary provision of ₹ 10 lakh or more in each case aggregating to ₹ 767.31 crore obtained during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.5**.

In 16 cases, supplementary provision of ₹ 2,531.18 crore proved insufficient by more than ₹ 1 crore each leaving an aggregate uncovered excess expenditure of ₹ 222.13 crore (**Appendix 2.6**).

### 2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where saving is anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in saving/excess of over ₹ 1 crore in 78 sub-heads as detailed in **Appendix 2.7**.

### 2.3.9 Unexplained re-appropriations

According to Paragraph 165 of the Maharashtra Budget Manual, the orders sanctioning re-appropriation of funds of ₹ 500 and above and those which involve some novel or special feature should briefly specify reasons for the additions to and deductions from the sub-heads affected by them. However, on scrutiny of re-appropriation orders issued by the Finance Department revealed that the reasons given for additional provision/withdrawal of provision in re-appropriation in respect of 794 (42 per cent) out of 1,871 items commented in the Appropriation Accounts, orders were of general nature such as 'actual requirement', 'economy measures' etc. Besides, in 691 cases, no reasons for additional provision/withdrawal of provision were furnished. This also goes against the principle of transparency stipulated in Section 6 of Fiscal Responsibility and Budgetary Management Act.

### 2.3.10 Surrender in excess of actual saving

In 25 cases, the amount surrendered (₹ 50 lakh or more in each case) was in excess of actual saving indicating lack of budgetary control in these departments. As against saving of ₹ 3,346.08 crore in these cases, the amount surrendered was ₹ 4,667.12 crore resulting in excess surrender of ₹ 1,321.04 crore. Details are given in **Appendix 2.8**.

Scrutiny revealed that under the Grant No. F-2 Urban Development and Other Advance Services, savings of ₹ 430.36 crore occurred under 25 sub-heads (Major heads 2053, 2070, 2217 and 3054) were surrendered while excess expenditure of ₹ 778.69 crore under seven other sub-heads (Major heads 2217 and 3606) was incurred within the same Grant. Thus, the savings were set-off against the excess expenditure, and the saving appearing under the Grant was less than the actual surrender amount. Instead of surrendering the amount, it should have been re-appropriated to the heads where excess expenditure was incurred. This indicated lack of proper budgetary control.

### 2.3.11 Anticipated saving not surrendered

As per the Maharashtra Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings

are anticipated. During 2009-10, no part of the savings, occurred in 36 cases (₹ 425.81 crore) had been surrendered by the concerned departments. (**Appendix 2.9**).

Similarly, out of total savings of ₹ 34,822.92 crore under 48 other grants/ appropriations (saving of ₹ 1 crore and above in each grant/appropriation) ₹ 16,440.39 crore (47 *per cent* of total saving) were not surrendered (**Appendix 2.10**). Besides, in 94 cases, savings in excess of ₹ 10 crore, aggregating ₹ 27,824.33 crore (**Appendix 2.11**) were surrendered on the last two working days of the year indicating inadequate financial control. Due to late surrender, these funds could not be utilised for other development purposes.

### 2.3.12 Rush of expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 83 sub-heads, expenditure exceeding ₹ 10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2010. **Table 2.6** presents the major heads where 58 to 100 *per cent* expenditure was incurred during the last quarter and 50 to 82 *per cent* expenditure was incurred during the last month of the financial year.

**Table 2.6 : Rush of expenditure during the last quarter and last month of 2009-10**

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2010	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2501 Special Programmes for Rural Development	244.72	143.37	58.59	132.96	54.33
2	2505 Rural Employment	1,954.27	1,117.66	57.19	972.39	49.76
3	3452 Tourism	443.96	292.05	65.78	287.93	64.85
4	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	310.89	231.01	74.31	221.86	71.36
5	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	168.14	167.96	99.89	138.51	82.38

Source: Appropriation Accounts

The above position shows that there was a lack of uniform flow of expenditure during the year which is the primary requirement of proper budgetary control indicating deficient financial management.

## 2.4 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 nature, 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 to ₹ 500 crore with effect from 21 August 2009 vide Ordinance No. XVI of 2009. The balance at the beginning of the year was ₹ 398.07 crore with an un-recouped balance of ₹ 1.93 crore. During the year 2009-10, advances drawn but not recouped to the fund



amounted to ₹ 3.00 crore. The closing balance of the Fund as on 31 March 2010 was ₹ 147 crore.

During 2009-10, 59 sanctions were issued for withdrawal of ₹ 460.72 crore from the Contingency Fund. A few illustrative cases listed in **Appendix 2.12** show that the nature of expenditure for which the department obtained advances from Contingency Fund was foreseeable.

## 2.5 Outcome of review of selected grants

A review of receipts and expenditure of two Grants (No.X-I and No.W) was undertaken in audit. Some of the irregularities noticed are summarized below:

### 2.5.1 Grant No. X-I – Women and Child Development Department

There were persistent savings under the Grant during last four years viz., 2006-07 (₹ 131.26 crore), 2007-08 (₹ 92.75 crore), 2008-09 (₹ 150.60 crore) and 2009-10 (₹ 410 crore). The savings were mainly under 2236 – Nutrition – 101 – Special Nutrition Programmes, due to non-release of sanction from Government for implementation of the scheme.

During 2009-10, ₹ 1.83 crore under 2235-02-103(20)(01) Jijamata Mahila Adhar Vima Yojana, remained unutilized as the proposal of closure of the scheme was under consideration of the Government.

It was observed that reconciliation of expenditure was not carried out by the Controlling Officers properly during 2009-10. There were differences in the figures of the final modified grants as well as excess and savings reflected in the Appropriation Accounts for 2008-09 and those intimated by the Department. Even after receipt of the Explanatory Memorandum of the Unofficial References (UORs) furnished by the Department, the differences remained unsettled which was due to non-reconciliation of expenditure and non-confirmation of the Final Modified Grant with the Office of the Principal Accountant General (A&E).

During 2009-10, an amount of ₹ 15.23 crore required to be provided under the Minor head 2235-02-103(03)(10) for implementation of "Tejaswini Maharashtra Rural Women Empowerment Programme" were erroneously budgeted under 2235-02-103(03)(01).

During 2009-10, there are seven cases of injudicious re-appropriations (Grant no. X-I), which resulted in final saving or excess more than ₹ 1 crore.

Sr.No.	Grant Description	Head of Account	Reappropriation	Final Excess / Saving
1	Social Security and Nutrition	2236-02-101(04)(01)	(-)46.01	(+)10.21
2	Social Security and Nutrition	2236-02-101(01)(06)	(-)14.41	(+)5.33
3	Social Security and Nutrition	2236-02-101(01)(07)	(-)16.16	(+)5.04
4	Social Security and Nutrition	2236-02-102(02)(03)	(+)5.23	(-)2.62
5	Social Security and Nutrition	2235-02-103(03)(10)	(+)15.23	(-)2.59
6	Social Security and Nutrition	2236-02-101(03)(01)	(-)135.91	(+)4.23
7	Social Security and Nutrition	2235-02-104(01)(01)	(+)2.26	(-)1.21

### Grant No. W - Higher and Technical Education Department

During audit scrutiny it was observed that the reconciliation of expenditure was not carried out properly by all the Controlling Officers. The Administrative Department also did not ensure reconciliation of expenditure by the Directorates with the Office of the Pr. Accountant General (A&E).

During 2009-10, under Grant No. W-9, M.H. 7610 – Loans to Government Servants *etc.*, ₹ 8.95 crore, being 49 *per cent* of the grant was surrendered on 31st March 2010, which could have been assessed and surrendered well in advance, so that the amount could be utilised for other developmental schemes.

Department replied that the demand for advances were received till end of March. The reply was not tenable as the scrutiny for sanction of House Building Advance takes sufficient time and assessment of demands has to be carried out by the administrative department well in advance to avoid large savings.

During 2009-10, there were two cases of injudicious re-appropriation (Grant no. W-4) under the Grant, which resulted in the final saving/excess of more than ₹ 1 crore.

Grant Description	Head of Account	Re-appropriation	Saving/ Excess
Art and Culture	2230-03-003(02)(05)	(-) 13.12	(+) 5.11
Art and Culture	2230-03-003(02)(01)	(+) 6.36	(-) 4.63

## 2.6 Conclusion and Recommendations

The overall saving of ₹ 46,672.57 crore was the net result of saving of ₹ 48,390.15 crore set off by excess of ₹ 1,717.58 crore. The excess expenditure requires regularisation of the State Legislature. Anticipated savings of ₹ 27,824.33 crore was surrendered on the last working day of the financial year. In 25 cases, ₹ 4,667 crore was surrendered in excess of the actual savings. In respect of 28 Departments, expenditure to the extent of ₹ 27,060 crore were not reconciled with the figures of Pr.Accountant General (A&E). There were rush of expenditure (50 to 82 *per cent*) under five major heads. Persistent excess expenditure, erroneous budgeting, injudicious re-appropriations and delay in surrender of savings were noticed in Women and Child Welfare Department and Higher and Technical Education Department.

### Recommendations:

- *In order to avoid large savings, all the departments should submit realistic budget estimates keeping in view the trends in expenditure and actual requirement of both plan funds and non-plan funds.*
- *All departments should closely monitor the expenditure against the allocations and incurring excess expenditure over the grants should be strictly avoided.*

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 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 Principal Accountant General 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 2010 is in **Table 3.1**.

**Table 3.1: Year-wise position of outstanding UCs as of 31.03.2010**

Year	Number of UCs awaited	Amount involved (₹ in crore)
Upto 2007-08	97,982	18,409.61
2008-09	35,790	15,100.76
2009-10	44,917	20,028.88
<b>Total</b>	<b>1,78,689</b>	<b>53,539.25</b>

Non-submission of UCs in time may result in misutilisation of the grants. The large pendency in submission of UCs indicates lack of monitoring the utilisation of grants and loans by the departments.

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

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Department 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 bodies/authorities during the year were awaited from Government departments (September 2010).

According to the accounts received for the year 2008-09, 192 bodies/ authorities attracted audit by the Comptroller and Auditor General of India during 2009-10. Of these, 61 were audited during 2009-10.

The annual accounts due up to 2008-09 in respect of 768 bodies/ authorities had not been received as of June 2010.

Due to non-submission of information regarding grants and loans paid to various institutions and non-furnishing of accounts by them, there is a possibility of misutilisation of funds.

### 3.3 Delays 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. A large number of these bodies are audited by the Comptroller and Auditor General of India with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions, review of internal management and financial control, review of systems and procedures *etc.* The audit of accounts of 15 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 Report and its placement in the Legislature are indicated in **Appendix 3.2**.

It was noticed that there were delays in submission of annual accounts, which ranged up to 59 months in the case of 15 autonomous bodies. The accounts of the Slum Rehabilitation Authority (SRA), Mumbai for the years 2003-04 to 2006-07 were furnished to Audit only in June 2009. The delays were mainly due to delay in approval of the accounts by the governing bodies.

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

### 3.4 Departmental commercial undertakings

The departmental undertakings of certain government departments, performing activities of quasi-commercial nature, are required to prepare *pro forma* accounts in the prescribed format annually showing the working results of financial operations so that the 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. In the case of delay in finalisation of accounts, the investments of the government remain outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures required, if any, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay may also open the system to risk of fraud and leakage of public money.

The heads of departments in the government are to ensure that the undertakings prepare such accounts and submit the same to the Principal Accountant General for audit within a specified time frame. As of March 2010, there were 49 such undertakings out of which 47 had not prepared accounts up to 2009-10. The Comptroller and Auditor General of India have repeatedly commented about the arrears in preparation of accounts in State Reports (Civil Audit) but there is limited improvement so far in preparation of *pro forma* accounts by these undertakings. The department-wise position of arrears in preparation of *pro forma* 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, any other office/department shall be reported immediately by the office concerned to the next higher authority as well as to the Principal Accountant General.

State Government reported 201 cases of misappropriation, defalcation, etc., involving ₹ 10.71 crore up to March 2010 on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.4** and 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 3.2**.

**Table 3.2: 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 / characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
0-5	12	472.18	Theft	10	21.20
5 - 10	25	172.95			
10 - 15	15	171.88	Misappropriation / Loss of material	191	1,050.08
15 - 20	39	119.55			
20 - 25	41	93.38	Total	201	1,071.28
25 & above	69	41.34	Cases of Losses Written off during the Year	0	0
Total	201	1,071.28	Total pending cases	201	1,071.28

The reasons for which the cases were outstanding have been broadly categorised as under:

Reasons for the delay / outstanding pending cases	Number of cases	Amount (₹ in lakh)
Departmental and criminal investigation awaited	25	25.70
Departmental action initiated but not finalised	46	121.01
Criminal proceedings finalised but execution of certificate cases for the recovery of the amount was pending	21	62.48
Orders for recovery or write-off awaited	42	736.53
Pending in the courts of law	67	125.56
Total	201	1,071.28

It can be seen from the above that out of 201 cases involving ₹ 10.71 crore, 164 cases (82 *per cent*) involving ₹ 4.26 crore (40 *per cent*) were pending for more than 10 years. Further, while 46 cases involving ₹ 1.21 crore were pending for final departmental action, 42 cases involving ₹ 7.37 crore were pending for recovery or write-off orders.

### 3.6 Bookings of revenue receipts under Public Accounts (Personal Ledger Accounts)

The revenue receipts are required to be credited to the Major Heads in Revenue Section of Accounts. Some hospitals, medical institutions, educational institutions are crediting the revenue receipts to their Personal Ledger Accounts. Certain institutions are also incurring revenue expenditure from this Personal Ledger Account, without the approval of the Legislature.



A review of six selected treasuries of Western Maharashtra revealed that ₹ 1.48 crore were irregularly credited to the Personal Ledger Accounts in Public Accounts during 2009-10.

### 3.7 Booking under Minor Head 800-‘Other Expenditure’ and ‘800-Other Receipts’

During the past two decades, the range and diversity of Government activity had increased manifold thereby heavily outpacing in number the available programme minor heads. The residuary sub-head “Other Expenditure/Other Receipts” under the residuary minor head “800” accommodates those schemes which could not be classified under the available programme minor heads. During 2009-10, ₹ 3110.69 crore under 46 Major Revenue Heads and ₹ 11864.35 crore under 37 Major Expenditure Heads of accounts were classified under the Minor Head ‘800-Other Receipts’ and ‘800-Other Expenditure’ in the accounts.

Substantial receipts from ‘Maharashtra State Electricity Distribution Company Ltd.’, ‘Town Planning’ *etc.* were booked under the Head ‘800-Other Receipts’ while substantial amount of subsidy to the Distribution/ Transmission Licenses for reduction in Agriculture and Power loom Tariff, grants-in-aid to ‘Maharashtra State Electricity Board Holding Co. Ltd.’, financial assistance to Rashtriya Krishi Vikas Yojana were classified as ‘800-Other Expenditure’. The major schemes such as ‘National Rural Health Mission’, ‘Gharkul Yojana for Schedule Castes’, ‘Plan grants to Zilla Parishads’, ‘Pradhan Mantri Gram Sadak Yojana’, ‘Gaothan Feeder Separation Scheme’, ‘Sarva Shiksha Abhiyan Scheme’, ‘Works executed through NABARD assistance’ *etc.* which have large amount booked under the Minor Head 800, were not depicted distinctly in the Finance Accounts for 2009-10, though the details of these expenditure were depicted at the sub-head (Scheme) level or below in the Detailed Demands for Grants and corresponding head-wise Appropriation Accounts forming part of the State Government accounts.

Large amounts booked under the Minor head ‘800’ affects the transparency in financial reporting.

### 3.8 Reconciliation of Receipts and Expenditure

The Controlling Officers are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the offices of the Principal Accountants General and Pay & Accounts office, Mumbai. As of August 2010, such reconciliation has been completed for ₹ 98,175 crore (78 *per cent*) of expenditure against the total expenditure of ₹ 1,25,234 crore and for ₹ 76,802 crore (70 *per cent*) of receipts against the total receipts of ₹ 1,09,943 crore.

### 3.9 Book Adjustments

Certain transactions are in the nature of periodical adjustments and book adjustments and do not represent actual cash transaction, as mentioned below.

- (i) Adjustment of all deductions from salaries by debiting functional major heads (department concerned), by book adjustment to revenue receipt (*e.g.* deductions other than General Provident Fund) or to Public Account (*e.g.* GPF).
- (ii) Creation of funds/adjustment of contribution to Funds in Public Account by debit to Consolidated Fund *e.g.* Reserve Funds, Sinking Fund *etc.*
- (iii) Crediting of deposit heads of accounts in Public Account by debit to Consolidated Fund.
- (iv) Annual adjustment of interest on GPF and State Government Group Insurance Scheme where interest on General Provident Fund of State Government is adjusted by debiting 2049-Interest Payments and crediting 8009-General Provident Fund (GPF).

- (v) Certain adjustments such as adjustment of Debt waiver scheme granted by the Government of India in accordance with the recommendation of Finance Commission. It affects both revenue receipts and Public Debt heads where Central loans are written off by crediting 0075-Miscellaneous General Services by contra entry in the Major Head 6004-Loans and Advances from the Central Government.

