



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
State Finances**

for the year ended 31 March 2017



Government of Maharashtra

Report No. 2 of the year 2018

**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended 31 March 2017**

**Government of Maharashtra
Report No. 2 of the year 2018**

Table of Contents	Paragraph	Page
Preface		vii
Executive Summary		ix
CHAPTER I - FINANCES OF THE STATE GOVERNMENT		
Introduction	1.1	2
Resources of the State	1.2	6
Revenue Receipts	1.3	9
Capital Receipts	1.4	17
Public Account Receipts	1.5	19
Application of Resources	1.6	19
Financial analysis of Government expenditure and investments	1.7	35
Assets and Liabilities	1.8	40
Debt Management	1.9	44
Fiscal Imbalances	1.10	46
Follow Up	1.11	49
Conclusion	1.12	49
Recommendations	1.13	50
CHAPTER II - FINANCIAL MANAGEMENT AND BUDGETARY CONTROL		
Introduction	2.1	51
Summary of Appropriation Accounts	2.2	52
Financial accountability and Budget management	2.3	53
Outcome of review of selected Grants	2.4	58
Advances from Contingency Fund	2.5	63
Misclassification of Expenditure	2.6	63
Outcome of Inspection of Treasuries	2.7	64
Conclusion	2.8	66
Recommendations	2.9	67
Chapter III - FINANCIAL REPORTING		
Non-submission/Delay in furnishing Utilisation Certificates	3.1	69
Non-submission/delay in submission of Accounts by Grantee Institutions	3.2	71
Delay in submission of Accounts/Audit Reports of Autonomous Bodies and placement of Audit Reports before the State Legislature	3.3	72
Delay in finalisation of <i>proforma</i> accounts by departmentally managed Commercial Undertakings	3.4	73
Misappropriations, losses, defalcations <i>etc.</i>	3.5	73
Opacity in Government Accounts	3.6	74
Reconciliation of receipts and expenditure	3.7	75
Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills	3.8	76
Conclusion	3.9	76
Recommendations	3.10	77

No.	Appendices	Reference to Paragraph	Pages
1.1	State Profile		79
1.2	Structure and Form of Government Accounts	1.1	80
1.3	Fiscal Responsibility and Budgetary Management Act and Rules	1.1	81
1.4	Outcome indicators of the State's own Fiscal Correction Path	1.1	82
1.5	Abstract of Receipts and Disbursements for the year 2016-17 as compared to 2015-16	1.1.1	83
1.6	Outcome of analysis of budgetary assumptions during 2016-17	1.1.3	86
1.7	Time series data on State Government Finances	1.3	88
1.8	Details of Government investments and accumulated losses in Government Companies as of September 2017	1.7.2	91
1.9	Summarized financial statement of Departmentally managed Commercial/Quasi-Commercial Undertakings	1.7.2.1	93
1.10	Summarised financial position of the Government of Maharashtra as on 31 March 2017	1.8.1	96
1.11	Active and inoperative reserve funds	1.8.3	97
2.1	Grants/appropriations closed with excess over provisions during 2016-17 requiring regularisation	2.3.1	98
2.2	Grants/appropriations closed with excess over provisions of previous years requiring regularisation	2.3.1.1	99
2.3	Sub-head wise persistent excess over provision	2.3.1.2	100
2.4	Insufficient supplementary provisions (₹ one crore or more in each case)	2.3.1.3	103
2.5	Rush of expenditure during the last quarter and last month of 2016-17	2.3.3	104
2.6	Grants /appropriations which closed with savings of more than ₹ 10 crore each and more than 20 per cent of the total provisions	2.3.4	106
2.7	Grants which closed with savings of ₹ 100 crore each and above	2.3.4	108
2.8	Grants closed with savings of more than ₹ 100 crore persistently during 2012-13 to 2016-17	2.3.4.1	110
2.9	Unnecessary supplementary provisions (₹ 10 crore or more in each case)	2.3.4.2	112
2.10	Cases of surrender of funds in excess of ₹ 50 crore on 30 and 31 March 2017	2.3.4.3	114
2.11	Cases of drawal from Contingency Fund where the expenditure was foreseeable	2.5	116
2.12	Contingency fund sanction orders and utilisation against sanction	2.5	117
2.13	Inoperative Personal Ledger Account	2.7.3	118

No.	Appendices	Reference to Paragraph	Pages
3.1	Department-wise breakup of outstanding utilisation certificates	3.1	119
3.2	Statement showing list of Drawing and Disbursing Officers test checked for pending Utilisation Certificates	3.1.1.2	120
3.3	Delay in submission of accounts/audit reports by Autonomous Bodies	3.3	121
3.4	Status of finalisation of Accounts and Government investments in Departmentally managed Commercial and Quasi-Commercial Undertakings	3.4	124
3.5	Department-wise/age-wise breakup of the cases of misappropriation, defalcation <i>etc.</i>	3.5	126
3.6	Department-wise/category-wise details of losses to Government due to theft, misappropriation/loss of Government material	3.5	127
3.7	Details of sub-heads (schemes) booked under Minor Head 800 for the year 2016-17	3.6	128
3.8	Details of pending Detailed Contingent Bills up to 2016-17	3.8	130
4.1	Glossary of terms		131
4.2	Acronyms and Abbreviations		136

PREFACE

1. This Report has been prepared for submission to the Governor of Maharashtra under Article 151 of the Constitution of India.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2017. Information has also been obtained from the Government of Maharashtra, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various rules, procedures and directives relating to financial reporting during the current year.
4. The Reports containing the findings of Performance Audits and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

Maharashtra is the second largest State in India, in terms of population (11.24 crore as per 2011 census) and has 3.08 lakh sq. km. of geographical area. The State has shown slightly lower economic growth in the past decade, since the compounded annual growth rate of its Gross State Domestic Product for the period 2007-08 to 2016-17 has been 14.2 *per cent* as against 14.6 *per cent* in the General Category States of the country. During the above mentioned period, its population grew by 12.7 *per cent* as against 11.9 *per cent* in General Category States. The population below the poverty line in Maharashtra (17.4 *per cent*) was lower than the all India average of 21.9 *per cent*. The State's per capita income compounded annual growth rate in the current decade was lower at 12.7 *per cent* when compared with General Category State's growth rate of 13.2 *per cent*.

This Report on the Finances of the Government of Maharashtra is being brought out with a view to objectively assess the financial performance of the State during 2016-17 and to provide the State Government and State Legislature with timely inputs, based on analysis of the financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibilities and Budgetary Management Act, 2005 and the Budget Estimates of 2016-17.

The Report

Based on the audited accounts of the Government of Maharashtra for the year ended March 2017, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2017. It provides an insight into trends of committed expenditure and the borrowings made by the State.

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

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

Audit findings and recommendations

Chapter I

Finances of the State Government

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

During 2016-17, the State achieved two of the three major parameters specified by the Fourteenth Finance Commission *viz.* (i) the ratio of debt to Gross State Domestic Product at 17.5 *per cent* was lower than the norm (22.64 *per cent*), and (ii) the fiscal deficit at 1.5 *per cent* of Gross State Domestic Product was lower than the norm (3.25 *per cent*). However, the third parameter of Interest Payment/Revenue Receipt at 13.94 *per cent* was higher than the norm prescribed by Fourteenth Finance Commission (12.17 *per cent*) and to the norm prescribed by State's Medium Term Fiscal Policy Statement (12.78 *per cent*) during 2016-17. As against the revenue deficit of ₹ 5,338 crore during 2015-16, the deficit during 2016-17 was ₹ 8,536 crore due to higher growth rate of the revenue expenditure (12 *per cent*) than the revenue receipts (11 *per cent*) over the previous year.

Revenue receipts: The State could not maintain the momentum of growth of revenue receipts during 2012-13 to 2014-15. The rate of growth of revenue receipts which had increased to 11.9 *per cent* in 2015-16 from 10.4 *per cent* in the previous year 2014-15 had decreased to 10.6 *per cent* in 2016-17.

Central tax transfers: Tax devolutions from the Central Government increased from ₹ 28,106 crore in 2015-16 (15 *per cent* of revenue receipts) to ₹ 33,715 crore in 2016-17 (16 *per cent* of revenue receipts). The devolution of the State's share of Union Taxes assigned to the State increased by 20 *per cent* during the second year of award period of Fourteenth Finance Commission as compared to the first year of Fourteenth Finance Commission. Grants-in-aid from GoI which constituted nine *per cent* of revenue receipt in 2015-16 however, increased to 11 *per cent* in 2016-17.

Interest payments: Interest payments (₹ 28,532 crore), which increased by 11 *per cent* during the year over 2015-16, was more than the projections made in MTFPS (₹ 28,220 crore) but less than the projections made in the Fiscal Correction Path (₹ 29,361 crore) and assessment made by the Fourteenth Finance Commission (₹ 29,697 crore).

Non-plan revenue expenditure: The revenue expenditure (₹ 2,13,229 crore) constituted 87 *per cent* of the total expenditure (₹ 2,45,055 crore) of which, 80 *per cent* (₹ 1,71,140 crore) was incurred on the non-plan component. Non-plan revenue expenditure constituted 83 *per cent* of revenue receipts, during 2016-17, same as in previous year. During 2016-17, the non-plan revenue expenditure (₹ 1,71,140 crore) remained lower than the normative assessment

made in the budget estimates, Medium Term Fiscal Policy Statement (₹ 1,75,193 crore) and Fiscal Correction Path (₹ 1,73,668 crore).

Capital expenditure: The percentage of capital expenditure to total expenditure remained constant at 11 *per cent* during 2012-13 and 2013-14. This declined to 10 *per cent* and remained at that level during 2014-15 to 2016-17. Greater fiscal priority needs to be given to this area since increased priority to physical capital formation is expected to increase the growth prospects of the State by creating durable assets.

Fiscal priority: During 2016-17, priority given to Health and Family Welfare in the State was lower (4.4 *per cent*) than that given by the General Category States (4.8 *per cent*). Thus greater Fiscal priority needs to be given to this sector.

Review of Government investments: The average return on the State Government's investment in Government Companies, Joint Stock Companies and Partnerships and Statutory Corporations *etc.* was 0.04 *per cent* during 2012-17 while the Government paid average interest at the rate of 7.6 *per cent* on its borrowings during the same period.

The Government may take steps to ensure better value for money in investments. Otherwise, high-cost borrowed funds will continue to be invested in projects with low financial returns.

Debt servicing: The average expenditure on debt servicing during 2012-17 was ₹ 30,652 crore which accounted for 89.1 *per cent* of average public debt receipts during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth. Further, the State has to mobilise the resources for repayment of ₹ 43,952.10 crore (an increase ₹ 30,235.04 crore compared to the period 2016-18) during the period 2018-20. Unless there is a definite plan to meet this liability the resources available for development may shrink.

Cash balances: There was an increase of 24 *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in the Public Account. During 2016-17, the cash balance (₹ 68,750 crore) was nearly 28 *per cent* of the total expenditure (₹ 2,45,055 crore) of the State Government. The State Government managed to maintain the minimum cash balance required in the bank during 2016-17 and did not resort to Ways and Means Advances for the second consecutive year.

Fiscal liabilities: During 2016-17, the fiscal liabilities (₹ 3,95,858 crore) increased over the previous year (₹ 3,51,341 crore). The ratio of fiscal liabilities to GSDP at 17.5 *per cent* was lower than the norm of 22.64 *per cent*

recommended by the Fourteenth Finance Commission. These liabilities were nearly twice the revenue receipts.

Chapter II

Financial Management and Budgetary Control

The programme implementation of various social and developmental programmes in the State left an overall saving of ₹ 49,240.15 crore, set-off by an excess of ₹ 167.69 crore. This requires regularisation under Article 205 of the Constitution of India. There were instances of inadequate provision of funds. Rush of expenditure at the end of the financial year was another chronic feature noticed in the State. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of March 2017, leaving no scope for utilising these funds for other developmental purposes.

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

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

Chapter III

Financial Reporting

The Government's compliance with various rules, procedures and directives was found wanting in various Departments which was evident from delays in furnishing of Utilisation Certificates by various Grantee Institutions against the loans and Grants-in-aid received by them from the State Government. Delays were also seen in submission of Annual Accounts by Autonomous Bodies and Departmentally managed Commercial Undertakings. The Controlling Departments may identify the reasons for delay in finalisation of Accounts of Autonomous Bodies/Undertakings and institute remedial measures to ensure that arrears in Accounts are cleared in a time bound manner.

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

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

Non-reconciliation of 17 *per cent* (₹ 37,255 crore) of total expenditure and five *per cent* (₹ 7,278 crore) of total receipts during the year, despite being highlighted in earlier years, indicated violation of Codal provisions and Financial Rules by the Controlling Officers.

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

CHAPTER - I

FINANCES OF THE STATE GOVERNMENT

Chapter I

Finances of the State Government

Profile of Maharashtra

Maharashtra occupies the Western and Central part of the country and has a long coastline along the Arabian Sea. It is the second largest State in India in terms of population (11.24 crore population as per 2011 census) and has geographical area of 3.08 lakh square kilometres (Sq Km). As indicated in **Appendix 1.1** according to census 2011, the State's population has increased from 9.69 crore to 11.24 crore recording a decadal growth of 16 *per cent*. The density of population of Maharashtra has also recorded increase from 315 persons per sq. km. (census 2001) to 365 persons per sq. km. (census 2011) as against the all India average of 382.

The percentage of population below the poverty line at 17.4¹ *per cent* was lower than the all India average of 21.9 *per cent*. The Gross State Domestic Product (GSDP) in 2016-17 at current prices was ₹ 22,67,789 crore (advance estimates). The Compounded Annual Growth Rate (CAGR) of GSDP for the period 2007-08 to 2016-17 has been 14.2 *per cent* as against 14.6 *per cent* in the General Category States (GCS) of the country. The State's literacy rate has increased from 76.9 *per cent* (census 2001) to 82.3 *per cent* (census 2011). The per capita income of the State stood at ₹ 1,87,554² as against the country average of ₹ 1,18,830³. General data relating to the State is shown in **Appendix 1.1**.

Gross State Domestic Product

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

Table 1.1 Trends in annual growth rate of GSDP

Year	2012-13	2013-14	2014-15	2015-16	2016-17
India's GDP (₹ in crore)	9944013	11233522	12445128	13682035	15183709
Growth rate of GDP (percentage)	13.8	13.0	10.8	9.9	11.0
State's GSDP (₹ in crore)	1448466	1647506	1792122	2001223 [#]	2267789*
Growth rate of GSDP (percentage)	13.8	13.7	8.8	11.7	13.3
GDP and GSDP at current prices					
[#] Actuals/ [*] Advance estimates – as per Economic Survey of Maharashtra 2016-17					

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

² Source: Central Statistical Office

³ Source: Central Statistical Office

Chart 1.1: Growth of India's GDP and State's GSDP

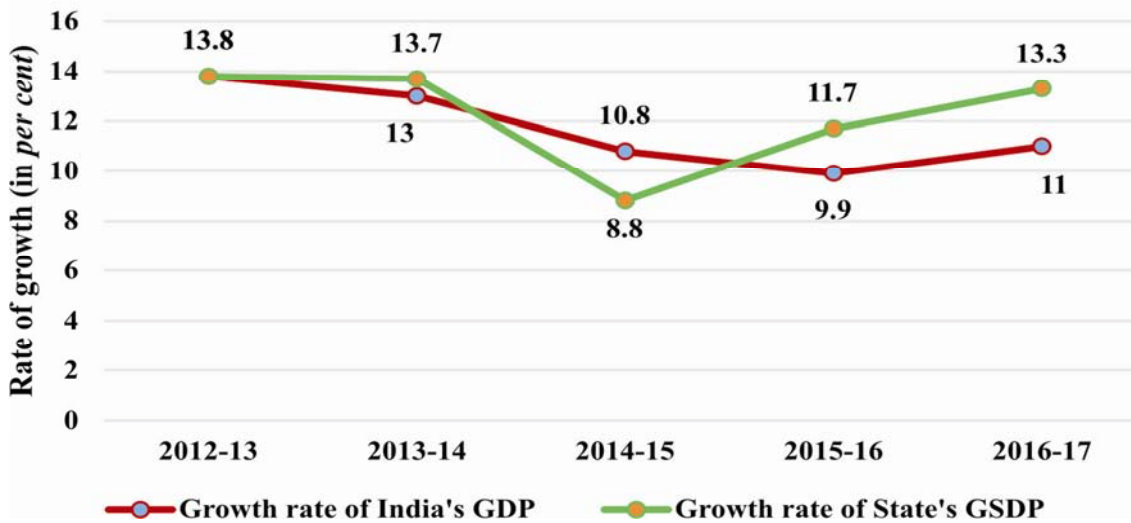


Table 1.1 shows that the growth rate of GSDP showed an increase during past two years *i.e.* 2015-16 and 2016-17 and also higher as compared to India's GDP.

1.1 Introduction

This Chapter is based on the audit of the Finance Accounts of the State and makes an assessment of the State's fiscal position as on 31 March 2017. It provides a broad perspective of the finances of the State during 2016-17 and analyses critical changes observed in the major fiscal aggregates in relation to the previous year, keeping in view the overall trend during the last five year period. The structure and form of Government accounts have been explained in **Appendix 1.2 (Part A)** and the layout of the Finance Accounts is depicted in **Appendix 1.2 (Part B)**. The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Maharashtra Fiscal Responsibility and Budgetary Management (MFRBM) Act, 2005; and the (Amendment) Act of 2006; MFRBM Rules, 2006 and the (Amendment) Rules, 2008; (Amendment) Rules, 2011 and (Amendment) Rules, 2012 of the State are given in **Appendix 1.3**. According to the Act, Government developed its own Fiscal Correction Path (FCP) given in **Appendix 1.4**. As prescribed in the Act, Government laid its Medium Term Fiscal Policy Statement (MTFPS) for 2016-17 in the State Legislature in March 2016.

1.1.1 Summary of Fiscal transactions in 2016-17

The **Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2016-17) *vis-à-vis* the previous year (2015-16), while **Appendix 1.5** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.2: Summary of Fiscal operations during 2016-17

(₹ in crore)

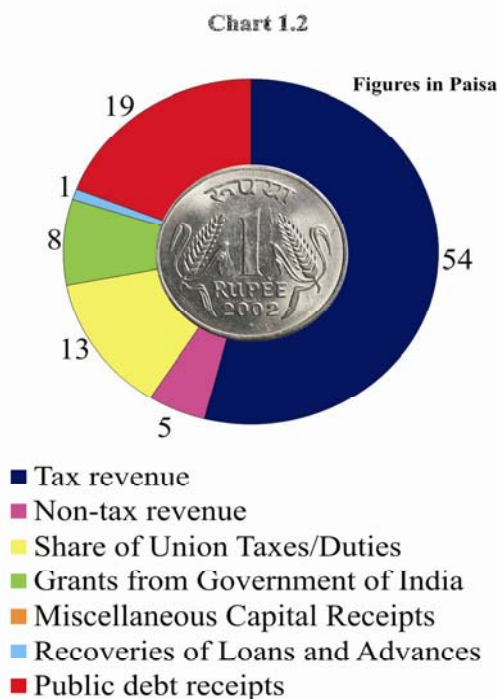
2015-16	Receipts	2016-17	2015-16	Disbursements	2016-17		
Section-A: Revenue					Non-Plan	Plan	Total
185036	Revenue receipts	204693	190374	Revenue expenditure	171140	42089	213229
126608	Tax revenue	136616	64370	General services	70851	758	71609
13423	Non-tax revenue	12709	82317	Social services	63956 [#]	26326*	90282
28106	Share of Union Taxes/Duties	33715	38052	Economic services	29006	14837	43843
16899	Grants from Government of India	21653	5635	Grants-in-aid and Contributions	7327	168	7495
Section B: Capital and Others							
17	Miscellaneous Capital Receipts	0	22793	Capital Outlay	5201	20348	25549
865	Recoveries of Loans and Advances	1746	1115	Loans and Advances disbursed			6277
37977*	Public debt receipts [§]	48336	10043	Repayment of Public Debt [§]			11887
2962	Appropriation from Contingency fund	0	962	Appropriation to Contingency fund			0
962	Contingency Fund	0	2962	Contingency Fund			0
72747	Public Account Receipts	82466	66412	Public Account Disbursements			67102 [#]
49648	Opening Cash Balance	55553	55553	Closing Cash Balance			68750
350214	Total	392794	350214	Total			392794

Source: Finance Accounts of respective years

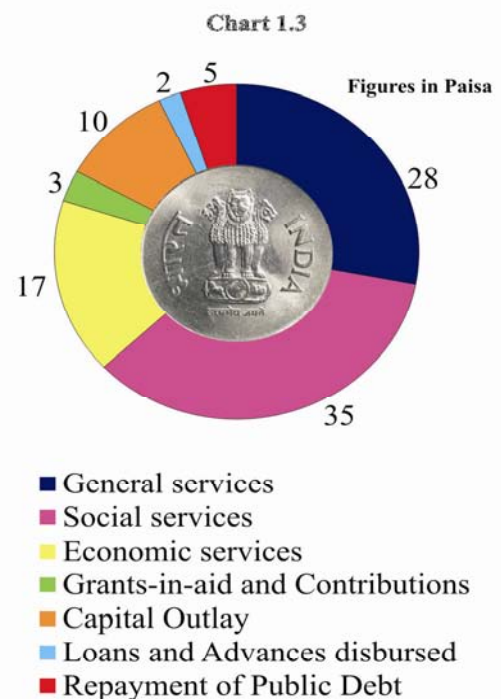
[§]Excluding ways and means advances (Receipt: ₹ nil and Disbursement: ₹ nil)

*Higher rounding [#]Lower rounding

Composition of sources and application of funds in the Consolidated Fund during 2016-17 is given in **Chart 1.2** and **1.3**.



(Source: Finance Accounts 2016-17)



(Source: Finance Accounts 2016-17)

The following are the major changes in fiscal transactions during 2016-17 over the previous year:

Revenue Receipts	<ul style="list-style-type: none"> Increased by 11 <i>per cent</i> Own tax revenue increased by eight <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> Increased by 12 <i>per cent</i> Plan expenditure increased by 17 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none"> Increased by 12 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> Recoveries increased by 102 <i>per cent</i> Disbursements increased by 463 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> Receipts increased by 27 <i>per cent</i> Repayment increased by 18 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none"> Increased by 24 <i>per cent</i>

1.1.2 Review of the Fiscal situation

Major fiscal variables provided in the budget based on the recommendations of the Fourteenth Finance Commission (FFC) and as targeted in the Fiscal Responsibility and Budgetary Management Act of the State are shown in **Table 1.3**.

Table 1.3 Review of the Fiscal situation

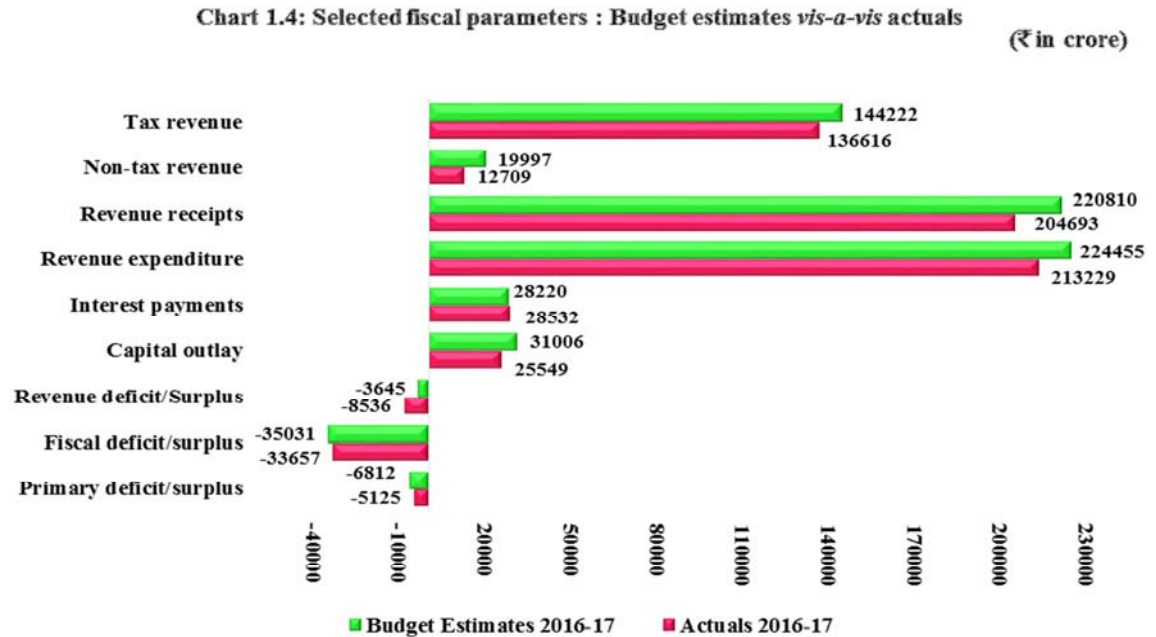
Sr No	Fiscal variables	2016-17			
		FFC targets for the State in percentage	Targets proposed in the budget/ MTFPS	Projections made in five year FCP	Actuals
1	Fiscal deficit/GSDP (in <i>per cent</i>)	3.25	1.59	1.60	1.48*
2	Total outstanding debt of the Government to GSDP (in <i>per cent</i>)	22.64	16.15	17.35	17.46
3	Interest Payment/Revenue Receipt (IP/RR) (in <i>per cent</i>)	12.17	12.78	13.03	13.94
4	Revenue Deficit (₹ In crore)	0	3644.55	570.42	8535.59

* excluding Ujwal DISCOM Assurance Yojana (1.70 including Ujwal DISCOM Assurance Yojana)
Source: MTFPS/FCP/FFC

From **Table 1.3** it can be seen that during 2016-17, the State achieved two of the three major parameters (sr.no. 1, 2 and 3) specified by the FFC *i.e.* (i) the fiscal deficit at 1.5 *per cent* of GSDP and (ii) the ratio of debt to GSDP at 17.5 *per cent* were lower than the norm. However, the third parameter of IP/RR ratio at 14 *per cent* was higher than the norm prescribed by FFC (12 *per cent*) and State's MTFPS (13 *per cent*).

1.1.3 Budget estimates and actuals

Though the State's revenue expenditure was lower than the budget estimates by five *per cent* in 2016-17, there was a revenue deficit of ₹ 8,536 crore since the actual revenue receipts were lower than the budget estimates by 7.3 *per cent*. The capital outlay decreased by 17.6 *per cent* whereas interest payments increased marginally by 1.1 *per cent* over the budget estimates.



(Source: Finance Accounts 2016-17)

As may be observed from **Chart 1.4** (also see **Appendix 1.6**), there were variation between budget estimates and actuals in the case of several key parameters. Revenue receipts had a shortfall (₹ 16,117 crore: 7.3 *per cent*) over budget estimates since State Excise, Stamps and Registration fees and Land Revenue were lower than the budget estimates.

The decrease in revenue receipts was the net result of decrease in tax revenue by five *per cent*, non-tax revenue by 36 *per cent*. There was increase in Share of Union Taxes and Duties by seven *per cent* and Grants-in-aid from Government of India (GoI) by 13 *per cent*.

Actual revenue deficit of ₹ 8,536 crore was more than the budget estimates of ₹ 3,645 crore due to decrease in revenue receipts by ₹ 16,117 crore.

The revenue expenditure decreased by five *per cent* over the budget estimates, mainly because of less expenditure under General Services (seven *per cent*) and Social Services (eight *per cent*). The decrease was largely under Education, Sports, Art and Culture (seven *per cent*), Social Welfare and Nutrition (15 *per cent*) and Welfare of Schedule Caste, Schedule Tribes and Other Backward Classes (15 *per cent*).

The actual Capital Outlay was less by ₹ 5,457 crore (18 per cent) against the original Budget estimates of 2016-17. The decrease was mainly under Rural Development (62 per cent), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (73 per cent) and Education, Sports, Art and Culture (64 per cent).

Fiscal deficit (₹ 33,657⁴ crore without UDAY) was less than the assessment made in the budget estimates (₹ 35,031 crore) by four per cent, mainly due to lower growth of revenue and capital outlay.

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts of the State. Revenue receipts consist of Tax Revenues, Non-Tax Revenues, State's Share of Union Taxes and Duties and Grants-in-aid from GoI. Capital receipts include Miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Besides, the funds available in the Public Account after disbursement are also utilised by the Government to finance its deficit.

Table 1.4 presents the trends in growth and composition of receipts of the State during 2012-13 to 2016-17.

Table 1.4: Trends in growth and composition of total receipts

(₹ in crore)

Sources of State's receipts	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue receipts	142947	149822	165415	185036	204693
Capital receipts	22588	27463	30348	38858	50082
Contingency Fund	875	860	4360	962	0
Public Account receipts	47060	64020	83022	72747	82467*
Total receipts	213470	242165	283145	297603	337242
* Higher rounding Source: Finance Accounts of respective years					

Chart 1.5 depicts the trends in various components of the receipts of the State during 2012-17. **Chart 1.6** and **Flow chart 1.1** depicts the composition of the receipts of the State during the current year.

⁴ Excludes ₹ 4,959.75 crore expenditure on account of taking over of 75 per cent of Medium and Short term debts of Maharashtra DISCOM for Ujwal DISCOM Assurance Yojana

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

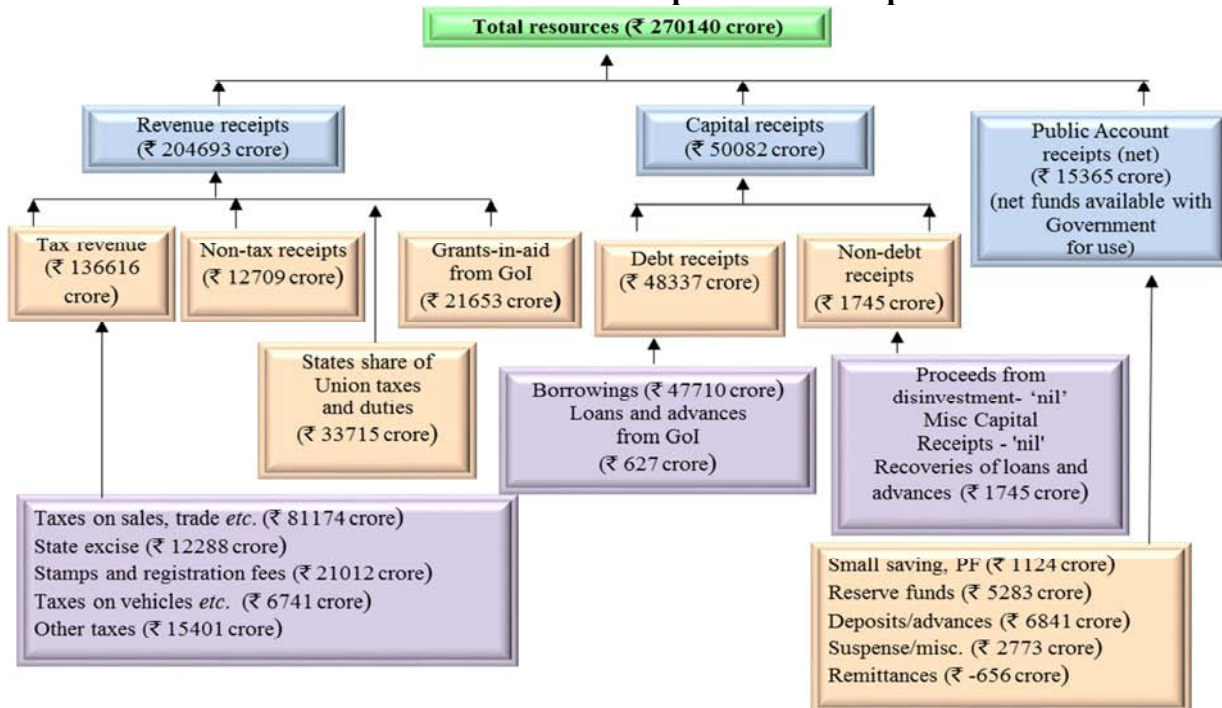
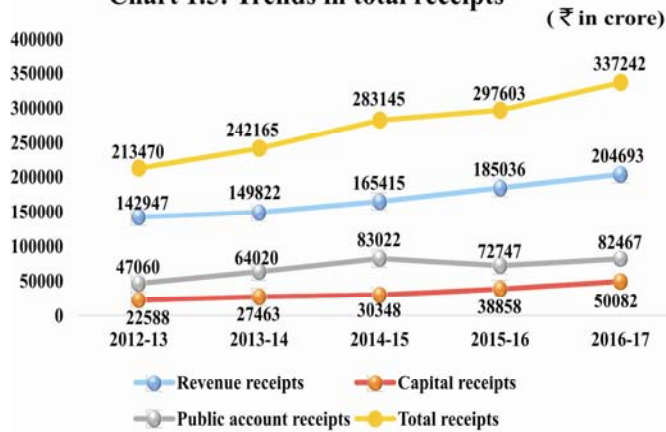
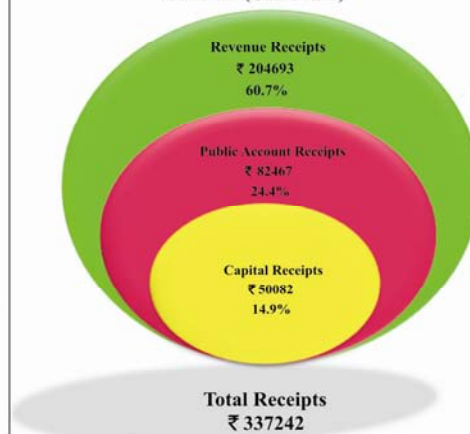


Chart 1.5: Trends in total receipts



(Source: Finance Accounts of respective years)

Chart 1.6: Composition of total receipts during 2016-17 (₹ in crore)



(Source: Finance Accounts 2016-17)

The total receipts of the State increased by ₹ 1,23,772 crore (58 per cent) from ₹ 2,13,470 crore in 2012-13 to ₹ 3,37,242 crore in 2016-17. The share of revenue receipts in total receipts of the State decreased from 67 per cent in 2012-13 to 61 per cent in 2016-17 while the share of Public Account receipts in total receipts of the State increased from 22 per cent in 2012-13 to 24 per cent in 2016-17.

1.2.2 Funds transferred to State Implementing Agencies outside the State Budget

Government of India decided to release all assistance related to Centrally Sponsored Schemes/ Additional Central Assistances directly to the State Government and not to implementing agencies from 01 April 2014.

During 2016-17, the GoI, however released ₹ 1,592.11⁵ crore to the State implementing agencies as shown in Appendix–VI of Finance Account 2016-17.

Funds thus released in 2016-17 were 3.5 times the amount released in 2015-16 (₹ 451 crore). The implementing agencies which received major transfers are as shown in **Table 1.5**.

Table 1.5: Implementing Agencies which received major transfers

(₹ in crore)

Government of India Scheme	Implementing Agency	2015-16	2016-17	Increase (+)/ Decrease(-)
National Rural Employment Guarantee Scheme (MGNREGA) CS	MGNREGA State Fund Association Maharashtra	0.72	162.60	161.88
National AIDS and STD control programme	Maharashtra State AIDS Control Society	0	95.10	95.10
Major Ports Shipping	Maharashtra Maritime Board	5.90	0.00	49.91
Sagarmala Project and Ports - NP		0.00	55.81	
NHAI from CRF	Sub-Divisional Officer, Beed and Executive Engineer, NHD Nasik	0.21	46.27	46.06
National Mission for Justice Delivery and Legal Reforms	Registrar General, High Court of Bombay	0	38.25	38.25
Pradhan Mantri Koushal Vikas Yojana CS	Directorate of Vocational Education and Training	0	19.79	19.79
Management support to RD programs and strengthening of District planning process in lieu of programmes and other Training Programmes	Yashwantrao Chavan Academy of Development Administration	5.03	23.80	18.77
National Rural Livelihood Mission CS	Maharashtra State Rural Livelihoods Mission (MSRLM)	3.04	20.36	17.32

Source: Appendix – VI of Finance Accounts 2016-17

Funds transferred directly from the GoI to the State Implementing Agencies results in lack of monitoring the expenditure incurred by them on various schemes as these funds are not reflected in the State Budget.

1.2.3 Funds operated outside legislative scrutiny

As per Thirteenth Finance Commission recommendations, public expenditure through creation of funds outside the Consolidated Fund of the State needs to be discouraged. An instance wherein public expenditure was met through creation of fund outside the Consolidated Fund was mentioned in earlier Report⁶ of the Comptroller and Auditor General on State Finances. This procedure was continued during current year. The Housing Department, Government of Maharashtra (GoM) created (May 2010) Maharashtra Nivara Nidhi (MNN) with the objective of supplementing the resources of the Government for undertaking various housing schemes through Central assistance. This fund was created under the jurisdiction of Maharashtra Housing and Area Development Authority (MHADA) (without any amendment to the MHADA Act, 1976) outside the Consolidated Fund as well as the Public Accounts of the GoM.