During 2009-10, there were 18<sup>21</sup> items of Book adjustment involving ₹ 6,763.50 crore, which were transferred from Consolidated Fund to Public Account and *vice versa*. Actual utilisation of the amounts for the intended purposes could not be verified in audit.

### 3.10 Pendency in submission of detailed contingent bills against abstract contingent bills

The Drawing and Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingent Bills by debiting Service Heads, and as per the Maharashtra Treasury Rules, 1968, they are required to submit Detailed Contingent Bill (vouchers in support of final expenditure) in all these cases within 30 days to the Offices of the Principal Accountant General and Pay & Accounts Office, Mumbai.

As on 31 March 2010, 40,802 DC Bills amounting to ₹ 2,239.74 crore were not received in the offices of the Principal Accountant General and Pay & Accounts Office, Mumbai. Year-wise details and department-wise position are given in **Table 3.3** and **Appendix 3.6** respectively.

**Table 3.3 : 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 2007-08	1,22,119	3,104.20	86,059	1,404.35	36,060	1,699.85
2008-09	3,636	206.59	2,310	78.57	1,326	128.02
2009-10	4,831	470.76	1,415	58.89	3,416	411.87
<b>Total</b>	<b>1,30,586</b>	<b>3,781.55</b>	<b>89,784</b>	<b>1,541.81</b>	<b>40,802</b>	<b>2,239.74</b>

Source: Finance Accounts

### 3.11 Conclusion and Recommendations

Non-submission of the utilisation certificates for ₹ 53,539 crore indicated lack of monitoring by the departments for the utilisation of grants and loans. Non-submission of the annual accounts by the grantee institutions for audit is fraught with the risk of misutilisation of funds. Due to delay in finalisation of accounts by the autonomous bodies/commercial undertakings, Government's investments in these organisations remain outside the scrutiny of Audit. Large outstanding cases of misappropriations, losses, *etc.* and their non-recovery indicated lack of sincere efforts by the departments to make good the losses.

The Controlling Officers did not submit the Detailed Contingent Bills in respect of ₹ 2,240 crore drawn on Abstract Contingent Bills up to 31 March 2010. 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 2009-10, affecting the transparency in financial reporting.

21 Details of the items are given in the Finance Accounts (Volume - I), Government of Maharashtra 2009-10.

### Recommendations

- *The Departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes and the annual accounts in respect of the autonomous bodies to the Principal Accountant General.*
- *Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.*
- *A rigorous monitoring mechanism should be put in place in the Departments to adjust the advances drawn in Abstract Contingent bills within the stipulated period, as required under the extant rules.*
- *In order to ensure greater transparency in financial reporting, large amounts received or expended under various schemes should be depicted in Accounts distinctly, instead of clubbing the same under the Minor head '800-Other expenditure' and '800-Other receipts'.*

Mumbai,  
The



(ANITA PATTANAYAK)  
Principal Accountant General (Audit)-I,  
Maharashtra

Countersigned



(VINOD RAI)  
Comptroller and Auditor General of India

New Delhi,  
The

A GENERAL DATA*		
Sr. No.	Particulars	Figures
1	Area	3.08 lakh sq. km.
2	Population	
a.	As per 2001 Census	9.69 crore
b.	2009-10	11.03 crore
3	Density of Population (All India Density = 325 persons per sq. Km.)	315 persons per sq. km.
4	Population Below Poverty Line (BPL) (All India Average = 27.5 per cent)	35.7 per cent
5	Literacy (2001) (All India Average = 64.8 per cent)	76.9 per cent
6	Infant mortality (per 1000 live births) (All India Average = 53 per 1000 live births)	33
7	Life Expectancy at birth (All India Average = 63.5 years)	67.2 years
8	Gini Coefficient	
a.	Rural (All India = 0.30)	0.31
b.	Urban (All India = 0.37)	0.37
9	Gross State Domestic Product (GSDP) 2009-10 at current price	8,31,971 crore
10	GSDP CAGR (2000-01 to 2009-10)	14.18 per cent
11	Per capita GSDP CAGR (2000-01 to 2009-10)	12.54 per cent
12	GSDP CAGR (2000-01 to 2008-09) Maharashtra	13.56 per cent
13	General Category States	12.54 per cent
14	AGR Population (2000-01 to 2009-10) Maharashtra	13.87 per cent
15	General Category States	13.42 per cent

B FINANCIAL DATA**			
Particulars	2000-01 to 2008-09		2000-01 to 2009-10
CAGR	General Category States	Maharashtra	Maharashtra
		(In per cent)	
a. of Revenue Receipts	14.40	13.47	12.73
b. of Own Tax Revenue	13.59	12.89	12.97
c. of Non Tax Revenue	12.08	7.24	4.55
d. of Total Expenditure	12.38	11.15	11.95
e. of Capital Expenditure	21.41	19.75	16.34
f. of Revenue Expenditure on Education	9.33	7.23	10.01
g. of Revenue Expenditure on Health	8.95	8.68	9.78
h. of Salary and Wages (2001-02 to 2009-10)	9.37	10.06	12.36
i. of Pension	12.03	11.73	12.51

\* Source of General data: BPL (Planning Commission and NSSO data, 61 Round), Gini Coefficient (Unofficial estimates of Planning Commission and NSSO data, 61 Round 2004-05 MRP), Life Expectancy of birth (Office of the Registrar General of India, Ministry of Home Affairs) Economic Survey of Maharashtra 2009-10, Infant Mortality rate (SRS Bulletin October 2009), Density of population (Office of the Registrar General and Census Commissioner of India, Ministry of Home Affairs) and Literacy (Office of the Registrar General of India, Ministry of Home Affairs).

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

**Part A - Structure of Government Accounts :**

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

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

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

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

**PART B - LAYOUT OF FINANCE ACCOUNTS**

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



## MAHARASHTRA FISCAL RESPONSIBILITY AND BUDGETARY MANAGEMENT (FRBM) 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. (Considering the overall slowdown in the economy, the GoI had allowed the States to increase their fiscal deficit to as much as to 3.5 *per cent* of their GSDP).

**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. 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.
- The effect of revision of salaries of employees' consequent to the report of the Sixth Pay Commission is reflected in the Budget Estimates for 2009-10. This has seriously disturbed the revenue balance. To avoid a squeeze on plan expenditure, it would be necessary to resort to more borrowing. The attempt is to ensure that the growth momentum in the economy is maintained and even increased, even though this may mean increased public expenditure. The medium term objective would be to revert back to the trajectory of high economic growth with consequent high growth in revenues and low deficits. At the same time, it has been ensured that public investment in Agriculture, Human Development and Infrastructure is not squeezed and it is expected that the economy soon reverts to its high growth path.

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 2004-05 to 2009-10 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Outcome Indicators of the State's own  
Fiscal Correction Path

(Reference : Paragraph 1.1; Page 1)

(₹ in crore)

Items	2004-05 Pre-actuals	2005-06 B.E.	2006-07 Projection	2007-08 Projection	2008-09 Projection	2009-10 Projection
<b>A. STATE REVENUE ACCOUNT</b>						
1. Own Tax Revenue	30604.67	35296.92	40062.00	45069.75	<b>50703.47</b>	57041.41
2. Own Non-Tax Revenue	4118.83	5686.39	5632.37	5801.34	<b>5975.38</b>	6154.64
3. Own Tax + Non-Tax Revenue (1+2)	34723.50	40983.31	45694.37	50871.10	<b>56678.85</b>	63196.05
4. Share in Central Taxes & Duties	3596.11	4749.32	5227.00	5998.00	<b>6897.00</b>	7949.00
5. Plan Grants	2123.41	3788.27	3485.34	4356.67	<b>5445.84</b>	6807.30
6. Non-Plan Grants	570.31	908.92	1323.31	1332.08	<b>1341.30</b>	1350.99
7. Total Central Transfer (4 to 6)	6289.83	9446.51	10035.65	11686.75	<b>13684.14</b>	16107.29
8. Total Revenue Receipts (3+7)	41013.33	50429.82	55730.02	62557.85	<b>70362.99</b>	79303.34
9. Plan Expenditure	4654.10	4186.94	6684.39	7453.09	<b>8310.20</b>	9265.87
10. Non-Plan Expenditure	46392.56	45977.02	50536.10	53568.27	<b>56782.36</b>	60189.30
11. Salary Expenditure	17200.98	16818.72	18164.22	19617.36	<b>21186.74</b>	22881.68
12. Pension	3311.80	4256.95	4597.51	4965.31	<b>5362.53</b>	5791.53
13. Interest Payments	8978.56	9537.79	10903.66	12178.16	<b>13379.73</b>	14473.29
14. Subsidies - General	1253.85	740.45	740.45	740.45	<b>740.45</b>	740.45
15. Subsidies - Power	2707.41	713.47	1610.97	1610.97	<b>1610.97</b>	1610.97
16. Total Revenue Expenditure (9+10)	51046.66	50163.96	57220.49	61021.36	<b>65092.56</b>	69455.18
17. Salary + Interest + Pension (11+12+13)	29491.34	30613.46	33665.39	36760.82	<b>39929.00</b>	43146.51
18. As % of Revenue Receipts (17/8)	71.91	60.71	60.41	58.76	<b>56.75</b>	54.41
19. Revenue Surplus/Deficit (8-16)	-10033.33	265.86	-1490.47	1536.49	<b>5270.43</b>	9848.16
<b>B. CONSOLIDATED REVENUE ACCOUNT</b>						
1. Power Sector loss/profit net of actual subsidy transfer	-803.90	-536.76	-536.76	-536.76	<b>-536.76</b>	-536.76
2. Increase in debtors during the year in power utility accounts [Increase (-)]	-650.88	-60.81	-60.81	-60.81	<b>-60.81</b>	-60.81
3. Interest payments on off budget borrowing and SPV borrowings made by PSU/SPUs outside budget	1375.00	1230.00	960.00	800.00	<b>676.00</b>	583.00
4. Total (1 to 3)	<b>-1528.02</b>	<b>-1705.95</b>	<b>-1435.95</b>	<b>-1275.95</b>	<b>-1151.95</b>	<b>-1058.95</b>
5. Consolidated Revenue Deficit (A19 + B4)	<b>-11561.35</b>	<b>-1440.09</b>	<b>-2926.42</b>	<b>260.54</b>	<b>4118.48</b>	<b>8789.21</b>
<b>C. CONSOLIDATED DEBT</b>						
1. Outstanding Debts & Liabilities	107580.85	114288.89	130385.83	142998.87	<b>154479.07</b>	164515.73
2. Total Outstanding guarantee of which (a) guarantee on account off budgeted borrowing and SPV borrowing	58818.48 26796.48	57979.00 26415.23	57241.00 26079.00	56616.00 25794.25	<b>56118.00</b> <b>25567.36</b>	55761.00 25404.71
<b>D. CAPITAL ACCOUNT</b>						
1. Capital Outlay	7876.98	8551.62	13088.44	14659.05	<b>16418.14</b>	18388.32
2. Disbursement of Loans and Advances	2750.66	1310.30	4570.18	5118.60	<b>5732.84</b>	6420.78
3. Recovery of Loans and Advances	2040.94	445.38	3391.61	3798.60	<b>4254.43</b>	4764.97
4. Other Capital Receipts	18620.03	12389.99	17638.06	17209.42	<b>16451.36</b>	15289.22
<b>E. GROSS FISCAL DEFICIT (GFD)</b>						
1. GSDP (₹ Crore) at current prices	378985	424656	475615	532688	<b>596611</b>	668204

Time series data on  
State Government Finances

(Reference : Paragraph 1.5; Page 6)

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Part A: Receipts</b>					
<b>1. Revenue Receipts</b>	<b>48438.29</b>	<b>62195.38</b>	<b>79583.15</b>	<b>81270.68</b>	<b>86910.29</b>
(i) Tax Revenue	33540.24(69)	40099.25(64)	47528.45(60)	52029.94(64)	59106.34(68)
Taxes on Agricultural Income	—	—	0.05(00)	0	0
Taxes on Sales, Trade, etc.	19676.73(59)	24130.72(60)	26752.80(54)	30680.53(59)	32676.02(55)
State Excise	2823.85(08)	3300.70(08)	3963.05(08)	4433.76(08)	5056.63(09)
Taxes on Vehicles	1309.11(04)	1841.06(05)	2143.10(04)	2220.22(04)	2682.30(05)
Stamps and Registration fees	5265.86(16)	6415.72(16)	8549.57(17)	8287.63(16)	10773.65(18)
Land Revenue	428.97(01)	484.17(01)	512.22(01)	546.22(01)	714.04(01)
Taxes on Goods and Passengers	504.63(01)	224.48(01)	388.27(01)	891.95(02)	976.60(02)
Other Taxes	3531.09(11)	3702.40(09)	5219.39(11)	4969.63(10)	6227.10(10)
(ii) Non-tax Revenue	5935.05(12)	7518.24(12)	16947.97(21)	9789.94(12)	8352.61(10)
(iii) State's share of Union taxes and duties	4982.00(11)	6022.76(10)	7597.18(10)	8018.41(10)	8248.11(09)
(iv) Grants-in-aid from GOI	3981.00(08)	8555.13(14)	7509.55(09)	11432.39(14)	11203.23(13)
<b>2. Miscellaneous Capital Receipts</b>	<b>—</b>	<b>0.11</b>	<b>0.00</b>	<b>18.01</b>	<b>25.07</b>
<b>3. Recoveries of Loans and Advances</b>	<b>551.25</b>	<b>50.70</b>	<b>732.59</b>	<b>560.21</b>	<b>514.84</b>
<b>4. Total revenue and Non-debt capital receipts (1 + 2 + 3)</b>	<b>48989.54</b>	<b>62246.19</b>	<b>80315.74</b>	<b>81848.90</b>	<b>87450.20</b>
<b>5. Public Debt Receipts</b>	<b>19973.70</b>	<b>11891.69</b>	<b>11807.66</b>	<b>20709.02</b>	<b>21564.42</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	19483.51	11393.65	11478.45	20323.44	20812.20
Net transactions under Ways and Means Advances and Overdraft	—	—	0.00	0.00	0.00
Loans and Advances from Government of India <sup>§</sup>	490.19	498.04	329.21	385.58	752.22
<b>6. Appropriation from Contingency Fund</b>	<b>1050.00</b>	<b>1850.00</b>	<b>350.00</b>	<b>400</b>	<b>600.00</b>
<b>7. Inter State settlement</b>	<b>—</b>	<b>—</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>8. Total receipts in the Consolidated Fund (4+5+6+7)</b>	<b>70013.24</b>	<b>75987.88</b>	<b>92473.40</b>	<b>102957.92</b>	<b>109614.62</b>
<b>9. Contingency Fund Receipts</b>	<b>1954.52</b>	<b>1288.57</b>	<b>405.36</b>	<b>708.94</b>	<b>351.93</b>
<b>10. Public Accounts receipts</b>	<b>27145.89</b>	<b>30640.21</b>	<b>19785.69</b>	<b>37356.22</b>	<b>44071.51</b>
<b>11. Total receipts of the State (8+9+10)</b>	<b>99113.65</b>	<b>107916.66</b>	<b>112664.45</b>	<b>141023.08</b>	<b>154038.06</b>
<b>Part B: Expenditure</b>					
<b>12. Revenue expenditure (Per cent of 15)</b>	<b>52279.85(78)</b>	<b>61385.28(83)</b>	<b>64780.05(84)</b>	<b>75693.92(79)</b>	<b>94915.97(84)</b>
Plan	5231.70(10)	8235.08(13)	10275.43(16)	12408.31(16)	16736.93(18)
Non-Plan	47048.15(90)	53150.20(87)	54504.62(84)	63285.61(84)	78179.04(82)
General Services (incl. Interests payments)	21696.50(41)	25106.29(41)	23846.42(37)	26584.71(35)	32070.96(34)
Social Services	19917.19(38)	23558.86(38)	26773.05(41)	31052.20(41)	41004.66(43)
Economic Services	9314.71(18)	11703.04(19)	13236.89(20)	16813.24(22)	20371.94(21)
Grants-in-aid and Contribution	1351.45(03)	1017.09(02)	923.69(02)	1243.77(02)	1468.41(02)
<b>13. Capital Expenditure (Per cent of 15)</b>	<b>10078.44(16)</b>	<b>10092.18(14)</b>	<b>11489.61(15)</b>	<b>18873.21(20)</b>	<b>17428.66(15)</b>
Plan	6800.45(67)	7982.28(79)	9466.93(82)	12775.78(68)	14668.30(84)
Non-Plan	3277.99(33)	2109.90(21)	2022.68(18)	6097.43(32)	2760.36(16)
General Services	70.74(01)	242.63(02)	341.62(03)	459.26(02)	712.01(04)
Social Services	1247.19(12)	872.15(09)	742.54(06)	2064.67(11)	1478.86(09)
Economic Services	8760.51(87)	8977.40(89)	10405.45(91)	16349.28(87)	15237.79(87)

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

<sup>§</sup> Includes Ways and Means Advances from Gol.

## Appendix - 1.5 (contd.)

	(₹ in crore)				
	2004-05	2005-06	2006-07	2007-08	2008-09
14. Disbursement of Loans and Advances (Per cent of 15)	4261.62(6)	2321.62(3)	1225.16(1)	1280.59(1)	1261.08(1)
15. Total (12+13+14)	66619.91	73799.08	77494.82	95847.72	113605.71
16. Repayments of Public Debt	2056.71	2041.92	2745.48	3220.77	3825.39
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1531.22	1639.15	2332.80	2800.24	3398.45
Net transactions under Ways and Means Advances and Overdrafts	—	—	0.00	0.00	0.00
Loans and Advances from Government of India <sup>§</sup>	525.49	402.77	412.68	420.53	426.94
17. Appropriation to Contingency Fund	1850.00	1050.00	350.00	650.00	350.00
18. Total disbursement out of Consolidated Fund (15+16+17)	70526.62	76891.00	80590.30	99718.49	117781.10
19. Contingency Fund disbursements	1288.57	1905.36	408.94	401.93	603.00
20. Public Account disbursements	24383.17	26974.70	27618.79	30506.56	31721.02
21. Total disbursement by the State (18+19+20)	96198.36	105771.06	108618.03	130626.98	150105.12
<b>Part C : Deficits</b>					
22. Revenue Deficit(-) / Surplus (+) (1-12)	(-)3841.56	810.10	14803.10	5576.76	(-)8005.68
23. Fiscal Deficit (-) / Surplus (+) (4-15)	(-)17630.37	(-)11552.89	2820.92	(-)13998.82	(-)26155.51
24. Primary Deficit (-) / Surplus (+) (23-25)	(-)8283.13	102.78	15024.93	(-)1699.51	(-)12045.01
<b>Part D : Other Data</b>					
25. Interest Payments (included in revenue expenditure)	9347.24	11655.67	12204.01	12299.31	14110.50
26. Arrears of Revenue (percentage of Tax and Non-tax revenue)	15347.47 (39)	30836.47 (65)	24444.32 (38)	34185.26 (55)	38,361.87 (57)
27. Financial Assistance to local bodies etc.	27387.69	26852.22	28289.67	35668.96	44,589.32
28. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	21	42	25	21	Nil
Overdraft availed (days)	20	Nil	Nil	Nil	Nil
29. Interest on WMA/Overdraft	9.04	3.12	3.18	0.67	0.00
30. Gross State Domestic Product (GSDP)	432413 <sup>c</sup>	509356 <sup>c</sup>	590995 <sup>c</sup>	692749 <sup>d</sup>	831971
31. Outstanding Fiscal liabilities (year end)	142491	157039	158114	179262	203165
32. Outstanding guarantees (year end) <sup>A</sup> (including interest)	66238.82	63509.49	58275.62	51470.55	42683.10
33. Maximum amount guaranteed (year end)	86725.14	87777.56	84163.83	88371.06	73958.00
34. Number of incomplete projects	158	96	122	144	209
35. Capital blocked in incomplete projects	5239.74	4039.37	5560.27	5341.74	5,632.95

<sup>§</sup> Includes Ways and Means Advances from Gol.

<sup>c</sup> Based on Economic Survey of Maharashtra.

<sup>d</sup> Advance estimates as furnished by Directorate of Economics and Statistics, Government of Maharashtra.

<sup>A</sup> As per Finance Accounts of respective year.

## Appendix - 1.5 (concl.)

	(₹ in crore)				
	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Part E: Fiscal Health Indicators</b>					
<b>I. Resource Mobilization</b>					
Own Tax revenue/GSDP	7.76	7.87	8.04	7.5	7.1
Own Non-Tax Revenue/GSDP	1.37	1.48	2.87	1.4	1.0
Central Transfers/GSDP	1.15	1.18	1.29	1.1	1.0
<b>II. Expenditure Management</b>					
Total Expenditure/GSDP	15.4	14.5	13.1	13.8	13.7
Total Expenditure/Revenue Receipts	137.5	118.7	97.4	117.9	130.7
Revenue Expenditure/Total Expenditure	78.5	83.2	83.6	79.0	83.5
Expenditure on Social Services/ Total Expenditure	31.8	33.1	35.5	34.6	37.4
Expenditure on Economic Services/ Total Expenditure	27.1	28	30.5	34.6	31.3
Capital Expenditure/Total Expenditure	15.1	13.7	14.8	19.7	15.3
Capital Expenditure on Social and Economic Services/Total Expenditure.	15.0	13.3	14.4	19.2	14.7
<b>III. Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	-0.9	0.2	2.5	0.8	-1.0
Fiscal deficit/GSDP	-4.1	-2.3	0.5	-2	-3.1
Primary Deficit (surplus) /GSDP	-1.9	0	2.5	-0.2	-1.4
Revenue Deficit/Fiscal Deficit	-21.8	0 <sup>1</sup>	0 <sup>2</sup>	0	30.6
Primary Revenue Balance/GSDP	1.4	2.5	4.7	2.7	0.8
<b>IV. Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	33	30.8	26.8	25.7	24.4
Fiscal Liabilities/RR	294.1	252.5	198.7	220.6	233.8
Primary deficit vis-à-vis quantum spread	19406	14160	-2006	18713	10757
Debt Redemption (Principal +Interest)/Total Debt Receipts	65.7	89.8	173.0	75.8	83.17
<b>V. Other Fiscal Health Indicators</b>					
Return on Investment	0.01	0.02	0.28	0.13	0.13
Balance from Current Revenue (₹ in crore)	-600	4505	20238	9984	9562
Financial Assets/Liabilities	0.6	0.6	0.7	0.8	0.8

@ GSDP figures communicated by the Government adopted.

<sup>1</sup> There was revenue surplus.

<sup>2</sup> There was revenue surplus and fiscal surplus.



Abstract of Receipts and Disbursements  
for the year 2009-10

(Reference : Paragraph 1.2; Page 1)

(₹ in crore)

Receipts				Disbursements					
2008-09			2009-10	2008-09		Non-Plan	Plan	Total	2009-10
<b>SECTION-A : REVENUE</b>									
81270.68	I. Revenue receipts		86910.29	75693.92	I. Revenue expenditure	78179.04	16736.93	94915.97	94915.97
52029.94	Tax revenue	59106.34		26584.71	General services	31857.42	213.54	32070.96	
				31052.20	Social services	29604.93	11399.73	41004.66	
9789.94	Non-tax revenue	8352.61		16446.81	Education, Sports, Art and Culture	21192.21	1015.61	22207.82	
				3105.46	Health and Family Welfare	2801.11	894.62	3695.73	
8018.41	State's share of Union Taxes	8248.11		4460.23	Water Supply, Sanitation, Housing and Urban Development	1326.13	5612.46	6938.59	
				30.55	Information and Broadcasting	39.08	0.65	39.73	
2832.15	Non-Plan grants	3706.97		3200.50	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1799.28	2346.04	4145.32	
				527.59	Labour and Labour Welfare	398.32	200.71	599.03	
6682.96	Grants for State Plan Scheme	5396.09		3236.67	Social Welfare and Nutrition	2001.13	1323.88	3325.01	
				44.39	Others	47.67	5.76	53.43	
1917.28	Grants for Central and Centrally sponsored Plan Schemes	2100.17		16813.24	Economic Services	15343.75	5028.19	20371.94	
				6402.75	Agriculture and Allied Activities	5237.96	1222.22	6460.18	
				1980.01	Rural Development	971.58	1521.58	2493.16	
				31.20	Special Areas Programmes	0.41	27.66	28.07	
				1939.26	Irrigation and Flood Control	1684.50	655.04	2339.54	
				2807.60	Energy	3975.00	162.84	4137.84	
				682.59	Industry and Minerals	960.27	38.23	998.50	
				2691.01	Transport	2375.50	851.31	3226.81	
				41.98	Science, Technology and Environment	0.09	72.18	72.27	
				236.84	General Economic Services	138.44	477.13	615.57	
				1243.77	Grants-in-aid and Contributions	1372.94	95.47	1468.41	
	II. Revenue deficit carried over to Section B		8005.68	5576.76	II. Revenue Surplus carried over to Section B				0.00

# Appendix - 1.6 (contd.)

(₹ in crore)

Receipts				Disbursements				
2008-09			2009-10	2008-09		Non-Plan	Plan	Total
SECTION B								
11230.32	III. Opening Cash balance including Permanent Advances and Cash Balance Investment		21626.42	0	III. Opening Overdraft from RBI			0
18.01	IV. Miscellaneous Capital receipts		25.07	18873.21	IV. Capital Outlay	2760.36	14668.30	17428.66
				459.26	General Services	329.45	382.56	712.01
				2064.67	Social Services	353.73	1125.13	1478.86
				387.10	Education, Sports, Art and Culture	0	176.83	176.83
				340.00	Health and Family Welfare	0	215.59	215.59
				496.60	Water Supply, Sanitation, Housing and Urban Development	355.27	280.98	636.25
				682.19	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0	310.82	310.82
				55.23	Social Welfare and Nutrition	-1.54	62.51	60.97
				103.55	Others	0	78.40	78.40
				16349.28	Economic Services	2077.18	13160.61	15237.79
				1301.23	Agriculture and Allied Activities	914.22	589.27	1503.49
				467.44	Rural Development	0	600.76	600.76
				47.73	Special Area Programme	0	52.14	52.14
				11267.36	Irrigation and Flood Control	900.63	7115.89	8016.52
				898.30	Energy	0	1707.41	1707.41
				14.44	Industry and Minerals	-0.04	6.12	6.08
				2159.18	Transport	176.09	3083.15	3259.24
				193.60	General Economic Services	86.28	5.87	92.15
				0	Science Technology and Environment	0	0	0
560.21	V. Recoveries of Loans and Advances		514.84	1280.59	V. Loans and Advances disbursed			1261.08
88.40	From Power Projects	80.63		314.80	For Power Projects			294.31
166.12	From Government Servants	187.65		264.90	To Government Servants			237.37
305.69	From others	246.56		700.89	To Others			729.40
5576.76	VI. Revenue surplus brought down		0.00	0.00	VI. Revenue deficit brought down			8005.68

## Appendix - 1.6 (concl.)

(₹ in crore)

Receipts				Disbursements					
2008-09			2009-10	2008-09		Non-Plan	Plan	Total	2009-10
<b>SECTION-A : REVENUE</b>									
<b>20709.02</b>	<b>VII. Public Debt receipts</b>		<b>21564.42</b>	<b>3220.77</b>	<b>VII. Repayment of Public Debt</b>				<b>3825.39</b>
0.00	External debt	0		0.00	External debt			0	
20323.44	Internal debt other than Ways and Means Advances and Overdraft	20812.20		2800.24	Internal debt other than Ways and Means Advances and Overdraft			3398.45	
<sup>B</sup>	Net transactions under Ways and Means Advances including Overdraft	0.00		<sup>B</sup>	Net transactions under Ways and Means Advances including Overdraft			0.00	
385.58	Loans and Advances from Central Government	752.22		420.53	Repayment of Loans and Advances to Central Government			426.94	
<b>400.00</b>	<b>VIII. Appropriation from Contingency Fund</b>		<b>600.00</b>	<b>650.00</b>	<b>VIII. Appropriation to Contingency Fund</b>				<b>350.00</b>
<b>708.94</b>	<b>IX. Contingency Fund</b>		<b>351.93</b>	<b>401.93</b>	<b>IX. Contingency Fund</b>				<b>603.00</b>
<b>37356.22</b>	<b>X. Public Account receipts</b>		<b>44071.51</b>	<b>30506.56</b>	<b>X. Public Account disbursements</b>				<b>31721.02</b>
2219.81	Small Savings and Provident Funds	3308.73		1416.35	Small Savings and Provident Funds			1518.54	
2427.79	Reserve Funds	2559.11		810.30	Reserve Funds			1684.07	
3132.02	Suspense and Miscellaneous	4165.71		-14.56	Suspense and Miscellaneous			145.27	
18138.83	Remittances	19887.80		18096.95	Remittances			17724.63	
11437.77	Deposits and Advances	14150.16		10197.52	Deposits and Advances			10648.51	
<b>0.00</b>	<b>XI. Closing Overdraft from Reserve Bank of India</b>		<b>0.00</b>	<b>21626.42</b>	<b>XI. Cash Balance at end</b>				<b>25559.36</b>
<b>0.00</b>	<b>XII. Inter State Settlement</b>		<b>0.00</b>	1.16	Cash in Treasuries			0.21	
				-721.83	Deposits with Reserve Bank			-863.47	
				177.88	Local Remittances			182.83	
				32.81	Departmental Cash Balance			136.70	
				0.46	Permanent Advances			0.46	
				17022.33	Cash Balance Investment			19762.99	
				5113.61	Investment of earmarked balances			6339.64	
<b>76559.48</b>	<b>Total</b>		<b>88754.19</b>	<b>76559.48</b>	<b>Total</b>				<b>88754.19</b>

<sup>B</sup> Represents receipt ₹ 903.74 crore and disbursement ₹ 903.74 crore.

## Summarised financial position of the Government of Maharashtra as on 31 March 2010

(Reference : Paragraphs 1.9.1; Page 26)

		(₹ in crore)	
As on 31.03.2009	LIABILITIES		As on 31.03.2010
125270.76	<b>Internal Debt</b>		142684.50
45391.02	Market Loans bearing interest	59900.19	
22.23	Market Loans not bearing interest	22.11	
1832.85	Loans from LIC	1578.06	
78024.66	Loans from other institutions	81184.14	
—	Ways and Means Advances/Overdrafts from Reserve Bank of India	—	
8423.87	<b>Loans and Advances from Central Government</b>		8749.16
6.73	Pre 1984-85 Loans	6.73	
100.73	Non-Plan Loans	94.60	
8100.20	Loans for State Plan Schemes	8445.99	
6.76	Loans for Central Plan Schemes	5.93	
209.45	Loans for Centrally Sponsored Plan Schemes	195.91	
—	Ways and Means Advances	0	
398.07	<b>Contingency Fund</b>		147.00
10899.21	<b>Small Savings, Provident funds etc.</b>		12689.39
18203.58	<b>Deposits</b>		21702.86
16464.27	<b>Reserve Funds</b>		17339.31
6927.77	<b>Suspense and Miscellaneous Balances</b>		10948.09
15.69	<b>Remittances</b>		2178.85
186603.22	<b>TOTAL</b>		216439.16
As on 31.03.2009	ASSETS		As on 31.03.2010
102627.40	<b>Gross Capital Outlay on Fixed Assets</b>		120058.58
56386.38	Investments in shares of Companies, Corporations etc.	64192.68	
46241.02	Other Capital Outlay	55865.90	
18846.38	<b>Loans and Advances</b>		19590.09
5241.61	Loans for Power Projects	5455.29	
12634.78	Other Development Loans	13115.09	
969.99	Loans to Government servants	1019.71	
10.71	<b>Advances</b>		8.33
21626.42	<b>Cash</b>		25559.36
1.16	Cash in Treasuries	0.21	
-721.83	Deposits with Reserve Bank	-863.47	
177.88	Local remittances	182.83	
32.81	Departmental Cash Balance	136.70	
0.46	Permanent Advances	0.46	
17022.33	Cash Balance Investments	19762.99	
5113.61	Investment of earmarked balances	6339.64	
43510.43	<b>Deficit on Government Accounts</b>		51265.98
-5576.76	(i) Revenue Deficit of the Current Year	8005.68	
0	(ii) Pro forma correction	0	
249.95	(iii) Other adjustments	-250.13	
48837.24	Accumulated deficit upto 31 March 2009	43510.43	
-18.12	<b>Capital Receipts</b>		-43.18
-0.11	Upto previous year	-18.12	
-18.01	During the year	-25.06	
186603.22	<b>TOTAL</b>		216439.16

**Explanatory Notes for Appendices 1.5, 1.6 and 1.7**

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 1.7, 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 ₹ 1.07 crore (debit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is mainly due to (1) Misclassification by Treasury ₹ 0.06 Crore (Debit), (2) misclassification by Agency Banks ₹ 1.39 Crore (Debit) and (3) unadjusted advices of ₹ 0.38 Crore (Credit).