⁵ As per the Public Financial Management System portal of the Controller General of Accounts

⁶ **Paragraph 1.2.3** and **Paragraph 1.5.2** of the Report of the Comptroller and Auditor General on State Finances for the year 2013-14 and 2014-15 respectively

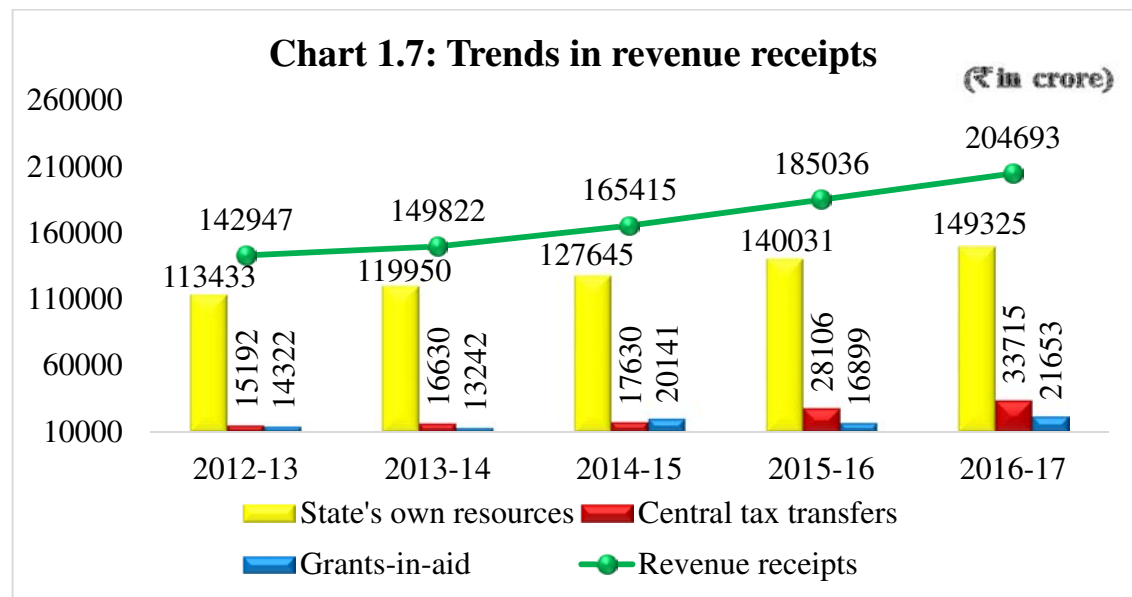
Since its inception till March 2017, MNN received ₹ 17,237.99 crore from GoM, MHADA and a recurring contribution from Slum Rehabilitation Authority by way of 90 per cent of the land premium collected by the Authority.

Further, the Annual Accounts and the Audit Report of the receipts and expenditure incurred out of MNN were not submitted (December 2017) to the State Legislature, despite the fact that ₹ 3,968 crore were spent from this fund till March 2017. Thus, creation and operation of MNN outside the Government accounts escaped the legislative scrutiny through the regular process of authorisation. It would be appropriate if the activities planned under MNN are carried out through regular budgetary process.

Finance Department have directed (August 2017) Housing Department to make necessary amendments in the MHADA Act, 1976 ensuring Administrative and Financial independence for MNN and to ensure audit of this fund by the CAG.

1.3 Revenue Receipts

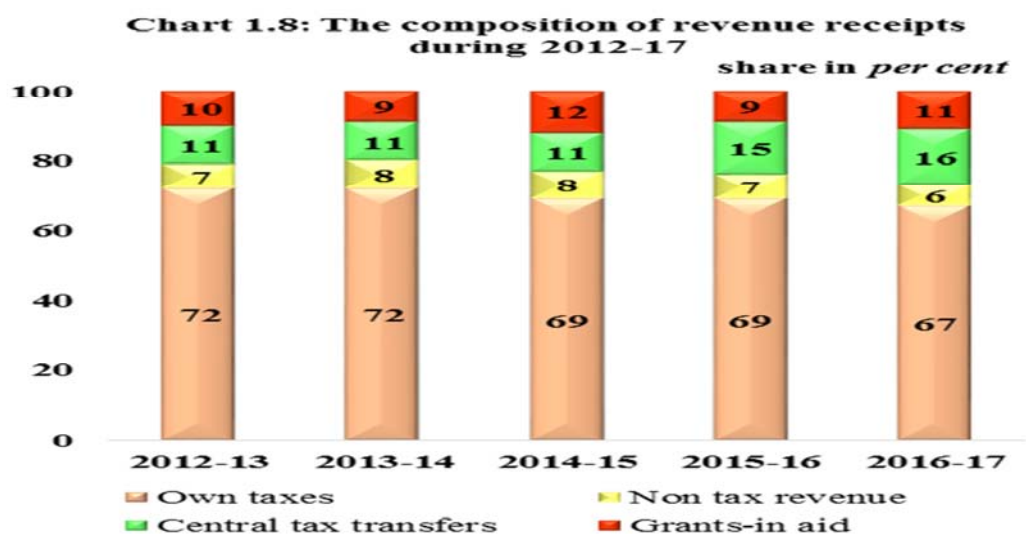
Statement 14 of the Finance Accounts details the revenue receipts of the Government. These consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2012-13 to 2016-17 are presented in **Chart 1.7** and also in **Appendix 1.7**.



(Source: Finance Accounts of respective years)

Revenue receipts grew by ₹ 19,657 crore (11 per cent) in 2016-17 over 2015-16. The increase was the net effect of increase in tax revenue by ₹ 10,008 crore (eight per cent), State's share of Union Taxes and Duties by ₹ 5,609 crore (20 per cent) and Grants-in-aid from Government of India by ₹ 4,754 crore (28 per cent), set-off partially by decrease in non-tax revenue by ₹ 714 crore (five per cent). The revenue receipts at ₹ 2,04,693 crore was almost 91 per cent of the assessments made by the State Government in its FCP (₹ 2,25,388 crore) and 93 per cent of MTFPS (₹ 2,20,811 crore) for the year 2016-17. During the year 2012-13 to 2016-17 there was a decline in Tax Revenue by five per cent.

The composition of revenue receipts over the period 2012-13 to 2016-17 are presented in **Chart 1.8**.



(Source: Finance Accounts of respective years)

As shown in **Chart 1.8**, the share of State's own taxes in revenue receipts was 72 per cent during the period 2012-14, which however, decreased to 69 per cent in 2014-15 and remained constant in 2015-16. During 2016-17, it further decreased to 67 per cent. The share of non-tax revenue increased marginally during 2013-14 and remained constant during 2014-15 and marginally decreased in 2015-16 and further in 2016-17. The share of Central transfers was relatively stable during 2012-15 and marginally increased during 2015-16 and further in 2016-17. The share of Grants-in-aid indicated a fluctuating trend during 2012-17.

During 2007-08 to 2015-16, the CAGR of revenue receipts (11.1 per cent) was less than the growth rate of GCS (14.6 per cent). This growth of revenue receipts during 2016-17 over 2015-16 (10.6 per cent) was also lower than the growth rate of GCS (11.5 per cent) as shown in **Appendix 1.1**.

The trends in revenue receipts relative to GSDP at current prices are presented in **Table 1.6**.

Table 1.6: Trends in Revenue Receipts relative to Gross State Domestic Product

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue receipts (₹ in crore)	142947	149822	165415	185036	204693
Rate of growth ⁷ of RR (per cent)	17.9	4.8	10.4	11.9	10.6
RR/GSDP (per cent)	9.9	9.1	9.2	9.2	9.0
Buoyancy ratios⁸					
Revenue receipts buoyancy w.r.t. GSDP	1.297	0.350	1.182	1.017	0.798
State's own taxes buoyancy w.r.t. GSDP	1.312	0.365	0.682	0.857	0.590
Gross State Domestic Product (₹ in crore)	1448466	1647506	1792122	2001223	2267789
Revenue receipts buoyancy w.r.t. State's own taxes	0.989	0.960	1.733	1.190	1.340

Source: Finance Accounts of respective years

⁷ see Glossary at page 131

⁸ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.9 implies that revenue receipts tend to increase by 0.9 percentage points, if the GSDP increases by one per cent (also see Glossary at page 131)

There was a decrease in the rate of growth of Revenue Receipts from 11.9 *per cent* in 2015-16 to 10.6 *per cent* in 2016-17.

The ratio of State's own tax buoyancy with reference to GSDP decreased from 1.312 in 2012-13 to 0.365 in 2013-14 and increased to 0.682 during 2014-15. This ratio increased to 0.857 in 2015-16 and decreased to 0.590 in 2016-17.

1.3.1 State's Own Resources

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

The State's actual tax and non-tax receipts for the year 2016-17 *vis-à-vis* assessment made by the FFC and the MTFPS (2016-17) are given in **Table 1.7**.

Table 1.7: Actual Tax and Non-Tax Receipts

	(₹ in crore)			
	FFC projection	Budget estimates	MTFPS projection	Actual
Tax revenue	177565	144222	144222	136616
Non-tax revenue	21752	19997	19997	12709

Source: Finance Accounts/FFC/Budget/MTFPS

Table 1.7 shows that the actual realisation of tax revenue during the year was lower than the normative assessment of the FFC, projections made in the budget estimates and MTFPS. The non-tax revenue of the Government was also lower than the normative assessment of the FFC by 42 *per cent*.

1.3.1.1 Tax Revenue

The gross collection in respect of major taxes and duties during 2012-17 are given in **Table 1.8** and actuals for 2016-17 in **Chart 1.9**.

Table 1.8: Components of State's Own Tax Revenue

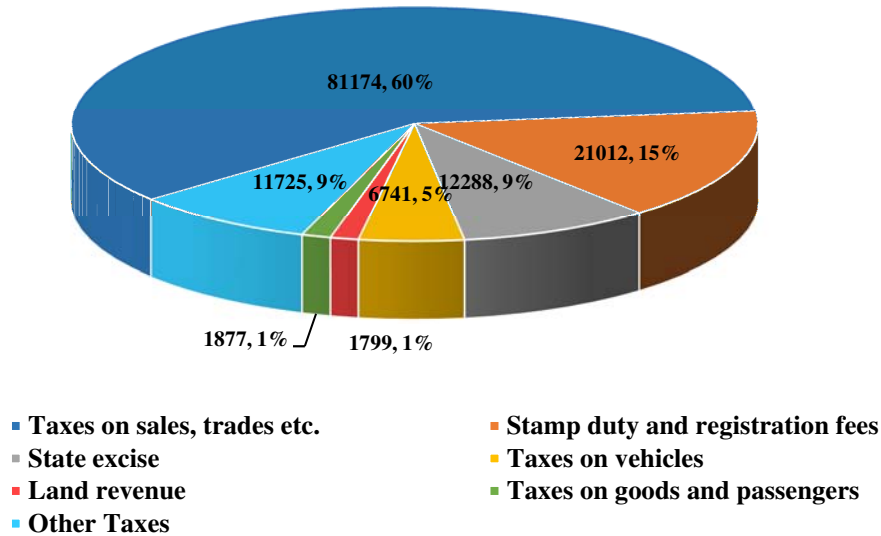
Revenue Head						(₹ in crore)
	2012-13	2013-14	2014-15	2015-16	2016-17	Variation in 2016-17 over previous year (in per cent)
Taxes on sales, trade etc.	60080	62530	67466	69661	81174	17
Stamp duty and registration fees	17548	18676	19959	21767	21012	(-)3
State excise	9297	10101	11397	12470	12288	(-)1
Taxes on vehicles	5028	5096	5405	6017	6741	12
Land revenue	1074	1089	1272	1748	1799	3
Taxes on goods and passengers	691	1241	587	1582	1877	19
Other taxes ⁹	9731	9865	8978	13363	11725	(-)12
Total	103449	108598	115064	126608	136616	8

Source: Finance Accounts of respective years

⁹ Other taxes include taxes on professions, trades, callings and employment; and taxes and duties on electricity

Chart 1.9: Components of State's Own Tax Revenue in 2016-17

(₹ in crore)



(Source: Finance Accounts 2016-17)

The increase in tax revenue by ₹ 10,008 crore (eight per cent) over the previous year was mainly under (a) Taxes on sales, trade, etc. by ₹ 11,513 crore (17 per cent) due to increase in collection under 'Value Added Tax', (b) Taxes on Vehicles by ₹ 724 crore (12 per cent) due to increase in proceeds from State Motor vehicles Taxation Act and Environment tax; setoff by decrease in Taxes and duties on electricity by ₹ 1,837 crore (22 per cent) due to less collection of taxes on consumption and sale of electricity.

During 2007-08 to 2015-16, the CAGR of tax revenue (13 per cent) was less than the growth rate of GCS (14.8 per cent). The growth of own tax revenue during 2016-17 over 2015-16 (7.9 per cent) was also lower than the growth rate of GCS (13.5 per cent) as shown in **Appendix 1.1**.

During 2016-17, the tax revenue as a percentage of GSDP (six per cent) was less than the normative assessment of the FFC (8.5 per cent) and FCP (seven per cent) and same as MTFPS (six per cent).

1.3.1.2 Non-Tax Revenue

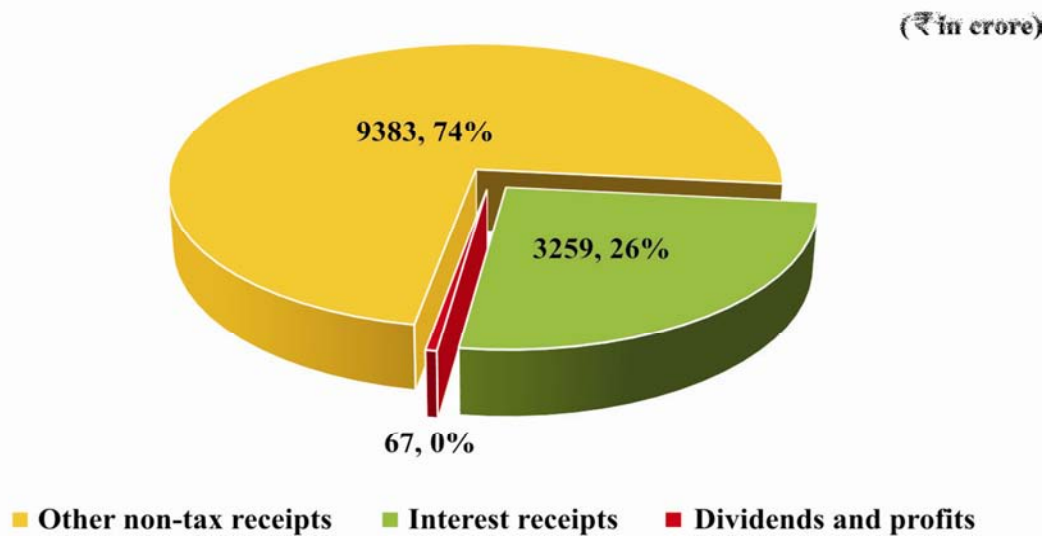
Growth rate of Non-Tax Revenue during 2012-17 is shown in **Table 1.9** and actuals for 2016-17 in **Chart 1.10**.

Table 1.9: Growth rate of Non-Tax Revenue

Revenue head	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage increase in 2016-17 over previous year
	(₹ in crore)					
Interest receipts	2464	3934	3351	3080	3259	6
Dividends and profits	47	20	28	57	67*	17
Other non-tax receipts	7473	7398	9202	10286	9383	(-) 9
Total	9984	11352	12581	13423	12709	(-)5

* Dividend of ₹ 39 crore from other Corporations, for which list is not made available (Finance Accounts 2016-17)

Source: Finance Accounts of respective years

Chart 1.10: Components of non-tax revenue in 2016-17

(Source: Finance Accounts 2016-17)

The decrease in non-tax revenue receipts by ₹ 714 crore (five per cent) over 2015-16 was mainly due to 58 per cent decrease (₹ 350 crore) in Education, Sports, Art and Culture, 58 per cent decrease (₹ 267 crore) in Major Irrigation and 47 per cent decrease (₹ 224 crore) under Miscellaneous General Services set-off by increase of 23 per cent (₹ 140 crore) under Power. The non-tax revenue receipts (₹ 12,709 crore) during the current year was lower than the projections made in the FCP ₹ 21,698 crore (41 per cent), MTFPS/Budget ₹ 19,997 crore (36 per cent) as well as the normative assessment of the FFC ₹ 21,752 crore (42 per cent).

During 2007-08 to 2015-16, the CAGR of non-tax revenue (-2.9 per cent) was less than the growth rate of GCS (9.5 per cent). The growth of non-tax revenue during 2016-17 over 2015-16 (-5.3 per cent) was also lower than the growth rate of GCS (12.1 per cent) as shown in **Appendix 1.1**.

Interest receipts, Dividends and Profits

One of the major sources of interest receipts is interest proceeds out of investment of surplus cash balances of the State. As per Reserve Bank of India's regulations, the cash balance maintained by the State is invested in GoI's 14 day Treasury Bills (TBs). The average rate of interest on these TBs is around five to six per cent. Excess cash balance, beyond the immediate requirement is invested in GoI's 91 day TBs. Against the budgeted estimates of ₹ 331 crore during 2016-17, the actual interest realised on Investment of Cash Balances was ₹ 2,214.19 crore of which, 14 day TBs yielded ₹ 651.49 crore and 91 day TBs yielded ₹ 1,562.70 crore.

The interest realised on Loans and Advances given by the State Government to its Companies/Corporations etc. stood at ₹ 407 crore during 2016-17 which worked out to 1.5 per cent of the outstanding balances of Loans and Advances (₹ 26,603.40 crore) at the end of the year.

The return on investment in the form of dividends declared by Companies/Corporations and credited to Government Account during 2016-17 was ₹ 66.81 crore. Considering the magnitude of Government investment (₹ 1,29,983.79 crore), the return worked out to a meagre 0.05 per cent on the investment made.

Pricing of public utilities – Water Charges

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

Maharashtra moved towards fixing the water charges through Maharashtra Water Resources Regulatory Authority from October 2010. The assessment and recovery of water charges against the O&M cost during 2012-17 based on the water rates for the control period¹⁰ 2010-2013 is shown in **Table 1.10**.

Table 1.10: Details of Operation and Maintenance cost of water resources project, assessment of water charges and recovery of water charges

(₹ in crore)

Year	Operation and Maintenance cost (Establishment + Maintenance and repair)			Arrears of water charges				
	Salary (Establish- ment)	Non-salary (Maintenance and Repairs)	Total	Opening Balance*	Assessment	Total Dues (5 +6)	Recovery of water charges	Balance to be recovered (7-8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2012-13	593.14	158.06	751.20	1028.36	753.10	1781.46	506	1275.46
2013-14	632.15	206.05	838.20	1267.46	607.04	1874.50	515	1359.50
2014-15	620.15	126.15	746.30	1309.00	671.74	1980.74	637	1343.74
2015-16	680.06	180.79	860.85	1346.56	740.17	2086.73	573	1513.73
2016-17	651.88	134.65	786.53	1513.66	764.00	2277.66	573	1704.66
Total	3177.38	805.70	3983.08		3536.05		2804	

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

From the **Table 1.10** it can be seen that the water charges recovered during 2012-17 was less than the O&M cost by ₹ 1,179.08 crore. Arrears in recovery during 2012-17 was ₹ 1,704.66 crore. In addition, there was a gap of ₹ 447.03 crore between O&M cost and assessment made during 2012-17. Efforts are needed to bring the assessment to meet O&M cost and also to effect recovery as per the assessment.

1.3.2 Receipts from Government of India

1.3.2.1 Grants-in-aid from Government of India

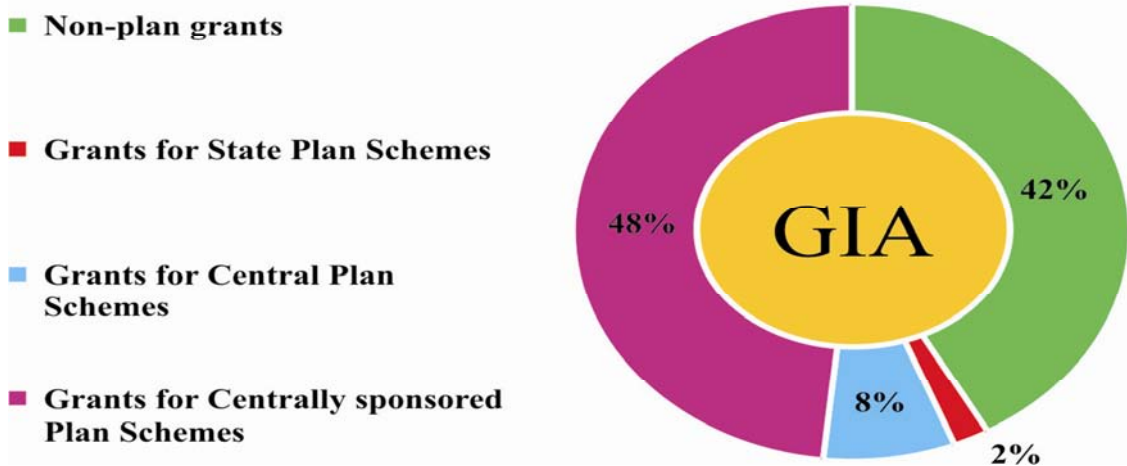
The grants-in-aid from GoI increased by 28 per cent from ₹ 16,899 crore in 2015-16 to ₹ 21,653 crore in 2016-17. The increase in 2016-17 was mainly under Central Plan Schemes (141 per cent), Non-plan Grants (49 per cent) and Centrally Sponsored Plan

¹⁰ Control period for the purposes of the applicability of tariffs shall be three consecutive water years starting from 01 July 2010 to 30 June 2011, 01 July 2011 to 30 June 2012 and 01 July 2012 to 30 June 2013.

Schemes (12 per cent) as shown in **Table 1.11** and composition of GIA in **Chart 1.11**. The trend of total grants from GoI as a percentage of revenue receipts was fluctuating during 2012-17.

Table 1.11: Grants-in-aid from Government of India

	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Non-plan grants	4676	5533	7304	6080	9073*
Grants for State Plan Schemes	5630	3684	1665	791	455
Grants for Central Plan Schemes	113	648	1399	688	1657
Grants for Centrally sponsored Plan Schemes	3903	3377	9772	9340	10468
Total	14322	13242	20140	16899	21653
Percentage of increase/decrease over previous year	17.71	(-)7.54	52.10	(-)16.09	28.13
Total grants as a percentage of revenue receipts	10	8.8	12.2	9.1	10.6
* Higher rounding					
Source: Finance Accounts of respective years					

Chart 1.11: Composition of Grants-in-aid in 2016-17

The increase under Central Plan Schemes (₹ 969 crore) was mainly under Rural Development (₹ 430 crore) and Grants under Proviso to Article 275(1) of the Constitution (₹ 677 crore). The increase under grants from Centrally Sponsored Plan Schemes (₹ 1,128 crore) was mainly due to increase under (a) Urban Development (₹ 1,869 crore), set-off by a decrease under (b) Rural Employment (₹ 421 crore) and (c) Crop Husbandry (₹ 471 crore). The increase under Non-Plan Grants (₹ 2,993 crore) was mainly under Other Grants (₹ 2,610 crore).

Decrease under State Plan

The Grants for State Plan Schemes comprises mainly of grants under Article 275(1) of the Constitution of India (these are basically grants for Tribal Sub-Plan) and Block Grants¹¹.

Table 1.12 shows the Grants-in-aid received from GoI under proviso to Article 275(1) of the Constitution and Block Grants during 2012-13 to 2016-17.

¹¹ see Glossary at page 131

Table 1.12: Year wise grants-in-aid from Government of India under proviso to Article 275(1) of the Constitution and Block Grants

(₹ in crore)

	Particulars	Classification	2012-13	2013-14	2014-15	2015-16	2016-17
Under proviso to Article 275(1) of the Constitution	Non-plan grants	1601-01-104	0	75	2329	0	0
	Plan grants	1601-02-104	1033	125	117	134	115
	Non-Plan grants	1601-03-104	0	0	0	0	0
Block Grants			3247	2832	1091	284	210
(1601-02-101)	Accelerated Irrigation Benefits Programme and other water related schemes		1023	280	32	265	187
	Normal Central Assistance		644	766	790	0	0
	Backward Region Grants Fund		50	247	0	0	0
	Other Schemes		1530	1539	269	19	23

Source: Finance Accounts of respective years

From **Table 1.12** it could be seen that Block grants decreased by ₹ 74 crore (26 per cent) in 2016-17 and grants to AIBP and other water related schemes by ₹ 78 crore.

1.3.2.2 Central Tax Transfers

Due to higher devolution of Central taxes under FFC, Central tax transfers increased by 20 per cent from ₹ 28,106 crore in 2015-16 to ₹ 33,715 crore in 2016-17.

1.3.2.3 Comparison of the devolution of taxes as well as grants-in-aid

Fourteenth Finance Commission

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

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

(₹ in crore)

Components of State's share of Union taxes	FFC award period		Difference	Percentage increase/decrease
	2015-2016	2016-17		
Corporation Tax	8835.19	10790.20	1955.01	22
Customs	4486.57	4641.53	154.96	3
Income Tax	6144.85	7499.22	1354.37	22
Other taxes and duties on commodities and services	19.33	0.09	(-)19.24	(-)100
Other taxes on income and expenditure	0.18	0	(-)0.18	(-)100
Service tax	4887.46	5458.92	571.46	12
Taxes on wealth	2	24.71	22.71	1136
Union excise duties	3730.37	5300.23	1569.86	42
Grand Total	28105.95	33714.90	5608.95	20
Devolution as a percentage of revenue receipts	15.2	16.5		

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

The devolution of States share of Union taxes assigned to the State increased by 20 per cent during the second year of the award period of FFC compared to first year of FFC. There was an increasing trend in all the components of the State's Share of Union Taxes except in respect of other taxes and duties on commodities and services and other

Taxes on Income and Expenditure. The increase was mainly under Union Excise duties (42 *per cent*) followed by Corporation tax (22 *per cent*) and Income Tax (22 *per cent*).

1.3.2.4 Centrally Sponsored Schemes

The Planning Commission, GoI restructured (July 2013) the existing Centrally Sponsored Schemes in the Twelfth Five-Year Plan into 66 schemes, including 17 Flagship Programmes. Details of releases of Central share and State share in respect of major schemes are given in Annexure to Statement No. 15 of Finance Accounts 2016-17.

Out of 73 Centrally Sponsored Schemes and one Externally Aided Project under Additional Central Assistance, State Government could map 70 Centrally Sponsored Schemes. The details of three Centrally Sponsored Schemes unmapped are as shown below:-

- Scheme for Training of Trainers and Anti-Human Trafficking Units (scheme code 1319) under Home Department;
- Scheme for Educational Development of OBCs at De-notified and Nomadic Tribes (scheme code 9188) under Social Justice and Special Assistance Department; and
- Pre-Matric Scholarship for OBC CASP (scheme code 9493) under Social Justice and Special Assistance Department.

1.4 Capital Receipts

Capital receipts of the State Government included non-debt and debt receipts, whose composition has been discussed in **Paragraph 1.2.1**. The public debt (Market borrowings and Loans from Government of India) receipts during the year (₹ 48,337 crore) comprised internal debt of ₹ 47,710 crore (98.7 *per cent*) and loans and advances from GoI ₹ 627 crore (1.3 *per cent*). Market borrowings had a predominant share under internal debt comprising 94 *per cent* followed by negotiated loans (six *per cent*). The trends in composition of capital receipts and a time series data on public debt receipts are shown in **Table 1.14** and **Table 1.15**.

Table 1.14: Trends in growth and composition of Capital Receipts

Sources of State's receipts	2012-13	2013-14	2014-15	2015-16	2016-17
Capital Receipts (CR)	22588	27463	30348	38858	50082
Miscellaneous Capital Receipts	0	0	0	17	0
Recovery of Loans and Advances	863	728	975	865	1745
Public Debt Receipts	21725	26735	29373	37976	48337
Rate of growth of debt capital receipts	(-)11.1	23.1	9.9	29.3	27.3
Rate of growth of non-debt capital receipts	(-)15	(-)15.6	33.9	(-)9.5	97.8
Rate of growth of GSDP	13.8	13.7	8.8	11.7	13.3
Rate of growth of CR (<i>per cent</i>)	(-) 11.3	21.6	10.5	28	28.9

Source: Finance Accounts of respective years

As seen in **Table 1.14**, capital receipts increased from 28 *per cent* in 2015-16 to 29 *per cent* in 2016-17. The non-debt capital receipts registered a positive growth of 97.8 *per cent* in 2016-17 as against negative growth of 9.5 *per cent* in 2015-16.

Capital receipts increased from ₹ 22,588 crore in 2012-13 to ₹ 50,082 crore in 2016-17. Debt receipts had a predominant share in capital receipts and were between 96 and 98 per cent during 2012-17. As per FFC recommendations, the involvement of the States in the National Small Saving Fund (NSSF) scheme with effect from April 2015 may be limited solely to discharge the debt obligations already incurred by them until that date (April 2015). The increase was nil under the NSSF loans in 2016-17 as recommended by FFC.

During 2016-17, the public debt receipts increased by 27 per cent (₹ 10,361 crore) and public debt repayment increased by 18 per cent (₹ 1,844 crore) resulting in net increase of ₹ 8,516 crore in public debt receipts.

Table 1.15: Time-series data on Public Debt Receipts

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Open Market Borrowings	17500	23600	25083	32440	44960
	(80.5)	(88.3)	(85.4)	(85.4)	(93.0)
National Small Savings Fund	2664	1425	2982	4015	0
	(12.3)	(5.3)	(10.1)	(10.6)	(0)
Other Financial Institutions	810	745	766	937 [#]	2750
	(3.7)	(2.8)	(2.6)	(2.5)	(5.7)
Loans and Advances from GoI	751	965	542	584	627
	(3.5)	(3.6)	(1.8)	(1.5)	(1.3)
Public Debt Receipts	21725	26735	29373	37976	48337
Public Debt Repayments	6653	10262	8828	10043	11887

Figures in parenthesis indicate percentages to Public Debt receipts[#] Lower rounding
Source: Finance Accounts of respective years

1.4.1 Recoveries of Loans and Advances

The details of loans and advances given by the State Government during 2012-17 are indicated in **Table 1.16**.

Table 1.16: Position of Loans and Advances given by the State Government

(₹ in crore)

Year	Balance of loans and advances as on 1 April	Disbursements by the Government during the year	Recoveries during the year	Balance as on 31 March (2+3-4)	Percentage of recovery with reference to opening balance (4/2*100)
(1)	(2)	(3)	(4)	(5)	(6)
2012-13	20186.63	1415.94	862.85	20739.72	4.3
2013-14	20739.72	1645.10	728.03	21656.79	3.5
2014-15	21656.79	1140.54	975.08	21822.25	4.5
2015-16	21822.25	1114.63	865.11	22071.77	4.0
2016-17	22071.77	6277.21	1745.58	26603.40	7.9

Source: Finance Accounts of respective years

Recoveries of loans and advances increased by ₹ 880 crore (102 per cent) mainly on account of more recoveries under 'Loans for Power Projects' (₹ 779 crore), 'Loans for Forestry and Wild Life' (₹ 54 crore) and 'Loans to Government Servants' (₹ 32 crore). The percentage of recovery was meagre at 3.5 to 7.9 during the last five years. The complete information regarding arrears in repayments, and loans in perpetuity were not furnished by Government.

1.5 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as, Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances *etc.*, which do not form part of the Consolidated Fund of the State, are kept in the Public Account set up under Article 266 (2) of the Constitution of India and are not subject to vote by the State Legislature. Here, the Government acts as a banker/trustee for custody of public money, since these transactions are mere pass through transactions. The trend of net receipts under Public Account covering the period 2012-13 to 2016-17 are indicated in **Table 1.17**.

Table 1.17 Trends of receipts under Public Account

Resources under various heads	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Public Account receipts					
a. Small Savings, Provident Fund <i>etc.</i>	4759.89 (2188)	4868.46 (1894)	4642.54 (1260)	4798.96 (1208) [#]	4947.53 (1124)
b. Reserve Fund	4960.13 (1976)	5540.03 (2742)	5908.54 (3158)	7226.11 (3465)	8566.92 (5283)
c. Deposits and Advances	26657.82 (6442)	32347.23 (6772)	31249.40 (4411)	34855.80 (2773)	39356.10 (6841)
d. Suspense and Miscellaneous	(-) 11307.73 (100)	(-) 2693.61 (-2705)	17039.01 (5222)	(-) 569.16 (-876)	3034.27 (2773)
e. Remittances	21989.52 (842)	23958.08 (-1117)	24182.45 (14)	26435.49 (-235)	26561.67 (-656)
Total	47059.63 (11549)	64020.19 (7585)	83021.94 (14036)	72747.20 (6335)	82466.49 (15365)
Figures in parenthesis indicate net receipts [#] Lower rounding Source: Finance Accounts of respective years					

Table 1.17 shows that Public Account receipts increased by 54.6 *per cent* over the period 2012-17. Increase in Public Account receipts by ₹ 9,719 crore (13.4 *per cent*) in 2016-17 over the previous year was on account of increase under Deposits and Advances (₹ 4,500 crore), Suspense and Miscellaneous (₹ 3,603 crore) and Reserve Fund (₹ 1,341 crore).

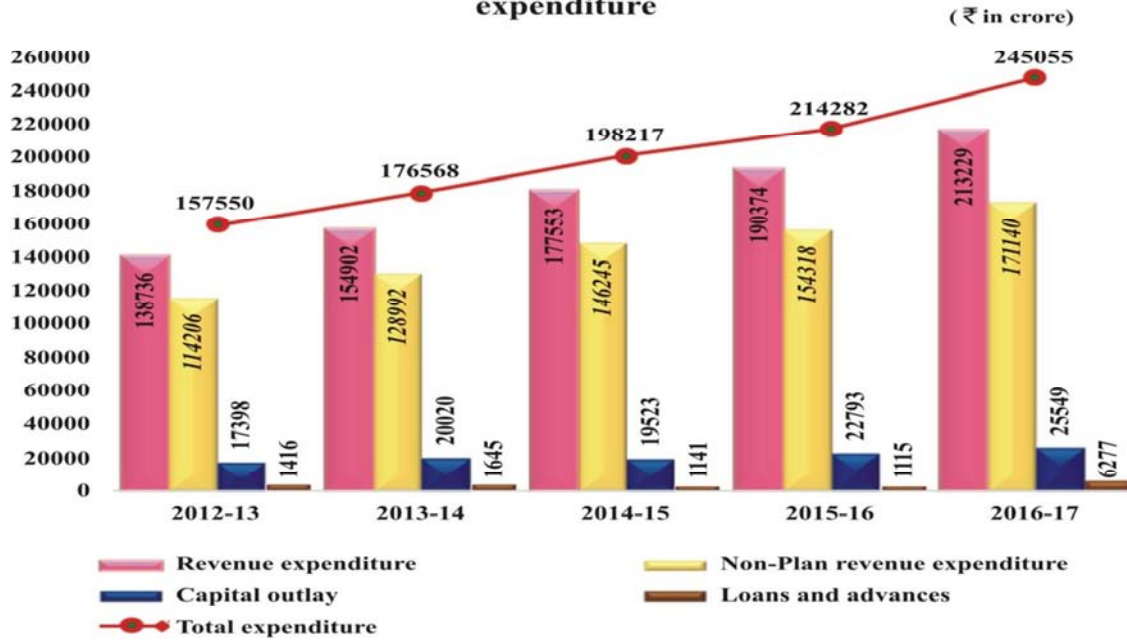
1.6 Application of Resources

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

1.6.1 Growth and composition of expenditure

Chart 1.12 presents the trends in total expenditure over the period of last five years (2012-17) as well as its composition under revenue, capital and loans and advances.

Chart 1.12: Trends in various components of total expenditure



(Source: Finance Accounts of respective years)

Total expenditure

The total expenditure and its composition during 2012-17 are presented in **Table 1.18** and **Chart 1.13**.

Table 1.18: Total expenditure and its composition

	2012-13	2013-14	2014-15	2015-16	2016-17
Total expenditure	157550	176568	198217	214282	245055
Revenue expenditure	138736	154902	177553	190374	213229
	(88)	(88)	(89)	(89)	(87)
<i>of which, Non-Plan revenue expenditure</i>	114206	128992	146245	154318	171140
Capital Outlay	17398	20020	19523	22793	25549
	(11)	(11)	(10)	(10)	(10)
Loans and advances	1416	1645	1141	1115	6277
	(1)	(1)	(1)	(1)	(3)

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

Chart 1.13: Total expenditure Trends in share of its components (2012-17) share in per cent



(Source: Finance Accounts of respective years)

The total expenditure of the State increased at an average growth rate of 11.5 *per cent* from ₹ 1,57,550 crore in 2012-13 to ₹ 2,45,055 crore in 2016-17 but, the percentage of capital expenditure to total expenditure decreased from 11 *per cent* in 2012-13 to 10 *per cent* in 2016-17. The total expenditure, its annual growth rate, the ratio of total expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.19**.

During 2007-08 to 2015-16, the CAGR of total expenditure (13.6 *per cent*) was less than the growth rate of GCS (15.8 *per cent*). The growth of the total expenditure during 2016-17 over 2015-16 (14.4 *per cent*) was also lower than the growth rate of GCS (15.3 *per cent*) as shown in **Appendix 1.1**.