## Actual vis-à-vis Budget Estimates – 2009-10

(Reference : Paragraph 1.3; Page 3)

(₹ in crore)

	Budget Estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (In %)
1	2	3	4 (3-2)	5
<b>Revenue Receipts</b>				
<i>of which</i>	89061	86910	-2151	-2.42
<b>Tax Revenue</b>	50985	59106	8121	15.93
<i>Taxes on Sales, Trade etc.</i>	27006	32676	5670	21.00
<i>State excise</i>	4800	5057	257	5.35
<i>Taxes on vehicles</i>	2600	2682	82	3.15
<i>Stamps and Registration fees</i>	9600	10774	1174	12.23
<i>Taxes on Goods and Passenger</i>	665	977	312	46.92
<i>Land Revenue</i>	770	714	-56	-7.27
<i>Taxes and duties on electricity</i>	3000	3289	289	9.63
<i>Other taxes</i>	2544	2937	393	15.45
<b>Non Tax Revenue</b>	13894	8353	-5541	-39.88
<i>Interest Receipts</i>	1114	1342	228	20.47
<i>Miscellaneous General Services</i>	7319	1069	-6250	-85.39
<i>Non-ferrous Mining and Metallurgical Industries</i>	102	1467	1365	1338.24
<i>Other Non Tax Revenue</i>	5359	4475	-884	-16.50
<b>Share of Union Taxes and Duties</b>	8569	8248	-321	-3.75
<b>Grants-in-aid from GOI</b>	15613	11203	-4410	-28.25
<b>Revenue Expenditure</b>				
<i>of which</i>	96184	94916	-1268	-1.32
<b>General Services</b>	35108	32071	-3037	-8.65
<i>Administrative services</i>	9947	8173	-1774	-17.83
<i>Pension and Miscellaneous General Services</i>	7722	6229	-1493	-19.33
<i>Appropriation for reduction or avoidance of debt/transfer to RF</i>	92	832	740	804.35
<i>Interest Payments</i>	14351	14110	-241	-1.68
<i>Fiscal Services</i>	967	1578	611	63.19
<i>Organs of State</i>	1198	1149	-49	-4.09
<b>Social Services</b>	30255	41005	10750	35.53
<i>Education, Sports, Art and Culture</i>	19284	22208	2924	15.16
<i>Social Welfare and Nutrition</i>	2207	3325	1118	50.66
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	2170	4145	1975	91.01
<i>Health and Family Welfare</i>	3167	3696	529	16.70
<i>Water Supply, Sanitation, Housing and Urban Development</i>	2843	6939	4096	144.07
<i>Information and Broadcasting</i>	34	40	6	17.65
<i>Labour and Labour Welfare</i>	497	599	102	20.52
<i>Others</i>	53	53	0	0.00



## Appendix - 1.8 (concl.)

(₹ in crore)

	Budget Estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (In %)
1	2	3	4 (3-2)	5
<b>Economic Services</b>	<b>29807</b>	<b>20372</b>	<b>-9435</b>	<b>-31.65</b>
<i>Agriculture and Allied Services</i>	6095	6460	365	5.99
<i>Rural Development</i>	16228	2493	-13735	-84.64
<i>Special Area Programme</i>	14	28	14	100.00
<i>Irrigation &amp; Flood Control</i>	1771	2340	569	32.13
<i>Power</i>	2394	4138	1744	72.85
<i>Industry &amp; Minerals</i>	635	999	364	57.32
<i>Transport and Communication</i>	2136	3227	1091	51.08
<i>Science, Technology and Environment</i>	60	72	12	20.00
<i>General Economic Services</i>	474	615	141	29.75
<b>Grants-in-aid and Contributions</b>	<b>1014</b>	<b>1468</b>	<b>454</b>	<b>44.77</b>
<b>Capital expenditure</b>	<b>18816</b>	<b>17429</b>	<b>-1387</b>	<b>-7.37</b>
<i>Irrigation &amp; Flood Control</i>	3058	8017	4959	162.16
<i>Transport and Communication</i>	1469	3259	1790	121.85
<i>Power</i>	576	1707	1131	196.35
<i>Health and Family Welfare</i>	136	216	80	58.82
<i>Education, Sports, Art and Culture</i>	111	177	66	59.46
<i>Water Supply, Sanitation, Housing and Urban Development</i>	415	636	221	53.25
<i>Rural Development</i>	11732	601	-11131	-94.88
<i>Others</i>	1319	2816	1497	113.50
<b>Revenue surplus (+) / deficits (-)</b>	<b>(-) 7123</b>	<b>(-) 8006</b>	<b>- 883</b>	<b>- 12.40</b>
<b>Fiscal Deficits (-)</b>	<b>(-) 26562</b>	<b>(-) 26155</b>	<b>407</b>	<b>1.53</b>
<b>Primary surplus (+) / deficits (-)</b>	<b>(-) 12211</b>	<b>(-) 12045</b>	<b>166</b>	<b>1.36</b>

# Statement of Funds transferred by Government of India directly to State implementing agencies

(Reference : Paragraph 1.4.2; Page 6)

(₹ in crore)

GOI Scheme	Implementing Agency	Government of India releases
DRDA – Administration (75:25)		22.48
Indira Awas Yojana (75:25)		470.89
Swaranajayanti Gram Swarojgar Yojana (75:25)	District Rural Development Agency	236.62
National Rural Employment Guarantee Scheme (100:00)		242.65
Integrated Watershed Management Programme (92:08)		193.87
Sarva Shiksha Abhiyan (60:40)	Maharashtra Prathamik Shikshan Parishad	564.32
Micro Irrigation (80:20)	Agriculture Technology Management Agency	107.07
Swaranajayanti Shahari Rojgar Yojana (75:25)	State Urban Development Agency	80.76
Pradhan Mantri Gram Sadak Yojana (100:00)	Maharashtra Rural Roads Development Agency	299.18
Accelerated Rural Water Supply Scheme (100:00)	State Water and Sanitation Mission	656.16
Central Rural Sanitation Scheme (100:00)		98.94
National Rural Health Mission (85:15)	State Health Society Maharashtra	659.31
National Rural Health Mission (NRHM ) Central Sector (100:00)		1.42
National Rural Health Mission (NRHM ) Central Sector (100:00)	International Institute for Population Sciences	8.80
Hospitals and Dispensaries (Under NRHM) (100:00)		0.27
National Programme for Prevention and Control of Fluorosis (100:00)	State Health Society Maharashtra	0.50
Development and Upgradation of Ayush Institutes/Colleges (100:00)		10.03
National AIDS Control Programme including STD Control (100:00)	Maharashtra State AIDS Control Society	23.68
	Mumbai Districts AIDS Control Society	12.50
Tobacco Control (100:00)	International Institute for Population Sciences	1.50
MPs Local Area Development Scheme (100:00)	District Collector, Maharashtra	159.00
Medicinal Plants (100:00)	Maharashtra State Horticulture and Medicinal Plants Board	1.05
Poultry Venture Capital Fund (100:00)	National Bank for Agriculture and Rural Development	16.00
Crime and Criminal Tracking Network and System (100:00)	Maharashtra State Police Housing Welfare Corporation Ltd.	5.93
National Project for Cattle and Buffalo Breeding (100:00)	Maharashtra Livestock Development Board	6.79

## Appendix - 1.9 (concl.)

(₹ in crore)

GOI Scheme	Implementing Agency	Government of India releases
Special Package for 31 suicide Prone Districts (100:00)	Maharashtra Livestock Development Board	18.65
Adult Education and Skill Development Scheme (100:00)	State Literacy Mission Authority, Maharashtra	17.82
Assistance to State for Developing Export Infrastructure and Allied Activities (ASIDE) (100:00)	Maharashtra Industrial Development Corporation Ltd.	101.03
National Afforestation and Eco Development Board (100:00)	Agriculture Finance Corporation Ltd.	1.38
Grid Interactive Renewable Power MNRE	The Maharashtra State Co-operative Bank Limited	15.15
Handlooms (100:00)	Maharashtra State Handloom Corporation Ltd.	1.37
National Horticulture Mission (85:15)	Maharashtra State Horticulture and Medicinal Plants Board	91.73
	National Horticulture Research and Development Foundation	8.19
	National Research Centre for Citrus.	0.50
Development of Market Infrastructure Grading and Standardisation (100:00)	National Bank for Agriculture and Rural Development	38.56
Gramin Bhandar Yojana (100:00)		55.90
Dairy Venture Capital Fund (100:00)		10.00
Integrated Development of Small Ruminant and Rabbits (100:00)		3.00
Establishment of Poultry States (100:00)		2.07
National Bamboo Mission (100:00)	Director of Social Forestry Maharashtra State	1.87
Pollution Abatement (100:00)	Maharashtra Pollution Control Board	2.90
Development and Strengthening of infrastructure facilities for production and distribution of quality Seeds (100:00)	Maharashtra State Seeds Corporation Ltd.	11.15
National Food Security Mission (100:00)	Maharashtra State Seeds Corporation Ltd.	0.57
	Maharashtra Small Farmers Agri. Business Consortium	107.98
	<b>Total</b>	<b>4369.52</b>

# Summarised Financial Statement of Departmentally Managed Commercial/ Quasi-commercial Undertakings

(Reference : Paragraph 1.8.4; Page 23)

(₹ in lakh)										(in %)	
Sr. No.	Name of the Undertaking	Year of commencement	Period of accounts	Mean Government Capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit(+)/ Loss (-)	Interest on Capital	Total Return (9+10)	% age return on capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT</b>											
<b>Mumbai Region</b>											
1	G. M. M. S., Worli	1947	2008-09	3,080.01	1,938.12	58.00	9,385.31	-2,023.95	323.40	-1,700.55	-55.21
2	Milk Transport Scheme, Worli	1951	2006-07	261.62	65.19	9.27	872.07	0.00	27.47	27.47	10.50
3	Mother Dairy, Kurla	1975	2008-09	2,034.97	1,362.79	55.26	5,335.12	-926.72	213.67	-713.05	-35.04
4	Central Dairy, Goregaon	1951	2008-09	3,296.56	756.43	36.18	3,896.96	-1,296.21	346.14	-950.07	-28.82
5	Unit Scheme, Mumbai	1950	2008-09	1,445.10	1,180.31	41.35	924.76	344.06	151.74	495.80	34.31
6	Agricultural Scheme, Mumbai	1950	2008-09	347.68	413.93	7.97	567.65	105.68	36.51	142.19	40.90
7	Electrical Scheme, Mumbai	1950	2008-09	502.67	14.61	0.84	364.89	-376.21	52.78	-323.43	-64.34
8	Water Supply Scheme, Mumbai	1950	2008-09	1,436.73	570.81	13.20	388.99	-153.08	150.86	-2.22	-0.15
9	Cattle Feed Scheme, Mumbai	1950	2008-09	26.45	21.48	0.61	92.28	55.86	2.78	58.64	221.70
10	C. B. R. F., Palghar	1979	2009-10	229.13	58.49	1.35	18.69	-116.78	24.06	-92.72	-40.47
11	Dairy Project, Dapchari	1960	2008-09	1,004.34	517.91	21.42	66.06	-723.30	105.46	-617.85	-61.52
12	G. M. S., Govt. Bhiwandi	1987	2008-09	29.19	30.06	1.79	262.66	-9.76	3.07	-6.69	-22.92
13	GMCC, Saralgaon (Dist.:Thane)	1978	2008-09	59.55	16.03	1.28	14.82	-31.75	6.25	-25.50	-42.82
14	G. M. S., Khopoli	1966	2008-09	144.57	160.23	9.67	823.31	-14.60	15.18	0.58	0.40
15	G. M. S., Mahad	1966	2008-09	109.50	86.22	1.92	9.32	-42.84	11.50	-31.34	-28.62
16	G. M. S., Chiplun	1966	2007-08	124.56	80.90	4.93	213.45	-103.77	13.08	-90.69	-72.81
17	G. M. S., Ratnagiri	1965	2008-09	128.45	70.04	3.33	204.25	-1,023.27	13.49	-1,009.78	-786.13
18	G. M. S., Kankavali	1966	2008-09	239.52	207.31	18.99	265.24	-129.36	25.15	-104.21	-43.51
<b>TOTAL</b>				<b>14,500.60</b>	<b>7,550.86</b>	<b>287.36</b>	<b>23,705.83</b>	<b>-6,466.00</b>	<b>1,522.59</b>	<b>-4,943.42</b>	<b>-34.09</b>
<b>Pune Region</b>											
19	G. M. S., Pune	1950	2008-09	953.34	370.72	18.06	1,905.32	-791.57	100.10	-691.47	-72.53
20	G. M. S., Mahabaleshwar	1966	2008-09	141.86	43.20	1.81	187.38	-75.97	14.89	-61.08	-43.06
21	G. M. S., Satara	1979	2008-09	1,217.75	308.39	8.87	848.97	-368.16	127.86	-240.30	-19.73
22	G. M. S., Miraj	1961	2008-09	5,425.03	570.28	35.59	2,947.44	-2,233.91	569.63	-1,664.28	-30.68
23	G. M. S., Solapur	1960	2008-09	198.52	51.57	3.59	103.08	-242.65	20.84	-221.81	-111.73
<b>TOTAL</b>				<b>7,936.50</b>	<b>1,344.16</b>	<b>67.92</b>	<b>5,992.19</b>	<b>-3,712.26</b>	<b>833.32</b>	<b>-2,878.94</b>	<b>-36.27</b>
<b>Nashik Region</b>											
24	G. M. S., Nashik	1960	2008-09	257.06	72.14	4.08	581.62	-291.03	26.99	-264.04	-102.72
25	GMS, Wani (Dist.: Nashik)	1978	2008-09	40.62	13.32	0.27	156.15	-48.59	4.27	-44.32	-109.11
26	G. M. S., Ahmednagar	1969	2009-10	1,371.80	159.85	9.67	12.21	-647.17	144.04	-503.13	-36.68
27	G. M. S., Chalisgaon	1969	2008-09	166.02	4.67	0.40	0.00	-82.52	17.43	-65.09	-39.21
28	G. M. S., Dhule	1961	2008-09	1,627.98	256.56	11.81	1,457.82	-454.49	170.94	-283.55	-17.42
<b>TOTAL</b>				<b>3,463.48</b>	<b>506.54</b>	<b>26.23</b>	<b>2,207.80</b>	<b>-1,523.80</b>	<b>363.67</b>	<b>-1,160.13</b>	<b>-33.50</b>

## Appendix - 1.10 (concl'd.)

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	(₹ in lakh)		(in %)		
							Turnover	Net Profit(+)/ Loss (-)	Interest on Capital	Total Return (9+10)	% age return on capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Aurangabad Region</b>											
29	G. M. S., Aurangabad	1962	2008-09	398.69	278.45	9.04	692.05	-486.78	41.86	-444.92	-111.60
30	G. M. S., Udgir	1971	2008-09	860.98	671.57	34.37	567.17	-949.50	90.40	-859.10	-99.78
31	G. M. S., Beed	1976	2008-09	5,892.85	600.62	18.44	2,688.94	-1,322.61	618.75	-703.86	-11.94
32	G. M. S., Nanded	1977	2008-09	411.24	111.14	5.31	1.98	-174.25	43.18	-131.07	-31.87
33	G. M. S., Bhoom	1978	2008-09	1,421.72	153.22	4.52	6.00	-390.19	149.28	-240.91	-16.94
34	G. M. S., Parbhani	1979	2008-09	450.24	70.84	2.89	1.67	-382.34	47.28	-335.06	-74.42
<b>TOTAL</b>				<b>9,435.72</b>	<b>1,885.84</b>	<b>74.57</b>	<b>3,957.81</b>	<b>-3,705.67</b>	<b>990.75</b>	<b>-2,714.92</b>	<b>-28.77</b>
<b>Amravati Region</b>											
35	G. M. S., Amravati	1962	2008-09	219.28	165.18	3.70	389.49	-179.82	23.02	-156.80	-71.51
36	G. M. S., Akola	1962	2008-09	2,427.29	563.95	0.00	1,074.94	-1,097.20	254.87	-842.33	-34.70
37	G. M. S., Yavatmal	2000	2008-09	292.54	222.13	0.00	44.59	-130.86	30.72	-100.14	-34.23
38	G. M. S., Nandura	1979	2008-09	228.16	177.74	35.59	326.21	-160.50	23.96	-136.54	-59.84
<b>TOTAL</b>				<b>3,167.27</b>	<b>1,129.00</b>	<b>39.29</b>	<b>1,835.23</b>	<b>-1,568.38</b>	<b>332.57</b>	<b>-1,235.81</b>	<b>-39.02</b>
<b>Nagpur Region</b>											
39	G. M. S., Nagpur	1958	2008-09	836.95	124.16	7.66	2,138.58	-507.39	87.88	-419.51	-50.12
40	G. M. S., Wardha	1976	2008-09	539.41	34.54	1.28	62.36	-166.50	56.64	-109.86	-20.37
41	G. M. S., Chandrapur	1979	2007-08	13.49	112.14	11.22	1,218.45	-22.14	1.42	-20.72	-153.60
42	G. M. S., Gondia	1979	2008-09	711.61	109.89	2.31	1,349.49	-343.36	74.72	-268.64	-37.75
<b>TOTAL</b>				<b>2,101.46</b>	<b>380.73</b>	<b>22.47</b>	<b>4,768.88</b>	<b>-1,039.39</b>	<b>220.66</b>	<b>-818.73</b>	<b>-38.96</b>
<b>Agricultural Animal Husbandry Dairy Development and Fisheries</b>											
43	L.D.B.S, Pune	1944	1994-95	144.26	77.47	4.52	46.75	-72.83	18.75	-54.08	-37.49
44	L.D.B.S, Aurangabad	1960	1998-99	32.99	1.05	0.00	2.02	-23.42	4.78	-18.64	-56.50
45	L.D.B.S, Amravati	1965	1995-96	2.82	0.41	0.00	1.80	-4.46	0.40	-4.06	-143.97
46	L.D.B.S, Nagpur	1996	1996-97	2.17	0.23	0.00	1.81	0.21	0.32	0.53	24.42
<b>TOTAL</b>				<b>182.24</b>	<b>79.16</b>	<b>4.52</b>	<b>52.38</b>	<b>-100.50</b>	<b>24.25</b>	<b>-76.25</b>	<b>-41.84</b>
<b>Revenue and Forest Department</b>											
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills & Timber Depot	1926	1985-86	1,857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
<b>TOTAL</b>				<b>1,857.85</b>	<b>15.27</b>	<b>9.27</b>	<b>826.24</b>	<b>383.32</b>	<b>170.74</b>	<b>554.06</b>	<b>29.82</b>
<b>Food, Civil Supplies and Consumer Protection Department</b>											
48	Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	1959	2008-09	42,150.74	134.72	11.41	19,917.55	-2,318.87	2,307.04	-11.83	9.66
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2008-09	54,818.98	446.53	36.90	1,34,142.53	-4,219.66	5,202.12	392.52	0.72
<b>TOTAL</b>				<b>96,969.72</b>	<b>581.25</b>	<b>48.31</b>	<b>1,54,060.08</b>	<b>6,538.53</b>	<b>7,509.16</b>	<b>380.69</b>	<b>10.38</b>

Statement of various grants/appropriation where saving was more than ₹ 10 crore each and more than 20 *per cent* of the total provision  
(Reference : Paragraph 2.3.1; Page 38)

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant / Appropriation	Total. Grant / Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	A-2	Election (Revenue - Voted)	528.43	103.38	20
2	A-4	Secretariat and Miscellaneous General Services (Revenue - Voted)	212.16	75.66	36
3	A-5	Social Services (Revenue - Voted)	138.30	35.63	26
4	A-7	Civil Aviation (Revenue - Voted)	263.85	54.58	21
5	B-7	Economic Services (Revenue - Voted)	264.31	216.29	82
6	B-9	Capital Expenditure on Economic Services (Capital - Voted)	966.62	451.32	47
7	C-4	Secretariat and other General Services (Revenue - Voted)	58.81	40.22	68
8	C-10	Capital Expenditure and other Economic Services (Capital - Voted)	66.71	15.08	23
9	C-12	Loans to Government Servants <i>etc.</i> (Loans & Advances - Voted)	68.27	23.32	34
10	D-5	Dairy Development (Revenue - Voted)	785.41	209.59	27
11	D-6	Fisheries (Revenue - Voted)	169.55	60.60	36
12	D-11	Capital Expenditure on Fisheries (Capital - Voted)	58.06	19.88	34
13	E-4	Capital Expenditure on Education, Sports, Art and Culture (Capital - Voted)	60.00	24.50	41
14	F-6A	Loans for Urban Development (Loans & Advances - Voted)	235.77	135.45	57
15	G-2	Other Fiscal and Miscellaneous Services (Revenue - Voted)	4734.74	4640.25	98
16	G-8	Public Debt and Inter State Settlement (Loans and Advances - Charged)	6053.64	3004.59	50
17	H-8	Capital Expenditure on Public Works Administrative and Functional Buildings (Capital - Voted)	652.09	181.45	28
18	H-9	Capital Outlay on Removal of Regional Imbalance (Capital - Voted)	82.09	19.91	24
19	H-10	Internal Debt of the State Government (Loans and Advances - Charged)	203.32	66.95	33
20	H-11	Loans to Government Servants <i>etc.</i> (Loans & Advances - Voted)	32.49	11.09	34
21	I-7	Loans to Government Servants <i>etc.</i> (Loans & Advances - Voted)	66.63	33.42	50
22	K-2	Interest Payments (Revenue - Charged)	86.60	23.83	28
23	K-11	Capital Expenditure on Energy (Capital - Voted)	1922.59	563.46	29
24	L-3	Rural Development Programmes (Revenue - Voted)	2244.51	457.94	20
25	O-4	Other Rural Development Programmes (Revenue - Voted)	14935.67	14935.61	100
26	O-9	Capital Outlay and other Rural Development Programmes (Capital - Voted)	12056.92	11590.54	96
27	Q-3	Housing (Revenue - Voted)	2543.32	1564.67	62
28	V-1	Interest Payments (Revenue - Charged)	71.21	25.52	36
29	V-2	Co-operation (Revenue - Voted)	3000.56	731.59	24
30	V-3	Capital Expenditure on Other Social Services (Capital - Voted)	224.91	59.27	26
31	V-4	Internal Debt (Loans and Advances - Charged)	145.30	32.36	22
32	W-1	Interest Payments (Revenue - Charged)	81.31	18.29	22
33	W-7	Revenue Expenditure on Removal of Regional Imbalance (Revenue - Voted)	24.23	16.46	68
34	X-1	Social Security and Nutrition (Revenue - Voted)	1756.18	410.00	23
35	Y-2	Water Supply and Sanitation (Revenue - Voted)	715.44	151.07	21
36	ZD-4	Tourism (Revenue - Voted)	229.54	62.36	27



## Expenditure incurred without Provision during 2009-10

(Reference : Paragraph 2.3.4; Page 40)

(₹ in crore)

Sr. No.	Grant/ Appropriation No.	Head of Account	Amount of expenditure without budget provision	Reasons / Remarks
<b>REVENUE AND FORESTS DEPARTMENT</b>				
1.	C-6	2245-05-101(01)(03)	182.1	Reasons for incurring the expenditure without provision have not been intimated (August 2010).
<b>AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT</b>				
2	D-3	2401-113(00)(10)	0.0017	Reasons for incurring expenditure without provision have not been intimated (August 2010).
<b>URBAN DEVELOPMENT DEPARTMENT</b>				
3	F-2	3606-502	171.25	Due to clearance of outstanding debit balance under suspense account in respect of aid, materials received in kind.
<b>INDUSTRIES, ENERGY AND LABOUR DEPARTMENT</b>				
4	K-6	3606-502	220.83	Due to clearance of outstanding debit balance under suspense account in respect of aid, materials received in kind.
<b>RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT</b>				
5	L-3	3606-502	6.34	Due to clearance of outstanding debit balance under suspense account in respect of aid, materials received in kind.
6	L-5	3604-200(01)(01)	12.07	Reasons for incurring expenditure without provision have not been intimated (August 2010).
<b>PLANNING DEPARTMENT</b>				
7	O-16	2401-113(36)(01)	0.02	Reasons for incurring expenditure without provision have not been intimated (August 2010).
8	O-17	2210-06-800(35)(03)	0.28	- do -
9	O-21	5054-01-337(39)(02)	1.58	- do -
10	O-23	4711-01-103(41)(01)	0.04	- do -
11	O-26	4059-01-051(44)(01)	0.12	- do -
12	O-26	4059-01-051(44)(02)	0.02	- do -
13	O-26	4059-01-051(44)(03)	0.0012	- do -
14	O-40	5054-04-800(58)(01)	3.14	- do -
15	O-40	5054-04-800(58)(02)	0.49	- do -
16	O-40	5054-04-800(58)(03)	0.08	- do -
17	O-41	2202-03-104(59)(01)	0.03	- do -
18	O-41	5054-04-800(59)(03)	0.04	- do -
19	O-45	2210-01-800(63)(03)	0.20	- do -
20	O-45	2235-02-200(63)(08)	0.05	- do -
21	O-45	2403-101(63)(01)	0.05	- do -
22	O-46	2210-01-110(64)(03)	0.02	- do -
23	O-46	2235-02-101(64)(01)	0.04	- do -
24	O-46	2235-02-101(64)(01)	2.49	- do -
<b>TRIBAL DEVELOPMENT DEPARTMENT</b>				
25	T-5	3054-04-337(42)(01)	0.13	- do -
<b>HIGHER AND TECHNICAL EDUCATION DEPARTMENT</b>				
26	W-4	2230-01-195(02)(02)	0.08	- do -
27	W-4	2230-03-003(02)(08)	0.02	- do -
28	W-4	2230-03-003(02)(09)	0.02	- do -
<b>Total</b>			<b>601.53</b>	

Source: Appropriation Accounts

Excess over provision of previous years  
requiring regularisation

(Reference : Paragraph 2.3.5; Page 40)

Years	No. of Grant/ Appropriation	Grant/Appropriation No.	Amount of Excess (₹)	Stage of consideration by Public Accounts Committee (PAC)
(1)	(2)	(3)	(4)	(5)
2002-03	GRANTS - 12	A-3	6682734	Yet to be regularized by PAC.
		C-9	49770	- do -
		H-3	178535752	- do -
		I-1	10838883494	- do -
		O-1	342165	- do -
		O-2	390545322	- do -
		S-1	13728921	- do -
		V-2	35916	- do -
		Y-3	4318587	- do -
		Y-5	8828	- do -
		B-10	58103361	- do -
		M-3	2123638939	- do -
	APPROPRIATION-17	A-4	48581	- do -
		A-5	1020824	- do -
		B-1	2823332	- do -
		B-3	12023	- do -
		C-3	1642877	- do -
		C-5	646720	- do -
		D-4	10925320	- do -
		E-2	19762	- do -
		H-5	26730000	- do -
		L-1	1824221681	- do -
		W-4	239912	- do -
		Y-1	21870639	- do -
		ZC-1	1496298	- do -
		C-10	7436926	- do -
		F-5	10388223	- do -
		G-8	9904340341	- do -
2003-04	GRANTS - 11	C-3	267	- do -
		E-2	793903846	- do -
		H-3	60133295	- do -
		I-1	167115725	- do -
		M-2	4864365	- do -
		O-2	36229024	- do -
		O-7	1147606	- do -
		Q-2	257575	- do -
		W-4	49549730	- do -
		Y-3	3606311	- do -
		K-9	8894427000	- do -
	APPROPRIATIONS - 15	D-1	3881904	- do -
		D-4	9590610	- do -
		H-5	8200000	- do -
		I-1	285000	- do -

## Appendix - 2.3 (contd.)

Years	No. of Grant/ Appropriation	Grant/Appropriation No.	Amount of Excess (₹)	Stage of consideration by Public Accounts Committee (PAC)
(1)	(2)	(3)	(4)	(5)
		N-4	90976	Yet to be regularized by PAC.
		Q-1	14464165	- do -
		T-1	4749922	- do -
		U-1	118258	- do -
		W-1	34410573	- do -
		ZC-1	2081344	- do -
		C-9	4848848	- do -
		C-10	283617	- do -
		F-5	55663732	- do -
		V-4	2499629	- do -
		Y-6	39476	- do -
2004-05	GRANTS - 09	A-5	64327866	- do -
		C-2	32626710	- do -
		C-7	29488459	- do -
		H-3	21449592	- do -
		M-2	2634738	- do -
		O-2	3243376924	- do -
		S-1	58693498	- do -
		W-3	104199737	- do -
		Y-3	2828868	- do -
	APPROPRIATIONS-17	A-5	53952	- do -
		C-3	18662907	- do -
		C-5	21314042	- do -
		E-1	221355105	- do -
		G-7	308319	- do -
		I-1	1253983	- do -
		J-1	24641761	- do -
		L-1	152339138	- do -
		N-4	215926	- do -
		Q-1	40690146	- do -
		T-1	1478590	- do -
		U-1	73036	- do -
		V-2	80197	- do -
		W-4	10951	- do -
		C-11	680397	- do -
		F-5	30461999	- do -
		I-3	206951	- do -
2005-06	GRANTS - 19	A-5	3906868	- do -
		B-5	18356360	- do -
		C-5	1281448	- do -
		D-2A	21056422	- do -
		D-3	67823166	- do -
		F-3	49686988	- do -

## Appendix - 2.3 (contd.)

Years	No. of Grant/ Appropriation	Grant/Appropriation No.	Amount of Excess (₹)	Stage of consideration by Public Accounts Committee (PAC)
(1)	(2)	(3)	(4)	(5)
		K-5	83852	Yet to be regularized by PAC.
		K-6	4400807992	- do -
		L-2	205426979	- do -
		L-4	2702	- do -
		M-3	3540120	- do -
		O-2	183515	- do -
		O-4	4980772	- do -
		O-7	153582852	- do -
		Q-2	219985	- do -
		T-4	17464	- do -
		W-4	30402792	- do -
		Y-4	3683348	- do -
		M-4	6006511954	- do -
	APPROPRIATIONS-15	A-1	18770	- do -
		B-1	10352768	- do -
		C-3	10932733	- do -
		C-5	335062	- do -
		C-7	12625	- do -
		D-3	125618	- do -
		I-3	2036373	- do -
		L-1	510375721	- do -
		Q-1	35994848	- do -
		S-1	245600	- do -
		T-1	106255	- do -
		U-1	5231295	- do -
		V-2	712765	- do -
		ZC-1	1844454	- do -
		F-5	19997285	- do -
2006-07	GRANTS - 16	C-5	46596360	- do -
		C-6	2515203526	- do -
		D-2A	449949040	- do -
		F-3	9361552	- do -
		G-7	1620980	- do -
		H-5	738273424	- do -
		K-6	2839351966	- do -
		T-2	35211855	- do -
		T-3	28411	- do -
		ZA-2	59242	- do -
		B-10	14297771	- do -
		D-14	110000	- do -
		H-7	524720439	- do -
		L-8	1565326	- do -
		M-4	2008837000	- do -
		T-8	243642	- do -

## Appendix - 2.3 (contd.)

Years	No. of Grant/ Appropriation	Grant/Appropriation No.	Amount of Excess (₹)	Stage of consideration by Public Accounts Committee (PAC)
(1)	(2)	(3)	(4)	(5)
	APPROPRIATIONS-13	B-5	108756	Yet to be regularized by PAC.
		C-3	255329	- do -
		C-7	836804	- do -
		D-1	17824876	- do -
		H-1	374	- do -
		H-6	135818	- do -
		L-1	274409535	- do -
		N-3	28023	- do -
		Q-1	76780199	- do -
		T-1	1327548	- do -
		U-1	5324459	- do -
		C-10	75000	- do -
		Y-7	432974	- do -
2007-08	GRANTS - 11	C-5	62079297	- do -
		C-6	445611160	- do -
		D-2	673401	- do -
		F-2	2104594132	- do -
		H-3	458440547	- do -
		Q-4	136195	- do -
		T-2	20774356	- do -
		U-3	37507	- do -
		Y-4	4406253	- do -
		H-11	7686	- do -
		M-4	1182395857	- do -
	APPROPRIATIONS-11	C-3	126535	- do -
		C-5	491078	- do -
		C-7	80386	- do -
		D-4	86659	- do -
		H-6	39153821	- do -
		L-1	443750922	- do -
		L-5	378158	- do -
		Q-1	80752194	- do -
		U-1	5850836	- do -
		ZC-1	5654417	- do -
		K-Nil	1018594000	- do -
2008-09	GRANTS-38	B-5	14187647	- do -
		B-7	607	- do -
		C-2	72163408	- do -
		E-2	1829578086	- do -
		G-6	1380562696	- do -
		H-3	458133965	- do -
		H-5	439774327	- do -
		J-3	42647	- do -

## Appendix - 2.3 (concl.)

Years	No. of Grant/ Appropriation	Grant/Appropriation No.	Amount of Excess (₹)	Stage of consideration by Public Accounts Committee (PAC)
(1)	(2)	(3)	(4)	(5)
		M-3	3982209	Yet to be regularized by PAC.
		O-13	530766	- do -
		O-14	20546552	- do -
		O-45	11750460	- do -
		S-1	46554919	- do -
		V-2	170517885	- do -
		X-2	380480	- do -
		F-7	4133100	- do -
		M-4	17598850677	- do -
		O-17	3471801	- do -
		O-18	28230152	- do -
		O-19	55559836	- do -
		O-20	38705381	- do -
		O-21	56593321	- do -
		O-23	14951912	- do -
		O-25	12844989	- do -
		O-26	2207194	- do -
		O-27	233252	- do -
		O-30	7492261	- do -
		O-31	55668412	- do -
		O-33	6805131	- do -
		O-34	10345469	- do -
		O-35	17934817	- do -
		O-36	11700694	- do -
		O-37	24221725	- do -
		O-39	14788507	- do -
		O-41	4507239	- do -
		O-42	3276120	- do -
		O-44	5243494	- do -
		O-47	22346527	- do -
	APPROPRIATIONS-9	C-1	623063	- do -
		D-1	9390504	- do -
		G-3	343882038	- do -
		H-6	12536412	- do -
		L-1	54124670	- do -
		L-5	591	- do -
		S-1	163771	- do -
		U-1	5638640	- do -
		K-Nil	1018594000	- do -
Total			90555329569	
i.e.			₹ 9055.53 crore	



Excess over provisions during 2009-10  
requiring regularisation

(Reference : Paragraph 2.3.6; Page 41)

(₹ in crore)