Table 1.19: Total expenditure – basic parameters

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Total expenditure (TE) (₹ in crore)	157550	176568	198217	214282	245055
Rate of growth of TE over previous year (<i>per cent</i>)	10.7	12.1	12.3	8.1	14.4
TE/GSDP (<i>per cent</i>)	10.9	10.7	11.1	10.7	10.8
RR /TE (<i>per cent</i>)	90.7	84.9	83.5	86.4	83.5
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	0.775	0.883	1.398	0.692	1.078
RR (ratio)	0.598	2.521	1.183	0.681	1.400

Source: Finance Accounts of respective years

Table 1.18 and **Table 1.19** further show that an increase of ₹ 30,773 crore (14.4 *per cent*) in total expenditure in 2016-17 over the previous year was on account of an increase of ₹ 22,855 crore in revenue expenditure and ₹ 2,756 crore in capital expenditure.

The total expenditure remained around 11 *per cent* of GSDP during 2012-17. Revenue receipts fluctuated between 83.5 *per cent* (2016-17) and 90.7 *per cent* (2012-13) of total expenditure. **Table 1.19** shows that on an average, 86 *per cent* of total expenditure was met from revenue receipts during 2012-17.

The ratio of buoyancy of total expenditure to GSDP and revenue receipts showed a mixed trend during 2012-13 to 2016-17. The ratio of buoyancy of total expenditure with reference to GSDP increased to 1.078 in 2016-17 from 0.692 in 2015-16. This indicated that during 2016-17 for each one *per cent* increase in GSDP, total expenditure grew by 1.078 *per cent*. The ratio of buoyancy of total expenditure with reference to revenue receipts increased to 1.400 in 2016-17 from 0.681 in 2015-16.

Of the total expenditure during 2016-17, non-plan expenditure was 74 *per cent* while plan expenditure was 26 *per cent*. Of the increase of ₹ 30,773 crore in total expenditure, the share of non-plan expenditure increased by 79 *per cent* while plan expenditure increased by 21 *per cent*.

Trends in total expenditure in terms of activities

In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, Grants-in-aid and Loans and Advances. Relative shares of these components in the total expenditure are indicated in **Table 1.20** and **Chart 1.14**.

Table 1.20: Components of total expenditure – relative shares

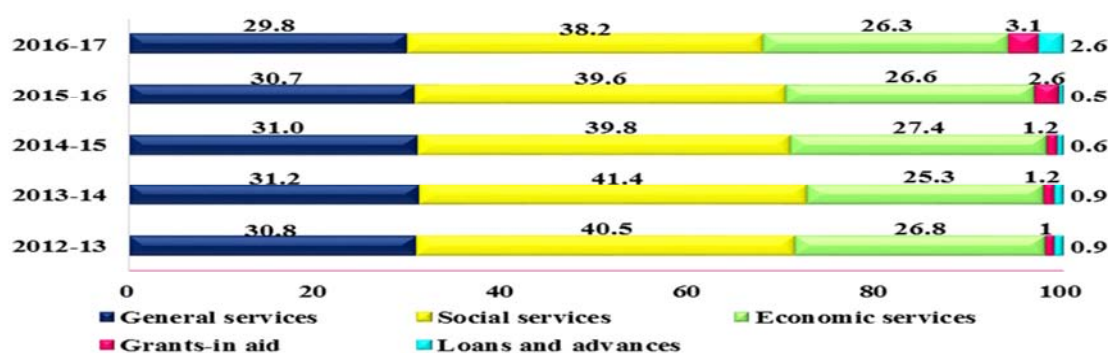
(in per cent)

	2012-13	2013-14	2014-15	2015-16	2016-17
General Services	30.8	31.2	31.0	30.7	29.9
<i>of which, Interest Payments</i>	12.1	12.0	12.1	12.0	11.6
Social Services	40.5	41.4	39.8	39.6	38.2
Economic Services	26.8	25.3	27.4	26.6	26.4
Grants-in-aid	1	1.2	1.2	2.6	3.1
Loans and Advances	0.9	0.9	0.6	0.5	2.6

Source: Finance Accounts of respective years

Chart 1.14: Trends in composition of total expenditure by activities during 2012-17

share in per cent



(Source: Finance Accounts of respective years)

The movement of the relative share of the components of total expenditure shown in **Table 1.20** indicated that the share of General Services, Social Services and Economic Services in the total expenditure decreased during 2016-17 over the previous year. The shortfalls were however, set-off by an increase in Grants-in-aid and Loans and Advances.

The decrease under Social Services was mainly under Social Welfare and Nutrition (₹ 1,752 crore). The share of grants-in-aid in total expenditure increased by ₹ 1,860 crore. The increase in grants-in-aid was mainly due to increase under the head 'Other Grants' (₹ 2,610 crore) set-off by decrease in 'Assistance from National Disaster Response Fund' (₹ 637 crore) and Social Security and Welfare (₹ 143 crore).

Though the share of General, Social and Economic Services in total expenditure had decreased in 2016-17, the expenditure on these services increased by ₹ 7,529 crore, ₹ 8,725 crore and ₹ 12,546 crore respectively.

Under General Services, the increase was mainly under Interest payments and Servicing of Debt (₹ 3,141 crore), Pensions and Other Retirement Benefits (₹ 1,531 crore) and Police (₹ 1,822 crore).

The increase under Social Services was mainly under General Education (₹ 2,429 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 5,061 crore).

The increase under Economic Services was mainly due to increase in Energy (₹ 4,415 crore), Agriculture and Allied Activities (₹ 3,922 crore), Rural Development (₹ 1,632 crore) and Transport (₹ 1,301 crore).

Revenue expenditure

Revenue expenditure during 2016-17 increased by ₹ 22,855 crore (12 per cent) over 2015-16. This was mainly due to increase in expenditure on General Services (₹ 7,240 crore), Social Services (₹ 7,965 crore), Economic Services (₹ 5,791 crore) and 'Grants-in-aid and Contributions' (₹ 1,860 crore). While 26 per cent of the increase was under Plan head, the remaining 74 per cent was under Non-Plan head. The revenue expenditure during 2016-17 (₹ 2,13,229 crore) was lower than the assessment made by the State Government in its FCP/MTFPS/Budget estimates by five per cent. The Non-Plan Revenue expenditure (₹ 1,71,140 crore) was also less than the State Government's projections in FCP (₹ 1,73,668 crore) and MTFPS/Budget estimates (₹ 1,75,193 crore) (**Table 1.22**).

Revenue expenditure constituted 87 per cent of the total expenditure (**Chart 1.13**). The increase in revenue expenditure was mainly under Water Supply, Sanitation, Housing and Urban Development (₹ 5,295 crore), Education, Sports, Art and Culture (₹ 2,491 crore), Agriculture and Allied Activities (₹ 3,585 crore), Rural Development (₹ 1,409 crore), Interest Payments (₹ 3,141 crore), 'Pension and other Retirement Benefits' (₹ 1,521 crore), Police (₹ 1,383 crore) and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 949 crore).

Incidence of Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such, does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth, the ratio of non-plan revenue expenditure to GSDP and to revenue receipts, and buoyancy of revenue expenditure with GSDP and revenue receipts during the last five years are indicated in **Table 1.21**.

Table 1.21: Revenue expenditure – basic parameters

	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue expenditure (RE), of which	138736	154902	177553	190374	213229
Non-Plan Revenue expenditure (NPRE)	114206	128992	146245	154318	171140
Plan Revenue expenditure (PRE)	24530	25910	31308	36056	42089
Rate of Growth of					
RE (per cent)	12.3	11.7	14.6	7.2	12.0
NPRE (per cent)	12.5	12.9	13.4	5.5	10.9
PRE (per cent)	11.3	5.6	20.8	15.2	16.7
Revenue Expenditure as percentage to TE	88.1	87.7	89.6	88.8	87.0
NPRE/GSDP (per cent)	7.9	7.8	8.2	7.7	7.6
NPRE as percentage of TE	72.5	73.1	73.8	72	69.8
NPRE as percentage of RR	79.9	86.1	88.4	83.4	83.6
Buoyancy of Revenue expenditure with					
GSDP (ratio)	0.891	0.854	1.659	0.615	0.902
Revenue Receipts (ratio)	0.687	2.438	1.404	0.605	1.132
Source: Finance Accounts of respective years					

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

Plan revenue expenditure

The Plan Revenue Expenditure increased by ₹ 6,033 crore (17 per cent) in 2016-17 over the previous year mainly due to increase in expenditure under Water Supply, Sanitation, Housing and Urban Development (₹ 4,190 crore), Rural Development (₹ 490 crore), Transport (₹ 490 crore), General Services (₹ 481 crore) and General Economic Services (₹ 268 crore).

Non-plan revenue expenditure

During 2016-17, Non-Plan Revenue Expenditure (NPRE) constituted 80 per cent of revenue expenditure and increased by ₹ 16,822 crore (11 per cent) over the previous year, mainly due to increase under General Services (₹ 6,758 crore), 'Education, Sports, Art and Culture' (₹ 2,203 crore), Agriculture and Allied Activities (₹ 3,582 crore), Rural Development (₹ 919 crore) and Energy (₹ 861 crore). The NPRE as a percentage of revenue receipts (**Table 1.21**) showed that on an average, 84 per cent of the revenue receipts were used to meet the NPRE.

Table 1.22 provides a comparative status of NPRE with reference to assessments made by the FFC, FCP and MTFPS/Budget projections of the State Government.

Table 1.22: NPRE vis-à-vis assessment made by the FFC, FCP and MTFPS

(₹ in crore)

Year	Assessments made by the FFC	Projection in FCP	Projection in MTFPS/ Budget	Actuals
2015-16	*	154509	154509	154318
2016-17	*	173668	175193	171140

* Year-wise figures were not available in FFC Report
Source: Finance Accounts and budget documents of respective years and Report of the FFC

As may be seen, the NPRE during 2015-16 and 2016-17 remained lower than the normative assessments of the MTFPS/Budget/FCP projections.

Cost of collection

The gross collection in respect of four major heads of revenue receipts, the expenditure incurred on their collection and the comparative percentage of such expenditure to the gross collection along with the relevant all-India average percentage of expenditure on gross collection for the year 2015-16 are given in the **Table 1.23**.

Table 1.23: Expenditure incurred on collection of taxes

Sr No	Head of revenue	Year	Gross collection (₹ in crore)	Expenditure on collection (₹ in crore)	Percentage of expenditure to gross collection	All India average percentage for the year 2015-16
1	Taxes on Sales, Trade etc.	2014-15	67466.29	455.18	0.7	0.7
		2015-16	69660.82	469.88	0.7	
		2016-17	81174.17	522.25	0.6	
2	State Excise	2014-15	11397.07	100.33	0.9	3.2
		2015-16	12469.56	104.77	0.8	
		2016-17	12287.91	111.02	0.9	
3	Taxes on Vehicles	2014-15	5404.97	1598.78	29.6	5.0
		2015-16	6017.19	1220.86	20.3	
		2016-17	6741.21	1742.46	25.9	
4	Stamps and Registration Fees	2014-15	19959.29	129.58	0.6	2.9
		2015-16	21766.99	141.82	0.6	
		2016-17	21011.83	138.15	0.7	

Source: Finance Accounts of respective years

It would be seen that the cost of collection of revenue in the State is same as all-India average in Taxes on Sales, Trade *etc.*, and is less than the all India average in State Excise and Stamps and Registration Fees except for Taxes on Vehicles. Expenditure on collection of Taxes on Vehicles included subsidies amounting to ₹ 1,508 crore (28 *per cent* of gross collection) in 2014-15, ₹ 1,113 crore (18.5 *per cent* of gross collection) in 2015-16 and ₹ 1,623 crore (24.1 *per cent* of gross collection) in 2016-17.

Subsidies

Subsidies given by the State Government during 2012-13 to 2016-17 are shown in **Table 1.24**.

Table 1.24: Expenditure on subsidies

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Subsidies	9268	12063	19753	17766	20984
	(6)	(8)	(12)	(10)	(10)
Revenue Receipts	142947	149822	165415	185036	204693
Figures in parenthesis indicate percentage to Revenue Receipts Source: Finance Accounts of respective years					

Table 1.24 indicates that expenditure under subsidies increased by 18 *per cent* from ₹ 17,766 crore in 2015-16 to ₹ 20,984 crore in 2016-17. During the current year, subsidies constituted about 10 *per cent* of the total revenue expenditure.

The major schemes which received subsidy include subsidy to Distribution/Transmission Licences for reduction in Agriculture and Power-loom Tariff (36 *per cent*), Medium and Large Industries under the Graded Package Scheme of Incentives (13 *per cent*), Transport Commissioner (eight *per cent*), Food-grain Transactions (six *per cent*) and reimbursement to Maharashtra State Road Transport Corporation for concession in fares to Senior Citizens (2.6 *per cent*).

The subsidies projected by the Government in the FCP and the actual expenditure incurred during 2015-16 and 2016-17 are presented in **Table 1.25**.

Table 1.25: Subsidies vis-à-vis FCP

(₹ in crore)

	2015-16		2016-17	
	Projections in FCP	Actuals	Projections in FCP	Actuals
Power (Subsidy for reduction in Agriculture and Power loom Tariff)	4963	7717	5211	7641
General/Others	9724	10049	10211	13343
Total	14687	17766	15422	20984
Source: Finance Accounts and Budget documents of respective years				

As against the budget of ₹ 5,211 crore earmarked for subsidy to Power during 2016-17, the actual expenditure was ₹ 7,641 crore. The subsidies given to Power decreased by ₹ 76 crore (one *per cent*) during 2016-17 compared to previous year.

The major components under 'General/Others' as shown in **Table 1.25** where the actual expenditure incurred during 2016-17 on (a) subsidy to Medium and Large Industries under the Graded Package Scheme of Incentives during 2016-17 was ₹ 2,633 crore, (b) subsidy on loss to Transport Commissioner was ₹ 1,623 crore, and (c) Food subsidy was ₹ 1,238 crore.

Capital expenditure

During 2016-17, Capital Outlay (₹ 25,549 crore) constituted 10 per cent of the total expenditure (Chart 1.13) and increased by 12 per cent over 2015-16. The increase was mainly on account of increase under Capital Outlay on other Social Services (₹ 1,443 crore), Capital Outlay on Irrigation and Flood Control (₹ 702 crore) and Capital Outlay on Transport (₹ 736 crore). During 2016-17, the Capital Outlay (₹ 25,549 crore) was lower than the assessment made by the State Government in its FCP (₹ 33,386 crore) by 23 per cent and projections made in MTFPS/Budget estimates (₹ 31,006 crore) by 18 per cent. The major areas of increase are commented in Paragraph 1.1.3.

During 2007-08 to 2015-16, the CAGR of capital outlay (8.9 per cent) was lower than the growth rate of GCS (14.5 per cent). The growth of the capital outlay during 2016-17 over 2015-16 (12.1 per cent) was also lower than the growth rate of GCS (17.9 per cent) as shown in Appendix 1.1.

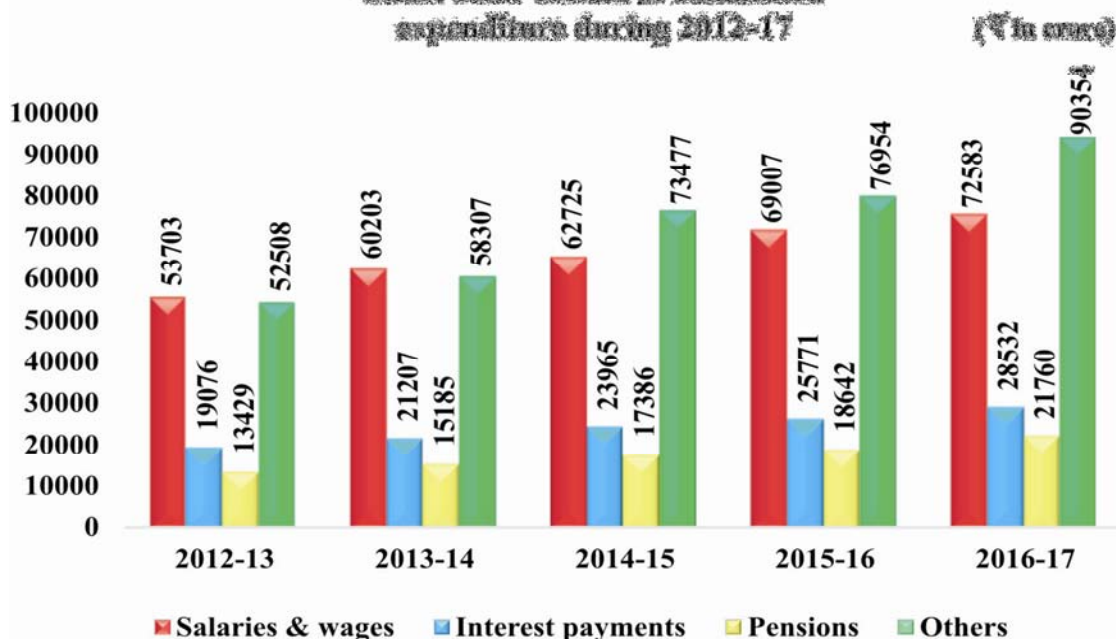
Loans and Advances

Loans and advances constituted one per cent of the total expenditure during 2012-16 and three per cent during 2016-17 (Chart 1.13). Disbursements of loans and advances during 2016-17 increased by ₹ 5,163 crore over 2015-16.

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. The statement of committed liabilities (Appendix XII-Finance Accounts) was incomplete as the data was not made available by the State Government. Chart 1.15 and Table 1.26 present the trends in the expenditure on these components during 2012-17.

Chart 1.15 Trends of committed expenditures during 2012-17



(Source: Finance Accounts of respective years)

Table 1.26: Components of committed expenditure

(₹ in crore)

Components of committed expenditure	2012-13	2013-14	2014-15	2015-16	2016-17	
					BE	Actuals
Salaries and Wages	53703 (38)	60203 (40)	62725 (38)	69007 (37)	78414 (36)	72583 ^s (35)
of which Non-Plan Head	50165 (35)	56985 (38)	58457 (35)	63803 (34)		67535 (33)
of which Plan Head**	3538 (2)	3218 (2)	4268 (3)	5204 (3)		5048 (2)
Interest Payments	19076 (13)	21207 (14)	23965 (14)	25771 (14)	28807 (13)	28532 (14)
Pensions	13429 (9)	15185 (10)	17386 (11)	18642 (10)	24370 (11)	21760 (11)
Total Committed expenditure	86208 (60)	96595 (64)	104076 (63)	113420 (61)	131591 (60)	122875 (60)
Other Components ¹²	52508 (37)	58307 (39)	73477 (44)	76954 (42)	92864 (42)	90354 (44)
Total Revenue Expenditure	138736	154902	177553	190374	224455	213229
Revenue Receipts	142947	149822	165415	185036	220810	204693

Figures in parenthesis indicate percentage to Revenue Receipts
 \$ Salaries: ₹ 69,896 crore + Wages: ₹ 2,687 crore
 ** Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes
 Note: Expenditure on Salaries and Wages included grants-in-aid component during 2012-13 (₹ 32,870 crore), 2013-14 (₹ 37,334 crore), 2014-15 (₹ 38,225 crore), 2015-16 (₹ 41,254 crore) and 2016-17 (₹ 43,829 crore)
 Source: Finance Accounts of respective years

Salaries and wages

The average annual growth in salaries and wages during 2012-17 was 9.7 per cent. The expenditure on salaries and wages increased by ₹ 3,576 crore (five per cent) from ₹ 69,007 crore in 2015-16 to ₹ 72,583 crore in 2016-17. The expenditure of ₹ 72,583 crore on salaries and wages during 2016-17 was lower than the projections made in MTFPS/Budget (₹ 79,941 crore).

During 2007-08 to 2015-16, the CAGR of salary and wages (15.4 per cent) was higher than the growth rate of GCS (14.9 per cent). The growth of the salary and wages during 2016-17 over 2015-16 (3.6 per cent) was however lower than the growth rate of GCS (13.1 per cent) as shown in **Appendix 1.1**.

Pension payments

The expenditure on pension payments had increased at an average annual growth of 13.3 per cent from ₹ 13,429 crore in 2012-13 to ₹ 21,760 crore in 2016-17. The increase in pension payments of ₹ 3,118 crore (16.7 per cent) during 2016-17 over the previous year was mainly due to more expenditure on Pensions and Other Retirement Benefits.

During 2007-08 to 2015-16, the CAGR of pension (17.6 per cent) was higher than the growth rate of GCS (17.2 per cent). This growth of pension during 2016-17 over 2015-16 (9.9 per cent) was lower than the GCS (10.6 per cent) as shown in **Appendix 1.1**.

Table 1.27 shows actual pension payments with reference to assessment made by the FFC, FCP and MTFPS/Budget projections of the State Government.

¹² Revenue expenditure under General Services, Social Services, Economic Services and Grants-in-aid (excluding salary and wages, interest payments and pension payments)

Table 1.27: Pension payments vis-à-vis FFC assessment and State's projections

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the FFC	Projection in FCP	Actuals
2015-16	19929	15916	19929	18642
2016-17	24370	17507	24313	21760

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

The pension payments during 2016-17 were higher than the normative assessments made by the FFC but lower than the projections of the State Government under MTFPS and FCP.

In order to limit future pension liabilities, the Government had introduced the New Pension Scheme, 2005 for employees recruited after 01 November 2005, which is a defined contribution scheme. The contribution of employees (10 per cent of basic pay plus dearness allowance) along with matching contribution of employer (State Government) is to be transferred to the Public Account under Head of Account 8342-Other Deposits-117 Defined Contribution Pension Scheme for Government Employees and thereafter entire amount remitted to the designated Fund Manager through National Securities Depository Limited (NSDL)/Trustee Bank. The Directorate of Accounts and Treasuries is the State Record Keeping Agency and Nodal Officer for the Scheme.

During 2016-17, the State Government deposited ₹ 2,484.52 crore¹³ into the Fund created under Head of Account 8342-Other Deposits-117 Defined Contribution Pension Scheme for Government Employees. Of this amount, the State Government has transferred only ₹ 1,962.90 crore to the NSDL during 2016-17. The total non-transferred funds available with the State Government (including un-transferred balances of earlier years) as on 31 March 2017 was ₹ 3,588.81 crore, which along with the accrued interest represents the outstanding liability of the State Government.

Interest Payments

Interest payments of the State Government increased by 50 per cent from ₹ 19,076 crore in 2012-13 to ₹ 28,532 crore in 2016-17, primarily due to increase in debt liabilities as shown in **Table 1.29**. The ratio of interest payments to revenue receipts during 2012-17 remained almost constant, as indicated in **Table 1.43**.

Table 1.28 shows actual interest payments with reference to assessment made by the FFC, FCP and MTFPS of the State Government.

Table 1.28: Interest Payments vis-à-vis FFC, FCP and MTFPS assessments

(₹ in crore)

Year	Projection in MTFPS	Assessment made by the FFC	Projection in FCP	Actuals
2015-16	27663	25383	27663	25771
2016-17	28220	29697	29361	28532

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

¹³ Employees contribution: ₹ 1,427.73 crore; Employers' contribution: ₹ 1,056.79 crore inclusive of interest

With reference to the projections made in the FCP, interest payments were lower during 2015-16 and 2016-17. With reference to the projections made in MTFPS, interest payments were lower during 2015-16 but marginally higher during 2016-17.

Component-wise details of interest payments made by the State Government during 2012-17 are shown in the **Table 1.29**.

Table 1.29: Component-wise details of interest payments made by the State Government during 2012-17

Particulars	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Interest payments	19076	21207	23965	25771	28532
<i>of which, interest payment on</i>					
1. Internal debt	15145	16680	19001	20816	23553
(i) Market loans	7355	8896	11029	12965	15769
(ii) NABARD	238	255	263	299	287
(iii) NSSF	7192	7218	7437	7349	7311
(iv) Ways and means	0	0	5	0	0
(v) Loans from other financial institutions	340	285	236	167	140
(vi) Management of debt (Payable to Reserve Bank of India for Open Market Borrowings)	20	26	31	36	45
2. Loans from GoI	597	572	529	490	469
3. Small savings, PF, Reserve Fund, Deposits etc.	3334	3955	4435	4465	4509
(i) Small savings, PF	1986	2258	2503	2765	1855
(ii) Reserve funds	23	0	5	5	4
(iii) Deposits	1325	1697	1927	1695	2650
Revenue Receipts	142947	149822	165416	185036	204693

Source: Finance Accounts of respective years

Interest payment of ₹ 28,532 crore during 2016-17 constituted interest on internal debt (₹ 23,553 crore), interest on loans and advances from the Central Government (₹ 469 crore) and interest on small savings, provident fund *etc.* (₹ 4,509 crore).

The interest on internal debt increased by 13.1 *per cent* from ₹ 20,816 crore in 2015-16 to ₹ 23,553 crore in 2016-17 on account of increase in payment of interest on market loans by ₹ 2,804 crore (21.6 *per cent*) and interest paid on Deposits by ₹ 955 crore (56 *per cent*), partly offset by decrease in interest on loans from National Bank for Agricultural and Rural Development by ₹ 12 crore (four *per cent*), interest on NSSF by ₹ 38 crore (0.5 *per cent*) and interest on loans from other financial institutions by ₹ 27 crore (16 *per cent*). During 2016-17, there was no ways and means advances from the Reserve Bank of India.

The interest on Small Savings, Provident Funds *etc.* increased by ₹ 44 crore from ₹ 4,465 crore in 2015-16 to ₹ 4,509 crore in 2016-17. The ratio of interest payment to revenue receipts determines the debt sustainability of the State. During the year, the interest payments to total revenue receipts of the State was 13.9 *per cent* which was higher than the FFC norm of 12.2 *per cent*.

Of the accumulated balance of Deposit Account of ₹ 52,896.14 crore as on 31 March 2016, ₹ 18,291.50 crore related to non-interest bearing deposit and ₹ 34,604.64 crore related to interest bearing deposits. During 2016-17, the entire balance of interest bearing deposit account was not invested. The State Government

paid an interest of ₹ 2,649.51 crore during 2016-17 on ₹ 34,040.82 crore, and did not pay any interest on the balance portion of funds of ₹ 563.82 crore. The interest liability on the balance portion of funds during the year works out to ₹ 45.11 crore. The revenue expenditure as well as revenue deficit was understated to the extent of ₹ 45.11 crore.

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

Local bodies in Maharashtra consist of Panchayati Raj Institutions and Urban Local Bodies. In conformity with the provisions of the 73rd and 74th Constitutional Amendment, the State Government established a three tier system of Panchayati Raj Institutions comprising Zilla Parishads at the district level, Panchayat Samities at the block level and Village Panchayats at the village level. There are Municipal Corporations, Municipal Councils and Nagar Panchayats for urban area population in the State. The Fourth State Finance Commission constituted in February 2011 for the period 2011-12 to 2015-16 was to submit its Report to the State Government by September 2012. However, the date for submission of report was extended by the State Government up to December 2014. The Report was reported to be under printing (November 2017).

1.6.3.1 Quantum of assistance

The quantum of assistance provided by way of grants and loans to Local Bodies and other institutions during 2016-17 relative to previous years is shown in Table 1.30.

Table 1.30: Financial assistance to local bodies, educational and other institutions

(₹ in crore)						
Sr No	Institutions	2012-13	2013-14	2014-15	2015-16	2016-17
1	Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	27187	24168	25571	27072	29037
2	Municipal Corporations and Municipalities	4402	5180	5172	9187	13850
3	Zilla Parishads and other Panchayati Raj Institutions	16444	18185	18770*	18240	18627
4	Development agencies	246 [#]	251	906	252	807
5	Hospital and other charitable institutions	1792	2196	3678	4058	5038
6	Social Welfare and Nutrition	4107	5601	7175	5950	4021
7	Agriculture and Allied Activities	2129	1287 [#]	825	386	463
8	Welfare of SC, ST and OBC	2398	1962	2098	2383	2904
9	Administrative Services	1416	1258	1392	1402	446
10	Housing	1267	709	367	58	326
11	Other Institutions	2380	7253	6757	13113	21320 ¹⁴
Total		63768	68050	72711	82101	96839
Assistance as percentage of RE		46	44	41	43	45

*Higher rounding #Lower rounding
Source : Finance Accounts, Vouchers compiled by Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai

The financial assistance to Local Bodies and other institutions by the State Government increased from ₹ 63,768 crore in 2012-13 to ₹ 96,839 crore in 2016-17. As compared to the previous year, the assistance during 2016-17 increased by

¹⁴ Major recipient-Water Supply, Sanitation, Housing and Urban Development ₹ 4,838 crore; Rural Development ₹ 3,373 crore; and Power ₹ 1,480 crore

18 per cent. During 2016-17, more financial assistance was given to (a) Municipal Corporations and Municipalities (₹ 4,663 crore) mainly due to State assistance *in lieu* of Local Body Tax, and (b) Educational Institutions (₹ 1,966 crore).

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

1.6.4 Quality of expenditure

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

1.6.4.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key Social Services like Education, Health *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector if it is below the respective national average. The fiscal priorities given by the State Government for Development Expenditure, social expenditure and capital expenditure during 2013-14 and 2016-17 is indicated in **Table 1.31**.

Table 1.31: Fiscal Priority of the State during 2013-14 and 2016-17

Fiscal Priority of the State	AE / GSDP	DE [#] / AE	SSE / AE	ESE / AE	CE / AE	Education, Sports, Art and Culture / AE	Health and Family Welfare / AE
General Category States Average (<i>per cent</i>) 2013-14	14.8	70.0	38.2	29.8	13.7	17.7	4.6
Maharashtra (<i>per cent</i>) 2013-14	10.7*	67.5	41.5	26.0	11.3	21.7	4.2
General Category States Average (<i>per cent</i>) 2016-17	16.7	70.9	32.2	35.1	19.7	15.2	4.8
Maharashtra (<i>per cent</i>) 2016-17	10.8	67.0	38.4	28.6	10.5	18.6	4.4

AE: Aggregate expenditure¹⁵; DE: Development expenditure;
 SSE: Social Sector expenditure; ESE: Economic Sector expenditure; CE: Capital expenditure (Outlay)
[#] Development expenditure includes development revenue expenditure, development capital expenditure and loans and advances disbursed
 * Ratio is corrected due to revised GSDP figures as per base year 2011-12
 Source: Finance Accounts of respective years

Analysis of the fiscal priorities of the State Government as shown in **Table 1.31** reveals the following:

- The ratio of AE to GSDP in 2013-14 (10.7 *per cent*) was lower in the State as compared to GCS in 2013-14 (14.8 *per cent*) and was much lower at 10.8 *per cent* as compared to GCS (16.7 *per cent*) in 2016-17.

¹⁵ Aggregate Expenditure = Revenue Expenditure + Capital Expenditure + Disbursement of Loans and Advances - MH 7610 Loans to Government Servants

- The ratios of DE/AE in 2013-14 and 2016-17 (67.5 per cent and 67 per cent) were lower in the State as compared to GCS (70 per cent and 70.9 per cent).
- The ratios of SSE/AE in 2013-14 and 2016-17 (41.5 per cent and 38.4 per cent) were higher in the State as compared to GCS (38.2 per cent and 32.2 per cent). This meant that Maharashtra had given more priority to Social Sector Expenditure compared to other GCS.
- The ratios of ESE/AE in 2013-14 and 2016-17 (26 per cent and 28.6 per cent) were lower in the State as compared to GCS (29.8 per cent and 35.1 per cent).
- The ratios of CE/AE in 2013-14 and 2016-17 (11.3 per cent and 10.5 per cent) were lower in the State as compared to GCS (13.7 per cent and 19.7 per cent).
- There was a turnaround in the ratio of expenditure on Health and Family Welfare to AE which was 4.4 per cent in 2016-17 as compared to 4.2 per cent in 2013-14. The priority given to these areas in Maharashtra was lower than that given to GCS in 2013-14 and 2016-17.

1.6.4.2 Efficiency of expenditure use and its effectiveness

In view of importance of public expenditure on development heads, from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods¹⁶. Apart from improving the allocation towards development expenditure¹⁷, the efficiency of expenditure is reflected in the percentage of capital expenditure to total expenditure and the proportion of revenue expenditure being spent on O&M in the Social and Economic services. The higher the percentage of these components to total expenditure, the better would be the quality of expenditure. **Table 1.32** and **Chart 1.16** present the trends in DE relative to the total expenditure of the State during the current year *vis-à-vis* budget estimates of the current year and the actual expenditure during the previous years.

Table 1.32: Development expenditure

(₹ in crore)

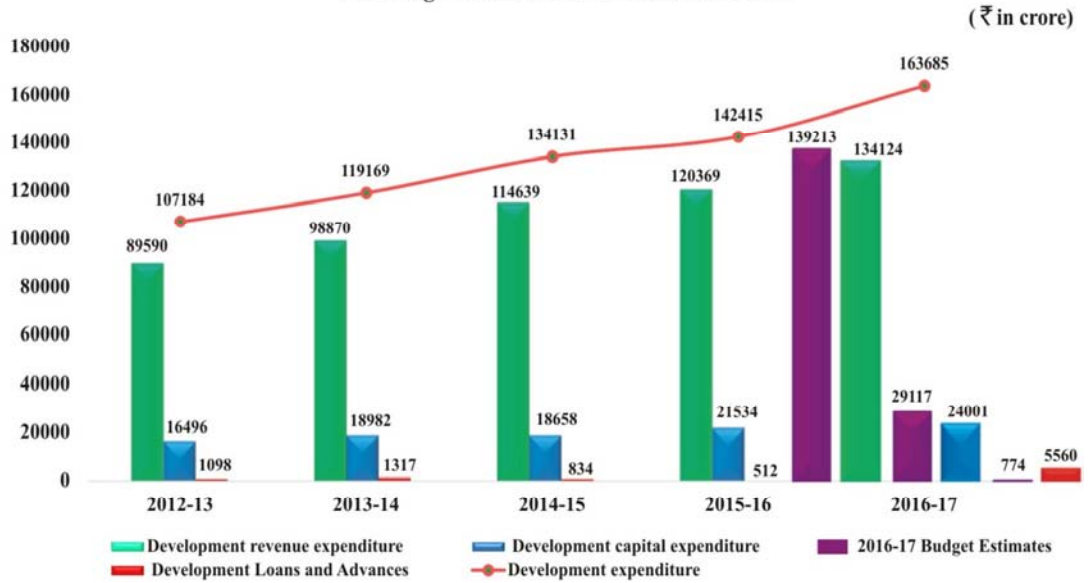
Components of Development Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17	
					BE	Actuals
Development expenditure (a to c)	107184	119169	134131	142415	169104	163685
	(68.0)	(67.5)	(67.7)	(66.5)	(62.5)	(66.8)
a. Development revenue expenditure	89590	98870	114639	120369	139213	134124 [#]
	(56.9)	(56)	(57.8)	(56.2)	(51.4)	(54.7)
b. Development capital outlay	16496	18982	18658	21534	29117	24001
	(10.5)	(10.8)	(9.4)	(10.0)	(10.8)	(9.8)
c. Development Loans and Advances	1098	1317	834	512	774	5560 ^{\$}
	(0.7)	(0.7)	(0.4)	(0.2)	(0.3)	(2.3)

Figures in parenthesis indicate percentage to total expenditure
[#] Lower rounding
^{\$} Includes loan of ₹ 4,959.75 crore incurred on account of taking over of 75 per cent of Medium and Short term debts of DISCOMs under Ujwal DISCOM Assurance Yojana
 Source: Finance Accounts of respective years

¹⁶ See Glossary at page 131

¹⁷ Development Expenditure consists of expenditure on Social and Economic services relating to Revenue Account, Capital Outlay and Loans and Advances

Chart 1.16: Development expenditure for the years 2012-13 to 2015-16 and budget estimates vis-a-vis actuals 2016-17



(Source: Finance Accounts of respective years)

Development Revenue expenditure

The development revenue expenditure increased by ₹ 13,756 crore from ₹ 1,20,369 crore in 2015-16 to ₹ 1,34,124 crore in 2016-17. The increase was under Social Services (₹ 7,965 crore) and Economic Services (₹ 5,791 crore). The actual development revenue expenditure was less than the State's projection in the budget by ₹ 5,089 crore.

Development Capital expenditure

The development capital expenditure (outlay) increased by ₹ 2,467 crore from ₹ 21,534 crore in 2015-16 to ₹ 24,001 crore in 2016-17. The increase was under Economic Services (₹ 1,785 crore) and Social Services (₹ 682 crore). The main components of increase were Capital Outlay on Transport (₹ 735 crore), Capital Outlay on Irrigation and Flood Control (₹ 702 crore) and Maharashtra Irrigation Finance Company under Capital Outlay on General Economic Services (₹ 477 crore). The actual development capital expenditure was less than the State's projection in the budget by ₹ 5,116 crore.

Development Loans and Advances

Development loans and advances increased by ₹ 5,048 crore from ₹ 512 crore in 2015-16 to ₹ 5,560 crore in 2016-17. The actual development loans and advances were more than the State's projections in the budget by ₹ 4,786 crore.

Efficiency of expenditure use in selected social and economic services

Table 1.33 details the percentage share of salary and wages and of O&M in the Revenue expenditure in selected Social and Economic services. It also indicates the proportion of capital expenditure in the total expenditure of these selected services.