Sl. No.	Number and title of the Voted Grant/ Charged Appropriations	Total grant	Expenditure	Excess
<b>Voted Grants</b>				
1	B-1 Police Administration	4755.01	4832.32	77.31
2	C-2 Stamps and Registration	94.61	105.31	10.70
3	C-5 Other Social Services	18.61	19.93	1.32
4	D-8 Capital Expenditure on Agriculture Services	1.50	1.50	0.0018
5	H-3 Housing	293.99	362.22	68.23
6	I-4 Secretariat – Economic Services	10.26	10.71	0.45
7	K-5 Social Security and Welfare	0.15	0.44	0.29
8	K-6 Energy	4182.40	4282.63	100.23
9	M-4 Capital Expenditure on Food	4010.96	5079.63	1068.67
10	O-13 District Plan – Mumbai City	15.80	16.28	0.48
11	O-14 District Plan – Mumbai Suburban	18.53	21.79	3.26
12	O-15 District Plan – Thane	31.10	31.63	0.53
13	O-16 District Plan – Raigad	41.27	42.52	1.25
14	O-17 District Plan – Ratnagiri	56.33	56.38	0.05
15	O-18 District Plan – Sindhudurg	34.15	35.90	1.75
16	O-19 District Plan – Pune	56.16	60.30	4.14
17	O-21 District Plan – Sangli	35.91	37.67	1.76
18	O-22 District Plan – Solapur (Revenue Section)	111.77	116.67	4.90
19	O-22 District Plan – Solapur (Capital Section)	30.74	32.16	1.42
20	O-23 District Plan – Kolhapur	35.94	36.33	0.39
21	O-24 District Plan – Nashik	85.86	89.38	3.52
22	O-25 District Plan – Dhule	36.52	38.08	1.56
23	O-26 District Plan – Jalgaon (Revenue Section)	104.09	105.46	1.37
24	O-26 District Plan – Jalgaon (Capital Section)	23.01	23.74	0.73
25	O-28 District Plan – Nandurbar	5.59	5.67	0.08
26	O-29 District Plan – Aurangabad	13.88	15.39	1.50
27	O-30 District Plan – Jalna	22.50	24.55	2.05
28	O-31 District Plan – Parbhani	14.10	16.74	2.64
29	O-32 District Plan – Nanded	8.53	15.29	6.76
30	O-33 District Plan – Beed	31.09	39.84	8.75

## Appendix - 2.4 (concl.)

(₹ in crore)

Sl. No.	Number and title of the Voted Grant/ Charged Appropriations	Total grant	Expenditure	Excess
31	O-34 District Plan – Latur (Revenue Section)	56.12	57.03	0.91
32	O-34 District Plan – Latur (Capital Section)	18.71	19.37	0.66
33	O-35 District Plan – Osmanabad	15.45	21.60	6.15
34	O-36 District Plan – Hingoli	8.97	9.78	0.81
35	O-38 District Plan – Wardha	17.13	18.01	0.88
36	O-39 District Plan – Bhandara	13.87	14.02	0.15
37	O-40 District Plan – Chandrapur	11.43	12.70	1.27
38	O-41 District Plan – Gadchiroli	8.45	8.58	0.13
39	O-42 District Plan – Gondia	9.22	11.46	2.24
40	O-43 District Plan – Amravati	19.36	19.99	0.63
41	O-44 District Plan – Akola	37.90	40.71	2.82
42	O-45 District Plan – Yavatmal	20.19	20.48	0.29
43	O-46 District Plan – Buldhana	29.49	30.32	0.83
44	O-47 District Plan – Washim	10.52	11.70	1.18
45	ZC-2 Social Security and Welfare	0.05	0.48	0.43
<b>Charged Appropriation</b>				
46	C-6 Natural Calamities	0.70	182.48	181.78
47	H-6 Public Works and Administrative and Functional Buildings	3.15	4.36	1.21
48	K-11A Internal Debt	0.0001	101.86	101.86
49	L-1 Interest Payments	306.72	343.12	36.40
50	O-3 Rural Employment	359.50	359.53	0.03
51	U-1 Interest Payments	1.46	2.29	0.83
<b>Total</b>		<b>15128.75</b>	<b>16846.33</b>	<b>1717.58</b>

Source: Appropriation Accounts

# Statement of cases where supplementary provision (₹10 lakh or more in each case) proved unnecessary (Reference : Paragraph 2.3.7; Page 41)

(₹ in lakhs)

Sr. No.	Appropriation No.	Name of the Appropriation	Original Provision	Actual Expenditure	Saving out of Original Provision	Supplementary Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>A - Revenue – Voted</b>						
1	A-5	Social Services	117.74	102.66	15.08	20.56
2	C-1	Revenue and District Administration	806.84	785.76	21.08	95.08
3	C-4	Secretariat and Other General Services	29.04	18.59	10.45	29.77
4	D-6	Fisheries	132.36	108.96	23.40	37.19
5	F-4	Compensation and Assignments	58127.06	56070.44	2056.62	16.50
6	G-5	Treasury and Accounts Administration	12888.82	12328.61	560.21	163.06
7	H-4	Secretariat and Other Economic Services	2778.82	2682.32	96.50	255.45
8	J-1	Administration of Justice	54409.32	51137.83	3271.49	2006.70
9	K-3	Stationery and Printing	11376.77	10946.54	430.23	507.00
10	L-5A	Inland Water Transport	0.01	0	0.01	300.00
11	O-1	District Administration	9883.34	9326.91	556.43	4973.33
12	O-4	Other Rural Development Programmes	1493557.43	6.05	1493551.38	10.00
13	O-8	Census, Survey and Statistics	2368.04	2312.80	55.24	1125.29
14	O-33	District Plan – Beed	5297.03	4984.18	312.85	997.25
15	O-35	District Plan – Osmanabad	3912.37	3804.68	107.69	558.60
16	V-2	Co-operation	282556.90	226897.24	55659.66	17499.30
17	W-2	General Education	175432.54	169534.47	5898.07	5198.52
18	ZA-1	Secretariat and Other Social Services	2942.06	2569.63	372.43	162.33
19	ZC-1	Parliament/State/Union Territory Legislature	6666.87	5458.70	1208.17	15.16
20	ZD-1	Secretariat and Other Social Services	305.35	270.77	34.56	100.02
<b>Revenue – Charged</b>						
21	G-3	Interest Payment and Debt Servicing	13554.01	13431.02	122.99	160.89
22	H-1	Interest Payments	9454.61	8756.21	698.40	125.00
23	J-1	Administration of Justice	12531.27	10762.31	1768.96	774.89
<b>B - Capital (Voted)</b>						
24	D-9	Capital Expenditure on Animal Husbandry	117.52	62.87	54.65	422.00
25	H-9	Capital Outlay on Removal of Regional Imbalance	6924.88	6218.16	706.72	1284.00
26	J-4	Capital Outlay on Public Works	54.99	50.00	4.99	206.28
27	J-5	Loans to Government Servants etc.	1157.99	914.67	243.32	120.00
28	O-9	Capital Outlay on Other Rural Development	1172857.64	46637.50	1126220.14	32833.89
29	O-11	Capital Expenditure on Economic Services	9079.27	8632.69	446.58	605.46
30	O-37	District Plan – Nagpur	3687.19	3671.36	15.83	18.52
31	O-44	District Plan – Akola	1861.56	1617.86	243.70	65.00
32	R-5	Loans to Government Servants etc.	1946.95	1759.48	187.47	59.85
33	T-8	Loans for Tribal Area Development Sub-plan	37.90	23.92	13.98	10.90
34	H-10	Internal Debt of the State Government	14358.64	13636.43	722.21	5973.00
<b>Total</b>						<b>76730.79</b>
						<b>i.e. 767.31 crore</b>

Statement of various grants/appropriation  
where supplementary provision proved  
insufficient by more than ₹ 1 crore each  
(Reference : Paragraph 2.3.7; Page 41)

(₹ in Crore)

Sr. No	Grant No.	Name of the Grant	Original Provision	Supple-mentary	Total	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	B-1	Police Administration	4196.05	558.97	4755.02	4832.32	77.30
2	C-2	Stamps and Registration	91.51	3.10	94.61	105.31	10.70
3	C-5	Other Social Services	6.79	11.82	18.61	19.93	1.32
4	H-6	Public Works and Administrative and Functional Buildings	2.26	0.89	3.15	4.36	1.21
5	K-6	Energy	2351.87	1830.53	4182.40	4282.63	100.23
6	O-16	District Plan – Raigad	27.83	13.44	41.27	42.52	1.25
7	O-18	District Plan – Sindhudurg	22.65	11.50	34.15	35.90	1.75
8	O-19	District Plan – Pune	55.94	0.23	56.17	60.30	4.13
9	O-22	District Plan – Solapur	78.45	33.32	111.77	116.67	4.90
10	O-24	District Plan – Nasik	61.51	24.35	85.86	89.38	3.52
11	O-25	District Plan – Dhule	26.74	9.78	36.52	38.08	1.56
12	O-26	District Plan – Jalgaon	81.30	22.79	104.09	105.46	1.37
13	O-30	District Plan – Jalna	22.27	0.23	22.50	24.55	2.05
14	O-32	District Plan – Nanded	8.33	0.20	8.53	15.29	6.76
15	O-40	District Plan – Chandrapur	11.39	0.04	11.43	12.70	1.27
16	O-44	District Plan – Akola	27.91	9.99	37.90	40.71	2.81
Total			7072.80	2531.18	9603.98	9826.11	222.13

Excess / Unnecessary / Insufficient  
Reappropriation of Funds

(Reference : Paragraph 2.3.8; Page 41)

(₹ in Crore)

Sl. No.	Grant/ Appropriation No.	Grant / Appropriation Description	Head of Account	Reappropriation	Final Excess (+) / Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
1	B-1	Police Administration	2055-101(00)(01)	(+)4.93	(-)3.14
2	B-1	Police Administration	2055-109(00)(01)	(-)4.84	(+)19.65
3	B-1	Police Administration	2055-109(00)(02)	(+)2.28	(-)1.07
4	B-1	Police Administration	2055-101(00)(04)	(-)7.51	(+)1.18
5	B-1	Police Administration	2055-108(02)(02)	(-)6.14	(+)1.24
6	B-9	Capital Expenditure on Economic Services	4055-800(00)(04)	(-)172.44	(+)20.84
7	C-1	Revenue and District Administration	2053-093(01)	(+)8.89	(-)3.06
8	C-1	Revenue and District Administration	2053-094(02)	(+)7.65	(-)2.58
9	C-5	Other Social Services	2235-02-104(00)(03)	(-)4.50	(+)6.38
10	C-6	Natural Calamities	2245-02-101(03)(04)	(+)10.35	(-)19.18
11	C-6	Natural Calamities	2245-02-101(01)(01)	(-)4.03	(+)2.83
12	C-6	Natural Calamities	2245-05-101(00)(04)	(-)153.56	(+)67.38
13	C-6	Natural Calamities	2245-01-102(00)(01)	(-)1.72	(+)16.68
14	C-6	Natural Calamities	2245-05-101(01)(01)	(-)488.50	(+)488.51
15	C-7	Forest	2406-01-101(01)(01)	(-)22.19	(+)3.36
16	C-7	Forest	2406-02-110(00)(01)	(-)2.37	(+)1.53
17	D-3	Agriculture Services	2415-01-120(00)(04) & (09)	(-)17.27	(+)7.66
18	D-3	Agriculture Services	2401-001(00)(02)	(+)1.36	(-)6.29
19	D-3	Agriculture Services	2401-001(00)(01)	(+)21.29	(-)6.26
20	D-5	Dairy Development	2404-201(00)(02)	(-)89.22	(+)9.78
21	D-6	Fisheries	2405-103(01)(05)	(-)9.99	(+)2.10
22	E-1	Interest Payments	2049-03-104(02)(03)	(-)1.77	(+)11.90
23	E-3	Secretariat and other Social Services	2204-104(00)(01)	(-)4.00	(+)6.41
24	H-5	Roads and Bridges	3054-03-103(02)(01)	(-)40.00	(+)9.24
25	H-6	Public Works and Administrative and Functional Buildings	2059-80-001(29)(02)	(+)2.14	(-)1.01
26	I-5	Capital Expenditure on Irrigation	4701-80-190(02)(02)	(+)373.43	(-)9.22
27	K-11	Capital Expenditure on Energy	6801-190(00)(01)	(-)2.85	(+)58.44
28	M-4	Capital Expenditure on Food	4408-01-101(02)(01)	(-)731.52	(+)73.54
29	M-4	Capital Expenditure on Food	4408-01-101(02)(02)	(+)461.26	(-)35.71
30	O-3	Rural Employment	2505-60-001(01)(03)	(+)11.90	(-)13.53
31	O-3	Rural Employment	2505-60-001(01)(02)	(+)36.30	(-)2.71
32	O-7	Secretariat – Economic Services	3451-090(04)(01)	(-)100.00	(+)1.15
33	O-5	Hill Areas	2551-01-101(00)(02)	(-)2.57	(+)1.58
34	O-9	Capital Outlay on Other Rural Development Programmes	4515-102(00)(01)	(-)70.06	(+)66.95
35	O-33	District Plan – Beed	2202-02-191(51)(07)	(-)2.45	(+)1.45
36	O-33	District Plan – Beed	2210-06-800(51)(06)	(-)2.26	(+)1.32
37	O-33	District Plan – Beed	5054-04-800(51)(01)	(+)10.07	(-)2.78
38	O-33	District Plan – Beed	5054-04-800(51)(02)	(+)1.10	(-)1.29
39	R-1	Medical and Public Health	2210-06-101(01)(05)	(-)27.11	(+)2.53

## Appendix - 2.7 (concl.d.)

(₹ in Crore)					
Sl. No.	Grant/ Appropriation No.	Grant / Appropriation Description	Head of Account	Reappropriation	Final Excess (+) / Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
40	R-1	Medical and Public Health	2210-06-101(01)(10)	(-)3.39	(+)2.96
41	R-1	Medical and Public Health	2210-06-101(01)(53)	(-)4.07	(+)1.05
42	R-1	Medical and Public Health	2210-01-102(01)(04)	(-)4.29	(+)1.35
43	R-1	Medical and Public Health	2210-01-110-6(06)(21)	(-)3.63	(+)1.65
44	R-1	Medical and Public Health	2210-06-001(01)(09)	(+)1.40	(-)2.24
45	R-1	Medical and Public Health	2210-06-001(01)(05)	(-)4.58	(+)1.57
46	R-1	Family Welfare	2211-001(01)(03)	(-)1.90	(+)1.30
47	R-1	Medical and Public Health	2210-01-110(05)(01)&(06)(09)	(+)5.25	(-)2.66
48	S-1	Medical and Public Health	2210-06-102(01)(01)&(02)	(-)5.50	(+)1.99
49	S-1	Medical and Public Health	2210-01-110(02)(15)	(+)1.89	(-)3.28
50	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2225-02-796(02)(11)	(-)19.56	(+)16.97
51	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2225-03-796(01)(01)	(-)19.52	(+)13.61
52	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2236-02-796(01)(01)	(-)20.71	(+)8.65
53	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2702-01-796(01)(01)	(-)2.88	(+)2.50
54	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2702-80-796(01)(04)	(-)3.70	(+)3.27
55	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2702-02-796(01)(36)	(-)8.75	(+)3.07
56	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2225-02-796(02)(18)	(-)16.86	(+)10.49
57	T-5	Revenue Expenditure on Tribal Area Development Sub-plan	2702-01-796(01)(02)	(-)3.81	(+)8.22
58	T-6	Capital Expenditure on Tribal Area Development Sub-plan	4702-01-796(01)(07)	(-)2.56	(+)1.61
59	T-6	Capital Expenditure on Tribal Area Development Sub-plan	4701-796(01)(01)	(-)23.54	(+)64.54
60	T-6	Capital Expenditure on Tribal Area Development Sub-plan	4702-796-190(01)(10)	(-)46.79	(+)47.04
61	T-6	Capital Expenditure on Tribal Area Development Sub-plan	4702-796-190(01)(11)	(-)21.96	(+)36.88
62	T-6	Capital Expenditure on Tribal Area Development Sub-plan	4702-796-190(01)(12)	(-)6.11	(+)6.11
63	V-3	Capital Expenditure on Social Services	4425-108(04)(01)	(-)5.00	(+)7.33
64	V-3	Capital Expenditure on Social Services	4425-108(04)(02)	(-)12.71	(+)15.74
65	V-3	Capital Expenditure on Social Services	6425-108(01)(03)	(-)100.00	(+)100.00
66	W-4	Art and Culture	2230-03-003(02)(05)	(-)13.12	(+)5.11
67	W-4	Art and Culture	2230-03-003(02)(01)	(+)6.36	(-)4.63
68	W-9	Revenue Expenditure on Removal of Regional Imbalances	7610-201(00)(01)	(-)6.47	(+)4.40
69	X-1	Social Security and Nutrition	2236-02-101(04)(01)	(-)46.01	(+)10.21
70	X-1	Social Security and Nutrition	2236-02-101(01)(06)	(-)14.41	(+)5.33
71	X-1	Social Security and Nutrition	2236-02-101(01)(07)	(-)16.16	(+)5.04
72	X-1	Social Security and Nutrition	2236-02-102(02)(03)	(+)5.23	(-)2.62
73	X-1	Social Security and Nutrition	2235-02-103(03)(10)	(+)15.23	(-)2.59
74	X-1	Social Security and Nutrition	2236-02-101(03)(01)	(-)135.91	(+)4.23
75	X-1	Social Security and Nutrition	2235-02-104(01)(01)	(+)2.26	(-)1.21
76	Y-2	Water Supply and Sanitation	2215-01-102(02)(16)	(-)8.45	(+)10.34
77	ZE-1	Social Security and Welfare	2235-02-200(01)(06)	(-)15.66	(+)3.00
78	ZE-1	Social Security and Welfare	2235-02-200(00)(17)	(+)13.38	(-)13.38