Table 1.33: Efficiency of expenditure use in selected social and economic services

(in per cent)

Social/Economic infrastructure	2015-16			2016-17		
	CE to TE	In RE, the share of		CE to TE	In RE, the share of	
		Salary and Wages	O & M		Salary and Wages	O and M
Social Services (SS)						
Education, Sports, Art and Culture	0.3	76.8	0.3	0.1	83.6	0.1
Health and Family Welfare	6.5	50.3	1.3	5.6	54.7	0.3
Water Supply, Sanitation, Housing and Urban Development	9	0.6	3	4.2	1.8	0
Total (SS)	3	50.8	1.5	3.5	53.5	0.6
Economic Services (ES)						
Agriculture and Allied Activities	24.4	25.3	0	20.5	15.2	0
Irrigation and Flood Control	74.5	40.1	27	77.5	33.1	27
Energy	12.6	0.2	0.2	6.3	0.1	0.2
Transport	46	0.9	32.3	47.2	0.3	18
Total (ES)	33	16.7	6.7	29.6	16	4.1
Total (SS+ES)	15.1	40	3.1	14.7	41.2	1.7
TE: Total expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; O & M: Operations and Maintenance						
Source: Finance Accounts of respective years						

The trends presented in **Table 1.33** reveal that development capital expenditure as a percentage to total expenditure decreased from 15.1 in 2015-16 to 14.7 in 2016-17. The percentage of capital expenditure on Social Services to total expenditure increased from three in 2015-16 to 3.5 in 2016-17. The increase was mainly seen under Capital Outlay on Other Social Services (Natural Calamities). The percentage of capital expenditure on Economic Services to the total expenditure decreased from 33 in 2015-16 to 29.6 in 2016-17. The decrease was mainly seen under Energy, Agriculture and Allied Activities, set-off by increase in Transport, Irrigation and Flood Control.

The share of salary and wages in revenue expenditure increased from 40 per cent in 2015-16 to 41.2 per cent in 2016-17. The share of salary and wages in revenue expenditure on Social Services increased from 50.8 per cent in 2015-16 to 53.5 per cent in 2016-17. The increase was mainly under Education, Sports, Arts and Culture, Health and Family Welfare and Water Supply, Sanitation, Housing, Urban Development. The share of salary and wages in revenue expenditure on Economic Services decreased from 16.7 per cent in 2015-16 to 16 per cent in 2016-17. The decrease was mainly under Agriculture and Allied Activities, Irrigation and Flood Control, Energy and Transport.

The share of O& M in revenue expenditure decreased from 3.1 per cent in 2015-16 to 1.7 per cent in 2016-17. The share of O&M in revenue expenditure on Social Services decreased from 1.5 per cent in 2015-16 to 0.6 per cent in 2016-17. The decrease was seen mainly under Health and Family Welfare, Water Supply, Sanitation, Housing and Urban Development and Education, Sports, Art and Culture. The share of operations and maintenance in revenue expenditure on Economic Services also decreased from 6.7 per cent in 2015-16 to 4.1 per cent in 2016-17. The decrease was seen mainly under Transport.

1.7 Financial analysis of Government expenditure and investments

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

1.7.1 Ongoing projects

1.7.1.1 Water Resources Department

Expenditure and delays in execution of projects

There were 428 ongoing irrigation projects in five¹⁸ Irrigation Development Corporations (IDCs) under Water Resources Department. Data of all the ongoing projects furnished by the IDCs were analysed in audit to assess the number of years these projects have been under execution. The summarized position is given in **Table 1.34**.

Table 1.34: Age profile of ongoing projects under Water Resources Department

Age Profile (Since the date of original AA)	Total projects			
	Major	Medium	Minor	Total
More than 30 years	28	18	31	77
More than 20 years but up to 30 years	18	21	31	70
More than 15 years but up to 20 years	9	15	24	48
More than 10 years but up to 15 years	2	5	44	51
More than 5 years but up to 10 years	3	24	127	154
Up to 5 years	0	4	1	5
Work not started	6	0	17	23
Total	66	87	275	428

Source: Information furnished by IDCs; Status as of March 2017

Table 1.34 shows that 195 projects (45.6 per cent) were under execution for more than 15 years and of these, 77 projects (18 per cent) were under execution for more than 30 years.

Table 1.35: Actual expenditure and estimated cost in respect of all ongoing projects

Irrigation Development Corporation	Number of projects	Original Administrative Approval	(₹ in crore)	
			Expenditure	Estimated Cost
Godavari Marathwada Irrigation Development Corporation	63	4665.24	16117.50	34522.27
Tapi Irrigation Development Corporation	35	3116.69	4874.09	13931.66
Vidarbha Irrigation Development Corporation	220	11343.65	29358.49	66909.54
Maharashtra Krishna Valley Development Corporation	54	9280.82	18576.40	43686.85
Konkan Irrigation Development Corporation	56	1483.35	7858.30	18752.42
Total	428	29889.75	76784.78	177802.72

Source: Information furnished by respective IDCs

Table 1.35 shows that the estimated cost of 428 ongoing projects was ₹ 1,77,802.72 crore whereas the actual expenditure incurred was ₹ 76,784.78 crore. The

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

expenditure on these ongoing projects have not resulted in the projected benefit even after the considerable period of time.

1.7.2 Investment and returns

As of 31 March 2017, Government invested ₹ 1,29,983 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.36**). The average return on this investment was 0.04 *per cent* during 2012-17 while the Government paid average interest rate of 7.6 *per cent* on its borrowings during the same period.

Table 1.36: Return on investment

Investment/Return/Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Investment at the end of the year (₹ in crore)	90677.84	101867.20	110671.69	120310.97	129983.79
Return (₹ in crore)	47	19.68	28.14	57.27	66.81
Return (<i>per cent</i>)	0.05	0.02	0.03	0.05	0.05
Average rate of interest on Government borrowing (<i>per cent</i>)	7.4	7.5	7.8	7.7	7.6
Difference between interest rate and return (<i>per cent</i>)	7.4	7.5	7.8	7.7	7.6

Source: Finance Accounts of respective years

The increase in investments of ₹ 9,673 crore during 2016-17 was mainly due to capital contributions to Vidarbha Irrigation Development Corporation (₹ 3,785 crore), Godavari Marathwada Irrigation Development Corporation (₹ 1,629 crore), Maharashtra Krishna Valley Development Corporation (₹ 1,285 crore), Tapi- Irrigation Development Corporation (₹ 813 crore), Konkan Irrigation Development Corporation (₹ 541 crore), Maharashtra Irrigation Finance Company Ltd., (₹ 541 crore), Maharashtra State Road Transport Corporation (₹ 487 crore), Maharashtra State Power Generation Corporation Ltd., (₹ 393 crore) and Maharashtra Water Conservation Development Corporation (₹ 120 crore).

As on 31 March 2017, 26 Companies (**Appendix 1.8**) in which Government had invested ₹ 4,785.27 crore (share capital: ₹ 4,613.54 crore and loans: ₹ 171.73 crore), were incurring losses and their net accumulated losses as on August 2017 amounted to ₹ 46,615.91 crore.

In seven Companies/Corporations which had a paid up capital of ₹ 1,187.93 crore, the accumulated losses resulted in erosion of the net-worth¹⁹ amounting to ₹ 1,854.16 crore.

Information furnished by the Commissioner for Cooperation and Registrar of Co-operative Societies revealed that of the 7,465 Societies with an aggregate Government investment of ₹ 390.88 crore (equity: ₹ 153.03 crore and loan: ₹ 237.85 crore), 3,498 Societies had incurred accumulated losses of ₹ 224.26 crore (31 March 2017) which was 122 *per cent* of the initial investments (₹ 183.46 crore)

¹⁹ Maharashtra State Handloom Corporation Limited (₹ 38.81 crore); Development Corporation of Konkan Limited (₹ 6.13 crore); Maharashtra State Road Development Corporation Limited (₹ 95.03 crore); Maharashtra State Finance Corporation (₹ 579.04 crore); Development Corporation of Vidarbha Limited (₹ 7.34 crore); Maharashtra Electronics Corporation Limited (₹ 325.67 crore); and Maharashtra State Textile Corporation Limited (₹ 802.14 crore)

made in these Societies. Further, 1,211 Societies were under liquidation where the Government had already invested ₹ 87.33 crore as of March 2017.

1.7.2.1 Departmental Commercial Undertakings

Activities of quasi-commercial nature are also performed by Departmental undertakings of certain Government Departments. The State Government has 49 Departmental Commercial Undertakings (DCUs). The position of Department-wise investments by the Government up to the year for which *proforma* accounts have been finalised, net profits/loss as well as return on capital invested in these undertakings are shown in **Appendix 1.9**. It was observed that:

- The State Government had invested ₹ 2,513.26 crore in the undertakings of three²⁰ Departments during the financial year up to which their accounts were finalised (**Appendix 3.4**).
- Of the three Departments having 49 units, only three²¹ units (two units up to 2014-15 and one unit up to 2015-16) which had finalised their accounts could earn net profit amounting to ₹ 253.26 crore against capital investment of ₹ 1,128.77 crore.
- Of the loss-making DCUs, 32²² DCUs had been incurring losses continuously since the last five years.

As per accounting system being followed by the Departmental commercial undertakings of ‘Government Milk Schemes’, ‘Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area and in Mofussil Area’, the net loss/profit for the year is deducted/added directly from/to the Capital Account in the Balance Sheet. Therefore, the figures of accumulated loss cannot be ascertained from the *proforma* accounts of the Departmental undertakings.

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

1.7.3 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/organizations. **Table 1.37** presents the outstanding loans and advances as on 31 March 2017, interest receipts *vis-à-vis* interest payments during the last three years.

²⁰ Agriculture, Animal Husbandry, Dairy Development and Fisheries; Food, Civil Supplies and Consumer Protection; and Revenue and Forest

²¹ Unit Scheme, Mumbai (2014-15), Cattle Feed Scheme, Mumbai (2014-15) and Procurement and Distribution and Price Control Scheme Mofussil Area (2015-16) refer Sr No 5, 9 and 49 of **Appendix 1.9** and **Appendix 3.4**

²² Greater Mumbai Milk Scheme, Worli; Mother Dairy, Kurla; Cattle Breeding and Rearing Farm, Palghar; Dairy Project, Dapchhari; Government Milk Chilling Centre, Saralgaon (Dist: Thane); Government Milk Schemes in Ahmednagar, Akola, Amravati, Aurangabad, Beed, Bhiwandi, Bhoom, Chalisgaon, Chandrapur, Chiplun, Dhule, Gondia, Khopoli, Mahabaleshwar, Mahad, Miraj, Nanded, Nashik, Parbhani, Pune, Ratnagiri, Satara, Solapur, Udgir, Wani, Wardha, and Yavatmal

Table 1.37: Average interest received on loans advanced by the State Government

(₹ in crore)

Quantum of loans/interest receipts/cost of borrowings	2014-15	2015-16	2016-17
Opening Balance	21657	21822	22072
Amount advanced during the year	1140	1115	6277
Amount repaid during the year	975	865	1746*
Closing Balance	21822	22072	26603
of which Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	165	250	4531
Interest Receipts	185	762	407
Interest receipts as <i>per cent</i> to outstanding loans and advances	0.8	3.5	1.5
Average Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.6	7.3	7.6
Difference between interest receipts and interest payments (<i>per cent</i>)	(-)6.6	(-) 3.8	(-) 6.1
NA: Not Available* higher rounding Source: Finance Accounts of respective years			

As can be seen from the **Table 1.37**, the total outstanding loans and advances as on 31 March 2017 was ₹ 26,603 crore. The amount of loans disbursed during the year increased from ₹ 1,115 crore in 2015-16 to ₹ 6,277 crore in 2016-17. Of the total amount of loans and advances disbursed during the year, ₹ 5,370 crore went to Economic Services and ₹ 190 crore to Social Services. Under the Economic Services, the major portion of loans went to Power (82 *per cent*). However, interest received against these loans decreased from 3.5 *per cent* during 2015-16 to 1.5 *per cent* in 2016-17, mainly due to less interest receipts in 2016-17 from Loans for minor Irrigation (₹ 569 crore) set-off by increase in Loans for Forestry and Wildlife (₹ 240 crore).

The detailed accounts of loans are maintained by the State Government Departments, who are required to confirm the loan balances to the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and also furnish complete information regarding recoveries in arrears. This has not been done. To that extent, the information contained in Finance Accounts 2016-17 in accordance with the Indian Government Accounting Standards (IGAS)-3 was incomplete.

1.7.4 Cash balances and Investment of Cash Balances

Table 1.38 and **Chart 1.17** depict the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.38: Cash balances and investment of cash balances

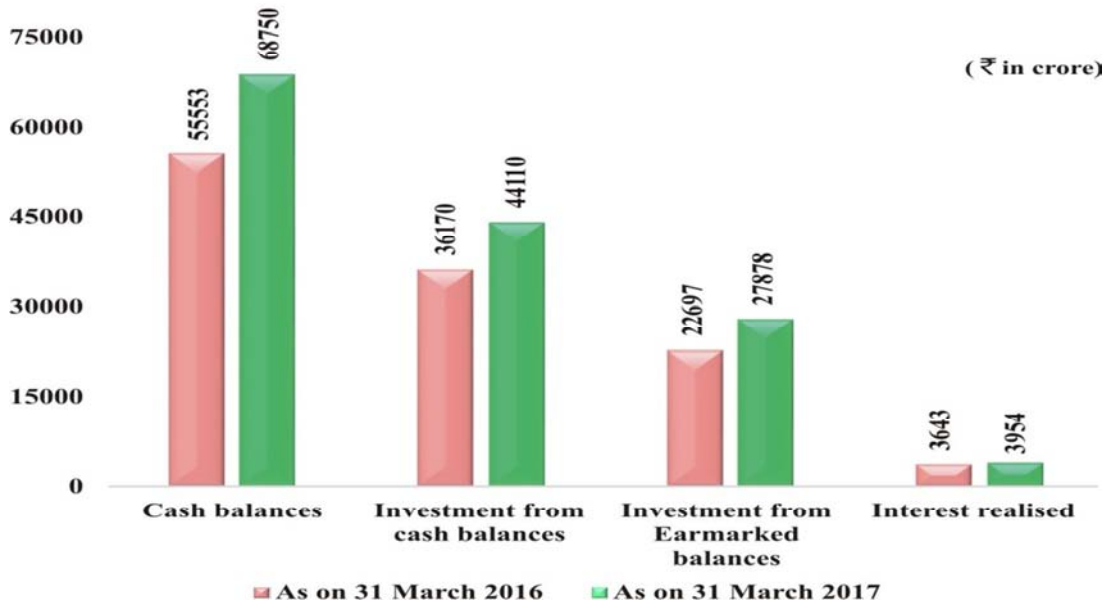
(₹ in crore)

Particulars	As on 31 March 2016	As on 31 March 2017	Increase (+)/ Decrease(-)
Cash in treasuries	0.04	0.04	0
Deposits with Reserve Bank of India	(-) 3375.55	(-) 3304.11	71.44
Remittances in transit-Local	53.48	53.44	(-)0.04
Cash with the Departmental officers	6.92	12.10	5.18
Permanent advance for contingent expenditure with Departmental officers	0.63	0.66	0.03
Investments from cash balances (a to d)	36169.84	44110.07	7940.23
a. GoI Treasury Bills	36169.15	44109.38	7940.23
b. GoI Securities	0	0	0
c. Other Securities, if any specify	-	-	0
d. Other Investments	0.69	0.69	0

Particulars	As on 31 March 2016	As on 31 March 2017	Increase (+)/ Decrease(-)
Fund-wise break-up of investment from Earmarked balances (a to e)	22697.24	27877.50	5180.26
a. General and other Reserve Funds	10.89	9.59	1.30
b. Sinking Fund	22671.85	27853.41	5181.56
c. Fund for Development of Milk supply	1.00	1.00	0
d. Other Development and Welfare Funds	13.42	13.42	0
e. Miscellaneous Deposits	0.08	0.08	0
Total Cash Balances	55552.60	68749.70	13197.10
<i>Interest Realised</i>	<i>3643.16</i>	<i>3954.06</i>	<i>310.90</i>

Source: Finance Accounts of respective years

Chart 1.17: Cash balances and Investment of cash balances



(Source: Finance Accounts of respective years)

The State Government's cash balances of ₹ 68,750 crore at the end of the current year showed an increase of 24 per cent (₹ 13,197 crore) over the previous year. Of the above, ₹ 44,110 crore was invested in GoI Treasury Bills which earned an interest of ₹ 2,214 crore during the year. Further, ₹ 27,878 crore was invested in earmarked funds which earned an interest of ₹ 1,740 crore. Ways and means advances were 'nil' during the current year as shown in the notes below **Table 1.2**.

The cash balances of the State Government at the end of March 2017 (₹ 68,750 crore) was nearly 28 per cent of the total expenditure of the State Government (₹ 2,45,055 crore) during the year.

1.7.4.1 Outstanding balances under the head 'Cheques and Bills'

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

As on 31 March 2017, there was an outstanding balance (cumulative) of ₹ 15,456.87 crore. During 2016-17, the total value of lapsed cheques amounted to ₹ 25.39 crore²³.

1.8 Assets and Liabilities

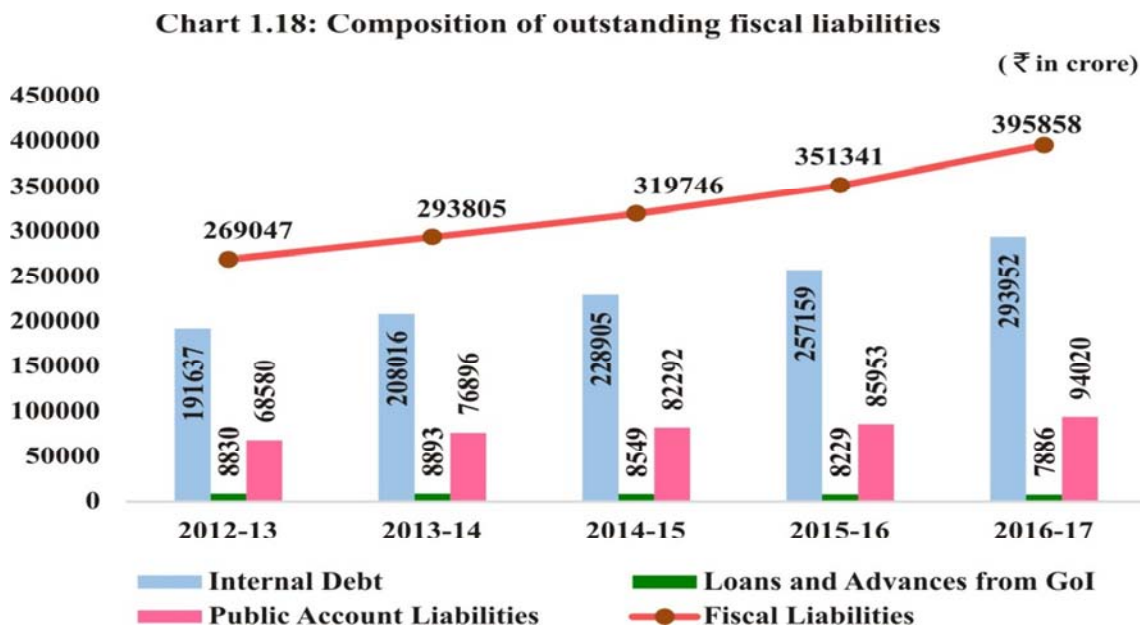
1.8.1 Growth and composition of Assets and Liabilities

In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.10** gives an abstract of such liabilities and the assets as on 31 March 2017, compared with the corresponding position on 31 March 2016. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

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

1.8.2 Fiscal Liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Chart 1.18**.



(Source: Finance Accounts of respective years)

Table 1.39 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to revenue receipts and to the State's own resources comprising tax revenue and non-tax revenue of the State as also the buoyancy of fiscal liabilities with reference to these parameters.

²³ Grant-in-aid: ₹ 13.73 crore; Contingent Expenditure: ₹ 6.95 crore; Pension payments: ₹ 1.71 crore; Civil Deposits: ₹ 1.08 crore; Salaries: ₹ 0.35 crore; Telephone, Electricity and Petrol charges: ₹ 0.24 crore; Insurance and Pension Funds: ₹ 0.09 crore; Provident Fund disbursements: ₹ 0.07 crore; Travelling expenses: ₹ 0.04 crore; and Others: ₹ 1.13 crore

Table 1.39: Fiscal Liabilities – basic parameters

	2012-13	2013-14	2014-15	2015-16	2016-17
Fiscal Liabilities (₹ in crore)	269047	293805	319746	351341	395858
Rate of Growth (<i>per cent</i>)	9.7	9.2	8.8	9.9	12.7
Fiscal Liabilities as percentage to					
GSDP (<i>per cent</i>)	18.6	17.8	17.8	17.6	17.5
Revenue Receipts (<i>per cent</i>)	188.2	196.1	193.3	189.9	193.4
Own Resources (<i>per cent</i>)	237.2	244.9	250.5	250.9	265.1
<i>Buoyancy of Fiscal Liabilities with reference to :</i>					
GSDP (ratio)	0.703	0.672	1.003	0.846	0.950
Revenue Receipts (ratio)	0.542	1.917	0.846	0.832	1.200
Own Resources (ratio)	0.527	1.614	1.375	1.021	1.910
Source: Finance Accounts of respective years					

The overall fiscal liabilities of the State increased at an average annual rate of 10 *per cent* during the period 2012-17. The growth rate decreased continuously from 9.7 *per cent* in 2012-13 to 8.8 *per cent* in 2014-15 and increased to 9.9 *per cent* in 2015-16 and further increased to 12.7 *per cent* in 2016-17. During 2016-17, the debt to GSDP ratio at 17.5 *per cent* was higher than the projections made in MTFPS (16.2 *per cent*) but lower than the FFC (22.6 *per cent*). The buoyancy of these liabilities with respect to GSDP during 2016-17 was 0.950, indicating that GSDP and fiscal liabilities grew at the same rate. The Fiscal Liabilities at the end of 2012-13 was 188.2 *per cent* of the revenue receipts of 2012-13 which increased to 193.4 *per cent* in 2016-17. These liabilities were nearly twice the revenue receipts and more than twice the State's own resources at the end of 2016-17.

Of the total fiscal liabilities, the share of Internal Debt was maximum (74 *per cent*), followed by Public Account Liabilities (24 *per cent*) and Loans from GoI (two *per cent*). Fiscal liabilities increased by ₹ 44,517 crore from ₹ 3,51,341 crore in 2015-16 to ₹ 3,95,858 crore in 2016-17, mainly due to increase in Public Debt (₹ 36,450 crore), Deposits (₹ 6,840 crore) and Small Savings and Provident Funds (₹ 1,123 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 2017, the closing balance in the Sinking Fund was ₹ 27,853.41 crore which included ₹ 5,182 crore for 2016-17 and the entire balance was invested.

1.8.2.1 Implementation of UDAY Scheme in Maharashtra

The Government of India approved (November 2015) Ujwal DISCOM Assurance Yojana (UDAY) a scheme for operational and financial turnaround of the State owned power distribution companies. As per the Scheme, the State Governments were to take over 75 *per cent* of DISCOM debts as on 30 September 2015 over a period of two years i.e. 50 *per cent* in 2015-16 and the remaining 25 *per cent* in 2016-17.

The total outstanding debt of Maharashtra State Electricity Distribution Company Limited as on 30 September 2015 was ₹ 22,097 crore, out of which Medium and Short term Loans (excluding overdraft loans) was ₹ 6,613 crore. Debt of Maharashtra State Electricity Distribution Company Limited was not taken over by the State Government during 2015-16.

During 2016-17, State Government raised Special Bonds of ₹ 4,959.75 crore (75 per cent of Medium and Short term debts) and gave as Loans to the Maharashtra State Electricity Distribution Company Limited. For the balance ₹ 1,653.25 crore (25 per cent of Medium and Short term loans) Maharashtra State Electricity Distribution Company Limited has been authorised to raise funds with the guarantee of the State Government.

1.8.2.2 Increasing trend of balance under 8443-Civil Deposits

During 2012-13 to 2016-17, the closing balance at the end of the financial year under the Major Head 8443–Civil Deposits showed an increasing trend as indicated in **Table 1.40**.

Table 1.40: Balance under 8443-Civil Deposits

Year	Opening balance 8443-Civil Deposits as on 01 April	Receipts	Disbursements	Closing balance of 8443-Civil Deposits as on 31 March	Net increase during the year	(₹ in crore)
						Closing balance of 8443-106-Personal Deposits as on 31 March (percentage)
2012-13	11331.72	19509.83	17331.91	13509.64	2177.92	7952.89 (59)
2013-14	13509.64	24727.68	22545.07	15692.25	2182.61	9254.78 (59)
2014-15	15692.25	22714.76	21665.23	16741.78	1049.54	9726.09 (58)
2015-16	16741.78	26102.23	24579.51	18264.50	1522.72	11160.06 (61)
2016-17	18264.50	29071.87	25471.66	21864.71	3600.21	13334.52 (61)

Source: Finance Accounts of respective years

It may be seen that under the Major Head 8443-Civil Deposits the balance in 106 – Personal Deposits constituted nearly 60 per cent of the balances during 2012-13 to 2016-17. Further, if funds are transferred to the Personal Deposit Accounts from the Consolidated Fund of the State, the balances at the close of the financial year should be transferred back to the Consolidated Fund. The Finance Accounts 2016-17 however, revealed that the quantum of funds which need to be transferred back to the Consolidated Fund at the end of the financial year was not ascertainable. As a result, the actual liabilities under the Major Head 8443–Civil Deposits were also not ascertainable.

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

As per the Finance Accounts 2016-17, there was an unreconciled balance of ₹ 5,986.04 crore under Civil Deposits and Other Civil Deposits pertaining to the period 2008-09 to 2016-17. Of the above, ‘Aided Secondary & Special School Provident Fund’ was the major item pertaining to 2011-12 to 2016-17 that remained unreconciled (₹ 3,286.69 crore) as of March 2017.

1.8.3 Transactions under Reserve Funds

In Maharashtra, there were 18 reserve funds earmarked for specific purposes of which, nine funds were active and nine were inactive, as shown in **Appendix 1.11**. The total accumulated balance as on 31 March 2017 in these funds was ₹ 37,515.56 crore (₹ 37,486.55 crore in active funds and ₹ 29.01 crore in inoperative funds). However, the investment out of this balance was only ₹ 27,877.42 crore (74 per cent). An account of these funds is included in Statement No. 22 of Finance Accounts 2016-17.

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

1.8.4 Contingent Liabilities

1.8.4.1 Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The maximum amount for which guarantees were given by the State Government and the outstanding guarantees during the last three years as given in the Statement No. 9 of the Finance Accounts 2016-17 are summarised in **Table 1.41**.

Table 1.41: Guarantees given by the Government of Maharashtra

	(₹ in crore)		
Guarantees	2014-15	2015-16	2016-17
Maximum amount guaranteed	34564	30483	22802
Outstanding amount of guarantees	7999	7807	7306
Percentage of maximum amount guaranteed to total revenue receipts	21	16	11
Source: Finance Accounts of respective years			

Limits on guarantees to be given by the State Government have not been fixed by the State Legislature. The MFRBM Act, 2005 also does not prescribe any limits. During 2016-17, guarantees of ₹ 1,005 crore were given by the State Government to (a) Maharashtra State Co-operative Bank (₹ 495 crore); (b) Maharashtra State Co-operative Cotton Producers Marketing Federation Limited, Mumbai (₹ 400 crore); and (c) Maharashtra State Co-operative Marketing Federation Limited Mumbai, (₹ 110 crore). Outstanding guarantees (₹ 7,306 crore) during 2016-17 accounted for 3.6 per cent of the revenue receipts (₹ 2,04,693 crore) and 0.3 per cent of the GSDP (₹ 22,67,789 crore).

The Twelfth Finance Commission recommended setting up Guarantee Redemption Fund through earmarked guarantee fees to meet the contingent liabilities arising from the guarantees given by the State Government. The MTFPS for the year 2008-09 mentioned that the State was in the process of setting up Guarantee Redemption Fund. However, the MTFPS for the year 2016-17 mentioned that the State Government has taken a conscious decision not to set up a Guarantee Redemption Fund on the ground that setting up of such a fund may (a) give an undue incentive to both the loanee and the lender; and (b) weaken Legislature oversight in cases where debt Guarantees are invoked.

The State Government charged guarantee fees for guarantees given to institutions and the same was booked under 'Miscellaneous General Services'. Receipts under guarantee fees decreased to ₹ 9.87crore during 2016-17 from ₹ 29.09 crore during 2015-16.

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

Against the total estimated guarantee fee receivable (₹ 1,464.58 crore), only ₹ 9.87 crore was received during the year. The guarantee fee received included a book adjustment made by the State Government towards the guarantee fee payable to it by Maharashtra Irrigation Finance Company Limited (₹ 1.31 crore) by way of investment in share capital. Consequently, the net shortfall in guarantee fee received was ₹ 1,454.71 crore.

1.8.4.2 Off-Budget Borrowings

Off-budget borrowings are not permissible under Article 293 (3) of the Constitution of India. As per the MTFPS Statement 2008-09, the State Government had completely stopped off-budget borrowings from the year 2005-06. There were no off-budget borrowings during the years 2006-07 to 2016-17. However, at the close of 2015-16, ₹ 550 crore was outstanding on account of off-budget borrowings made prior to 2005-06.

1.9 Debt Management

Debt Sustainability

Debt sustainability implies State's ability to service the debt in future. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. Analysis of various debt sustainability indicators for the period from 2012-13 to 2016-17 is given in **Table 1.42**.

Table 1.42: Debt Sustainability: Indicators and trends

(₹ in crore)

Indicators of debt sustainability	2012-13	2013-14	2014-15	2015-16	2016-17
Interest Payment	19076	21207	23965	25771	28532
Burden of interest payment in <i>per cent</i> (IP/RR)	13.3	14.1	14.5	14	13.9
Debt repayment	34342	45400	50998	52319	55602
Debt receipts	58051*	70157	76939	83914	100118
Net debt available to the State	4633	3551	1976	5824	15984

* Proforma correction for refund received on excess instalment paid (₹ 30 crore) and lower rounding
Source: Finance Accounts and Economic survey of respective years

The net funds available from borrowed funds after providing for the interest payment and repayment declined sharply from ₹ 4,633 crore in 2012-13 to ₹ 1,976 crore in 2014-15 which increased to ₹ 5,824 crore in 2015-16 and further increased to ₹ 15,984 crore in 2016-17. The ratio of interest payment to revenue receipts ranged between 14.5 *per cent* and 13.3 *per cent* during 2012-13 to 2016-17.

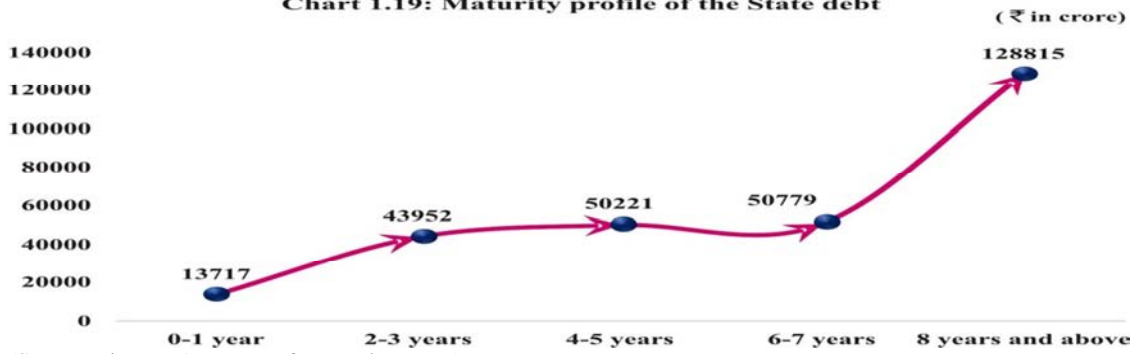
The maturity profile of the State Debt is shown in **Table 1.43** and **Chart 1.19**.

Table 1.43: Maturity profile of State Debt

Maturity Profile (in years)	Amount (₹ in crore)	Per cent
0 – 1	13717.06	4.7
2 – 3	43952.10	14.9
4 – 5	50221.17	17.1
6 – 7	50778.77	17.3
8 and above	128814.98	43.8
Information not furnished by the State Government	6467.70	2.2
Total	293951.78	100

Source: Finance Accounts 2016-17

Chart 1.19: Maturity profile of the State debt



(Source: Finance Accounts of respective years)

The maturity profile of the State debt indicates that nearly 54 per cent of the total State debt is repayable within the next seven years. **Table 1.43** further indicates that the State has to mobilise the resources for repayment of ₹ 43,952.10 crore (an increase of ₹ 30,235.04 crore compared to the period 2016-18) during the period 2018-20. Unless there is a definite plan to meet this liability, the resources available for development may shrink further.

Servicing of Public Debt

The interest payment and repayment of principal on public debt for the period from 2012-13 to 2016-17 is given in **Table 1.44** and **Chart 1.20**.

Table 1.44: Servicing of Public Debt

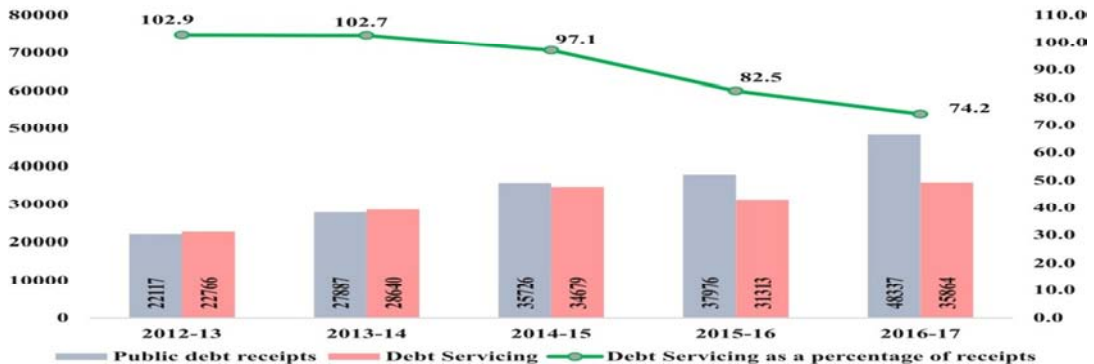
(₹ in crore)

Period	Public Debt									Debt servicing			
	Public Debt Receipts			Repayment of Principal			Interest payment			(Repayment of principal + interest payment)			As a percentage of receipts
	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	
2012-13	21366	751	22117	6351	693	7044	15125	597	15722	21476	1290	22766	102.9
2013-14	26923	964	27887	10543	871	11414	16654	572	17226	27197	1443	28640	102.7
2014-15	35184	542	35726	14294	886	15180	18970	529	19499	33264	1415	34679	97.1
2015-16	37392	584	37976	9138	905	10043	20780	490	21270	29918	1395	31313	82.4
2016-17	47710	627	48337	10917	970	11887	23508	469	23977	34425	1439	35864	74.2
Total			172043									153262	

Source: Finance Accounts of respective years

Chart 1.20: Servicing of Public Debt

(₹ in crore)



(Source: Finance Accounts of respective years)

It can be seen from **Table 1.44** and **Chart 1.20** that during 2012-13 and 2013-14, the entire public debt receipts were utilised for debt servicing. In 2016-17, the debt servicing out of the debt receipts was 74 per cent as against 82 per cent in 2015-16. Thus, the average expenditure on debt servicing during 2012-17 was ₹ 30,652 crore which accounted for 89.1 per cent of average public debt receipts during the same

period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth.

The per capita debt increased from ₹ 17,835.14 in 2012-13 to ₹ 26,853.91 in 2016-17.

1.10 Fiscal Imbalances

Three key fiscal parameters viz., revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature and magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under MFRBM Act/Rules for the financial year 2016-17.

1.10.1 Trends in Deficits

Chart 1.21 presents the trends in deficit indicators over the period 2012-17.

Chart 1.21: Trends in deficit indicators



(Source: Finance Accounts of respective years)

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

However, revenue surplus of ₹ 4,211 crore was achieved in 2012-13, mainly due to increase in revenue receipts by 18 *per cent* as against an increase in revenue expenditure by 12 *per cent*. The revenue surplus turned out to revenue deficit (₹ 5,081 crore) during 2013-14 due to sharp increase in revenue expenditure. During 2014-15, the revenue deficit increased by 2.4 times to ₹ 12,138 crore as compared to the previous year and in 2015-16, it decreased to ₹ 5,338 crore and further increased to ₹ 8,536 crore in 2016-17.

The fiscal deficit of ₹ 28,364 crore during 2015-16 increased to ₹ 33,657 crore without UDAY (₹ 38,616 crore with UDAY) during 2016-17.

Primary surplus during 2012-13 (₹ 5,336 crore) was turned to primary deficit²⁴ during 2013-14 (₹ 4,811 crore), 2014-15 (₹ 7,862 crore), 2015-16 (₹ 2,593 crore) and 2016-17 (₹ 5,125 crore). The increase in primary deficit during 2016-17 was due to increase in fiscal deficit (₹ 5,293 crore) and increase in interest payment (₹ 2,761 crore) over the previous year.

During 2016-17, there were transactions outside the Consolidated Fund, budgeting and booking under incorrect heads, non-provision of interest on reserve funds and deposit accounts *etc.* As a result, the revenue deficit was overstated by ₹ 926.28 crore and understated by ₹ 2,033.71 crore, net impact was an understatement of revenue deficit by ₹ 1,107.43 crore.

1.10.2 Composition of Fiscal Deficit and its financing pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.45**.

Table 1.45: Components of Fiscal Deficit and its financing pattern

		(₹ in crore)				
Particulars		2012-13	2013-14	2014-15	2015-16	2016-17
Composition of Fiscal Deficit(-)/ Surplus (+) (1+2+3) (a)		(-)13740	(-)26018	(-)31827	(-)28364	(-)33657[®]
		(-0.9)	(-1.6)	(-1.8)	(-1.4)	(-1.5)
1	Revenue Deficit(-)/ Surplus (+)	4211 (0.3)	(-5081) (-0.3)	(-12138) (-0.7)	(-5338) (-0.3)	(-8536) (-0.4)
2	Net Capital Outlay	(-17398) (-1.2)	(-20020) (-1.2)	(-19524) (-1.1)	(-22776) (-1.1)	(-25549) (-1.1)
3	Net Loans and Advances	(-553) (0)	(-917) (-0.1)	(-165) (0)	(-250) (0)	428 [‡] (0.0)
Financing Pattern of Fiscal Deficit[#] (b)						
1	Market Borrowings	16324 (1.1)	19163 (1.2)	22263 (1.2)	28938 (1.5)	40349 [§] (1.8)
2	Loans from GoI	58 (0)	94 (0)	(-344) (0)	(-321) (0)	(-343) (0)
3	Special Securities Issued to National Small Savings Fund	(-936) (-0.1)	(-2286) (-0.1)	(-805) (0)	(-286) (0)	(-5078) (-0.2)

²⁴ See Glossary at page 131

Particulars		2012-13	2013-14	2014-15	2015-16	2016-17
4	Loans from Financial Institutions and other Loans	(-)373	(-)499	(-)568	(-)397	1521
		(0)	(0)	(0)	(0)	(0.1)
5	Small Savings PF etc.	2188	1893	1259	1208	1124
		(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
6	Deposits and Advances	6442	6772	4411	2773	6841
		(0.4)	(0.4)	(0.2)	(0.1)	(0.3)
7	Suspense and Miscellaneous	100	(-)2705	5222	(-)876	2773
		(0)	(-)0.2	(0.3)	(0)	(0.1)
8	Remittances	843	(-)1117	(-)14	(-)236	(-)656
		(0.1)	(-)0.1	(0)	(0)	(0)
9	Reserve Funds	1976	2742	3158	3465	5283
		(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
10	Contingency Fund	140	(-)500	2010	(-)2000	0
		(0)	(0)	(0.1)	(-)0.1	(0)
11	Appropriation to/ from Contingency fund	(-)150	500	(-)2000	2000	0
		(0)	(0)	(-)0.1	(0.1)	(0)
12	Total (1 to 11) (b)	26612	24058	34592	34268	51814
13	Increase(-)/ Decrease (+) in Cash Balance (a) – (b)	(-)12872	1960	2765	(-)5904	(-)13197
		(-0.9)	(0.1)	(0.2)	(-)0.3	(-)0.6
14	Overall deficit (12+13)	13740	26018	31827	28364	38616 [§]
		(0.9)	(1.6)	(1.8)	(1.4)	(1.7)

Figures in parenthesis indicate the *per cent* to GSDP

#All figures are net of disbursements/outflows during the year

©Net of Ujwal DISCOM Assurance Yojana eligible for exclusion from Fiscal deficit as per GoI's order

£Includes receipts of ₹ 991.75 crore on account of repayment of loan

§ Includes expenditure of ₹ 4,959.75 crore incurred on account of taking over of 75 *per cent* of Medium and Short term debts of DISCOMs under Ujwal DISCOM Assurance Yojana

Source: Finance Accounts of respective years

During 2016-17, the fiscal deficit increased by ₹ 5,292 crore over the previous year due to increase in revenue deficit. The net capital expenditure as a percentage of fiscal deficit decreased from 80 *per cent* in 2015-16 to 76 *per cent* in 2016-17.

1.10.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the bifurcation of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. During the current year, this ratio was 0.22 *i.e.* 22 *per cent* of the borrowing was used for current consumption.

Non-debt receipts of the State were sufficient to meet the primary expenditure requirements in the revenue account. But, these were not sufficient to meet the expenditure requirements under capital account, resulting in primary deficit during 2013-17. However, during 2012-13, non-debt receipts were sufficient to meet the expenditure requirements both under revenue and capital account, resulting in primary surplus. The details are indicated in **Table 1.46**.

Table 1.46: Bifurcation of Primary Deficit/Surplus

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Outlay	Loans and Advances	Primary Expenditure	Primary revenue deficit(-)/surplus(+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2012-13	143810	119660	17398	1416	138474	24150	5336
2013-14	150550	133695	20021	1645	155361	16855	(-)4811
2014-15	166390	153588	19523	1141	174252	12802	(-)7862
2015-16	185918	164603	22793	1115	188511	21315	(-) 2593
2016-17	206439	184697	25549	1318 [§]	211564	21742	(-) 5125

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

The capital expenditure as a percentage to primary expenditure²⁵ decreased from 12.6 per cent during 2012-13 to 11.8 per cent during 2016-17.

1.11 Follow Up

The State Finance Report is being presented to the State Legislature from 2008-09 onwards. However, the Reports were yet to be taken up for discussion by the State Public Accounts Committee.

1.12 Conclusion

The State's revenue receipts (₹ 2,04,693 crore) increased during the year by 11 per cent over the previous year which was the net effect of increase in tax revenue (eight per cent), grants-in-aid from GoI (28 per cent) and Central tax transfers (20 per cent) and decrease in non-tax revenue (five per cent). The revenue receipts were 93 per cent of budget estimates for the year 2016-17. The non-tax revenue receipts of the State Government were less than the projections made in the FCP by 41 per cent and the budget estimates by 36 per cent.

There was an increase in the State's revenue expenditure by 12 per cent over the previous year and the same constituted 87 per cent of the total expenditure during 2016-17. Non-plan revenue expenditure constituted 80 per cent of the revenue expenditure and as a percentage of revenue receipts, it increased to 84 per cent in 2016-17 from 83 per cent in 2015-16. The NPRE at ₹ 1,71,140 crore remained lower than the normative assessment made in the budget estimates and FCP (₹ 1,75,193 crore). The Plan revenue expenditure and NPRE increased by 17 per cent and 11 per cent respectively over the previous year. Interest payments (₹ 28,532 crore), which increased by 11 per cent during the year over 2015-16 was lower than the projections made in the Fourteenth Finance Commission (₹ 29,697 crore).

Thus, the State Government had managed its Fiscal Deficit within the limits set under the Fiscal Responsibility and Budgetary Management Act. However, as against the projected revenue deficit of ₹ 3,645 crore made in the budget estimates 2016-17, the actual deficit was ₹ 8,536 crore due to gap between the growth rates of the revenue receipts (11 per cent) and revenue expenditure (12 per cent) over the previous year. The fiscal deficit (₹ 33,657 crore without UDAY) increased as compared to the previous

²⁵ 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

year and constituted 1.5 *per cent* of Gross State Domestic Product. The primary deficit during 2016-17 was ₹ 5,125 crore.

Expenditure under subsidies increased by 18 *per cent* over the previous year and constituted about 10 *per cent* of the revenue expenditure. The expenditure on salaries and wages (including the grants-in-aid component) was lower than the State's own Fiscal Correction Path and the projections made in the budget estimates. Financial assistance to local bodies and other institutions, which constituted 47 *per cent* of the revenue expenditure during 2016-17, had increased by 18 *per cent* over the previous year.

The State's capital expenditure, which constituted 10 *per cent* of the total expenditure, increased by 12 *per cent* during 2016-17 over the previous year, however the same was less than the original budget estimates of 2016-17 by ₹ 5,457 crore (18 *per cent*).

The average return on the State Government's investment in Government Companies, Joint Stock Companies and Partnerships and Statutory Corporations *etc.* was 0.04 *per cent* during 2012-17 while the Government paid an average interest rate of 7.6 *per cent* on its borrowings during the same period.

The State's total outstanding debt as on March 2017 was ₹ 3,95,858 crore. The average expenditure on debt servicing during 2012-17 was ₹ 30,652 crore which accounted for 89.1 *per cent* of average public debt receipts during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that portion of the debt available for meeting developmental expenditure to promote growth, was insignificant. Further, the State has to mobilise the resources for repayment of ₹ 43,952.10 crore (an increase of ₹ 30,235.04 crore compared to the period 2016-18) during the period 2018-20. Unless there is a definite plan to meet this liability the resources available for development may shrink.

There was an increase of 24 *per cent* in the cash balances of the State Government over the previous year, significant part of which pertained to balances in Public Account. Cash balances of the State at the close of 2016-17 was ₹ 68,750 crore of which, ₹ 44,110 crore was in cash balance investment account. During 2016-17 and 2015-16 the State Government managed to maintain the minimum cash balance required with the Reserve Bank of India and did not resort to Ways and Means Advances.

1.13 Recommendations

- *Considering the declining trend in the capital expenditure to total expenditure over the last five years, there is scope for the Government to prioritize its spending on creation of more capital assets.*
- *The Government may take steps to ensure better value for money in investments, failing which high-cost borrowed funds will continue to be invested in projects with low financial returns.*

CHAPTER - II

**FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL**

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

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

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

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

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

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against 249 grants/appropriations is given in **Table 2.1**.

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

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Voted	I Revenue	200323.57	24896.96	225220.53	187364.57	(-)37855.96	34197.78	33549.10	98.1
	II Capital	33849.52	2951.48	36801.00	28325.36	(-)8475.64	6749.26	6673.66	98.9
	III Loans and Advances	1531.82	5133.58	6665.40	6277.21	(-)388.19	402.06	400.24	99.6
Total Voted		235704.91	32982.02	268686.93	221967.14	(-)46719.79	41349.10	40623.00	98.2
Charged	IV Revenue	31873.38	644.29	32517.67	32051.15	(-)466.52	326.81	250.62	76.7
	V Capital	6.05	0.36	6.41	5.16	(-)1.25	0.00	0.00	
	VI Public Debt - Repayment	13771.79	0.00	13771.79	11886.89	(-)1884.90	1884.90	1847.15	98
Total Charged		45651.22	644.65	46295.87	43943.20	(-)2352.67	2211.71	2097.77	94.9
Appropriation to Contingency fund				
Grand Total		281356.13	33626.67	314982.80	265910.34	(-)49072.46	43560.81	42720.77	98.1

Source: Appropriation Accounts 2016-17
 Note: The expenditure excludes the recovery adjusted as reduction of expenditure under revenue expenditure ₹ 6,186.98 crore and capital expenditure ₹ 2,801.74 crore as detailed in Appendix II of Appropriation Accounts

2.2.1 The total expenditure stands inflated, without details of expenditure to the following extent:

As on 31 March 2017 detailed contingent bills in support of advances drawn through Abstract Contingent (AC) Bills amounting to ₹ 950.53 crore were not submitted by the Drawing and Disbursing Officers, as required under Maharashtra Treasury Rules 1968. In the absence of Detailed Contingent Bills, the genuineness of the expenditure could not be ascertained. Further it was noticed that out of ₹ 322.46 crore drawn through AC bills during the year 2016-17, ₹ 213.16 crore (66 per cent) was drawn on the last day of the financial year. Significant drawal through AC bills on the last day indicates that the drawal was primarily to exhaust the budget provisions.

2.2.2 The Administrative Departments obtained Supplementary provisions amounting to ₹ 33,626.67 crore during the year which constituted 12 per cent of the original provision as against 14 per cent in the previous year. As may be seen from **Table 2.1**, against the original provision of ₹ 2,81,356.13 crore, expenditure of ₹ 2,65,910.34 crore only was incurred and hence supplementary funds were really not required. This also indicated that seeking supplementary provisions was avoidable since the expenditure had not reached the level of the original budgetary provision.

2.2.3 The actual savings of ₹ 49,072.46 crore includes 100 per cent of the supplementary budget of ₹ 33,626.67 crore and 5.5 per cent of the original provision,

which only confirms inaccurate estimation of funds for supplementary demands made by Departments. Instances where supplementary provisions proved unnecessary, as the expenditure did not come up to the level of the original provisions are discussed in **Para 2.3.4.2.**

2.2.4 The overall savings of ₹ 49,072.46 crore were the result of savings of ₹ 49,240.15 crore in 134 grants and 55 appropriations under the Revenue Section and 88 grants and 11 appropriations under the Capital Section, offset by an excess of ₹ 167.69 crore in 30 grants and six appropriations. Though the Departments surrendered 89 per cent of the savings, ₹ 42,720.77 crore (98 per cent) was surrendered only on the last two days of the financial year.

2.2.5 The savings and excesses were intimated by the offices of the Accountants General (Accounts and Entitlements)¹ regularly to the Controlling Officers through Monthly Reports on expenditure. They also took up the matter after closure of the preliminary and final accounts in May and June 2017, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanation was received (October 2017).

2.3 Financial Accountability and Budget Management

2.3.1 Excess Expenditure over provision during 2016-17 requiring regularisation

The excess expenditure over the budget provision during 2016-17 under 34 grants/appropriations amounted to ₹ 167.69 crore and the same requires regularisation under Article 205 of the Constitution. The details are given in **Appendix 2.1.**

The excess expenditure over Budget provision decreased from ₹ 564.82 crore in 2015-16 to ₹ 167.69 crore in 2016-17.

2.3.1.1 Excess expenditure relating to previous years pending regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although, no time limit for regularisation of expenditure has been prescribed, the regularisation of excess expenditure is done after completion of discussion of Appropriation Account by the Public Accounts Committee. Excess expenditure amounting to ₹ 4,987.18 crore for the year 2013-14 to 2015-16 in respect of 93 grants and 10 appropriations (**Appendix 2.2**) was pending for regularisation as of September 2017.

The cases of excess expenditure over grants are in violation of the will of the Legislature and need to be viewed seriously. It is important that responsibility is fixed in this regard to discourage this practice.

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

2.3.1.2 Persistent Excess

During the period from 2014-15 to 2016-17 major persistent excess at Grant level was not noticed. However, persistent excess expenditure occurred under the 42 sub-heads shown in **Appendix 2.3**. Though all of these may not have resulted in excess at Grant level and hence, may not require regularisation, but special emphasis need to be given while monitoring the expenditure under these sub-heads.

2.3.1.3 Inadequate Supplementary Provisions resulting in excess expenditure

Whereas there were savings as mentioned in **Paragraph 2.2.3** above, on the other hand, supplementary provisions amounting to ₹ 398.07 crore proved insufficient in 10 grants, since the actual expenditure incurred exceeded (by ₹ one crore or more in each case) the original plus supplementary provision made by ₹ 100.01 crore (**Appendix 2.4**).

2.3.2 Unexplained re-appropriations

Paragraph 165 of the Budget Manual stipulates that the orders sanctioning re-appropriation of funds of ₹ 500 and above and those which involve some unique or special feature should briefly specify reasons for the additions to and deductions from the sub-heads affected by them. However, on scrutiny of re-appropriation orders issued by the Administrative Departments revealed that out of 2,763 items of re-appropriations made by them during 2016-17, the specific reasons for 146 items (5.3 per cent) were not furnished. This goes against the principle of transparency envisaged in Section 6 of the Maharashtra Fiscal Responsibility and Budgetary Management Act.

Some of the instances where specific reasons were not assigned for obtaining additional provision/withdrawal of provision exceeding ₹ 10 crore as shown in **Table 2.2**.

Table 2.2: Details of additional provisions/withdrawal exceeding ₹ 10 crore without specific reasons

(₹ in crore)		
Grant No	Subhead Description	Amount surrendered/reappropriated
V02	242500107(01)(10) –Interest Subsidy of one <i>per cent</i> providing short term loan to the farmers	(-)100.31
N03	222580800(01)(06)-Increase of amenities in Government and aided institutions	(-)84.76
F02	221780800(00)(02)- Grant-in-aid for expenditure on planning and implementation of Sinhasta Kumbha Mela	(-)79.41
X01	223602101(04)(19)- Integrated Child Development Services Scheme strengthening and restructure (Rural)	(-)78.16
F02	305404800(02)(01)- Grant-in-aid to Municipal Councils/ Corporations, <i>etc.</i> for improvement of roads	(-)64.37
F02	221780192(00)(81)- Assistance to Municipal Councils for Amrut Abhiyan	(-)63.17

Source: Appropriation Accounts 2016-17

2.3.3 Rush of expenditure

According to Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, expenditure in respect of 27 grants shown in **Appendix 2.5**, exceeding ₹ 100 crore and constituting more than 50 per cent of the total expenditure was incurred either during the last quarter or during March 2017.

Under Grant No. B10-Major Head 5055-Capital Outlay on Road Transport and Grant No. F07-Major Head 6217-Loans for Urban Development, the total expenditure of ₹ 486.98 crore and ₹ 124.68 crore respectively was incurred only in the month of March 2017.

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

Appropriation Accounts for the year 2016-17 revealed that in 51 cases savings exceeded ₹ 10 crore in each case and also by more than 20 per cent of the total provision as shown in **Table 2.3** and **Appendix 2.6**.

Table 2.3: Summarised statement showing savings ₹ 10 crore and above

Sr No	Range of savings	Number of cases	Total grant (₹ in crore)	Savings (₹ in crore)	Percentage
1	Up to ₹ 20 crore	9	356.05	133.88	37.60
2	More than ₹ 20 crore and up to ₹ 50 crore	14	1456.33	461.99	31.72
3	More than ₹ 50 crore	28	37563.02	21009.54	55.93
Total		51	39375.40	21605.41	54.87
Source: Appropriation Accounts of 2016-17					

Further, against the total savings of ₹ 49,072.46 crore, savings of ₹ 46,617.22 crore (95 per cent) occurred in 50 grants involving ₹ 100 crore and above in each case as detailed in **Appendix 2.7**.

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

Home Department

During the year 2016-17 provision amounting to ₹ 127.55 crore under Grant No. B10 Major Head 4055-Capital Outlay on Police was surrendered/ re-appropriated due to non-completion of purchase procedure within the stipulated time or due to non-receipt of Administrative Approval for incurring expenditure.

Agriculture Animal Husbandry and Fisheries Department

- Under Grant No. D03 (Agriculture Services), ₹ 326.80 crore under Major Head '2401-Crop Husbandry' was surrendered/re-appropriated in March 2017 due to short release/non-release of funds by the Government of India for Krishi Unnati Yojana.
- Under Grant No. D04 Major Head 2403-Animal Husbandry, ₹ 50.10 crore was surrendered/re-appropriated in March 2017, since Cabinet approval for the new scheme-'Intensive Poultry Development Blocks' was not received.

Urban Development

Under Grant No. F02 Major Head 2217-Assistance to Municipal Councils for Swachh Bharat Mission (Central Share-60 *per cent*), out of the total provision of ₹ 427.20 crore, an expenditure of only ₹ 43.69 crore could be incurred leaving savings of ₹ 383.51 crore.

Industry, Energy and Labour Department

Under Grant K06 Major Head 2801-Power, out of the provision of ₹ 708.72 crore as Grant-in-aid to Maharashtra State Power Distribution Company Ltd for removal of regional imbalance of agriculture pump set/rural electrification, an amount of ₹ 570 crore was surrendered in March 2017 due to non-receipt of application from farmers of Ratnagiri district and due to non-receipt of approval for Marathawada/Vidharba District from the Administrative Department.

Water Supply and Sanitation

Under Grant Y02 Major Head 2215-Water Supply and Sanitation, unspent provision of ₹ 98.17 crore was due to less receipt of proposal for funds from the implementing agencies under 'Rejuvenation of Non-functional regional water supply schemes'.

The FD, Government of Maharashtra (GoM) in its funds release order for 2016-17 (February 2017) restricted the expenditure to 90 *per cent* of the budget allocation under non-plan scheme and 80 *per cent* for plan scheme. This order of FD resulted in increasing the savings under the Grants.

2.3.4.1 Persistent savings

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

On test check of Grant files, audit observed that there were savings of more than ₹ 100 crore consistently for the last five years in 23 cases (**Appendix 2.8**) indicating that either the provisions were excessive or the executive was not successful in implementing the legislative aspirations. Some cases of the savings are discussed below:

L07-Capital Expenditure on Rural Development: Under this Grant, as against budgetary provision of ₹ 10,473.59 crore made during 2012-13 to 2016-17 only ₹ 4,606.16 crore were spent during the said five year period resulting in savings of 56 *per cent*. No specific reasons were attributed by the Department. Sub-head wise major savings under this Grant during the last five years is shown in **Table 2.4**.

Table 2.4: Subhead wise Major savings during the last five years under Grant L07

(₹ in crore)							
Sr No	Classification	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1	4402 00 102 241 (P)(V)	Soil Conservation works in the areas of Inter-State River	89.09				
2	4402 00 102 238 (P)(V)	Land Development through Soil Conservation Measures	75.83				
3	4402 00 102 103 (P)(V)	National Watershed Development Programme -(100 per cent Centrally Sponsored Scheme)	52.00	52.00			
4	4402 00 102 105 (P)(V)	Soil Conservation works in the areas of Inter-State River		95.00			
5	4402 00 102 239 (P)(V)	Integrated Watershed Development Management		59.96			
6	4402 00 102 246 (P)(V)	Provision for Integrated Watershed Management Programme			1237.95	1088.82	
7	4402 00 102 122 (P)(V)	Share Capital Contribution to Maharashtra Water Conservation Corporation			198.49		
8	4402 00 102 247 (P)(V)	Provision for Niranchal World Bank Assisted Project			60.00		
9	5054 04 337 515 (P)(V)	Mukhyamantri Gramin Marga Yojana-New Road				250.00	
10	4702 00 800 A 381 (P)(V)	Minor Irrigation Schemes under state pool- General Plan				129.33	
11	4402 00 102 257 (P)(V)	Pradhan Mantri Krishi Sinchan Yojana – Integrated Watershed Management Programme (Central Share 60 per cent (General))					461.48
12	4402 00 102 258 (P)(V)	Pradhan Mantri Krishi Sinchan Yojana – Integrated Watershed Management Programme (State Share 40 per cent)(General)					400.00
13	4402 00 102 241 (P)(V)	To mitigate the scarcity situation of drinking construction of Cement Bund in scarcity prone 15 Talukas of State.					279.60

Source: Appropriation Accounts of respective years

O10 - Capital Outlay on Other Rural Development Programmes: Under this Grant, as against budgetary provision of ₹ 22,774.24 crore made during 2012-13 to 2016-17 only ₹ 3,757.18 crore were spent during the said five year period resulting in savings of 84 per cent. The Department attributed this to (i) receipt of incomplete proposals from District Rural Development Agencies; (ii) Non-receipt of proposal for preparation of study report from Development Board as instructed by Honorable Governor and (iii) 20 per cent cut imposed by Finance Department.

2.3.4.2 Unnecessary/excessive supplementary provisions

Supplementary provisions aggregating ₹ 7,282.94 crore obtained in 35 cases (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure (₹ 1,02,898.06 crore) did not come up to the level of the original provision (₹ 1,18,287.34 crore) as detailed in **Appendix 2.9**. Details of grants having saving of

more than ₹ 500 crore where supplementary provision proved unnecessary are shown in **Table 2.5**.

Table 2.5: Grants having saving of more than ₹ 500 crore where supplementary provision proved unnecessary

(₹ in crore)

Grant Number and Description	Original provision	Supplementary provision	Expenditure	Savings
REVENUE SECTION				
C06 Relief on account of Natural Calamities	7128.54	51.92	5759.91	1420.55
E02 General Education	40630.85	1136.98	37265.61	4502.22
N03 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	10489.61	375.60	9098.96	1766.25
T05 Revenue Expenditure on Tribal Areas Development Sub-Plan	5230.82	189.80	4398.08	1022.54
Y02 Water Supply and Sanitation	3377.60	544.69	1900.88	2021.41
CAPITAL SECTION				
L07 Capital Expenditure on Rural Development	2341.38	387.00	1300.71	1427.67
O10 Capital Outlay on Other Rural Development Programmes	3583.22	203.85	782.5	3004.57
Source: Appropriation Accounts of 2016-17				

From **Table 2.5** it can be seen that the supplementary provision proved unnecessary since the expenditure did not even come up to the original provision in all the seven cases which clearly indicates inaccurate estimation of funds.

2.3.4.3 Anticipated savings not surrendered

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

At the close of 2016-17, it was seen that, in 68 cases (in excess of ₹ 50 crore in each case), Departments surrendered ₹ 41,409.15 crore (15 per cent of total voted provision of ₹ 2,68,686.93 crore) on the last two working days of the financial year (**Appendix 2.10**) indicating inadequate financial control and non-utilization of these funds for other development purposes.

2.4 Outcome of review of selected Grants

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

With a view to ascertain how far the authorities were adhering to these instructions, a review of budgetary process followed and expenditure control exercised, in respect of the following three selected grants for the period 2014-15 to 2016-17.

- (i) **Grant C01-Revenue and District Administration of Forest Department:** This includes the budget provision for Office Establishment, Collection Charges, Entertainment Tax, Land Acquisition Establishment which covers four Major Heads namely Land Revenue (2029), Other Taxes and Duties on Commodities and Services (2045), District Administration (2053), Other Administrative Services (2070).
- (ii) **Grant No. N04- Capital expenditure on Social Services in Social Justice and Special Assistance Department:** Under this Grant provision is made for expenditure related to Scheduled Caste and for investment in Public Sector and other Undertaking in the form of Share Capital. This Grant includes three Major Heads namely 4225, 6225 and 4235 operated by Social Justice and Special Assistance Department.
- (iii) **Grant No. Q03-Housing-** Under this, Grant provision is made for assistance to Housing Boards, Corporation and other expenditure related to Housing. This Grant consists of three Major Heads namely, Housing Department (2216), Urban Development Department (2217) and Social Security and Welfare Department (2235).

2.4.1.1 Budget and expenditure

The overall position of budget provision, actual disbursement and savings under the functional Heads of the Grant for the years 2014-15 to 2016-17 is given in **Table 2.6**.

Table 2.6: Detail of budgetary provisions and actual expenditure under Grant No. C01, N04 and Q03

(₹ in crore)						
Year	Original provision	Supplementary provision	Total Grant or Appropriation	Actual Expenditure	Saving	Percentage of saving
Grant C01 (Voted) Revenue and District Administration						
2014-15	1578.08	11.64	1589.72	1285.26	304.46	19
2015-16	1738.54	47.71	1786.25	1468.39	317.86	17
2016-17	1882.10	17.18	1899.28	1587.48	311.80	16
Grant N04 (Voted) Capital expenditure on Social Services						
2014-15	1458.29	--	1458.29	450.33	1007.96	69
2015-16	1349.90	79.60	1429.50	227.09	1202.40	84
2016-17	1259.75	--	1259.75	142.56	1117.19	88
Grant Q03 Housing (All Voted)						
2014-15	1230.00	225.00	1455.00	475.05	979.95	67
2015-16	499.31	45.00	544.31	208.87	335.44	62
2016-17	331.95	1750.36	2082.31	419.77	1662.54	80

Source: Appropriation Accounts of respective years

Table 2.6 shows persistent savings between 16 per cent and 19 per cent under Grant C01, between 69 per cent and 88 per cent under Grant N04 and between 62 per cent and 80 per cent under Grant Q03, during the period 2014-15 to 2016-17.

Further, it can be seen from the **Table 2.6** that the actual expenditure under Grant C01 did not come up to the original provisions even then supplementary provisions were made during the years 2014-15 to 2016-17 indicating over estimation and defective budgeting.

2.4.1.2 Substantial Savings under sub-heads

During 2016-17, in two sub-heads under Grant N04 and one sub-head under Grant Q03 savings were ₹ 10 crore and above and were also between 50 per cent to 100 per cent of the total Grant as shown in **Table 2.7**.

Table 2.7: Sub-head wise substantial savings

(₹ in crore)

Sr No	Cross Reference Code	Description	Total Grant	Actual Expenditure	Savings	Percentage of savings	Reasons for savings
Grant N04 : Social Justice and Special Assistance Department							
1	422501277	Upgradation of Government Hostels for Scheduled Castes Boys and Girls (S.C.P.)	45.00	2.41	42.59	94.64	As only 15 out of 48 proposals were complete in all respect, the same was sanctioned by the Department and the balance amount was surrendered
2	422501277	Construction of Government Residential School for Schedule Castes and Nav Boudha Boys and Girls	67.00	14.14	52.86	78.90	
Grant Q03 : Housing Department							
1	22162996	Housing for all grants to Implementing Agencies (Central Share 60 per cent) (plan)	1050.00	209.37	840.63	80.06	Withdrawal of provision of ₹ 840.63 crore in March was based on actual expenditure
Source: Appropriation Accounts 2016-17							

2.4.1.3 Surrender of entire provision

Scrutiny of Appropriation Accounts for the year 2016-17 revealed that the entire provision of one sub-head amounting to ₹ 17.94 crore under Grant No.C01, four sub-heads amounting to ₹ 283.30 crore under Grant No.N04 and two sub-heads amounting to ₹ 740.00 crore under Grant Q03 were withdrawn in the month of March 2017 through re-appropriation as detailed in **Table 2.8**.

Table 2.8: Surrender of entire provision under Grant C01, N04 and Q03

(₹ in crore)

Sr No	Description	Original and Supplementary Grant	Amount Re-appropriated	Total Grant	Actual Expenditure
Grant C01 Revenue and District Administration					
1	202900103(02)(03) Land Records Expenditure National Land Records Modernisation Programme (NLRMP), Director of Land Records 100 per cent Centrally Sponsored Scheme	17.94	17.94	0	0
Grant N04 Capital Expenditure on Social Services					
1	422501190(01)(01)-Share Capital Contribution to Lokshahir Annabhau Sathe Mahamandal (Matang Unnati Mahamandal) (S.C.P)	75.00	75.00	0	0
2	422501190(01)(02)-Share Capital Contribution to Mahatma Phule Backward Class Development Corporation (S.C.P)	69.30	69.30	0	0
3	422501190(01)(03)-Share Capital Contribution to Leather Industries Development Corporation of Maharashtra	39.00	39.00	0	0
4	422501190(01)(04)-Share Capital Contribution to Co-operative Societies of Scheduled Castes (S.C.P.)	100.00	100.00	0	0
Grant Q03 Housing					
1	221680103(04)(01)-Jawaharlal Nehru National Urban Renewal Mission - Basic Services to Urban Poor Plan (General Plan) (State Share) (25%)	40.00	40.00	0	0
2	2216.80103(08)(02)-Housing for all Grants to Implementing Agencies (Plan) (State Share 40 per cent)	700.00	700.00	0	0

Source: Appropriation Accounts 2016-17

- With an aim to provide home to homeless people in the State, the Government of Maharashtra had decided to implement the Centrally Sponsored Scheme “Shelter for all-2022”, with necessary modification as per the State’s requirement. A provision of ₹ 700 crore (State share 40 per cent) which was made during the year 2016-17 as shown in **Table 2.8** was surrendered entirely in March 2017, by Housing Department for want of demands for funds under the scheme.

2.4.1.4 Rush of Expenditure of grants under sub-heads

According to the Bombay Financial Rules, 1959 rush of expenditure in the closing month of the financial year should be avoided. Uniform flow of expenditure is the primary requirement of proper budgetary control. In two sub-heads under Grant C01, three sub-heads under Grant N04 and two sub-heads under Grant Q03 more than 75 per cent of the expenditure totalling to ₹ 362 crore was incurred in March 2017 as given in **Table 2.9**.

Table 2.9: Rush of expenditure in the last month of 2016-17 under Grant C01, N04 and Q03

(₹ in crore)

Sr No	Sub Head	Sub-head Description	Total Expenditure	Expenditure during March 2017	Percentage of total expenditure incurred in March-17
Grant C01 Revenue and District Administration					
1	202900102 081	National Land Records Modernisation Programme (50 per cent Central grant)	9.60	9.60	100
2	202900102 083	National Land Records Modernisation Programme, 50 per cent Centrally Sponsored Scheme Central Share	22.30	22.30	100
Grant N04 Capital Expenditure on Social Services					
1	622501800 022	Loans to Co-operative Spinning Mills of Scheduled Castes	24.00	24.00	100
2	422501277 048	Construction of Government Hostels for Backward Class Boys and Girls (S.C.P.)	82.43	65.11	78.99
3	422501277 050	Construction of Government Residential School for Scheduled Castes and Nav Boudha Boys and Girls	14.14	10.72	75.84
Grant Q03 Housing					
1	221680103 110	Development of New Township of Chandrapur	65.19	65.19	100
2	221680103 299	Housing for all-Grants to Implementing Agencies (Central share 60 per cent) (plan)	209.37	164.98	78.8
Grand Total			427.03	361.90	

Source: Appropriation Accounts 2016-17

2.4.1.5 Unnecessary re-appropriation

Scrutiny of Appropriation Accounts for the year 2016-17 revealed that in two sub-heads under Grant C01, re-appropriation orders issued resulted in the subhead closing with an excess expenditure as shown in **Table 2.10**.

Table 2.10: Unnecessary Re-appropriation leading to Excess expenditure

(₹ in crore)

Sr No	Description of the Head of Account/ Cross Reference Code	Original Grant	Amount re-appropriated	Total Grant (3-4)	Actual expenditure	excess expenditure (5-6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Grant C01 Revenue and District Administration						
1	2029 Land Revenue 103 Land Records (02) District Land Records (02)(01) Director of Land Records	251.37	40.96	210.41	217.26	6.85
2	2053 District Administration 94 Other Establishment (03) Village Officers (03)(02) Commissioner Nashik	95.59	11.04	84.55	85.09	0.54

Source: Appropriation Accounts 2016-17

2.4.1.6 Control/Monitoring of Expenditure under Grant No. C01

As per Paragraph 155 (i) and (iv) of Budget Manual, in order to ensure that the amount allotted to each disbursing officer is not exceeded without permission, the disbursing officer should submit the statement of his expenditure for the month and total expenditure up to date to the Controlling Officer in Form No. 9 and all Controlling

Officers should maintain a register of expenditure in Form No. 10 for effective control of expenditure.

Test-check of records of two Controlling Officers² revealed that the disbursing officers were not submitting statements of expenditure in Form No. 9 and similarly, the Controlling Officers were not maintaining registers of expenditure in Form No. 10.

The Divisional Commissioner stated (August 2017) that hereafter procedure would be followed.

Thus non-submission of monthly expenditure in the prescribed formats defeated the purpose of monitoring the budget and the progress of actual expenditure by Controlling Officer.

2.5 Advances from Contingency Fund

In terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India the Contingency Fund of the State has been established under the Bombay Contingency Fund Act, 1956. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 150 crore, the closing balance of the Fund as on 31 March 2017 was ₹ 150 crore.

During 2016-17, of the 21 sanctions issued by FD for ₹ 261.94 crore, 11 withdrawals amounting to ₹ 191.70 crore were made from the Fund.

In eight cases, as listed in **Appendix 2.11**, the nature of expenditure for which the Departments concerned had obtained advances from the Fund was foreseeable, and therefore, the draws from the Contingency Fund were unwarranted and irregular.

In 10 out of 21 sanctions advances amounting to ₹ 46.92 crore were not drawn by the Departments concerned indicated the funds were not required to meet expenses of emergent character as shown in **Appendix 2.12**.

2.6 Misclassification of Expenditure

2.6.1 Incorrect booking of Revenue Expenditure under Capital

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

It was noticed that during 2016-17, Grants-in-aids of ₹ 1,988.33 crore (six cases) released by the State Government had been classified and booked under Capital expenditure heads instead of the Revenue expenditure of Account resulting in understatement of revenue deficit by ₹ 1,988.33 crore as shown in **Table 2.11**.

² Divisional Commissioner, Nagpur and Divisional Commissioner, Amravati

Table 2.11: Details of Grants-in-aid classified/booked under Capital Expenditure

		(₹ in crore)
Sr No	Classification	GIA
1	4070-Capital Outlay on Other Administrative Services	20.00
2	4217-Capital Outlay on Urban Development	437.70
3	4250-Capital Outlay on Other Social Services	1476.01
4	4402-Capital Outlay on Soil and Water Conservation	6.45
5	4405-Capital Outlay on Fisheries	14.29
6	4415-Capital outlay on Agricultural, Research and Education	33.88
Total		1988.33
Source: Appropriation Accounts 2016-17		

2.6.2 Non-transfer of balances to Consolidated Fund

As per Government Resolution (October 2001) of Revenue and Forest Department of Maharashtra, the balance in the Personal Deposit (PD) account of Inspector General of Registration was to be credited to Consolidated Fund at the end of every quarter. It was seen that an accumulated balance of ₹ 876.37 crore was lying in the account as on 31 March 2017, which was not credited to the Consolidated Fund of the State. Inspector General of Registration and Controller of Stamps stated (June 2017) that of the total balances, only ₹ 500 crore could possibly be deposited into Government Account, as Arbitrator claims of about ₹ 300 crore were to be met.

Similarly, as per Government Resolution (July 2011) of Home Department of Maharashtra, the unspent balance at the end of the year in the PD accounts operated by the Regional Transport Offices/Deputy Transport Officers is to be brought to “Nil” by crediting the same into Consolidated Fund. However, there were unspent balances of ₹ 1.32 crore in 13 PD accounts as on 31 March 2017 which were not credited to the Consolidated Fund.

Thus, non-transfer of unspent balances from PD accounts back to Consolidated Fund at the end of the financial year resulted in overstatement of revenue deficit by ₹ 877.69 crore.

2.7 Outcome of Inspection of Treasuries

The major irregularities noticed by the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai and the Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur during inspection of 34 District Treasuries (including 322 sub-Treasuries) and the Pay and Accounts Office, Mumbai during 2016-17 are brought out in the succeeding paragraphs.