Surrender in excess of actual saving  
(₹ 50 lakh or more)

(Reference : Paragraph 2.3.10; Page 41)

(₹ in Crore)

Sr. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant	Saving	Amount Surrendered	Amount Surrendered in excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	B-1	Police Administration	1.82	0.50	1.06	0.56
2	B-2	State Excise	68.21	5.25	6.00	0.75
3	B-3	Transport Administration	930.00	36.04	38.02	1.98
4	B-5	Jails	128.30	4.53	8.25	3.72
5	C-6	Natural Calamities	1347.04	230.97	762.46	531.49
6	C-7	Forest	737.70	125.26	132.27	7.01
7	C-10	Capital Expenditure on Economic Services	66.71	15.08	15.99	0.91
8	D-5	Dairy Development	785.41	209.60	223.49	13.89
9	D-6	Fisheries	169.55	60.60	62.07	1.47
10	E-1	Interest Payments	602.89	51.83	53.59	1.76
11	F-2	Urban Development and Other Advance Services	4994.15	328.65	430.36	101.71
12	G-5	Treasury and Accounts Administration	130.52	7.23	7.85	0.62
13	H-5	Roads and Bridges	2962.20	364.73	518.22	153.49
14	I-3	Irrigation, Power and Other Economic Services	2135.55	180.55	200.98	20.43
15	L-5	Compensation and Assignments	360.71	58.85	67.14	8.29
16	N-3	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3834.58	142.46	217.20	74.74
17	N-4	Capital Expenditure on Social Services	604.15	222.72	223.51	0.79
18	O-5	Hill Areas	39.80	12.14	13.71	1.57
19	R-1	Medical and Public Health	2700.28	183.31	249.03	65.72
20	S-4	Capital Outlay on Medical and Public Health	121.20	41.83	45.37	3.54
21	T-5	Revenue Expenditure on Tribal Area Development	1603.18	200.34	251.51	51.17
22	T-6	Capital Expenditure on Tribal Area Development	906.89	97.35	254.76	157.41
23	V-2	Co-operation	3000.56	731.59	744.71	13.12
24	V-5	Capital Expenditure on Economic Services	398.25	30.60	130.62	100.02
25	W-9	Loans to Government Servants etc.	18.27	4.07	8.95	4.88
Total			28647.92	3346.08	4667.12	1321.04

# Statement of various grants / appropriations in which saving occurred but no part of which had been surrendered

(Reference : Paragraph 2.3.11; Page 42)

(₹ in Crore)			
Sr. No.	Grant No.	Name of Grant	Saving
<b>I - GRANT</b>			
1	A-2	Elections	103.38
2	D-13	Loans for Housing	0.02
3	G-6	Pensions and Other Retirement Benefits (Voted)	192.42
4	G-6	Pensions and Other Retirement Benefits (Charged)	8.03
5	K-1	Other Administrative Services	2.35
6	K-2	Interest Payments	23.83
7	L-4	Secretariat – Economic Services	1.16
8	L-5A	Inland Water Transport	3.00
9	L-9	Loans to Government Servants <i>etc.</i>	1.58
10	O-13	District Plan – Mumbai City (Revenue Section)	4.44
11	O-14	District Plan – Mumbai Suburban (Revenue Section)	6.73
12	O-15	District Plan – Thane (Revenue Section)	6.19
13	O-16	District Plan – Raigad (Capital Section)	8.24
14	O-17	District Plan – Ratnagiri (Capital Section)	4.09
15	O-18	District Plan – Sindhudurg (Revenue Section)	0.93
16	O-19	District Plan – Pune (Revenue Section)	2.98
17	O-21	District Plan – Sangli (Revenue Section)	2.56
18	O-23	District Plan – Kolhapur (Revenue Section)	1.20
19	O-24	District Plan – Nasik (Capital Section)	3.78
20	O-25	District Plan – Dhule (Capital Section)	2.24
21	O-27	District Plan – Ahmednagar (Revenue Section)	0.18
22	O-27	District Plan – Ahmednagar (Capital Section)	0.19
23	O-29	District Plan – Aurangabad (Revenue Section)	2.26
24	O-32	District Plan – Nanded (Revenue Section)	9.49
25	O-35	District Plan – Osmanabad (Revenue Section)	6.66
26	O-37	District Plan – Nagpur (Revenue Section)	1.58
27	O-67	District Plan – Nagpur (Capital Section)	0.34
28	O-38	District Plan – Wardha (Revenue Section)	4.38
29	O-39	District Plan – Bhandara (Revenue Section)	1.70
30	O-40	District Plan – Chandrapur (Revenue Section)	2.31
31	O-41	District Plan – Gadchiroli (Revenue Section)	1.87
32	O-42	District Plan – Gondia (Revenue Section)	2.68
33	O-44	District Plan – Akola (Capital Section)	3.09
34	O-45	District Plan – Yavatmal (Revenue Section)	4.64
35	O-46	District Plan – Buldhana (Revenue Section)	4.00
36	W-8	Capital Outlay on other Social Services	1.29
<b>Total</b>			<b>425.81</b>

# Appendix 2.10

## Details of saving of ₹ 1 crore and above not surrendered (Reference : Paragraph 2.3.11; Page 42)

(₹ in Crore)					
Sr. No.	Grant No.	Name of Grant / Appropriation	Saving	Surrender	Saving which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
1	A-5	Social Services	35.63	30.61	5.02
2	B-7	Economic Services	216.29	183.04	33.25
3	B-10	Loans to Government Servants etc.	2.75	1.50	1.25
4	C-1	Revenue and District Administration	116.16	107.77	8.39
5	C-12	Loans to Government Servants etc.	23.32	21.11	2.21
6	D-3	Agriculture Services	215.96	209.56	6.40
7	D-4	Animal Husbandary	18.82	16.90	1.92
8	E-2	General Education	997.53	788.46	209.07
9	F-5	Capital Expenditure on Social Services	5.77	1.03	4.74
10	F-6A	Loans for Urban Development	135.45	39.89	95.56
11	G-1	Sales Tax Administration	29.34	25.44	3.90
12	H-6	Public Works and Administrative and Functional Buildings	228.15	219.99	8.16
13	H-8	Capital Expenditure on Public Works and Administrative and Functional Buildings	181.45	177.22	4.23
14	I-5	Capital Expenditure on Irrigation	1032.96	1017.36	15.60
15	J-1	Administration of Justice	52.78	49.42	3.36
16	J-4	Capital Outlay on Public Works	2.11	0.64	1.47
17	K-7	Industries	6.81	5.53	1.28
18	K-11	Capital Expenditure on Energy	563.46	461.60	101.86
19	L-3	Rural Development Programmes	457.94	445.59	12.35
20	N-1	Interest Payments	6.27	0.92	5.35
21	N-2	Secretariat and Other Social Services	128.67	127.46	1.21
22	O-1	District Administration	55.30	9.91	45.39
23	O-3	Rural Employment	180.70	151.42	29.28
24	O-4	Other Rural Development Programmes	14935.61	0.07	14935.54

## Appendix - 2.10 (concl.)

(₹ in Crore)					
Sr. No.	Grant No.	Name of Grant / Appropriation	Saving	Surrender	Saving which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
25	O-7	Secretariat – Economic Services	817.03	361.94	455.09
26	O-9	Capital Outlay on Other Rural Development Programmes	11590.54	11582.80	7.74
27	O-30	District Plan – Jalna (Revenue Section)	2.43	0.15	2.28
28	O-31	District Plan – Parbhani (Revenue Section)	3.52	0.49	3.03
29	O-33	District Plan – Beed (Revenue Section)	13.10	1.19	11.91
30	O-36	District Plan – Hingoli (Revenue Section)	1.16	0.07	1.09
31	O-43	District Plan – Amravati (Revenue Section)	3.28	1.52	1.76
32	Q-1	Interest Payments	36.69	0.0037	36.69
33	Q-3	Housing	1564.67	1364.66	200.01
34	R-5	Loans to Government Servants <i>etc.</i>	2.47	0.82	1.65
35	S-1	Medical and Public Health	84.20	81.79	2.41
36	T-2	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	74.14	11.94	62.20
37	V-3	Capital Expenditure on Social Services	59.27	46.90	12.37
38	W-1	Interest Payments	18.29	17.29	1.00
39	W-2	General Education	110.97	107.46	3.51
40	W-3	Technical Education	27.29	22.16	5.13
41	W-4	Art and Culture	85.36	76.05	9.31
42	W-7	Revenue Expenditure on removal of Regional Imbalances	16.46	3.67	12.79
43	X-1	Social Security and Nutrition	410.00	359.86	50.14
44	Y-2	Water Supply and Sanitation	151.07	139.09	11.98
45	ZC-1	Parliament / State / Union Territory Legislatures	12.23	6.00	6.23
46	ZD-2	Art and Culture	20.03	17.38	2.65
47	ZD-4	Tourism	62.36	60.98	1.38
48	ZE-1	Social Security and Welfare	27.13	25.88	1.25
Total			34822.92	18382.5337	16440.39

# Appendix 2.11

## Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2010 (Reference : Paragraph 2.3.11; Page 42)

(₹ in Crore)			
Sr. No.	Grant No.	Major Head	Amount of Surrender
(1)	(2)	(3)	(4)
1	A04	2052 Secretariat – General Services	16.72
2	A04	2059 Public Works	48.86
3	A05	2251 Secretariat – Social Services	17.62
4	A07	3053 Civil Aviation	54.58
5	B03	2041 Taxes on Vehicles	37.49
6	B07	3001 Indian Railways – Policy Formulation, Direction, Research and Other Miscellaneous Organisations	146.08
7	B07	3051 Ports and Light Houses	36.96
8	B09	4055 Capital Outlay on Police	409.95
9	B09	5055 Capital Outlay on Road Transport	14.59
10	B09	4070 Capital Outlay on other Administrative Services	54.04
11	C01	2053 Revenue and District Administration	14.08
12	C01	2029 Revenue and District Administration	62.56
13	C06	2245 Relief on account of Natural Calamities	762.79
14	C07	2406 Forest	43.19
15	C12	7610 Loans to Government Servants <i>etc.</i>	17.75
16	D03	2401 Crop Husbandry	179.72
17	D03	2415 Agricultural Research and Education	22.03
18	D06	2405 Fisheries	62.08
19	D11	4405 Capital Outlay on Fisheries	11.55
20	E01	2049 Interest Payments	53.59
21	E02	2202 General Education	775.60
22	E03	2204 Sports and Youth Services	21.65
23	E04	4202 Capital Outlay on Education, Sports, Art and Culture	24.50
24	F02	2217 Urban Development	194.15
25	F04	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	20.16
26	F06A	6217 Loans for Urban Development	39.89
27	G08	6003 Internal Debt of the State Government	3000.00
28	G01	2040 Taxes on Sales	22.72
29	H05	3054 Roads and Bridges	689.62
30	H06	2059 Public Works and Administrative and Functional Buildings	217.08
31	H07	5054 Capital Expenditure on Social Services and Economic Services	344.41

## Appendix - 2.11 (contd.)

(₹ in Crore)			
Sr. No.	Grant No.	Major Head	Amount of Surrender
(1)	(2)	(3)	(4)
32	H08	4059 Capital Expenditure on Social Services and Economic Services	21.42
33	H08	4405 Capital Expenditure on Social Services and Economic Services	42.27
34	H08	4250 Capital Expenditure on Social Services and Economic Services	21.58
35	H08	4202 Capital Expenditure on Social Services and Economic Services	81.23
36	H10	6003 Internal Debt	59.73
37	I03	2701 Irrigation, Power and Other Economic Services	148.63
38	I05	4702 Capital Expenditure on Irrigation	43.00
39	I05	4701 Capital Expenditure on Irrigation	1825.47
40	I05	4801 Capital Expenditure on Irrigation	116.92
41	I07	7610 Loans to Government Servants <i>etc.</i>	21.80
42	J01	2014 Administration of Justice	74.38
43	K04	2230 Labour and Employment	15.30
44	K06	2801 Power	142.15
45	K11	4801 Capital Outlay on Power Projects	405.15
46	K11	6801 Loans for Power Projects	17.85
47	L03	2501 Special Programmes for Rural Development	30.56
48	L03	2505 Rural Employment	116.02
49	L03	2515 Other Rural Development Programmes	159.81
50	L03	2702 Minor Irrigation	31.02
51	L05	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	47.14
52	L07	4402 Capital Outlay on Soil and Water Conservation	388.97
53	L07	4702 Capital Outlay on Minor Irrigation	12.28
54	M04	4408 Capital Outlay on Food Storage and Warehousing	270.25
55	N02	2216 Housing	127.21
56	N03	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	156.90
57	N03	2235 Social Security and Welfare	58.46
58	N04	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	215.39
59	O03	2505 Rural Employment	151.42
60	O05	2551 Hill Areas	13.71
61	O07	3451 Secretariat – Economic Services	106.31
62	O08	3454 Census, Surveys and Statistics	11.81
63	O09	4515 Capital Outlay on other Rural Development Programmes	11582.80



## Appendix - 2.11 (concl.)

(₹ in Crore)			
Sr. No.	Grant No.	Major Head	Amount of Surrender
(1)	(2)	(3)	(4)
64	O11	5465 Investments in General Financial and Trading Institutions	10.00
65	Q03	2216 Housing	1364.58
66	R01	2210 Medical and Public Health	209.01
67	R01	2211 Family Welfare	38.92
68	R03	4210 Capital Outlay on Medical and Public Health	18.42
69	S01	2210 Medical and Public Health	81.79
70	S04	4210 Capital Outlay on Medical and Public Health	45.37
71	T02	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	11.94
72	T05	2210 Medical and Public Health	12.98
73	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	132.55
74	T05	2230 Labour and Employment	30.58
75	T05	2236 Nutrition	19.92
76	T05	2702 Minor Irrigation	25.27
77	T06	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	41.42
78	T06	4701 Capital Outlay on Major and Medium Irrigation	64.54
79	T06	4702 Capital Outlay on Minor Irrigation	104.63
80	T06	5054 Capital Outlay on Roads and Bridges	33.06
81	V02	2425 Co-operation	730.03
82	V03	4425 Capital Outlay on Co-operation	16.58
83	V05	6425 Loans for Co-operation	91.25
84	V05	6851 Loans for Village and Small Industries	10.18
85	W01	2049 Interest Payments	17.29
86	W02	2202 General Education	107.48
87	W03	2203 Technical Education	22.17
88	W04	2230 Labour and Employment	74.54
89	X01	2235 Social Security and Welfare	53.93
90	X01	2236 Nutrition	305.93
91	Y02	2215 Water Supply and Sanitation	112.94
92	ZD02	2205 Art and Culture	17.38
93	ZD04	3452 Tourism	60.98
94	ZE01	2235 Social Security and Welfare	25.72
Total			27824.33

# Appendix 2.12

## Cases of drawal from Contingency Fund where the expenditure was foreseeable (Reference : Paragraph 2.4; Page 43)

(₹ in crore)