2.7.1 Transfer of funds to Personal Deposit Accounts

According to Rule 494 of Maharashtra Treasury Rules, 1968 and Rule 12 of Bombay Financial Rules 1959, Personal Deposit Account/Personal Ledger Account (PLA) can be opened with Treasury Officer for specified purpose on the basis of approval of Government in consultation with the Accountant General of the State.

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

PD accounts by transfer of funds from the Consolidated Fund. Generally, Administrators³ are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Government accounts (Consolidated Fund). However, as on 31 March 2017, 1,627 PD accounts showed a total closing balance of ₹ 13,334.51 crore, as indicated in **Table 2.12**.

Table 2.12: Status of Personal Deposit Accounts during 2016-17

Opening balance		Newly opened		Closed accounts		Closing Balance	
Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
1903	11160.06	7	21605.88	283	19431.43	1627	13334.51
Source: Finance Accounts 2016-17							

However, the closing balance as per Finance Accounts has not been reconciled by the Administrators of PD/PLA and hence the correct closing balance which should have been remitted to the Consolidated Fund of the State cannot be ascertained.

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

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

Inspection of Treasuries revealed that in 208 of 1,903 Administrators holding PD accounts, there were differences between the Administrators balances and the Treasury/Pay and Accounts Office balances. In 343 cases, there were differences between the Treasury balances and the Sub-Treasury balances. In 216 cases, there were differences between the Sub-Treasury balances and the Administrators balances. Besides, 679 out of 1,903 Administrators did not furnish certificates of balances as on March 2016 to Treasury Officers/ Pay and Accounts Office indicating absence of regular reconciliation. Periodical reconciliation with the Treasury would have cleared the differences.

2.7.3 Inoperative Personal Ledger Accounts for more than one year not closed

As per Rule 495 of Maharashtra Treasury Rules and Maharashtra Treasury Manual, PLAs which are inoperative for more than three consecutive accounting years should be closed and the balances at the credit of such accounts should either be paid to the PLA holder or credited to the Consolidated Fund of the State. The time limit was revised⁴ (January 2014) by FD, GoM to one year.

³ Personal deposit/Personal ledger account holders

⁴ Vide Finance Department's Government Resolution संकीर्ण 1014/प्र क्र 5/कोषा प्रशा/5 dated 24 January 2014

It was observed that in the case of 280 accounts, PLAs were not operated by the Administrators for a period of one year and more, resulting in unutilized balance of ₹ 15.54 crore lying idle in the PLAs as of March 2017. District-wise details are given in **Appendix 2.13**. As per established practice, funds from the Consolidated Fund of the State to PLA should be transferred through 'Nil bills' (non-cash transaction). It was seen that all Treasuries (except Pune Treasury) did not follow the above practice and instead withdrew large funds through cheques and credited them to PLA subsequently. The unspent amount so transferred from the Consolidated Fund and not credited back from the inoperative PLAs could not be ascertained since the PD accounts included receipts from sources other than the Consolidated Fund also.

2.7.4 Overpayment of Pension

Overpayment of pensionary benefits of ₹ 0.96 crore was made by Treasuries during 2016-17 on account of incorrect calculation of dearness relief, non-adjustment of provisional Death-cum-Retirement Gratuity, non-reduction of family pension from the specific dates mentioned in the pension payment orders *etc.*

2.8 Conclusion

During the year 2016-17, the overall savings of ₹ 49,072.46 crore were the net result of savings of ₹ 49,240.15 crore, set off by an excess of ₹ 167.69 crore.

Most of the saving have occurred due to inadequate monitoring by Departments over the budget estimates and expenditure. All anticipated savings should be surrendered on time so that the funds can be utilized for other development purposes.

There was rush of expenditure (51 to 100 *per cent*) during the last quarter of 2016-17 and substantial portion of it was spent during the last month of the financial year. In some of cases, there were persistent saving of more than ₹ 100 crore in each case during the last five years in respect of grants pertaining mainly to Finance Department, Social Justice and Special Assistance Department, Public Works Department *etc.* indicating that either the provisions were excessive or the executive was not successful in implementing the legislative aspirations.

Indian Government Accounting Standard-2 regarding Accounting and Classification of Grants-in-aid prescribes that the Grants-in-aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. However, during the year 2016-17, Grant-in-aid amounting to ₹ 1988.33 crore in six cases was disbursed under the capital major heads of expenditure in violation of Indian Government Accounting Standard-2.

2.9 Recommendations

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

- *The Government may ensure compliance to Indian Government Accounting Standard in budget formulation so that the expenditure under Grants-in-aid is accounted for as revenue expenditure in the Government Accounts.*

CHAPTER - III
FINANCIAL REPORTING

Chapter III

Financial Reporting

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

3.1 Non-submission/delay in furnishing Utilisation Certificates

The Bombay Financial Rules, 1959 provide that for the Grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the Departmental Officers from the grantee institutions and after verification, the UCs should be forwarded to the concerned Accounting Offices *i.e.* Principal Accountant General (Accounts and Entitlements)-I, Mumbai, Accountant General (Accounts and Entitlements)-II, Nagpur and Pay and Accounts Office, Mumbai within 12 months from the dates of their sanction unless specified otherwise. However, 38,884 Utilisation Certificates aggregating to ₹ 60,321.78 crore in respect of grants released up to 2016-17 were in arrears as detailed in **Appendix 3.1**. The status of outstanding Utilisation Certificates is given in **Table 3.1**.

Table 3.1: Year-wise position of Outstanding Utilisation Certificates

Year	Number of UCs awaited	Amount involved (₹ in crore)
Upto 2014-15	18881	19154.82
2015-16	3685	16732.72
2016-17	16318	24434.24
Total	38884	60321.78
Source : Finance Accounts 2016-17		

The majority of cases of non-submission of Utilisation Certificates related to Department such as Urban Development (48 *per cent*); Planning (eight *per cent*); School Education and Sports (eight *per cent*); Tribal Development (seven *per cent*); Industries, Energy and Labour (six *per cent*); Rural Development and Water Conservation (five *per cent*); and Revenue and Forest (three *per cent*). Non-submission of UCs defeats the very purpose of Legislative control over the public purse and is fraught with the risk of the funds released for various schemes/ programmes being locked up or diverted.

3.1.1 Pending Utilisation Certificates in Planning and Tribal Development Departments

3.1.1.1 Introduction

Audit of records pertaining to submission of UCs in Planning Department (PD), Tribal Development Department (TDD) and Home Department (HD) was conducted to assess whether the Grants-in-aid (GIA) disbursed by the Controlling Officers were properly utilized by the grantee institutions for the purpose for which it was sanctioned.

3.1.1.2 Audit Coverage

Audit examined the process of submission of UCs and their pendency in respect of GIA given to the PD, TDD and HD during the period 2011-12 to 2015-16. In this regard, test check of records of 12 DDOs under Planning/Tribal Development/Home Department was conducted as shown in **Appendix-3.2**.

3.1.1.3 Audit Criteria

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

3.1.1.4 Audit Findings

Non-maintenance of Grants-in-aid register

As per Rule 149 read with Section-II of Appendix 22 of BFR 1959, a Register of Grants indicating the Grant sanctioned and released, purpose of Grant, conditions attached to the Grant, date by which statement of accounts are required to be furnished by the grantee institutions and the reasons for the delay if any, date by which the UC is to be furnished to the Principal Accountant General (Accounts & Entitlement)-I, Maharashtra, Mumbai, and the reasons for delay, if any, unspent balances etc. should be invariably maintained by the sanctioning authority.

Audit observed that no such register was being maintained by the Planning Department and Tribal Development Department and the offices under these Departments wherever test check by audit was carried out. As a result, audit could not verify the status of pending UCs with respect to the sanctions and releases of GIA, unspent balances etc. made by the Departments and respective offices under them.

Submission of Utilisation Certificates before expenditure

On scrutiny of relevant records pertaining to UCs made available to audit it was seen that five DDOs under Planning and Tribal Development Department had submitted UCs for 51 vouchers amounting to ₹ 186.61 crore to the PAG (A&E)-I, Maharashtra, Mumbai in respect of Grants-in-aid received during 2011-12 to 2015-16. The actual expenditure incurred against ₹ 186.61 crore was ₹ 136.09 crore on the date of submission of UCs. The unspent amount on the date of submission of UCs was ₹ 50.52 crore as shown in the **Table 3.2**.

Table 3.2: Details showing submission of Utilisation Certificates before expenditure

							(₹ in crore)
Sr No	DDO	No. of Vouchers	Amount drawn	Amount utilised	Unspent amount	Period	Remarks
Planning Department							
1	Assistant District Planning Officer, Thane	6	12.84	10.07	2.77	2011-12 to 2015-16	
2	Chief Accounts and Finance Officer (CAFO), ZP, Nashik*	5	4.39	-	4.39	March 2016	
3	Chief Accounts and Finance Officer, ZP, Ahmednagar	7	70.44	67.94	2.50	2013-14 to 2015-16	UC submitted before actual distribution of GIA
Tribal Department							
4	Chief Accounts and Finance Officer, ZP, Nashik*	3	10.00	-	10.00	March 2016	
5	Project Officer, Integrated Tribal Development Project, Nandurbar	12	48.13	36.75	11.38	March 2016	
6	Project Officer, Integrated Tribal Development Project, Taloda, Nandurbar	18	40.81	21.33	19.48	2014-15 to 2015-16	
Total		51	186.61	136.09	50.52		
* Pending UCs were checked for Planning and Tribal Development in CAFO, ZP, Nasik							

CAFO, Ahmednagar submitted UCs for ₹ 70.44 crore for seven vouchers even before distributing the GIA as shown in the above table.

These Departments stated that UCs were submitted before expenditure as regular bills were held up at the Treasury level till the pending UCs were cleared. The Department further stated as the State Government had allowed (Government Resolution dated 06 June 2008) the DDOs to use the unspent GIA amount in the succeeding year also, submission of UCs would get delayed. To avoid the delay in following the procedures, these Departments submitted the UCs in advance.

The reply is not tenable, since the UCs are required to be submitted within 12 months from the dates of their sanction and only after utilisation of the funds for the purpose for which they were granted.

Internal control mechanism

Rule 4 under Appendix 22 BFR 1959 states that the Administrative Department shall devise its own inspectoral and supervisory machinery to satisfy itself regarding the proper utilisation of grants made to body or institutions.

It was, however observed that in the selected units these internal controls were not in existence.

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

According to Rule 149 of Bombay Financial Rules, 1959 read with Appendix 22, for identification of institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/ Heads of Departments are required to furnish to audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The details of such assistance released to the institutions during the year were awaited from Government Departments (September 2017).

Table 3.3 shows age-wise arrears of Annual Accounts due up to 2016-17 in respect of 4,349 Annual Accounts as of August 2017.

Table 3.3: Age-wise arrears of Annual Accounts due from Institutions

Delay in number of years	Number of Accounts
0-1	1873
1-3	859
3-5	748
5-7	547
7-9	278
9 and above	44
Total	4349

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

As per Section 103 of Maharashtra Universities Act, 1994, the Accounts of the University are required to be audited within six months of the close of the financial year. The Annual Accounts of Mumbai University have not been submitted since 2012-13 onwards.

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

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

Several Autonomous Bodies have been set up by the State Government in the fields of Environment, Housing, Industries, Irrigation, Urban Development and Water Supply and Sanitation. The audit of Accounts of 26 autonomous bodies in the State has been entrusted to the Comptroller and Auditor General of India under Section 19 and 20 of CAG's DPC Act 1971. The status of entrustment of audit, rendering of Accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature by the Autonomous Bodies are indicated in **Appendix 3.3**.

The delay in submission of Annual Accounts ranged between two months and 156 months. The Maharashtra State Human Rights Commission rendered the accounts from 2003-04 to 2013-14 in July 2017 after a delay ranging from 156 months to 36 months. The Maharashtra Building and Other construction Workers Welfare Board rendered the accounts from 2007-08 to 2011-12 in March 2017 after a delay ranging from 104 months to 56 months. The Maharashtra Khadi and Village Industries Board rendered the accounts from 2012-13 to 2015-16 in January 2017 after a delay ranging from 43 months to seven months. The Accounts of Maharashtra State Legal Services Authority, Mumbai had been received only up to 2008-09 which was yet to be presented in the Legislature. The Annual Accounts of Maharashtra State Minorities Commission had been rendered only up to 2012-13. The Annual Accounts from 2015-16 onwards of six¹ bodies were yet to be received. Further,

¹ Maharashtra Jeevan Pradhikaran; Maharashtra State Commission for Women; Maharashtra Pollution Control Board; The Maharashtra State Human Rights Commission; Godavari Marathwada Irrigation Development Corporation; and Maharashtra Water Conservation Corporation

Annual Accounts 2016-17 of nine² bodies were yet to be received. After entrustment, the Annual Accounts of four³ Autonomous Bodies were yet to be received.

Inordinate delays in submission of Accounts and their presentation to the State Legislature resulted in delayed scrutiny of the functioning of these Bodies by the Legislature where Government investments are made.

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

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

Heads of Government Departments have to ensure that the Undertakings prepare such Accounts and submit the same to the Principal Accountant General (Audit)-I, Maharashtra, Mumbai for audit within a specified time frame. As of March 2017, there were 49 such Undertakings of which, 34 had prepared Accounts up to 2015-16 and nine up to 2014-15. In respect of five Undertakings, there was large pendency in finalisation of *Proforma* Accounts ranging from 18 to 31 years as these were sick units and not operational and had stopped preparing Accounts. Milk Transport Scheme, Worli has been closed since 2008-09 and Accounts have not been prepared. The Department-wise position of arrears in preparation of *Proforma* Accounts and investments made by the Government are given in **Appendix 3.4**.

3.5 Misappropriations, losses, defalcations *etc.*

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

The State Government reported 354 cases of misappropriations, losses, defalcations *etc.*, involving ₹ 1,018.60 crore up to March 2017 on which final action was pending. The Department-wise breakup of pending cases and age analysis are given in **Appendix 3.5**.

The nature of these cases is given in **Appendix 3.6**. 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 3.4**.

² Konkan Irrigation Development Corporation; Maharashtra Maritime Board; Slum Rehabilitation Authority; Maharashtra Water Resources Regulatory Authority; Rajiv Gandhi Science and Technology Commission; Maharashtra State Commission for Protection of Child Rights; Maharashtra Electricity Regulatory Commission; Tapi Irrigation Development Corporation; and Vidharba Irrigation Development Corporation

³ Fees Regulatory Authority; Maharashtra State Haj Committee; Admission Regulatory Authority; and Slum Rehabilitation Authority, Pimpri-Chinchwad, Pune

Table 3.4: Profile of Misappropriations, Losses, Defalcations etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in Years	Number of cases	Amount involved (₹ in lakh)	Nature/ characteristic of the cases	Number of cases	Amount involved (₹ in lakh)
0-5	51	1871.47	Theft	87	74.80
5 - 10	48	1820.88			
10 - 15	47	96964.08	Misappropriation/ Loss of material	267	101785.64
15 - 20	46	505.44			
20 - 25	33	513.69			
25 and above	129	184.88			
Total	354	101860.44	Total pending cases	354	101860.44

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

Around 92 per cent of the amount involved pertains to Finance Department (₹ 937.40 crore). The reasons for which the cases were outstanding have been broadly categorised in **Table 3.5**.

Table 3.5: Reasons for the delay/pendency of cases

Reasons for the delay/pendency of cases	Number of cases	Amount (₹ in lakh)
Departmental and criminal investigation awaited	115	98992.72
Departmental action initiated but not finalised	89	1332.69
Criminal proceedings finalised but recoveries were pending	19	432.57
Orders for recovery or write-off were awaited	54	64.17
Pending in the courts of law	77	1038.29
Total	354	101860.44

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

It may be seen from **Table 3.5** that of 354 cases involving ₹ 1018.60 crore, 255 cases (72 per cent) involving ₹ 981.68 crore (96 per cent) were pending for more than 10 years. Further, while 89 cases involving ₹ 13.33 crore were pending for final Departmental action, 54 cases involving ₹ 0.64 crore were pending recovery or write-off orders.

3.6 Opaqueness in Government Accounts

The omnibus Minor Head 800 accommodates the expenditure which could not be classified under the available programme minor heads. During 2016-17, expenditure aggregating ₹ 16,956.85 crore was classified under Minor Head 800 –Other expenditure against 43 Major Heads under Revenue and Capital sections. Similarly, revenue receipts aggregating ₹ 914.96 crore were classified under omnibus Minor Head ‘800 – Other Receipts’ under 10 Major Heads under Revenue and Capital Sections.

The revenue receipts under the minor head 800 have also increased significantly during the same period from ₹ 105.85 crore to ₹ 914.96 crore.

Details of significant transactions (involving more than ₹ 20 crore and constituting more than 20 *per cent* of the relevant Major Head) of receipts (10 items involving ₹ 914.96 crore) and expenditure (43 items involving ₹ 16,956.85 crore) at sub-head level are given in **Appendix 3.7**.

Substantial receipts from 'Land Revenue' (₹ 376.27 crore) and 'Power' (₹ 460.16 crore) were booked under the Head '800-Other Receipts', while subsidy to the Distribution/Transmission Licenses for reduction in Agriculture and Power loom Tariff (₹ 7,641.22 crore), grants-in-aid to 'Maharashtra State Electricity Board Holding Co. Ltd.' (₹ 991.75 crore), Capital investment in Power projects (₹ 646.72 crore) were classified as '800-Other Expenditure'. Further, it was also observed that the expenditure under the Minor Head 800 had increased from ₹ 14,829.25 crore in 2015-16 to ₹ 16,956.85 crore in 2016-17.

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

3.7 Reconciliation of receipts and expenditure

All Controlling Officers are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the Offices of the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai or Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur or the Pay and Accounts Office, Mumbai, as the case may be. Such reconciliation had been completed for an expenditure of ₹ 1,82,809 crore (83 *per cent*) against the total expenditure of (₹ 2,20,064 crore) excluding the expenditure adjusted through Transfer Entry and Periodical Adjustments and for Receipts of ₹ 1,40,954 crore (95 *per cent*) against the total receipts of (₹ 1,48,232 crore) excluding the receipts adjusted through Transfer Entry and Periodical Adjustments.

Major defaulting Departments were School Education and Sports, Agriculture, Animal Husbandry, Dairy Development and Fisheries, Home, Tourism and Cultural Affairs, Food, Civil Supplies and Consumer Protection, Urban Development, Skill Development and Entrepreneurship, Water Supply and Sanitation, Industries, Energy and Labour, Finance *etc.* Non-reconciliation of Accounts has an impact on the assurance of completeness and correctness of the receipt and expenditure figures by the Department which may result in frauds, defalcation and overdrawals *etc.* remaining undetected.

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

As per the Maharashtra Treasury Rules, 1968, the Drawing and Disbursing Officers are required to submit Detailed Contingent (DC) bills which are vouchers in support of final expenditure, against Abstract Contingent (AC) bills drawn, within 30 days to the Offices of the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai or the Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur or the Pay and Accounts Office, Mumbai, as the case may be.

As on 31 March 2017, 2,864 DC bills amounting to ₹ 950.53 crore were not received in the Offices of the Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai/Accountant General (Accounts and Entitlements)-II, Maharashtra, Nagpur/Pay and Accounts Office, Mumbai. Year-wise details and the Department-wise position are given in **Table 3.6** and **Appendix 3.8** respectively.

Table 3.6: Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills
(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2014-15	112626	4762.05	111493	4176.03	1133	586.02
2015-16	2508	182.42	2154	85.91	354	96.51
2016-17	2716	322.46	1339	54.46	1377	268.00
Total	117850	5266.93	114986	4316.40	2864	950.53

Source : Finance Accounts 2016-17

Most of the outstanding Abstract Bills relate to Home Department (795 bills amounting to ₹ 770.30 crores). Un-adjusted AC bills increase the risk of misuse, forgery, fraud and wasteful expenditure.

3.9 Conclusion


Non-submission of Utilisation Certificates (38,884) amounting to ₹ 60,321.78 crore as on 31 March 2017 indicated absence of proper monitoring by the Departments in utilisation of grants sanctioned for specific purposes. Similarly, 2,864 Detailed Contingent Bills amounting to ₹ 950.53 crore were not submitted by the Drawing and Disbursing Officers of various Departments of which, 1,377 bills amounting to ₹ 268 crore pertained to 2016-17. These violations of Treasury Rules indicated poor financial management on behalf of Departments/agencies.

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

3.10 Recommendations

- *Issues holding up submission of Utilisation Certificates should be identified to ensure their submission within the stipulated time. The Government may also ensure timely submission of Detailed Contingent Bills by the Drawing and Disbursing Officers as stipulated in Maharashtra Treasury Rules, 1968, and disallow drawal of funds on Abstract Contingent Bills to Departments who have not rendered Detailed Contingent Bills for previous withdrawals.*
- *The Controlling Departments may identify the reasons for delay in finalisation of Accounts of Autonomous Bodies/Undertakings and institute remedial measures to ensure that arrears in Accounts are cleared in a time bound manner.*

Mumbai,
The 07 May 2018


(SANGITA CHOURE)
Principal Accountant General (Audit)-I,
Maharashtra

Countersigned

New Delhi,
The 09 May 2018


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

APPENDICES

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

A General Data			
Sr. No.	Particulars	Maharashtra figures	
1	Area	3.08 lakh sq. km.	
2	Population		
	a	As per 2001 Census	9.69 crore
	b	As per 2011 Census	11.24 crore
3	a	Density of Population (as per 2001 census) (All India Density = 325 persons per sq km)	315 persons per sq. km.
	b	Density of Population ¹ (as per 2011 census) (All India Density = 382 persons per sq. km)	365 persons per sq. km.
4	Population Below Poverty Line (BPL) ² (All India Average = 21.9 per cent)		17.4 per cent
5	a	Literacy ³ (2001) (All India Average = 64.8 per cent)	76.88 per cent
	b	Literacy ³ (2011) (All India Average = 73.0 per cent)	82.3 per cent
6	Infant mortality ⁴ (per 1000 live births) (All India Average = 37 per 1000 live births)		21
7	Life Expectancy at birth ⁵ (All India Average = 68.3 years)		72.0 years
8	Gini Coefficient ⁶ (A measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and <i>vice versa</i>)		
	a	Rural (All India = 0.29)	0.27
	b	Urban (All India = 0.38)	0.41
9	Gross State Domestic Product ⁸ (GSDP) 2016-17 at current price		2267789
10	Per capita GSDP CAGR (2007-08 to 2016-17)	Maharashtra	12.7 per cent
		General Category States	13.2 per cent
11	GSDP CAGR (2007-08 to 2016-17)	Maharashtra	14.2 per cent
		General Category States	14.6 ⁷ per cent
12	Population growth (2007-08 to 2016-17)	Maharashtra	12.7 per cent
		General Category States	11.9 ⁸ per cent

B Financial Data [#]					
Particulars		CAGR		Growth during 2016-17 over 2015-16	
		2007-08 to 2015-16			
		GCS	Maharashtra	GCS	Maharashtra
(in per cent)					
a	of Revenue Receipts	14.58	11.12	11.52	10.62
b	of Own Tax Revenue	14.80	13.03	13.50	7.9
c	of Non-Tax Revenue	9.45	(-)-2.87	12.10	(-)-5.32
d	of Total Expenditure	15.84	13.56	15.31	14.36
e	of Capital Outlay	14.53	8.94	17.91	12.09
f	of Revenue Expenditure on Education	16.86	15.39	9.86	5.81
g	of Revenue Expenditure on Health	18.43	16.84	14.92	8.17
h	of Salary and Wages	14.89	15.36	13.06	3.61
i	of Pension	17.17	17.60	10.63	9.92

¹ Census Info India 2011 Final Population Totals

² Economic Survey 2016-17 (August 2017), Vol. II, page A 154 ³ Economic Survey 2016-17 (August 2017), Vol. II, page A 149

⁴ Economic Survey 2016-17 (August 2017), Vol. II, page A 156 ⁵ Economic Survey 2016-17 (August 2017), Vol. II, page A 146

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

⁷ Population Projections for India and States 2001-2006 (revised December 2006) Report of the Technical Group on Population Projections

⁸ GSDP statement released by MoSPI on August 1, 2017 figures for 2016-17

⁹ Economic Survey of Maharashtra 2016-17

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

Appendix-1.2

(Reference: Paragraph 1.1; Page 2)

Structure and form of Government Accounts

Part-A: Structure of Government Accounts

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

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

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

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

Part-B: Layout of Finance Accounts

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

Source: Finance Accounts

Appendix-1.3

(Reference: Paragraph 1.1; Page 2)

Fiscal Responsibility and Budgetary Management Act and Rules

Maharashtra Fiscal Responsibility and Budgetary Management Act, 2005

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

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

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

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

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

- The fiscal deficit of the State Government shall not exceed three *per cent* of GSDP in 2010-11 and thereafter.
- The State Government shall maintain the outstanding debt to GSDP up to 25.8 *per cent* in 2012-13, 25.5 *per cent* in 2013-14, 25.3 *per cent* in 2014-15, 17.6 *per cent* in 2015-16 and 16.2 *per cent* in 2016-17.

Medium Term Fiscal Policy Statement

- As prescribed in the Act, the State Government laid a Medium Term Fiscal Policy Statement (MTFPS) and a Fiscal Policy Strategy Statement along with the budget before the Legislature in March 2015. MTFPS presents three years rolling targets, assumptions underlying the fiscal indicators and assessment of sustainability relating mainly to (i) balance between revenue receipts and revenue expenditure and (ii) the use of capital receipts for generating productive assets.
- As per MTFPS 2016-17, the Government aims at rationalization of policies relating to grant of subsidy and grant-in-aid. State Government further aims at fullest utilisation of amount spent by close monitoring projects, prioritisation of expenditure on incomplete projects, having full proof procurement policy and use of technology for individual benefit schemes, direct benefit transfer, *etc.* The State Government will continue to use market oriented debt management in consultation with RBI with an objective to smoothen redemption pressure, reduce roll over risk as well as utilising cash surplus. The State aims at i) fiscal consolidation during 2016-17 by accelerating economic growth triggered by changed investment climate in the State, ii) increase non-tax revenue share, iii) unlocking of unspent Government financial resources including Government grants lying with Institutions of Local self-Government and PSUs by removing structural barriers in their making expenditure for their respective targets. State Government has conscious policy to have gradual adjustment to achieve fiscal consolidation targets.
- The State Government has developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators with target dates of implementation during the period from 2007-08 to 2018-19 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Source: Budget 2016-17

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

(₹ in crore)

Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
	Actuals	Actuals	Actuals	RE	BE	Projections	Projections	Projections	
A STATE REVENUE ACCOUNT									
1	States Own Tax Revenue (SOTR)	87647.62	103448.38	108640.6	119007.93	130634.71	148923.57	169772.87	193541.07
2	States own Non-Tax Revenue (NONTR)	8167.70	9984.40	11351.97	13519.70	20664.87	21698.11	22783.02	23922.17
3	SOTR + NONTR (1+2)	95815.32	113432.78	119992.57	132527.63	151299.58	170621.68	192555.89	217463.24
4	Share in Central Taxes	13304.18	15192.12	16587.8	17606.98	29061.95	36897.00	42631.00	49317.00
5	Plan Grants	2879.18	8644.11	7708.86	22058.43	11975.82	11975.82	11975.82	11975.82
6	Non-plan Grants	9287.46	5678.22	5532.58	8600.85	5893.15	5893.15	5893.15	5893.15
7	Total Central Transfer (4+5+ 6)	25470.82	29514.45	29829.24	48266.26	46930.92	54765.97	60499.97	67185.97
8	Total Revenue Receipts (3+7)	121286.14	142947.23	149821.81	180793.89	198230.50	225387.65	253055.86	284649.21
9	Plan Revenue Expenditure	22034.75	24568.24	25906.74	40593.69	47478.95	52290.09	57589.92	66645.65
10	Non-Plan Revenue Expenditure	101519.44	114167.74	128995.68	154083.63	154508.94	173667.98	197016.99	217285.33
11	Salary Expenditure	42734.33	50092.47	56928.16	61682.27	73437.66	85061.21	98529.34	109407.23
12	Pension	11682.00	13429.89	15186.23	17663.41	19929.09	24313.49	29662.46	34111.83
13	Interest Payments (Government Debt)	17504.63	19075.64	21207.00	24283.25	27662.56	29361.01	32394.20	35791.38
	Subsidies - Total (14+15)	11499.92	9952.45	12440.78	20588.59	14687.27	15421.63	16192.72	17002.35
14	Subsidies - General	6325.12	5035.18	7165.26	10088.59	9724.58	10210.81	10721.35	11257.42
15	Subsidies - Power	5174.80	4917.27	5275.52	10500.00	4962.69	5210.82	5471.37	5744.93
16	Total Revenue Expenditure (9+10)	123554.19	138735.98	154902.42	194677.32	201987.89	225958.07	254606.91	283930.98
17	Salaries+Pension+Interest (11+12+13)	71920.96	82598	93321.39	103628.93	121029.31	138735.71	160586.00	179310.44
18	as percentage of Revenue Receipts (17/8)	59.30	57.78	62.29	57.32	61.05	61.55	63.46	62.99
19	Revenue Surplus/Deficit (8-16)	(-)2268.05	4211.25	(-)5080.61	(-)13883.43	(-)3757.39	(-)570.42	(-)1551.05	718.23
B CONSOLIDATED REVENUE ACCOUNT									
1	Interest payments(Off-Budget Debt)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Consolidated Revenue Deficit (A19-B1)	(-)2268.05	4211.25	(-)5080.61	(-)13883.43	(-)3757.39	(-)570.42	(-)1551.05	718.23
C CONSOLIDATED DEBT									
1	Outstanding debt and liability inclusive of off-budget	225975.95	246691.94	269355.42	302577.99	333159.97	367012.61	404927.56	447392.31
2	Total outstanding guarantees of which guarantee on account of borrowings and Special Purpose Vehicle borrowings	11314.21	9388.19	7709.31	6500.31	6200.31	6000.31	5700.31	5500.31
D CAPITAL ACCOUNT									
1	Capital Outlay	17879.54	17397.97	20020.45	23342.23	27104.23	33386.10	36501.14	43291.66
2	Disbursement of Loans and advances	836.28	1415.94	1645.09	1055.29	969.84	1049.89	1073.67	1162.77
3	Recoveries of Loans and advances	558.74	862.85	728.03	1034.9	1098.45	1153.37	1211.04	1271.59
4	Other Capital Receipts	455.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E1	Fiscal Deficit (A19+D1+D2-D3-D4)	19969.30	13739.81	26018.12	37246.05	30733.01	33853.03	37914.82	42464.61
E2	Gross Fiscal Deficit (E1+B1)	19969.30	13739.81	26018.12	37246.05	30733.01	33853.03	37914.82	42464.61
	GSDP at current prices	1170121	1322222	1510132	1686695	1889098	2115790	2369685	2654047

Source: Information received from Finance Department, Government of Maharashtra

Appendix - 1.5											
(Reference: Paragraph 1.1.1; Page 2)											
Abstract of Receipts and Disbursements for the year 2016-17 as compared to 2015-16											
(₹ in crore)						(₹ in crore)					
Receipts				Disbursements							
2015-16			2016-17	2015-16			Non-Plan	Plan	Total	2016-17	
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Section-A : Revenue											
185035.68	I	Revenue receipts		204693.14	190374.05	I	Revenue expenditure	171140.14	42088.59	213228.73	213228.73
126608.11		Tax revenue	136616.32		64369.76		General services	70851.07	758.35	71609.42	
					82317.23		Social services	63956.54	26325.45	90281.99	
13423.01		Non-tax revenue	12709.34		42867.47		Education, Sports, Art and Culture	42699.97	2658.21	45358.18	
					9357.39		Health and Family Welfare	5639.06 [#]	4482.37	10121.44	
28105.95		State's share of Union Taxes	33714.90		9573.32 [#]		Water Supply, Sanitation, Housing and Urban Development	4558.46	10309.41	14867.87	
					82.54		Information and Broadcasting	60.35	33.15	93.50	
6079.21		Non-Plan grants	9072.48		8237.49		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3791.20	5395.60	9186.80	
					709.16		Labour and Labour Welfare	614.68	230.73	845.41	
790.51		Grants for State Plan Scheme	455.15		11407.47 [#]		Social Welfare and Nutrition	6523.88	3182.82	9706.70	
					82.39		Others	68.94	33.16	102.10	
10028.53		Grants for Central and Centrally sponsored Plan Schemes	12124.95		38051.97		Economic Services	29005.63	14836.91	43842.54	
					9660.35		Agriculture and Allied Activities	9451.68	3793.69	13245.37	
					5609.43		Rural Development	2546.47*	4472.02	7018.48	
					0.60		Special Areas Programmes	0.50	(-1.77)	(-1.27)	
					2758.19 [#]		Irrigation and Flood Control	2112.23	431.74	2543.97	
					9403.64		Energy	8665.50	945.23	9610.73	
					3279.20		Industry and Minerals	2806.89	295.24	3102.13	
					5540.74		Transport	3180.78	2925.13	6105.91	
					96.68		Science, Technology and Environment	0.01	237.31	237.32	
					1703.13		General Economic Services	241.57*	1738.32	1979.89*	
					5635.09		Grants-in-aid and Contributions	7326.90	167.88	7494.78	
5338.37	II	Revenue deficit carried over to Section B		8535.59		II	Revenue Surplus carried over to Section B	0.00	0.00	0.00	
[#] Lower rounding * Higher rounding											

Appendix-1.5 (contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Section B : Capital and Others										
49648.41	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	55552.60		III	Opening Overdraft from RBI			0	
16.89	IV	Miscellaneous Capital receipts	0.00	22793.16	IV	Capital Outlay	5200.90	20348.37	25549.27	25549.27
				1259.28		General Services	565.75	982.48	1548.23	
				2584.22		Social Services	1496.38	1770.13	3266.51	
				114.19		Education, Sports, Art and Culture	0.00	52.28	52.28	
				650.64		Health and Family Welfare	0.00	602.37	602.37	
				950.02		Water Supply, Sanitation, Housing and Urban Development	22.73	635.53	658.26 [#]	
				709.26		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	401.05	401.05	
				77.68		Social Welfare and Nutrition	(-)2.36	29.25	26.89	
				82.43		Others	1476.01	49.65	1525.66	
				18949.66		Economic Services	3138.76	17595.76	20734.52	
				3125.74		Agriculture and Allied Activities	1310.00	2106.88	3416.88	
				1463.85		Rural Development	0.00	1686.95	1686.95	
				58.10		Special Area Programme	0.00	83.53	83.53	
				8061.78		Irrigation and Flood Control	800.81	7963.39	8764.20	
				1379.06		Energy	0.00	658.10	658.10	
				72.06		Industry and Minerals	0.00	112.24	112.24	
				4725.46		Transport	486.98	4974.25	5461.23	
				63.61		General Economic Services	540.97	10.42	551.39	
				0		Science Technology and Environment	0.00	0.00	0.00	
865.11	V	Recoveries of Loans and Advances	1745.58	1114.63	V	Loans and Advances disbursed				6277.21
391.16		From Power Projects	1170.28	196.44		For Power Projects			5125.37	
263.52		From Government Servants	295.94	603.30		To Government Servants			717.36	
210.43		From others	279.36	314.89		To Others			434.48	
0	VI	Revenue surplus brought down			VI	Revenue deficit brought down				8535.59

[#] Lower rounding

Appendix-1.5 (concl.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
37976.41	VII	Public Debt receipts		48336.49	10043.10	VII	Repayment of Public Debt		11886.89
0		External debt	0		0		External debt	0.00	
37392.47		Internal debt other than Ways and Means Advances and Overdraft	47709.67		9138.49		Internal debt other than Ways and Means Advances and Overdraft	10917.34	
0		Net transactions under Ways and Means Advances including Overdraft	0		0		Net transactions under Ways and Means Advances including Overdraft	0.00	
583.94		Loans and Advances from Central Government	626.82		904.61		Repayment of Loans and Advances to Central Government	969.55	
2962	VIII	Appropriation from Contingency Fund	0.00	0.00	962	VIII	Appropriation to Contingency Fund	0.00	0.00
962	IX	Contingency Fund	0.00	0.00	2962	IX	Contingency Fund	0.00	0.00
72747.20	X	Public Account receipts		82466.49	66412.16	X	Public Account disbursements		67102.50
4798.96		Small Savings and Provident Funds	4947.53		3590.29		Small Savings and Provident Funds	3823.70	
7226.11		Reserve Funds	8566.92		3761.02		Reserve Funds	3284.16	
(-)569.16		Suspense and Miscellaneous	3034.27		306.93		Suspense and Miscellaneous	261.00	
26435.49		Remittances	26561.67		26670.89		Remittances	27217.95	
34855.80		Deposits and Advances	39356.10		32083.03		Deposits and Advances	32515.68	
	XI	Closing Overdraft from Reserve Bank of India			55552.60	XI	Cash Balance at end		68749.70
					0.04		Cash in Treasuries	0.04	
	XII	Inter State Settlement			(-)3375.55		Deposits with Reserve Bank	(-)3304.11	
					53.48		Local Remittances	53.44	
					6.92		Departmental Cash Balance	12.10	
					0.63		Permanent Advances	0.66	
					36169.84		Cash Balance Investment	44110.07	
					22697.24		Investment of earmarked balances	27877.50	
165178.02		Total		188101.16	165178.02		Total		188101.16

Source: Finance accounts of respective years

Appendix-1.6

(Reference: Paragraph 1.1.3; Page 5)

Outcome of analysis of budgetary assumptions during 2016-17

(₹ in crore)

	Budget estimates	Actuals	Increase(+)/ Decrease (-)	Increase (+)/ Decrease(-) (in per cent)
1	2	3	4 (3-2)	5
Revenue Receipts of which	220810	204693	(-)16117	(-)7.30
Tax Revenue	144222	136616	(-)7606	(-)5.27
<i>Taxes on Sales, Trade etc.</i>	81438	81174	(-)264	(-)0.32
<i>State excise</i>	15344	12288	(-)3056	(-)19.92
<i>Taxes on vehicles</i>	6750	6741	(-)9	(-)0.13
<i>Stamps and Registration fees</i>	23548	21012	(-)2536	(-)10.77
<i>Taxes on Goods and Passenger</i>	1276	1877	601	47.10
<i>Land Revenue</i>	3200	1799	(-)1401	(-)43.78
<i>Taxes and duties on electricity</i>	7913	6670	(-)1243	(-)15.71
<i>Other taxes</i>	4753	5055	302	6.35
Non-Tax Revenue	19997	12709	(-)7288	(-)36.45
<i>Interest Receipts</i>	1122	3259	2137	190.46
<i>Miscellaneous General Services</i>	2430	253	(-)2177	(-)89.59
<i>Non-ferrous Mining and Metallurgical Industries</i>	3400	3105	(-)295	(-)8.68
<i>Other Non-Tax Revenue</i>	13045	6092	(-)6953	(-)53.30
Share of Union Taxes and Duties	31627	33715	2088	6.60
Grants-in-aid from GoI	24964	21653	(-)3311	(-)13.26
Revenue Expenditure of which	224455	213229	(-)11226	(-)5
General Services	76717	71609	(-)5108	(-)6.66
<i>Administrative services</i>	21468	18544	(-)2924	(-)13.62
<i>Pension and Miscellaneous General Services</i>	19325	16999	(-)2326	(-)12.04
<i>Appropriation for reduction or avoidance of debt/transfer to RF</i>	2600	2600	0	0
<i>Interest Payments</i>	28220	28532	312	1.11
<i>Fiscal Services</i>	2928	3069	141	4.81
<i>Organs of State</i>	2177	1865	(-)312	(-)14.33
Social Services	98293	90282	(-)8011	(-)8.15
<i>Education, Sports, Art and Culture</i>	48707	45358	(-)3349	(-)6.88
<i>Social Welfare and Nutrition</i>	11389	9707	(-)1682	(-)14.77
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	10833	9187	(-)1646	(-)15.19
<i>Health and Family Welfare</i>	9862	10121	259	2.63
<i>Water Supply, Sanitation, Housing and Urban Development</i>	16105	14868	(-)1237	(-)7.68
<i>Information and Broadcasting</i>	99	94	(-)5	(-)5.05
<i>Labour and Labour Welfare</i>	1111	845	(-)266	(-)23.94
<i>Others</i>	187	102	(-)85	(-)45.45

Appendix-1.6 (concl.)				
1	2	3	4 (3-2)	5
Economic Services	40920	43842	2922	7.14
<i>Agriculture and Allied Services</i>	9349	13245	3896	41.67
<i>Rural Development</i>	12126	7018	(-5108)	(-42.12)
<i>Special Area Programme</i>	1	(-1)	(-2)	(-200)
<i>Irrigation and Flood Control</i>	3212	2544	(-668)	(-20.80)
<i>Energy</i>	5760	9611	3851	66.86
<i>Industry and Minerals</i>	3039	3102	63	2.07
<i>Transport and Communication</i>	5269	6106	837	15.89
<i>Science, Technology and Environment</i>	109	237	128	117.43
<i>General Economic Services</i>	2056	1980	(-76)	(-3.7)
Grants-in-aid and contributions	8524	7495	(-1029)	(-12.07)
Capital outlay	31006	25549	(-5457)	(-17.6)
<i>Irrigation and Flood Control</i>	8455	8764	309	3.65
<i>Transport and Communication</i>	5083	5461	378	7.44
<i>Energy</i>	1197	658	(-539)	(-45.03)
<i>Health and Family Welfare</i>	611	602	(-9)	(-1.47)
<i>Education, Sports, Art and Culture</i>	143	52	(-91)	(-63.64)
<i>Water Supply, Sanitation, Housing and Urban Development</i>	290	658	368	126.90
<i>Rural Development</i>	4393	1686	(-2707)	(-61.62)
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	1500	401	(-1099)	(-73.27)
<i>Others</i>	9334	7267	(-2067)	(-22.14)
Revenue surplus (+)/ deficits (-)	(-3645)	(-8536)	(-4891)	134.18
Fiscal surplus (+)/ deficits (-)	(-35031)	(-33657)	1374	(-3.92)
Primary surplus (+)/ deficits (-)	(-6812)	(-5125)	1687	(-24.77)
Source: Finance Accounts and Budget for 2016-17				

Appendix-1.7
(Reference: Paragraph 1.3; Page 9)
Time series data on State Government Finances

(₹ in crore)

	2012-13		2013-14		2014-15		2015-16		2016-17	
(1)	(2)		(3)		(4)		(5)		(6)	
Part A: Receipts										
1. Revenue Receipts	142947.23		149821.81		165415.46		185035.68		204693.14	
(i) Tax Revenue	103448.58	(72)	108597.96	(72)	115063.90	(69)	126608.11	(69)	136616.32	(67)
Taxes on Agricultural Income	0	(0)	0	(0)	0	(0)	0	(0)	0.00	(0)
Taxes on Sales, Trade, etc.	60079.72	(58)	62530.03	(58)	67466.29	(59)	69660.82	(55)	81174.17	(59)
State Excise	9297.11	(9)	10101.12	(9)	11397.08	(10)	12469.56	(10)	12287.91	(9)
Taxes on Vehicles	5027.42	(5)	5095.92	(5)	5404.97	(5)	6017.19	(5)	6741.21	(5)
Stamps and Registration fees	17548.25	(17)	18675.98	(17)	19959.29	(17)	21766.99	(17)	21011.83	(15)
Land Revenue	1074.02	(1)	1088.85	(1)	1272.38	(1)	1748.31	(1)	1799.39	(1)
Taxes on Goods and Passengers	690.74	(1)	1240.68	(1)	586.56	(0)	1582.13	(1)	1876.71	(1)
Other Taxes	9731.32	(9)	9865.38	(9)	8977.33	(8)	13363.11	(11)	11725.09	(9)
(ii) Non-tax Revenue	9984.4	(7)	11351.97	(8)	12580.89	(8)	13423.01	(7)	12709.34	(6)
(iii) State's share of Union taxes and duties	15191.92	(11)	16630.43	(11)	17630.03	(11)	28105.95	(15)	33714.90	(16)
(iv) Grants-in-aid from GoI	14322.33	(9)	13241.45	(9)	20140.64	(12)	16898.61	(9)	21652.58	(11)
2. Miscellaneous Capital Receipts	0		0		0		16.89		0.00	
3. Recoveries of Loans and Advances	862.85		728.03		975.08		865.11		1745.58	
4. Total revenue and non-debt capital receipts (1 + 2 + 3)	143810.08		150549.84		166390.54		185917.68		206438.72	
5. Public Debt Receipts	21725.12		26734.8		29373.28		37976.41		48336.49	
Internal Debt (excluding Ways and Means Advances and Overdrafts)	20974.33		25770.33		28831.02		37392.47		47709.67	
Net transactions under Ways and Means Advances and Overdraft	0		0		0		0		0	
Loans and Advances from Government of India ¹	750.79		964.47		542.26		583.94		626.82	
6. Appropriation from Contingency Fund	725		1350		2350		2962		0	
7. Inter-State settlement	0		0		0		0		0	
8. Total receipts in the Consolidated Fund (4+5+6+7)	166260.20		178634.64		198113.82		226856.09		254775.22	
9. Contingency Fund Receipts	875		859.62		4360		962		0	
10. Public Accounts receipts	47059.63		64020.19		83021.94		72747.20		82466.49	
11. Total receipts of the State (8+9+10)	214194.83		243514.45		285495.76		300565.29		337241.70	
Part B: Expenditure										
12. Revenue expenditure (per cent of 15)	138735.98		154902.42		177553.12		190374.05		213228.73	
Plan	24530.08	(18)	25910.34	(17)	31308.28	(18)	36056.40	(19)	42088.59	(20)
Non-Plan	114205.9	(82)	128992.08	(83)	146244.84	(82)	154317.65	(81)	171140.14	(80)
General Services (incl. Interests payments)	47665.67	(34)	53979.27	(35)	60485.77	(34)	64369.76	(34)	71609.42	(34)
Social Services	62038.97	(45)	70879.08	(46)	76952.49	(43)	82317.23	(43)	90281.99	(42)
Economic Services	27550.82	(20)	27991.32	(18)	37686.57	(21)	38051.97	(20)	43842.54	(21)
Grants-in-aid and Contribution	1480.52	(1)	2052.75	(1)	2428.29	(1)	5635.09	(3)	7494.78	(4)
13. Capital outlay (per cent of 15)	17397.98		20020.45		19523.47		22793.16		25549.27	
Plan	15094.60	(87)	17681.42	(88)	16244.67	(83)	20165.05	(88)	20348.37	(80)
Non-Plan	2303.38	(13)	2339.03	(12)	3278.80	(17)	2628.11	(12)	5200.90	(20)
General Services	901.69	(5)	1038.52	(5)	865.31	(4)	1259.28	(6)	1548.23	(6)
Social Services	1823.98	(10)	2273.94	(11)	1957.82	(10)	2584.22	(11)	3266.51	(13)
Economic Services	14672.31	(84)	16707.99	(83)	16700.34	(86)	18949.66	(83)	20734.52	(81)
Figures in parenthesis represent percentages (rounded) to total of each sub-heading										

¹ Includes Ways and Means Advances

Appendix-1.7 (contd.)					
(1)	(2)	(3)	(4)	(5)	(6)
14. Disbursement of Loans and Advances (per cent of 15)	1415.94(1)	1645.10 (1)	1140.54 (1)	1114.63 (1)	6277.21 (3)
15. Total (12+13+14)	157549.90	176567.97	198217.13	214281.84	245055.20
16. Repayments of Public Debt	6652.52	10261.86	8827.78	10043.10	11886.89
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5959.59	9391.09	7941.54	9138.49	10917.34
Net transactions under Ways and Means Advances and Overdrafts	0	0	0	0	0.00
Loans and Advances from Government of India ²	692.93	870.77	886.24	904.61	969.55
17. Appropriation to Contingency Fund	875	850	4350	962	0.00
18. Total disbursement out of Consolidated Fund (15+16+17)	165077.42	187679.83	211394.91	225286.94	256942.10
19. Contingency Fund disbursements	734.62	1360	2350	2962	0
20. Public Account disbursements	35511.03	56434.89	68985.90	66412.16	67102.50
21. Total disbursement by the State (18+19+20)	201323.07	245474.72	282730.81	294661.10	324044.60
Part C: Deficits					
22. Revenue Deficit(-)/Surplus (+) (1-12)	4211.25	(-)5080.61	(-)12137.66	(-) 5338.37	(-)8535.59
23. Fiscal Deficit (-)/Surplus (+) (4-15)	(-)13739.82	(-)26018.13	(-)31826.59	(-) 28364.16	(-)33656.74
24. Primary Deficit (-)/Surplus (+) (23-25)	5335.82	(-)4811.09	(-)7861.85	(-) 2592.75	(-)5124.82
Part D : Other Data					
25. Interest Payments (included in revenue expenditure)	19075.64	21207.04	23964.74	25771.41	28531.92
26. Financial Assistance to local bodies etc.	63767.9	68049.83	72710.98	82100.62	96838.55
27. Ways and Means Advances/Overdraft availed (days)					
Ways and Means availed (days)	8	5	27 days	nil	0
Overdraft availed (days)	nil	nil	nil	nil	0
28. Interest on WMA/Overdraft	0.22	0.40	5.12	0	0
29. Gross State Domestic Product (GSDP)	1448466	1647506	1792122	2001223 ³	2267789 ⁴
30. Outstanding Fiscal liabilities (year-end)	269047	293805	319746	351341	395858
31. Outstanding guarantees (year-end) ⁵ (including interest)	9245.72	7234.57	7999.45	7234.57	7305.77
32. Maximum amount guaranteed (year-end)	41352.75	32247.11	34563.60	32247.11	22802.04
33. Number of ongoing projects	782	753	592	460 ⁶	447 ⁵
34. Capital blocked in ongoing projects	62152.25	62145.87	65146.79	49957.03 ⁶	76840.95 ⁵

² Includes Ways and Means Advances from GoI

³ Actuals as per Economic Survey of Maharashtra 2016-17

⁴ Advance estimates as per Economic Survey of Maharashtra 2016-17

⁵ As per Finance Accounts of respective years

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

⁵ Includes 19 projects amounting to ₹ 56.17 crore related to Roads, Bridges and Buildings

Appendix-1.7 (concl.)					
(1)	(2)	(3)	(4)	(5)	(6)
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	7.14	6.59	6.42	6.33	6.02
Own Non-Tax Revenue/GSDP	0.69	0.69	0.7	0.67	0.56
Central Transfers/GSDP	1.05	1.01	0.98	1.40	1.49
II Expenditure Management					
Total Expenditure/GSDP	10.88	10.72	11.06	10.71	10.81
Total Expenditure/Revenue Receipts	110.2	117.90	119.80	115.81	119.72
Revenue Expenditure/Total Expenditure	88.10	87.70	89.60	88.84	87.01
Expenditure on Social Services/Total Expenditure	40.50	41.40	38.80	38.42	36.84
Expenditure on Economic Services/Total Expenditure	26.80	25.30	27.40	17.76	17.89
Capital Expenditure/Total Expenditure	11.0	11.30	9.80	10.64	10.43
Capital Expenditure on Social and Economic Services/Total Expenditure.	10.50	10.80	9.40	10.05	9.79
Education, Sports, Art and Culture /Total Expenditure	21.3	21.4	19.9	19.8	18.3
Health & Family Welfare/Total Expenditure	3.8	3.9	4.3	4.4	4.1
III Management of Fiscal Imbalances					
Revenue deficit /GSDP	0.29	(-)0.31	(-)0.68	(-)0.27	(-)0.38
Fiscal deficit/GSDP	(-)0.95	(-)1.58	(-)1.78	(-)1.42	(-)1.48
Primary Deficit (surplus) /GSDP	0.37	(-)0.29	(-)0.44	(-)0.13	0.23
Revenue Deficit (surplus)/Fiscal Deficit	(-)30.65	19.53	38.14	18.82	25.36
Primary Revenue Deficit (surplus)/GSDP	1.67	1.02	0.71	1.07	0.96
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	18.57	17.83	17.84	17.56	17.46
Fiscal Liabilities/RR	188.21	196.10	193.30	189.88	193.39
Primary deficit vis-à-vis quantum spread (percentage)	32.51	(-)28.84	(-)275.86	(-)36.86	25.68
Debt Redemption (Principal +Interest)/ Total Debt Receipts	103.03	102.79	97.16	82.55	74.20
V Other Fiscal Health Indicators					
Return on Investment	0.05	0.02	0.03	0.05	0.05
Balance from Current Revenue (₹ in crore)	20332	14713	8224	22119	23573
Financial Assets/Liabilities	0.80	0.80	0.80	0.80	0.80
Source: Finance Accounts of the respective years					

Appendix-1.8
(Reference: Paragraph 1.7.2; Page 36)
**Details of Government investments and accumulated losses
in Government Companies as of September 2017**

(₹ in crore)

Sl. No.	Sector & Name of the Company	Period of accounts	Year in which accounts finalised	State Government Equity	State Government Loan	Net profit/(loss)	Accumulated Profit/(loss)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A.							
FINANCE							
1	Kolhapur Chitranagri Mahamandal Limited	1998-99	2013-14	3.24	0.13	(0.14)	(1.61)
2	Maharashtra State Handlooms Corporation Limited	2015-16	2016-17	88.71	22.63	(4.07)	(128.71)
Sector wise Total				91.95	22.76	(4.21)	(130.32)
INFRASTRUCTURE							
3	Development Corporation of Konkan Limited	2016-17	2017-18	8.81	5.92	(0.34)	(15.38)
4	Maharashtra State Road Development Corporation Limited	2014-15	2016-17	773.56	-	(111.82)	(3409.02)
5	Mihan India Limited	2015-16	2016-17	0	0	(13.92)	(56.92)
Sector wise Total				782.37	5.92	(126.08)	(3481.32)
MANUFACTURING							
6	Haffkine Ajintha Pharmaceuticals Limited	2015-16	2016-17	-	-	(3.96)	(9.62)
		2016-17	2017-18	-	-	(3.04)	(13.07)
7	Mahaguj Collieries Limited	2015-16	2016-17	0	0	(1.20)	(1.20)
		2016-17	2017-18	0	0	(0.87)	(2.01)
8	Maharashtra State Powerlooms Corporation Limited	2014-15	2016-17	12.77	0.2	(0.72)	(11.93)
Sector wise Total				12.77	0.2	(9.79)	(37.83)
POWER							
9	Dhopave Coastal Power Limited	2015-16	2016-17	0	0	(8.29)	(8.30)
		2016-17	2017-18	0	0	0	(8.30)
10	Maharashtra Power Development Corporation Limited	2015-16	2016-17	0	0	(0.17)	(1012.89)
		2016-17	2017-18	0	0	(0.15)	(1013.04)
11	Maharashtra State Electricity Distribution Company Limited	2015-16	2016-17	0	85.11	(15021.09)	(22279.76)
12	Maharashtra State Power Generation Company Limited	2015-16	2016-17	0	0.02	(8742.04)	(6587.31)
		2016-17	2017-18			(929.71)	(7072.38)
Sector wise total				0	85.13	(24701.45)	(37981.98)
Total A (All sector wise working Government companies)				887.09	114.01	(24841.53)	(41631.45)
B. Working Statutory corporations							
SERVICE							
1	Maharashtra State Road Transport Corporation	2015-16	2016-17	3202.99	0	(121.88)	(1807.23)
Sector wise total				3202.99	0	(121.88)	(1807.23)

Appendix-1.8 (concl...)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FINANCE							
2	Maharashtra State Finance Corporation	2014-15	2015-16	34.28	0	(13.78)	(687.90)
Sector wise Total				34.28	0	(13.78)	(687.90)
Total B (All sector wise working Statutory corporations)				3237.27	0	(135.66)	(2495.13)
Grand Total (A + B)				4124.36	114.01	(24977.19)	(44126.58)
C. Non working Government companies							
AGRICULTURE & ALLIED							
1	Dairy Development Corporation of Marathwada Limited	2015-16	2017-18	0	0	0	(3.09)
2	Ellora Milk Products Limited	2015-16	2017-18	0	0	0	(1.04)
3	Parbhani Krishi Go-samvardhan Limited	2015-16	2017-18	0	0	(0.01)	(1.03)
4	Vidarbha Quality Seeds Limited	2014-15	2016-17	0	0	(0.002)	(0.40)
		2015-16	2016-17	0	0	(0.00)	(0.40)
		2016-17	2017-18	0	0	(0.00)	(0.40)
Sector wise Total				0	0	(0.01)	(6.36)
INFRASTRUCTURE							
5	Development Corporation of Vidarbha Limited	2015-16	2016-17	7.17	0	(0.06)	(14.51)
Sector wise Total				7.17	0	(0.06)	(14.51)
MANUFACTURING							
6	Godavari Garments Limited	2015-16	2017-18	0	0	0	(8.17)
7	Kinwat Roofing Tiles Limited	2015-16	2017-18	0	0	0	(1.20)
8	Maharashtra Electronics Corporation Limited	2015-16	2016-17	9.69	0	(20.21)	(335.36)
9	Maharashtra State Textile Corporation Limited	2015-16	2016-17	236.16	57.72	(40.24)	(1004.03)
		2016-17	2017-18	236.16		(41.14)	(1045.17)
10	Sahyadri Glass Works Limited	1993-94	1995-96	0	0	(0.41)	(9.22)
11	The Gondwana Paints and Minerals Limited	2016-17	2017-18	0	0	(0.004)	(1.43)
12	The Pratap Spinning, Weaving and Manufacturing Company Limited	2015-16	2016-17	0	0	(0.01)	(63.88)
Sector wise Total				482.01	57.72	(102.01)	(2468.46)
MISCELLANEOUS							
-	-	-	-	-	-	-	-
Sector wise Total				0	0	0	0
Total C (All sector wise non-working Government Companies)				489.18	57.72	(102.08)	(2489.33)
Grand Total (A + B+C)				4613.54	171.73	(25079.27)	(46615.91)

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

Appendix 1.9
(Reference paragraph 1.7.2.1; Page 37)
**Summarised financial statement of Departmentally managed
Commercial/Quasi-Commercial Undertakings**

Sr. No.	Name of the Undertaking	Year of commencement	Period of accounts	Mean Government capital	Block Assets at depreciated cost	Depreciation provided during the year	Turnover	Net Profit (+)/Loss (-)	Interest on capital	Total return (9+10)	Percentage return on capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Amount (₹ in lakh)											(in per cent)
Agriculture, Animal husbandry, Dairy development and fisheries department											
Mumbai Region											
1	Greater Mumbai Milk Scheme, Worli	1947	2015-16	0.00	1674.12	65.81	5280.25	(-)3430.66	0.00	(-)3430.66	0.00
2	Milk Transport Scheme, Worli	1951	2006-07	261.62	65.00	6.27	872.07	0.00	27.47	27.47	10.50
3	Mother Dairy, Kurla	1975	2015-16	2372.05	1293.74	54.43	2152.27	(-)2004.22	249.07	(-)1755.15	(-)73.99
4	Central Dairy, Goregaon	1951	2014-15	9169.28	677.72	38.19	1202.09	(-)1883.08	962.77	(-)920.30	(-)10.04
5	Unit Scheme, Mumbai	1950	2014-15	3143.95	2508.66	71.17	0.00	61.33	330.11	391.44	12.45
6	Agricultural Scheme, Mumbai	1950	2014-15	991.84	964.64	20.82	0.00	(-)140.14	104.14	(-)35.99	(-)3.63
7	Electrical Scheme, Mumbai	1950	2014-15	419.51	10.52	0.61	0.00	(-)274.60	44.05	(-)230.55	(-)54.96
8	Water Supply Scheme, Mumbai	1950	2014-15	1381.06	838.60	37.61	0.00	(-)605.49	145.01	(-)460.48	(-)33.34
9	Cattle Feed Scheme, Mumbai	1950	2014-15	(-)132.38	17.82	0.61	0.00	413.66	(-)13.90	399.76	(-)301.98
10	Cattle Breeding and Rearing Farm, Palghar	1979	2015-16	117.80	43.62	2.30	0.00	(-)101.62	12.37	(-)89.26	(-)75.77
11	Dairy Project, Dapchari	1960	2015-16	1061.91	368.20	19.38	35.57	(-)964.42	111.50	(-)852.92	(-)80.32
12	Government Milk Scheme, Bhiwandi	1987	2015-16	133.87	24.94	0.03	0.00	(-)30.94	14.06	(-)16.89	(-)12.61
13	Government Milk Chilling Centre, Saralgaon (Dist.: Thane)	1978	2015-16	42.20	11.11	0.25	0.00	(-)14.21	4.43	(-)9.77	(-)23.16
14	Government Milk Scheme, Khopoli	1966	2015-16	267.41	109.78	9.21	480.49	(-)139.28	28.08	(-)111.20	(-)41.59

Appendix-1.9 (contd...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
15	Government Milk Scheme, Mahad	1966	2015-16	136.85	65.70	9.01	0.00	(-)55.92	14.37	(-)41.55	(-)30.36
16	Government Milk Scheme, Chiplun	1966	2015-16	299.42	65.52	3.86	338.37	(-)150.92	31.44	(-)119.48	(-)39.90
17	Government Milk Scheme, Ratnagiri	1965	2015-16	584.49	100.79	3.03	357.33	(-)216.07	61.37	(-)154.70	(-)26.47
18	Government Milk Scheme, Kankavali	1966	2014-15	218.58	211.95	5.95	35.88	(-)125.76	22.95	(-)102.81	(-)47.04
	TOTAL	---		20544.37	9044.84	340.71	11292.14	(-)9694.29	2157.15	(-)7537.12	(-)36.69
	Pune Region										
19	Government Milk Scheme, Pune	1950	2015-16	279.91	346.80	16.16	1190.97	(-)804.65	29.39	(-)775.26	(-)276.97
20	Government Milk Scheme, Mahabaleshwar	1966	2015-16	143.82	37.10	2.73	0.00	(-)85.61	15.10	(-)70.51	(-)49.03
21	Government Milk Scheme, Satara	1979	2015-16	412.50	285.36	4.40	2519.82	(-)254.05	43.31	(-)210.74	(-)51.09
22	Government Milk Scheme, Miraj	1961	2015-16	5964.13	431.29	23.61	7951.48	(-)5214.64	626.23	(-)4588.40	(-)76.93
23	Government Milk Scheme, Solapur	1960	2015-16	124.26	25.23	1.73	0.00	(-)198.32	13.05	(-)185.28	(-)149.11
	TOTAL			6924.63	1125.78	48.62	11662.27	(-)6557.28	727.09	(-)5830.20	(-)84.20
	Nashik Region										
24	Government Milk Scheme, Nashik	1960	2015-16	130.52	59.25	2.19	0.00	(-)188.22	13.70	(-)174.51	(-)133.71
25	Government Milk Scheme, Wani (Dist.: Nashik)	1978	2015-16	27.55	13.48	0.02	0.00	(-)40.59	2.89	(-)37.70	(-)136.82
26	Government Milk Scheme, Ahmednagar	1969	2015-16	261.02	106.25	8.94	0.00	(-)284.67	27.41	(-)257.26	(-)98.56
27	Government Milk Scheme, Chalisgaon	1969	2015-16	151.57	2.36	0.14	0.00	(-)88.98	15.92	(-)73.06	(-)48.20
28	Government Milk Scheme, Dhule	1961	2015-16	579.33	197.70	9.18	0.00	(-)233.48	60.83	(-)172.65	(-)29.80
	TOTAL			1149.99	379.03	20.48	0.00	(-)835.94	120.75	(-)715.19	(-)62.19
	Aurangabad Region										
29	Government Milk Scheme, Aurangabad	1962	2015-16	1682.80	225.84	6.66	1019.02	(-)647.79	176.69	(-)471.10	(-)27.99
30	Government Milk Scheme, Udgir	1971	2015-16	2096.90	634.77	34.02	2911.86	(-)1630.56	220.17	(-)1410.38	(-)67.26
31	Government Milk Scheme, Beed	1976	2015-16	1958.61	514.50	15.46	698.58	(-)620.43	205.65	(-)414.77	(-)21.18
32	Government Milk Scheme, Nanded	1977	2015-16	519.10	91.22	1.35	1867.13	(-)492.47	54.51	(-)437.96	(-)84.37
33	Government Milk Scheme, Bhoom	1978	2015-16	1311.05	121.80	5.95	332.82	(-)376.51	137.66	(-)238.85	(-)18.22
34	Government Milk Scheme, Parbhani	1979	2015-16	3303.80	61.08	2.89	2518.67	(-)784.53	346.90	(-)437.64	(-)13.25
	TOTAL			10872.25	1649.22	66.32	9348.07	(-)4552.30	1141.59	(-)3410.71	(-)31.37
	Amravati Region										
35	Government Milk Scheme, Amravati	1962	2015-16	1179.75	899.10	4.38	315.25	(-)420.62	123.87	(-)296.75	(-)25.15
36	Government Milk Scheme, Akola	1962	2015-16	1564.13	403.94	45.18	931.59	(-)706.31	164.23	(-)542.07	(-)34.66
37	Government Milk Scheme, Yavatmal	2000	2015-16	932.28	178.40	5.24	68.27	(-)234.30	97.89	(-)136.41	(-)14.63
38	Government Milk Scheme, Nandura	1979	2014-15	279.78	56.07	1.53	99.23	(-)105.59	29.38	(-)76.21	(-)27.24
	TOTAL			3955.94	1537.51	56.33	1414.34	(-)1466.82	415.38	(-)1051.44	(-)26.58

Appendix-1.9 (concl...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Nagpur Region											
39	Government Milk Scheme, Nagpur	1958	2014-15	0.00	1098.11	6.65	0.00	(-)631.65	0.00	(-)631.65	0.00
40	Government Milk Scheme, Wardha	1976	2015-16	1098.53	29.38	1.19	1287.48	(-)338.62	115.35	(-)223.27	(-)20.32
41	Government Milk Scheme, Chandrapur	1979	2015-16	0.00	80.41	3.05	1333.96	(-)317.17	0.00	(-)317.17	0.00
42	Government Milk Scheme, Gondia	1979	2015-16	3078.97	127.74	3.96	1352.05	(-)737.69	323.29	(-)414.40	(-)13.46
	TOTAL			4177.50	1335.64	14.85	3973.49	(-)2025.13	438.64	(-)1586.49	(-)37.98
Land Development Bulldozer Scheme											
43	Land Development by Bulldozer Scheme, Pune	1944	1994-95	144.26	77.47	4.52	46.75	(-)72.83	18.75	(-)54.08	(-)37.49
44	Land Development by Bulldozer Scheme, Aurangabad	1960	1998-99	32.99	1.05	0.00	2.02	(-)23.42	4.78	(-)18.64	(-)56.50
45	Land Development by Bulldozer Scheme, Amravati	1965	1995-96	2.82	0.41	0.00	1.80	(-)4.46	0.40	(-)4.06	(-)143.97
46	Land Development by Bulldozer Scheme, Nagpur	1996	1996-97	2.17	0.23	0.00	1.81	0.21	0.32	0.53	24.42
	TOTAL			182.24	79.16	4.52	52.38	(-)100.50	24.25	(-)76.25	(-)41.84
Revenue and Forest Department											
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills and Timber Depot	1926	1985-86	1857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
	TOTAL			1857.85	15.27	9.27	826.24	383.32	170.74	554.06	29.82
Food Civil Supplies and Consumer Protection Department											
48	Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	1959	2015-16	87855.59	110.44	42.10	51276.37	(-)14511.85	8786.13	(-)5725.72	(-)6.52
49	Procurement and Distribution and Price Control Scheme in Mofussil Area	1957	2015-16	109865.86	2179.98	73.25	95536.72	24851.20	11170.94	36022.14	32.79
	TOTAL			197721.45	2290.42	115.35	146813.09	10339.35	19957.07	30296.42	15.32

Source: *Proforma* Accounts

Proforma accounts of Procurement and Distribution and Price Control Scheme in Mumbai and Thane Rationing Area (2014-15); Procurement and Distribution and Price Control Scheme in Mofussil Area (2014-15) and Cattle Breeding and Rearing Farm, Palghar (2014-15) were received and finalised during the year 2016-17.

Appendix-1.10			
(Reference: Paragraph 1.8.1; Page 40)			
Summarised financial position of the Government of Maharashtra as on 31 March 2017			
(₹ in crore)			
As on 31/03/2016	Liabilities	As on 31/03/2017	
257159.44	Internal Debt		293951.78
176492.46	Market Loans bearing interest	216841.70	
21.28	Market Loans not bearing interest	21.17	
507.04	Loans from LIC	352.98	
80138.76	Loans from other institutions	76735.93	
--	Ways and Means Advances/Overdrafts from Reserve Bank of India	--	
8228.57	Loans and Advances from Central Government		7885.85
6.73	Pre 1984-85 Loans	6.73	
58.31	Non-Plan Loans	52.51	
8163.53	Loans for State Plan Schemes	7826.61	
0	Loans for Central Plan Schemes	0.00	
0	Loans for Centrally Sponsored Plan Schemes	0.00	
0	Ways and Means Advances	0.00	
150	Contingency Fund		150.00
23521.48	Small Savings, Provident funds etc.		24645.31
52896.22	Deposits		59736.59
32232.81	Reserve Funds		37515.56
10075.27	Suspense and Miscellaneous Balances		12848.51
917.10	Remittances		260.82
385180.89	TOTAL		436994.42
As on 31/03/2016	Assets	As on 31/03/2017	
235671.67	Gross Capital Outlay on Fixed Assets		261225.30
120306.88 [§]	Investments in shares of Companies, Corporations etc.	129983.79	
115369.16 [§]	Other Capital Outlay	131241.51 ^{&}	
22071.77	Loans and Advances		26603.40
6340.12	Loans for Power Projects	10295.21	
14097.17	Other Development Loans	14252.29	
1634.48	Loans to Government servants	2055.90	
12.66	Advances		12.61
55552.60	Cash		68749.70
0.04	Cash in Treasuries	0.04	
(-)3375.55	Deposits with Reserve Bank	(-)3304.11	
53.48	Local remittances	53.44	
6.92	Departmental Cash Balance	12.10	
0.63	Permanent Advances	0.66	
36169.84	Cash Balance Investments	44110.07	
22697.24	Investment of earmarked balances	27877.50	
72405.90	Deficit on Government Accounts		80937.12
5338.37	(i) Revenue surplus/deficit of the current year	8535.59	
	(ii) Proforma correction	(-)4.37	
-1999.98	(iii) Amount closed to Government Accounts	0.00	
69067.51	Accumulated deficit upto 31 March 2016	72405.90	
(-)533.71	Capital Receipts		(-)533.71
(-)516.82	Upto previous year	(-)533.71	
(-)16.89	During the year	0.00	
385180.89	TOTAL		436994.42

Source: Finance Accounts of respective years

Explanatory Notes for Appendices 1.5, 1.7 and 1.10

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 1.10**, 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 ₹ 46.68 crore (credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is mainly due to "Treasury/Bank" difference of ₹ 46.68 crore.