Sr. No.	Sanction No. & date	Deptt. / Grant No. / Major Head	Purpose for which drawn	Amount sanctioned
(1)	(2)	(3)	(4)	(5)
1	CNF 11.09/1BUD-14 dt. 4.4.09	General Administration Department A-7/3053	Expenditure related to Construction of International Airport at Pune	20.00
2	CNF 11.09/7BUD-14 dt. 18.5.09	Industries, Energy & Labour Department K-7/2852	Payment on Account of Pension to employees of Chitali Distillery Ltd.	0.27
3	CNF 11.09/8BUD-12 dt. 27.5.09	Public Works Department H-8/4059	Construction of Judicial Academy and Residential Building in Thane District	7.50
4	CNF 11.09/12BUD-11 dt. 6.7.09	Law & Judiciary Department J-1/2014	Salary and Establishment of Maharashtra Judicial Meditation Centre & Training Institute	2.00
5	CNF 11.09/15BUD-8 dt. 24.7.09	School Education and Sports Department E-3/2204	Provision made for organization of Common Wealth Youth Games	2.00
6	CNF 11.09/16BUD-8 dt. 5.8.09	Higher & Technical Education Department W-3/2203	Salary expenditure of Teaching, non-teaching posts created for Government Engineering College at Avasari, Taluka Ambegaon, District Pune.	0.50
7	CNF 11.09/17BUD-14 dt. 7.8.09	General Administration Department A-4/2059	Expenditure for renovation work of Smarak of Shahaji Raje Bhosale at Ellora, Dist Aurangabad	1.50
8	CNF 11.09/18BUD-8 dt. 11.8.09	School Education & Sports Department E-3/2204	Provision for expenses on Development Work for Common Wealth Youth Games 2008 at Pune	7.95
9	CNF 11.09/19BUD-12 dt. 21.8.09	Public Works Department H-8/4202	Provision for Construction of various works in Rest House for students at Government Engineering College, Avasari, Taluka Ambegaon, District Pune	14.38
10	CNF 11.09/23BUD-6 dt. 25.8.09	Revenue and Forests Department C-6/2245	Expenses to install project for combating Water Scarcity problem	40.00
11	CNF 11.09/27BUD-12 dt. 26.8.09	Public Works Department H-5/3054	Expenditure for Construction of roads and Bridges	0.10
12	CNF 11.09/30BUD-11 dt. 19.9.09	Home Department B-1/2055	Expenditure for installation of 64 cc Cameras for enhancement of Security measures of Mantralaya	0.33
13	CNF 11.09/31BUD-16 dt. 22.9.09	Food Civil Supplies & Consumer Protection Department M-2/2408	Funds required for circulation of necessary food grains	60.00
14	CNF 11.09/36BUD-14 dt. 9.10.09	General Administration Department A-2/2015	Expenditure for Election purpose	60.00
15	CNF 11.09/49BUD-18 dt. 6.2.10	General Administration Department A-4/2059	Construction of monument and statue of Sane Guruji	1.50
16	CNF 11.10/52BUD-13 dt. 23.2.10	Co-operation, Marketing & Textile Department V-2/2425	Expenditure for reserving stock of fertilizers for State Farmers	6.27

## Statement showing department-wise breakup of outstanding Utilisation Certificates

(Reference : Paragraph 3.1; Page 45)

(₹ in Crore)

Sr. No.	Department	Number of certificates	Amount
1	General Administration	1240	207.33
2	Home	1122	1208.19
3	Revenue and Forests	14161	1365.45
4	Agriculture, Animal Husbandry, Dairy Development and Fisheries	23753	2303.92
5	School Education and Sports	15490	15110.94
6	Urban Development	4312	4958.00
7	Finance	1088	320.51
8	Public Works	1122	541.74
9	Water Resources	1060	39.52
10	Law and Judiciary	401	2.92
11	Industries, Energy and Labour	2156	150.79
12	Rural Development and Water Conservation	13171	4904.75
13	Food, Civil Supplies and Consumer Protection	175	33.81
14	Social Justice and Special Assistance	38187	3146.51
15	Planning	14473	3351.02
16	Parliamentary Affairs	0	0
17	Housing	153	13.00
18	Public Health	7052	1079.54
19	Medical Education and Drugs	675	69.58
20	Tribal Development	9424	2814.08
21	Environment	1	0.09
22	Co-operation Marketing and Textiles	4198	4779.70
23	Higher and Technical Education	1798	4233.60
24	Women and Child Development	18983	1042.53
25	Water Supply and Sanitation	4448	1656.05
26	Employment and Self Employment	26	34.25
27	Trade, Commerce and Mining	1	0.01
28	Tourism and Cultural Affairs	6	0.79
29	Minorities Development	13	170.63
Total		178689	53539.25

## Statement showing performance of the autonomous bodies

(Reference : Paragraph 3.3; Page 46)

Sr. No.	Name of the Body	Period of entrustment	Year up to which accounts were rendered	Delay in submission of accounts	Period of delay	Period up to which SAR is issued	Placement of SAR in the legislature
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Godavari Marathwada Irrigation Development Corporation (GMDC), Aurangabad	01.04.2009 to 31.03.2014	2008-09	<b>2008-09</b> Annual accounts received on 20 May 2010	Ten months	2007-08	<b>2004-05</b> Placed before legislature in winter session of 2008-09
2.	Maharashtra Housing and Area Development Authority (MHADA), Mumbai.	01.04.08 to 31.03.13	2007-08	Accounts received between 1/4/09 and 12/8/09	Delay ranged between 9 mths & 13 mths.	2006-07	<b>AR 2005-06</b> Presented on 16.09.2009
3.	Mumbai Region Development Authority (MMRDA), Mumbai.	01.04.09 to 31.03.2014	2008-09	Accounts received on 10/2/10	7 mths	2007-08	Not presented in legislature as there is no provision in MMRDA s Act,
4.	Maharashtra Jeevan Pradhikaran (MJP), Mumbai.	01.04.2007 to 31.03.2012	2007-08	Accounts received on 9/6/09	11 mths	2007-08	<b>AR 2006-07</b> presented on 26.02.08
5.	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai.	01.04.2007 to 31.03.2012	2008-09	Accounts were received on 8-09-09	2 mths	2008-09	<b>2005-06</b> 04.08.2008
6.	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune.	01.04.2006 to 31.03.2011	2008-09	Accounts were received on 29/12/09	6 mths	2007-08	<b>AR 2007-08</b> Presented on 31.3.2010
7.	Konkan Irrigation Development Corporation (KIDC), Thane.	01.04.2008 to 31. 3.2013	2008-09	9-2-2010	7 mths	2007-08	<b>AR 2007-08</b> presented on 31.3.10
8.	Maharashtra Maritime Board (MMB), Mumbai.	01.04.2006 to 31.03.2011	2007-08	Accounts were received on 30.9.09	15 mths	2006-07	<b>2004-05</b> 17.12.2006

## Appendix - 3.2 (concl.)

Sr. No.	Name of the Body	Period of entrustment	Year up to which accounts were rendered	Delay in submission of accounts	Period of delay	Period up to which SAR is issued	Placement of SAR in the legislature
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
9.	Maharashtra State Commission for Women (MSCW), Mumbai.	01.04.2008 to 31.03.2013	2007-08	Approved accounts received on 9.1.09	6 mths	2007-08	<b>2003-04</b> July 2007
10.	Maharashtra Pollution Control Board (MPCB), Mumbai.	01.04.2008 to 31.03.2013	2007-08	Accounts were received on 12.1.10	18 mths	2006-07	<b>2004-05</b> April 2008
11.	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	2007-08 to 2008-09	Accounts received on 11-03-10	Delay ranged from 8 months to 20 months	2006-07	Yet to be presented
12.	Maharashtra Water Resources Regulatory authority. (MWRAA)	2005-06 to 2009-10	2008-09	Accounts were received on 16-02-10	7 months	2007-08	<b>2005-06 to 2007-08</b> presented in April 2010
13.	Slum Rehabilitation Authority, Mumbai. (SRA)	1.4.2008 to 31.3.2011	2003-04 to 2006-07	Accounts were received on 12.6.09	Delay ranged between 23 months & 59 months	2006-07	<b>AR 1996-97 to 1998-99</b> presented on 16.06.09
14.	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01/4/2008 to 31/03/2013	2008-09	<b>2008-09</b> Accounts received on 25/02/2010	Seven months	2007-08	<b>2005-06 to 2007-08</b> Placed before legislature in April 2010
15.	Vidharba Irrigation Development Corporation (VIDC), Nagpur	01/04/2007 to 31/03/2012	2007-08	<b>2007-08</b> Annual accounts received on 18/2/2010	Over one year and seven months	2006-07	<b>2004-05</b> Placed before legislature in winter session of 2008-09

# Statement of finalisation of Accounts and the Government Investment in Departmentally managed Commercial and *Quasi*-Commercial Undertakings

(Reference : Paragraph 3.4; Page 46)

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)
<b>Agriculture, Animal Husbandry, Dairy Development and Fisheries Department</b>				
<b>Mumbai Region</b>				
1	Greater Mumbai Milk Scheme, Worli	2008-09	40.37	
2	Milk Transport Scheme, Worli	2006-07	2.34	
3	Mother Dairy, Kurla	2008-09	23.84	
4	Central Dairy, Goregaon	2008-09	51.01	
5	Unit Scheme, Mumbai	2008-09	11.36	
6	Agricultural Scheme, Mumbai	2008-09	2.88	
7	Electrical Scheme, Mumbai	2008-09	6.62	
8	Water Supply Scheme, Mumbai	2008-09	11.24	
9	Cattle Feed Scheme, Mumbai	2008-09	0.00	
10	Cattle Breeding and Rearing Farm, Palghar	2009-10	2.07	
11	Dairy Project, Dapchari	2008-09	13.59	
12	Government Milk Scheme, Bhiwandi	2008-09	0.46	
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	2008-09	0.51	
14	Government Milk Scheme, Khopoli	2008-09	1.46	
15	Government Milk Scheme, Mahad	2008-09	1.26	
16	Government Milk Scheme, Chiplun	2007-08	1.82	
17	Government Milk Scheme, Ratnagiri	2008-09	10.93	
18	Government Milk Scheme, Kankavali	2008-09	2.85	
<b>Pune Region</b>				
19	Government Milk Scheme, Pune	2008-09	13.36	
20	Government Milk Scheme, Mahabaleshwar	2008-09	1.16	
21	Government Milk Scheme, Satara	2008-09	13.98	
22	Government Milk Scheme, Miraj	2008-09	60.69	
23	Government Milk Scheme, Solapur	2008-09	3.08	
<b>Nagpur Region</b>				
24	Government Milk Scheme, Nagpur	2008-09	9.40	
25	Government Milk Scheme, Wardha	2008-09	6.49	
26	Government Milk Scheme, Chandrapur	2007-08	0.99	
27	Government Milk Scheme, Gondia	2008-09	8.36	



## Appendix - 3.3 (concl.)

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)
<b>Aurangabad Region</b>				
28	Government Milk Scheme, Aurangabad	2008-09	9.47	
29	Government Milk Scheme, Udgir	2008-09	28.36	
30	Government Milk Scheme, Beed	2008-09	67.69	
31	Government Milk Scheme, Nanded	2008-09	8.22	
32	Government Milk Scheme, Bhoom	2008-09	17.60	
33	Government Milk Scheme, Parbhani	2008-09	6.46	
<b>Nashik Region</b>				
34	Government Milk Scheme, Nashik	2008-09	5.14	
35	Government Milk Scheme, Dhule	2008-09	16.97	
36	Government Milk Scheme, Chalisgaon	2008-09	19.64	
37	Government Milk Scheme, Ahmednagar	2009-10	9.99	
38	Government Milk Scheme, Wani	2008-09	0.66	
<b>Amravati Region</b>				
39	Government Milk Scheme, Amravati	2008-09	4.39	
40	Government Milk Scheme, Akola	2008-09	27.05	
41	Government Milk Scheme, Yavatmal	2008-09	3.41	
42	Government Milk Scheme, Nandura	2008-09	2.98	
<b>Agricultural Animal Husbandry Dairy Development and Fisheries Department</b>				
43	Land Development by Bulldozer Scheme, Pune	1994-95	4.00	
44	Land Development by Bulldozer Scheme, Aurangabad	1998-99	21.93	
45	Land Development by Bulldozer Scheme, Amravati	1995-96	0.01	
46	Land Development by Bulldozer Scheme, Nagpur	1996-97	2.18	
<b>Revenue and Forest Department</b>				
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills & Timber Depot	1985-86	0.00	
<b>Food, Civil Supplies and Consumer Protection Department</b>				
48	Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	2008-09	463.33	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2008-09	618.95	

# Department wise/duration wise break-up of the cases of misappropriation, defalcation etc.

(Reference : Paragraph 3.5; Page 47)

(₹ in lakh)

Name of the Department	Upto 5 years	5-10 years	10-15 years	15-20 years	20-25 years	25 years and more	TOTAL
Agriculture, Animal Husbandry, Dairy Development and Fisheries	—	6 (5.43)	3 (4.75)	13 (28.09)	26 (2.97)	16 (10.96)	64 (52.20)
Finance	1 (40.07)	1 (13.89)	2 (79.24)	—	—	2 (1.88)	6 (135.08)
Food, Civil Supplies and Consumer Protection	—	1 (3.05)	2 (14.69)	3 (9.94)	—	3 (2.21)	9 (29.89)
General Administration	—	—	—	1 (1.29)	—	—	1 (1.29)
Higher and Technical Education	—	2 (30.35)	—	1 (0.48)	—	—	3 (30.83)
Home	2 (423.91)	1 (7.6)	3 (3.83)	7 (6.5)	—	2 (0.47)	15 (442.31)
Housing	—	—	—	—	—	1 (0.08)	1 (0.08)
Irrigation	2 (0.91)	1 (0.34)	—	1 (0.7)	—	—	4 (1.95)
Law and Judiciary	1 (0.34)	1 (0.64)	—	—	—	—	2 (0.98)
Medical Education and Drugs	—	—	—	—	1 (0.15)	2 (7.02)	3 (7.17)
Public Health	1 (1.9)	6 (38.93)	1 (4.59)	—	2 (2.28)	5 (2.86)	15 (50.56)
Public Works	1 (1.08)	—	—	—	—	—	1 (1.08)
Revenue and Forests	1 (0.66)	5 (4.88)	1 (0.08)	6 (3.54)	8 (10.16)	25 (7.87)	46 (27.19)
Rural Development	—	1 (67.84)	1 (58.43)	5 (68.74)	1 (0.07)	11 (5.61)	19 (200.69)
Social Welfare and Spl. Assistance	—	—	2 (6.27)	2 (76.36)	3 (1.66)	1 (0.36)	8 (84.65)
School Education and Sports	—	—	—	—	—	1 (2.02)	1 (2.02)
Water Resources	3 (3.31)	—	—	—	—	—	3 (3.31)
<b>TOTAL</b>	<b>12 (472.18)</b>	<b>25 (172.95)</b>	<b>15 (171.88)</b>	<b>39 (119.55)</b>	<b>41 (93.38)</b>	<b>69 (41.34)</b>	<b>201 (1071.28)</b>

Department / category wise details in respect of cases of loss to Government due to theft, misappropriation / loss of Government material  
(Reference : Paragraph 3.5; Page 47)

(₹ 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
Agri. Animal Husbandry	2	0.52	62	51.69	64	52.21
Finance	1	13.89	5	121.19	6	135.08
Food and Civil Supplies	0	0	9	29.89	9	29.89
General Administration	0	0	1	1.29	1	1.29
Higher & Technical	1	0.7	2	30.13	3	30.83
Home	0	0	15	442.31	15	442.31
Housing & Spl. Assistance	0	0	1	0.08	1	0.08
Irrigation	1	0.51	3	1.44	4	1.95
Law and Judiciary	1	0.34	1	0.64	2	0.98
Medical Education & Drugs	0	0	3	7.17	3	7.17
Public Health	0	0	15	50.57	15	50.57
Public Works	0	0	1	1.08	1	1.08
Revenue and Forests	2	3.44	44	23.75	46	27.19
Rural Development	0	0	19	200.68	19	200.68
School Education	0	0	1	2.02	1	2.02
Social Welfare & Cultural Affairs	0	0	8	84.64	8	84.64
Water Resources	2	1.81	1	1.50	3	3.31
<b>Total</b>	<b>10</b>	<b>21.21</b>	<b>191</b>	<b>1050.07</b>	<b>201</b>	<b>1071.28</b>

## Pending DC Bills for the years upto 2009-10

(Reference : Paragraph 3.10; Page 49)

Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1	General Administration	3199	205.75
2	Home	5465	617.02
3	Revenue and Forests	2413	321.11
4	Agriculture, Animal Husbandry, Dairy Development and Fisheries	4754	397.82
5	School Education and Sports	600	6.73
6	Urban Development	31	0.13
7	Finance	254	5.07
8	Public Works	25	0.33
9	Water Resources	24	0.75
10	Law and Judiciary	1260	6.41
11	Industries, Energy and Labour	224	9.12
12	Rural Development and Water Conservation	5282	84.76
13	Food, Civil Supplies and Consumer Protection	69	0.97
14	Social Justice and Special Assistance	634	14.64
15	Planning	442	8.12
16	Parliamentary Affairs	2	0.0021
17	Housing	121	0.57
18	Public Health	787	25.07
19	Medical Education and Drugs	4861	118
20	Tribal Development	161	4.12
21	Environment	8	0.01
22	Co-operation, Marketing and Textiles	164	353.98
23	Higher and Technical Education	243	6.72
24	Women and Child Development	131	0.87
25	Water Supply and Sanitation	163	1.09
26	Employment and Self Employment	11	0.13
27	Maharashtra Legislature Secretariat	6	0.38
28	Trade, Commerce and Mining	2	0.0046
29	Tourism and Cultural Affairs	86	0.89
30	Minorities Development	9	0.06
31	Departmentwise details not available (prior to computerisation)	9371	49.11
Total		40802	2239.74

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

## Appendix - 4.1 (contd.)

Terms	Description
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 agency	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Abhiyan and State Health Mission for National Rural Health Mission, etc.
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFS is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt.
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to atleast 1/5th 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.



## Appendix - 4.1 (concl.d.)

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

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