* Higher rounding

Lower rounding

§ ₹ 4.37 crore adjusted proforma correction due to rectification of balances during previous year

& ₹ 0.01 crore adjusted proforma correction due to rectification of balances owing to rounding off the transactions during previous years

Appendix-1.11				
<i>(Reference: Paragraph 1.8.3; Page 42)</i>				
Active and inoperative reserve funds				
(₹ in crore)				
Classification	Opening balance	Receipts	Payments	Closing balance
Active reserve funds				
8115-103 - Depreciation Reserve Fund - Road Transport Department Depreciation Fund	0.27	0	0	0.27
8121-109 - General Insurance Fund	147.52*	244.06	244.62	146.96
8222 - Sinking Funds	22671.85	5181.56	0	27853.41
8229-101-Dev. Fund for Edu.- Library fund	27.75*	127.11	154.86	0
8229-119 - Employment Guarantee Fund	9073.08*	0.02	182.68	8890.42
Fund for Development schemes-Cotton price Fluctuation Fund	8.94	0	0	8.94
Consumer Protection Fund	11.53	0.89	0.23	12.19
Maharashtra Mining Development Fund	223.22	10	0	233.22
8235-200 - Other funds - Special fund for compensatory Afforestation	38.34	0	0	38.34
8121-122-State Disaster Response Fund	0	302.80	0	302.80
Total	32202.50*	5866.44	582.39	37486.55
Inoperative reserve funds				
8115-103 - Depreciation Reserve Fund Road Transport Department Betterment Fund	0.08	0	0	0.08
8121-101 - General and Other Reserve Funds of Government Commercial Departments/ Undertakings	0.06	0	0	0.06
8229-102 - Development Funds for Medical and Public Health	0.08	0	0	0.08
8229-104 - Development Funds for Animal Husbandry Purposes	0.12	0	0	0.12
8229-107 - Funds for Development of Milk Supply	1.10	0	0	1.10
8229-200 - Other Development and Welfare Fund - Guarantee reserve Fund	23.36	0	0	23.36
8229-200 - Other Development and Welfare Fund - State Transport Road Development Fund	0.24	0	0	0.24
8235-101-Calamity Relief Fund	0.33	0	0	0.33
8235-200 - Other funds - Food grains Reserve Funds	3.64	0	0	3.64
Total	29.01	0	0	29.01
Grand Total	32231.51	5866.44	582.39	37515.56
Source: Finance Accounts 2016-17				
* Figures differs from previous year due to corrections				

Appendix-2.1				
(Reference: Paragraph 2.3.1; Page 53)				
Grants/appropriations closed with excess over provisions during 2016-17 requiring regularisation				
(₹ in crore)				
Sr. No.	Name and the title of the Voted grant/ Charged appropriation	Total Grant	Expenditure	Excess
Revenue Section				
1	A01 Governor and Council of Ministers (Revenue - Voted)	15.40	15.42	0.02
2	H05 Roads and Bridges (Revenue - Voted)	3346.87	3352.10	5.23
3	O16 District Plan - Thane (Revenue - Voted)	168.86	176.92	8.06
4	O18 District Plan - Ratnagiri (Revenue - Voted)	115.07	115.54	0.47
5	O24 District Plan - Kolhapur (Revenue - Voted)	164.62	164.68	0.06
6	O25 District Plan - Nasik (Revenue Section)	219.30	234.53	15.23
7	O27 District Plan - Jalgaon (Revenue - Voted)	185.65	186.94	1.29
8	O29 District Plan - Nandurbar (Revenue - Voted)	63.09	67.32	4.23
9	O30 District Plan - Aurangabad (Revenue Section)	150.81	169.49	18.68
10	O31 District Plan - Jalna (Revenue Section)	115.13	115.15	0.02
11	O32 District Plan - Parbhani (Revenue - Voted)	105.02	108.82	3.80
12	O34 District Plan - Beed (Revenue - Voted)	135.72	147.88	12.16
13	O35 District Plan - Latur (Revenue Section)	133.90	139.46	5.56
14	O39 District Plan - Wardha (Revenue Section)	75.17	90.04	14.87
15	O43 District Plan - Gondia (Revenue Section)	81.98	85.45	3.47
16	O47 District Plan - Buldhana (Revenue - Voted)	146.15	154.40	8.25
17	W07 Revenue Expenditure on Removal of Regional Imbalance (Revenue - Voted)	17.76	18.16	0.40
Capital Section				
18	O13 Loans to Government servants,etc. (Capital Section)	1.04	1.40	0.36
19	O21 District Plan - Satara (Capital Section)	91.00	91.24	0.24
20	O23 District Plan - Solapur (Capital Section)	78.99	90.27	11.28
21	O26 District Plan - Dhule (Capital Section)	50.94	51.26	0.32
22	O28 District Plan - Ahmednagar (Capital Section)	93.32	94.33	1.01
23	O33 District Plan -Nanded (Capital Section)	87.02	88.90	1.88
24	O36 District Plan - Osmanabad (Capital Section)	68.54	68.78	0.24
25	O37 District Plan - Hingoli (Capital Section)	43.10	47.33	4.23
26	O38 District Plan - Nagpur (Capital Section)	103.11	116.58	13.47
27	O41 District Plan - Chandrapur (Capital Section)	86.37	95.72	9.35
28	O46 District Plan - Yevatmal (Capital Section)	103.41	120.39	16.98
29	O48 District Plan - Washim (Capital Section)	39.05	39.89	0.84
30	V06 Loans to Government Servants, etc. (Capital Section)	9.08	9.11	0.03
Charged Appropriation				
31	C01 Revenue and District Administration (Revenue Section)	2.71	2.74	0.03
32	C03 Interest Payments (Revenue - Section)	0.01	0.06	0.05
33	L01 Interest Payments (Revenue - Section)	960.18	965.07	4.89
34	W01 Interest Payments (Revenue - Section)	173.08	173.77	0.69
Total		7231.45	7399.14	167.69

Source: Appropriation Accounts 2016-17

Appendix-2.2 (Reference: Paragraph 2.3.1.1; Page 53) Grants/appropriation closed with excess over provisions of previous years requiring regularisation (₹ in crore)			
Years	No. of grant/ appropriations	Grant/appropriation numbers	Amount of excess required to be regularised as commented in the Appropriation Accounts/Audit Reports
2013-14	36/3	C-02, C-11, G-06, I-01, I-06, L-02, O-15, O-16, O-17, O-18, O-19, O-20, O-21, O-22, O-23, O-24, O-25, O-26, O-27, O-28, O-29, O-30, O-31, O-32, O-33, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, O-48, W-07	604.64
2014-15	29/3	C-05, G-09, I-06, M-04, O-15, O-17, O-18, O-20, O-21, O-23, O-25, O-27, O-28, O-29, O-30, O-31, O-33, O-34, O-35, O-36, O-37, O-38, O-40, O-41, O-42, O-43, O-44, O-45, O-46, O-47, O-48, ZC-01	3817.72
2015-16	28/4	C-06, C-11, D-01, K-03, L-01, O-15, O-16, O-17, O-18, O-20, O-23, O-25, O-27, O-28, O-30, O-31, O-32, O-35, O-36, O-37, O-38, O-39, O-40, O-41, O-42, O-43, O-46, O-47, O-48, Q-02, U-01, W-07	564.82
	93/10	Total	4987.18
Source: Appropriation Accounts of respective years			

Appendix-2.3

(Reference: Paragraph 2.3.1.2; Page 54)

Sub-head wise persistent excess over provision

(₹ in crore)

Sr. No.	GRNT	Major Head	Sub Major Head	Minor Head	SCH [#]	Sub Head	Sub-Head Description	V/C ^{\$}	2014-15	2015-16	2016-17
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	D05	2403	00	101		022	Hospitals and Dispensaries - State Plan Scheme	V	3.89	4.81	6.40
2	D05	2404	00	102	B	070	Aarey Milk Colony - Land and Buildings	V	1.63	7.34	7.27
3	D05	2404	00	102	H	077	Dairy Project Dapchari - Land and Buildings	V	1.93	2.08	3.19
4	D05	2404	00	201	E	068	Greater Mumbai Milk Scheme - Land and Buildings	V	3.13	2.50	6.95
5	D05	2404	00	224	B	218	Government Milk Scheme Parbhani - Procurement	V	6.47	2.07	2.94
6	D05	2404	00	224	D	220	Government Milk Scheme Parbhani - Distribution	V	1.75	1.97	1.05
7	D05	2404	00	230	B	151	Government Milk Scheme Arvi-Wardha - Procurement	V	2.21	3.07	2.94
8	F02	2217	80	192		812	Grants to Municipal Councils in the State under Maharashtra Nagarothan Maha Abhiyan	V	1.52	38.52	79.52
9	G06	2071	01	115		059	Leave Encashment Benefits	V	425.45	390.75	233.14
10	J01	2014	00	114		030	Mofussil Officers	V	1.91	7.33	5.23
11	J01	2014	00	114		031	Maharashtra State Legal Services Authority	V	2.08	2.19	2.15
12	O14	2217	80	191		833	Grants to Municipal Corporations for Maharashtra Nagrothan Maha-Abhiyan	V	8.59	1.76	4.10
13	O15	3435	04	103		059	Grant-in-aid to Mumbai Municipal Corporation for aesthetic improvements in Greater Mumbai	V	1.75	5.95	12.62
14	O17	2406	01	070		738	Soil and Water Conservation Works in Forest	V	2.71	4.98	2.70
15	O20	3054	04	800		204	Grants to Zilla Parishad for Development and Strengthening of Village Roads	V	2.90	5.46	5.49
16	O25	2406	02	110		601	Nature Conservation and Wild Life Management	V	4.75	1.27	2.34

Scheme \$ Voted/Charged

Appendix-2.3 (contd..)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
17	O25	2702	80	196		563	Grants to Zilla Parishad for Minor Irrigation Works (0 to 100 Hectares)	V	1.10	42.75	19.53
18	O27	2217	80	192		941	Improvement in Urban areas other than backward areas	V	2.00	11.00	2.91
19	O28	2425	00	107		183	Dr. Panjabrao Deshmukh Interest Rebate Scheme	V	4.00	9.85	7.23
20	O29	2515	00	198		155	Grants to Village Panchayats for providing Civic Facilities	V	6.00	1.26	6.55
21	O30	2425	00	107		187	Dr. Panjabrao Deshmukh Interest Rebate Scheme	V	5.74	2.53	1.87
22	O35	2406	01	101		832	Works for Protection of Forest	V	1.63	2.52	1.25
23	O38	2515	00	198		179	Grants to Village Panchayats for providing Civil Facilities	V	3.43	4.02	3.00
24	O44	3451	00	101		234	Other District Schemes	V	2.05	26.56	13.04
25	R01	2210	06	101		093	B.C.G. Vaccination and T.B. Control Programme Centrally Sponsored Scheme (Central Share)	V	54.29	60.54	63.27
26	S01	2210	01	110		463	Dr. Babasaheb Ambedkar Hospital and Research Centre, Nagpur	V	1.27	1.42	1.18
27	T05	2225	02	796		139	Tribal Development Commissionerate (State Plan Scheme)	V	7.04	6.04	4.60
28	T05	2225	02	796		202	Grant-in-aid to Voluntary Agencies for opening and maintenance of Ashramshalas- (OTASP) State Plan Scheme (District Level Scheme)	V	2.07	5.84	7.09
29	T05	3054	04	796		036	Schemes under Tribal Areas Sub Plan - State Road Fund - (State Road Fund) (TASP)	V	26.19	4.83	2.60
30	T05	3054	04	796		040	Ordinary (State Road Fund) (TASP)	V	48.15	6.98	3.12
31	V02	2425	00	108		104	Grants-in-aid to Sugar Research	V	1.76	4.30	2.43
32	W02	2202	03	103		H08	Opening of New Colleges of Forensic Science/Institute of Forensic Science in the State	V	1.47	2.41	2.04
33	W03	2203	00	105		276	Introduction of Double Shift in Government Polytechnics	V	3.65	6.71	9.33

Scheme § Voted/Charged

Appendix-2.3 (concl..)											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
34	ZE01	2235	02	200		A53	Starting of Second and Third Shift in existing ITI's for Minority Student	V	4.98	7.47	4.78
35	O16	4406	01	101		313	Soil and Water Conservation Works in Forest	V	4.02	6.14	2.52
36	O25	4406	01	101		337	Soil and Water Conservation Works in Forest	V	5.25	7.01	12.98
37	O28	4406	01	070		322	Soil and Water Conservation Works in Forest	V	6.97	32.26	1.29
38	O31	5054	04	800		465	Development and Strengthening of Other Districts Roads	V	3.38	11.26	3.78
39	T06	4406	01	796		035	Development of Minor Forest Produce - State Plan Schemes (TASP) (District Level Scheme)	V	2.85	1.09	1.12
40	T06	4406	01	796		080	Construction of Stone Check Dam (District Level Scheme)	V	11.27	28.76	37.64
41	T06	4406	01	796		081	Construction of Stone Check Dam (District Level Scheme)	V	1.37	1.83	2.40
42	T06	5054	04	796		040	District and Other Roads - State Plan Schemes (TASP) (District Level Scheme)	V	27.88	3.41	39.52

Source: Appropriation Accounts of respective years
Scheme \$ Voted/Charged

Appendix-2.4
(Reference: Paragraph 2.3.1.3; Page 54)
Insufficient supplementary provisions
(₹ one crore or more in each case)

			(₹ in crore)				
Sr. No.	Grant number	Name of the grant	Original Provision	Supplementary Provision	Total	Expenditure	Excess
Revenue Voted							
1	H05	Roads and Bridges	2948.81	398.07	3346.88	3352.10	5.22
2	O16	District Plan - Thane	168.86	0.0001	168.86	176.92	8.06
3	O25	District Plan - Nasik	219.30	0.0001	219.30	234.53	15.23
4	O29	District Plan - Nandurbar	63.09	0.0004	63.09	67.32	4.23
5	O34	District Plan - Beed	135.72	0.0001	135.72	147.88	12.17
6	O35	District Plan - Latur	133.90	0.0001	133.90	139.46	5.56
7	O39	District Plan - Wardha	75.17	0.0001	75.17	90.04	14.87
Capital Voted							
8	O37	District Plan - Hingoli	43.10	0.0004	43.10	47.33	4.22
9	O38	District Plan - Nagpur	103.11	0.0001	103.11	116.58	13.47
10	O46	District Plan - Yavatmal	103.41	0.0001	103.41	120.39	16.98
Total			3994.47	398.07	4392.54	4492.55	100.01

Source: Appropriation Accounts 2016-17

Appendix-2.5

(Reference: Paragraph 2.3.3; Page 55)

Rush of expenditure during the last quarter and last month of 2016-17

(₹ in crore)

Sr. No.	Grant Number	Major Head	Total Expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2017	
				Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	C09	4250- Capital Expenditure on Other Social Services	1475.79	1116.09	75.63	1022.92	69.31
2	C10	4406- Capital Outlay on Forestry and Wild Life	519.59	427.85	82.34	382.29	73.58
3	H03	2216- Housing	272.95	157.84	57.83	142.72	52.29
4	B10	5055-Capital outlay on Road Transport	486.98	486.98	100	486.98	100
5	F07	6217- Loans for urban Development	124.68	124.68	100	124.68	100
6	A07	3053 - Civil Aviation	122.23	122.14	99.93	122.14	99.93
7	N04	4225 - Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	106.81	86.19	80.70	85.56	80.11
8	ZD04	3452 - Tourism	325.99	308.98	94.78	260.80	80.00
9	T06	4225 - Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	289.37	284.02	98.15	228.69	79.03
10	K06	2810 – Non-conventional Sources of Energy	400.07	301.51	75.36	300.00	74.99
11	C10	4406 - Capital Outlay on Forestry and Wild Life	519.35	427.55	82.33	381.99	73.55
12	F05	4217- Capital Outlay on Urban Development	597.70	454.41	76.03	435.91	72.93
13	L07	4702 - Capital Outlay on Minor Irrigation	184.26	146.02	79.25	133.30	72.34
14	K06	2801- Power	3158.62	2249.73	71.23	2249.73	71.23
15	T05	2702 – Minor Irrigation	127.25	107.77	84.69	90.25	70.92
16	L07	4402 - Capital Outlay on Soil and Water Conservation	680.76	478.89	70.35	469.42	68.95
17	T06	5054 - Capital Outlay on Roads and Bridges	532.70	504.03	94.62	353.91	66.44
18	B03	2041- Taxes on Vehicles	1780.76	1045.44	58.71	1026.14	57.62
19	T05	2225 - Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2253.45	1527	67.76	1261.26	55.97
20	T05	3054 - Roads and Bridges	158.03	107.58	68.07	88.28	55.86
21	A02	2015 - Elections	207.52	137.25	66.14	115.53	55.67
22	B10	4055 - Capital Outlay on Police	548.04	314.02	57.30	304.50	55.56
23	Q03	2216 - Housing	398.15	345.75	86.84	220.67	55.42
24	O10	4515 - Capital Outlay on Other Rural Development Programmes	771.54	513.46	66.55	421.06	54.57

Appendix-2.5 (concl..)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
25	F02	3054 - Roads and Bridges	340.71	204.96	60.16	182.46	53.55
26	E03	2204 – Sports and Youth Services	255.62	158.91	62.17	134.31	52.54
27	H03	2216 - Housing	272.58	157.47	57.77	142.34	52.22
		Total	16911.50	12296.52		11167.84	
Source: Appropriation Accounts, Consolidated Abstract for March-2017, Information from Principal Accountant General (Accounts and Entitlement)-I, Maharashtra, Mumbai and Accountant General (Audit) -II, Maharashtra, Nagpur							

Appendix-2.6

(Reference: Paragraph 2.3.4; Page 55)

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

(₹ in crores)

Sr. No.	Grant Number	Name of the grant/appropriation	Total Grants/Appropriations	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue Voted					
1	O04	Other Rural Development Programmes	3885.98	3885.90	100
2	G02	Other Fiscal and Miscellaneous Services	2318.96	2191.39	94.50
3	Q03	Housing	2082.31	1662.53	79.84
4	F03	Secretariat and Other Social Services	77.39	57.03	73.69
5	W06	Secretariat - Social Services	31.05	21.45	69.08
6	K08	Secretariat - Economic Services	34.80	21.50	61.78
7	A07	Civil Aviation	270.76	148.53	54.86
8	Y02	Water Supply and Sanitation	3922.28	2021.40	51.54
9	O09	Census, Survey and Statistics	81.32	40.67	50.01
10	O03	Rural Employment	3453.96	1592.76	46.11
11	I04	Secretariat-Economic Services	42.48	18.05	42.49
12	C04	Secretariat and Other General Services	104.25	41.80	40.10
13	H04	Secretariat and Other Economic Services	70.57	27.67	39.21
14	O07	Secretariat-Economic Services	93.94	32.75	34.86
15	E03	Secretariat and Other Social Services	412.51	127.84	30.99
16	O08	Tourism	280.55	81.32	28.99
17	V02	Co-operation	1702.35	455.81	26.78
18	G01	Sales Tax Administration	746.14	198.82	26.65
19	J02	Secretariat and Other Social and Economic Services	123.44	32.08	25.99
20	A04	Secretariat and Miscellaneous General Services	366.92	94.14	25.66
21	ZE01	Minorities Development	388.02	97.84	25.22
22	A02	Elections	276.26	68.72	24.88
23	ZD02	Art and Culture	188.07	45.86	24.38
24	B03	Transport Administration	2348.42	565.74	24.09
25	ZC01	Parliament / State/Union Territory Legislatures	182.44	43.87	24.05
26	B02	State Excise	142.18	31.14	21.90
27	K01	Other Taxes and Duties on Commodities and Services	50.10	10.60	21.16
28	ZD04	Tourism	408.87	82.88	20.27
29	H06	Public Works and Administrative and Functional Buildings.	2624.46	526.59	20.06
30	O06	Other Scientific Research	106.50	21.30	20.00
Revenue Charged					
31	G06	Pensions and Other Retirement Benefits	50.42	26.98	53.51
32	T01	Interest Payments	35.76	15.15	42.37
33	V01	Interest Payments	36.00	14.80	41.11
34	A03	Public Service Commission	52.33	14.80	28.28
Capital Voted					
35	ZA04	Loans to Government Servants, etc.	200.00	200.00	100
36	E04	Capital Outlay on Education, Sports, Art and Culture	88.78	84.56	95.25
37	N04	Capital Expenditure on Social Services	1259.75	1117.18	88.68
38	A09	Capital Outlay on Public Works	120.93	104.04	86.03

Appendix-2.6 (concl...)					
(1)	(2)	(3)	(4)	(5)	(6)
39	H09	Capital Outlay on Removal of Regional Imbalance	118.03	101.45	85.95
40	O10	Capital Outlay on Other Rural Development Programmes	3787.07	3004.57	79.34
41	W08	Capital Outlay on Other Social Services	21.48	16.26	75.70
42	R03	Capital Expenditure on Medical and Public Health	27.50	17.91	65.13
43	L07	Capital Expenditure on Rural Development	2728.38	1427.67	52.33
44	S04	Capital outlay on Medical and Public Health	134.70	67.41	50.04
45	V03	Capital Expenditure on Social Services	122.35	48.46	39.61
46	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	1479.81	467.50	31.59
47	C09	Capital Expenditure on Other Administrative and Social Services	2001.00	524.99	26.24
48	O39	District Plan - Wardha	67.90	15.01	22.11
Capital Charged					
49	K12	Internal Debt of the State Government	50.93	50.93	100
50	D10	Capital Expenditure on Fisheries	50.00	11.30	22.60
51	V04	Internal Debt	125.00	26.46	21.17
Total			39375.40	21605.41	

Source: Appropriation Accounts 2016-17

Appendix-2.7

(Reference: Paragraph 2.3.4; Page 55)

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

(₹ in crore)

Sr. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total	Actual Expenditure	Savings	Percentage of savings (7)/(5)*100
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue Voted							
1	A07 Civil Aviation	270.76	0.00	270.76	122.23	148.53	54.86
2	B01 Police Administration	11260.11	978.69	12238.80	11395.90	842.90	6.89
3	B03 Transport Administration	1336.86	1011.56	2348.42	1782.68	565.74	24.09
4	C01 Revenue and District Administration	1882.10	17.18	1899.28	1587.49	311.79	16.42
5	C06 Relief on account of Natural Calamities	7128.54	51.92	7180.46	5759.91	1420.55	19.78
6	C07 Forest	1891.85	300.89	2192.74	1861.64	331.10	15.10
7	D03 Agriculture Services	5829.44	3008.59	8838.03	7813.79	1024.24	11.59
8	D04 Animal Husbandry	1071.92	0.68	1072.60	924.06	148.54	13.85
9	E02 General Education	40630.85	1136.98	41767.83	37265.61	4502.22	10.78
10	E03 Secretariat and Other Social Services	400.62	11.89	412.51	284.67	127.84	30.99
11	F02 Urban Development and Other Advance Services	10256.20	1316.53	11572.73	10018.08	1554.65	13.43
12	F04 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	7139.45	9.23	7148.68	6202.33	946.35	13.24
13	G01 Sales Tax Administration	732.56	13.58	746.14	547.32	198.82	26.65
14	G02 Other Fiscal and Miscellaneous Services	2318.96	0.00	2318.96	127.57	2191.39	94.50
15	G06 Pensions and Other Retirement Benefits	19021.25	8.26	19029.51	16834.81	2194.70	11.53
16	H06 Public Works and Administrative and Functional Buildings.	2562.80	61.66	2624.46	2097.86	526.60	20.06
17	I03 Irrigation, Power and Other Economic Services	2331.14	55.48	2386.62	1913.14	473.48	19.84
18	J01 Administration of Justice	1397.50	55.34	1452.84	1203.78	249.06	17.14
19	K06 Energy	5436.43	5113.88	10550.31	9288.21	1262.10	11.96
20	L02 District Administration	3531.29	240.00	3771.29	3461.37	309.92	8.22
21	L03 Rural Development Programmes	6625.18	875.78	7500.96	6301.93	1199.03	15.99
22	M02 Food Storage and Warehousing	1806.36	1.58	1807.94	1467.95	339.99	18.81
23	N03 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	10489.61	375.60	10865.21	9098.96	1766.25	16.26
24	O03 Rural Employment	3453.71	0.25	3453.96	1861.20	1592.76	46.11
25	O04 Other Rural Development Programmes	3885.98	0.00	3885.98	0.08	3885.90	100
26	Q03 Housing	331.95	1750.36	2082.31	419.77	1662.54	79.84

Appendix-2.7 (concl...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
27	R01 Medical and Public Health	6840.70	1871.58	8712.28	7277.75	1434.53	16.47
28	S01 Medical and Public Health	2331.23	208.97	2540.20	2304.17	236.03	9.29
29	T02 Welfare of Scheduled Castes and Scheduled Tribes, Other Backward Classes and Minorities	1347.17	0.00	1347.17	1188.59	158.58	11.77
30	V02 Co-operation	833.93	868.42	1702.35	1246.53	455.82	26.78
31	W02 General Education	5082.79	180.14	5262.93	5046.24	216.69	4.12
32	W03 Technical Education	1159.78	703.61	1863.39	1648.36	215.03	11.54
33	X01 Social Security and Nutrition	1330.61	1650.91	2981.52	2446.26	535.26	17.95
34	Y02 Water Supply and Sanitation	3377.60	544.69	3922.29	1900.88	2021.41	51.54
35	Y05 Revenue Expenditure on Tribal Areas Development Sub-Plan	5230.82	189.80	5420.62	4398.08	1022.54	18.86
36	ZA01 Secretariat and Other Social Services	1639.91	37.58	1677.49	1352.14	325.35	19.39
Revenue Charged							
37	G03 Interest Payments and Debt Servicing	27882.03	597.38	28479.41	28271.80	207.61	0.73
Capital Voted							
38	A09 Capital Outlay on Public Works	120.10	0.83	120.93	16.89	104.04	86.04
39	B10 Capital Expenditure on Economic Services	1495.64	133.19	1628.83	1386.37	242.46	14.89
40	C09 Capital Expenditure on Other Administrative and Social Services	2001.00	0.00	2001.00	1476.01	524.99	26.24
41	H08 Capital Expenditure On Public Works Administrative and Functional Buildings	1061.27	418.54	1479.81	1012.32	467.49	31.59
42	H09 Capital Outlay on Removal of Regional Imbalance	118.03	0.00	118.03	16.58	101.45	85.95
43	I05 Capital Expenditure on Irrigation	8971.69	0.00	8971.69	8619.68	352.01	3.92
44	K04 Capital Expenditure on Energy	1035.82	4959.75	5995.57	5799.92	195.65	3.26
45	L07 Capital Expenditure on Rural Development	2341.38	387.00	2728.38	1300.71	1427.67	52.33
46	M04 Capital Expenditure on Food	4364.33	0.00	4364.33	3886.68	477.65	10.94
47	N04 Capital Expenditure on Social Services	1259.74	0.00	1259.74	142.56	1117.18	88.68
48	O10 Capital Outlay on Other Rural Development Programmes	3583.22	203.85	3787.07	782.50	3004.57	79.34
49	ZA04 Loans to Government Servants,etc.	0.00	200.00	200.00	0.00	200.00	100
Capital Charged							
50	G09 Public Debt and Inter State Settlement	13223.31	0.00	13223.31	11427.09	1796.22	13.58
Total		249655.52	29552.15	279207.67	232590.45	46617.22	

Source: Appropriation Accounts 2016-17

Appendix-2.8

(Reference: Paragraph 2.3.4.1; Page 56)

Grants closed with savings of more than ₹ 100 crore persistently during 2012-13 to 2016-17

(₹ in crore)

Sr.No.	Number and Name of the grant	Voted/ Charged (V/C)	Amount of savings (per cent to total grants)				
			2012-13	2013-14	2014-15	2015-16	2016-17
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue Voted							
1	B01 Police Administration	V	762.73 (9.48)	945.88 (10.32)	1250.17 (12.28)	1715.89 (14.59)	842.90 (6.89)
2	C01 Revenue and District Administration	V	182.33 (13.46)	219.7 (14.46)	304.46 (19.15)	317.86 (17.79)	311.80 (16.42)
3	D03 Agriculture Services	V	618.29 (16.17)	571.55 (14.58)	839.8 (17.04)	723.07 (13.65)	1024.24 (11.59)
4	E02 General Education	V	1092.15 (3.75)	1094.41 (3.39)	1639.51 (4.67)	3317.57 (8.48)	4502.23 (10.78)
5	F02 Urban Development and Other Advance Services	V	1609.44 (27.52)	1906.39 (30.45)	1592.83 (26.08)	1151.96 (15.35)	1554.65 (13.43)
6	G02 Other Fiscal and Miscellaneous Services	V	2200.97 (96.87)	1321.62 (94.41)	153.76 (52.41)	3491.79 (96.68)	2191.39 (94.50)
7	H06 Public Works and Administrative and Functional Buildings.	V	227.26 (10.56)	376.95 (15.34)	479.34 (19.06)	525.37 (20.06)	526.59 (20.06)
8	I03 Irrigation, Power and Other Economic Services	V	380.42 (15.84)	405.87 (15.46)	340.75 (14.94)	316.9 (13.21)	473.49 (19.84)
9	J01 Administration of Justice	V	260.05 (23.31)	254.45 (20.89)	536.97 (34.42)	236.17 (17.43)	249.06 (17.14)
10	L03 Rural Development Programmes	V	678.36 (17.61)	1316.67 (29.15)	1844.17 (26.63)	1308.33 (23.44)	1199.04 (15.99)
11	N03 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	V	516.35 (8.33)	741.64 (9.11)	1395.91 (15.65)	2196.44 (21.41)	1766.25 (16.26)
12	O03 Rural Employment	V	110.77 (9.32)	200.83 (24.86)	844.82 (36.47)	476.98 (17.56)	1592.76 (46.11)
13	Q03 Housing	V	676.78 (38.89)	742.99 (46.33)	979.95 (67.35)	335.44 (61.63)	1662.53 (79.84)
14	R01 Medical and Public Health	V	405.43 (8.92)	117.9 (2.4)	2552.99 (29.5)	1407.53 (17.27)	1434.53 (16.47)
15	T05 Revenue Expenditure on Tribal Areas Development Sub Plan	V	468.93 (14.8)	511.09 (14.47)	1114.16 (23.83)	1374.04 (25.7)	1022.55 (18.86)
16	W03 Technical Education	V	102.83 (6.95)	125.01 (7.65)	261.21 (13.91)	223.94 (11.65)	215.03 (11.54)
17	Y02 Water Supply and Sanitation	V	148.58 (19.28)	228.08 (29.91)	866.08 (42.25)	1445.3 (48.91)	2021.40 (51.54)
Capital Voted							
18	B10 Capital Expenditure on Economic Services	V	160.75 (21.07)	467.05 (37.04)	467.00 (43.72)	488.45 (34.26)	242.46 (14.89)

Appendix-2.8 (concl....)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
19	H08 Capital Expenditure On Public Works Administrative and Functional Buildings	V	367.39	488.03	542.74	363.33	467.50
			(30.28)	(34.86)	(38.04)	(23.48)	(31.59)
20	I05 Capital Expenditure on Irrigation	V	1237.32	1548.29	2993.76	651.80	352.01
			(14.41)	(16.25)	(28.8)	(7.3)	(3.92)
21	L07 Capital Expenditure on Rural Development	V	286	892.1	1596.83	1664.83	1427.67
			(33.45)	(62.94)	(64.62)	(55.46)	(52.33)
22	N04 Capital Expenditure on Social Services	V	508.86	610.73	1007.96	1202.41	1117.18
			(49.71)	(55.75)	(69.12)	(84.11)	(88.68)
23	O10 Capital Outlay on Other Rural Development Programmes	V	2156.94	2700.50	5286.10	5868.95	3004.57
			(74.73)	(78.83)	(86.48)	(89.43)	(79.34)
Source: Appropriation Accounts of respective years							

Appendix-2.9 (Reference: Paragraph 2.3.4.2; Page 57) Unnecessary Supplementary provisions (₹ 10 crore or more in each case) (₹ in crore)						
Sr. No.	Grant/ Appropriation Number	Name of the appropriation	Original	Actual expenditure	Savings out of original provision	Supplementary Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue Voted						
1	A04	Secretariat and Miscellaneous General Services	327.08	272.77	54.31	39.84
2	A06	Information and Publicity	94.70	88.94	5.76	16.02
3	C01	Revenue and District Administration	1882.10	1587.49	294.61	17.18
4	C02	Stamps and Registration	211.59	198.11	13.48	17.30
5	C06	Relief on account of Natural Calamities	7128.54	5759.91	1368.63	51.92
6	C07	Forest	1891.85	1861.64	30.21	300.89
7	E02	General Education	40630.85	37265.61	3365.24	1136.98
8	E03	Secretariat and Other Social Services	400.62	284.67	115.95	11.90
9	F02	Urban Development and Other Advance Services	10256.2	10018.08	238.12	1316.53
10	G01	Sales Tax Administration	732.56	547.32	185.24	13.59
11	H06	Public Works and Administrative and Functional Buildings.	2562.80	2097.86	464.94	61.66
12	I03	Irrigation, Power and Other Economic Services	2331.14	1913.14	418.00	55.48
13	J01	Administration of Justice	1397.50	1203.78	193.72	55.34
14	J02	Secretariat and Other Social and Economic Services	103.39	91.37	12.02	20.06
15	K03	Stationery and Printing	183.75	174.84	-8.91	16.21
16	K08	Secretariat - Economic Services	24.56	13.30	11.26	10.24
17	L02	District Administration	3531.29	3461.37	69.92	240.00
18	L03	Rural Development Programmes	6625.18	6301.93	323.26	875.78
19	L05	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	635.74	606.91	28.82	33.56
20	N03	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	10489.61	9098.96	1390.65	375.60
21	O07	Secretariat-Economic Services	69.24	61.18	8.05	24.70
22	S01	Medical and Public Health	2331.23	2304.17	27.06	208.97
23	T05	Revenue Expenditure on Tribal Areas Development Sub-Plan	5230.82	4398.08	832.74	189.80
24	W02	General Education	5082.79	5046.24	36.55	180.14

Appendix-2.9 (concl...)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)
25	Y02	Water Supply and Sanitation	3377.60	1900.88	1476.72	544.69
26	ZA01	Secretariat and Other Social Services	1639.91	1352.14	287.77	37.58
27	ZC01	Parliament / State/Union Territory Legislatures	154.89	138.57	16.32	27.55
28	ZD02	Art and Culture	174.17	142.21	31.96	13.90
Revenue Charged						
29	J01	Administration of Justice	246.98	220.47	26.51	15.32
Capital Voted						
30	B10	Capital Expenditure on Economic Services	1495.64	1386.37	109.28	133.19
31	E04	Expenditure on Capital Outlay on Education, Sports, Art and Culture.	57.15	4.22	52.93	31.63
32	H08	Capital Expenditure On Public Works Administrative and Functional Buildings	1061.27	1012.32	48.95	418.54
33	L07	Capital Expenditure on Rural Development	2341.38	1300.71	1040.67	387.00
34	O10	Capital Outlay on Other Rural Development Programmes	3583.22	782.5	2800.72	203.85
35	ZA04	Loans to Government Servants, etc.	0.00	0.00	0.00	200.00
Total			118287.34	102898.06	15389.28	7282.94

Source: Appropriation Accounts 2016-17

Appendix-2.10			
(Reference: Paragraph 2.3.4.3; Page 58)			
Cases of surrender of funds in excess of ₹ 50 crore on 30 and 31 march 2017			
(₹ in crore)			
Sr. No.	Grant number	Major Head	Amount Surrendered
(1)	(2)	(3)	(4)
Revenue Section			
1	A07	3053 Civil Aviation	134.60
2	B01	2055 Police	759.59
3	B01	2070 Other Administrative Services	84.05
4	B03	2041 Taxes on Vehicles	549.14
5	C06	2245 Relief on account of Natural Calamities	2863.81
6	D03	2401 Crop Husbandry	916.08
7	D03	2415 Agricultural Research and Education	65.38
8	D04	2403 Animal Husbandry	148.54
9	D05	2404 Dairy Development	77.82
10	E01	2049 Interest Payments	124.95
11	E02	2202 General Education	4502.43
12	E03	2204 Sports and Youth Services	68.66
13	E03	2235 Social Security and Welfare	54.20
14	F02	2217 Urban Development	1560.42
15	F03	2230 Labour and Employment	53.00
16	F04	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	946.35
17	G01	2040 Taxes on Sales	181.71
18	G02	2070 Other Administrative Services	2075.32
19	G02	2075 Miscellaneous General Services	113.98
20	G06	2071 Pensions and Other Retirement Benefits	1117.40
21	K06	2801 Power	593.99
22	L02	2053 District Administration	228.25
23	L03	2702 Minor Irrigation	609.63
24	L02	2505 Rural Employment	276.86
25	L03	2501 Special Programmes for Rural Development	177.67
26	L03	2515 Other Rural Development Programmes	73.97
27	L03	3054 Roads and Bridges	55.64
28	L05	3604 Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	113.39
29	M02	2408 Food, Storage and Warehousing	339.80
30	N03	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1563.93
31	N03	2235 Social Security and Welfare	193.67
32	O04	2515 Other Rural Development Programmes	3885.90
33	O08	3452 Tourism	81.06
34	Q03	2216 Housing	1660.70
35	R01	2210 Medical and Public Health	1369.76
36	R01	2211 Family Welfare	123.07

Appendix-2.10 (concl....)			
(1)	(2)	(3)	(4)
37	S01	2210 Medical and Public Health	205.38
38	T02	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	148.62
39	T05	2215 Water Supply and Sanitation	290.14
40	T05	2225 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	261.86
41	T05	2505 Rural Employment	135.22
42	T05	2210 Medical and Public Health	120.06
43	T05	2501 Special Programmes for Rural Development	65.73
44	V02	2425 Co-operation	429.66
45	W02	2202 General Education	218.33
46	W03	2203 Technical Education	227.20
47	X01	2235 Social Security and Welfare	87.32
48	X01	2236 Nutrition	445.64
49	Y02	2215 Water Supply and Sanitation	2019.40
50	ZA01	2203 Technical Education	153.06
51	ZD04	3452 Tourism	81.80
52	ZE01	2235 Social Security and Welfare	93.74
Capital Section			
53	A09	4059 Capital Outlay on Public Works	88.04
54	B10	4055 Capital Outlay on Police	137.59
55	B10	5055 Capital Outlay on Road Transport	93.02
56	E04	4202 Capital Outlay on Education, Sports, Art and Culture	84.56
57	G09	6003 Internal Debt of the State Government	1648.73
58	G09	6004 Loans and Advances from the Central Government	147.49
59	K11	6801 Loans for Power Projects	196.73
60	K12	6003 Internal Debt of the State Government	50.93
61	L07	4402 Capital Outlay on Soil and Water Conservation	1282.54
62	L07	5054 Capital Outlay on Roads and Bridges	100.00
63	M04	4408 Capital Outlay on Food Storage and Warehousing	625.83
64	N04	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	998.21
65	N04	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	109.24
66	O10	4515 Capital Outlay on other Rural Development Programmes	3001.83
67	S04	4210 Capital Outlay on Medical and Public Health	52.03
68	T06	4402 Capital Outlay on Soil and Water Conservation	64.50
Total			41409.15

Source: Appropriation Accounts 2016-17

Appendix-2.11				
(Reference: Paragraph 2.5; Page 63)				
Cases of drawal from Contingency Fund where the expenditure was foreseeable				
Sr. No.	Sanction number and date	Department/grant number/Major Head	Purpose for which drawn	Amount sanctioned (₹ in crore)
1	CNF-2016/C.R.-1 BUD-11 dated 02.04.2016	Home Department B01-2055	Provision for establishment of network for detection of crime and criminals	55.04
2	CNF-2016/4 Budget-11 dated 30.05.2016	Law and Judiciary Department J01-2016	Provision for Office Expenses and Professional Service for District and Session Courts	0.20
3	CNF-2016/6 Budget-11 dated 08.07.2016	Law and Judiciary Department J04-4059	Provision for expenses of Land Acquisition for Construction of Court Building	8.00
4	CNF-2016/3 Budget-9 dated 26.08.2016	Medical and Public Health Department S01-2210	Provision for expenses of Advertisement and Publicity	1.00
5	CNF-2016/5 Budget-7 dated 16.09.2016	Woman and Child Development Department X02-2251	Provision for Office Expenses	4.81
6	CNF-2016/7 Budget-13 dated 16.09.2016	Agriculture, Dairy Development and Fisheries Department D07-3451	Provision for Office Expenses, to provide vehicle to Minister and State minister in urgency	0.60
7	CNF-2016/9 Budget-14 dated 28.10.2016	General Administration Department A04- 2070	Provision for Office Expenses, Advt. And Publicity and Professional Services	1.00
8	CNF-2016/13 Budget-12 dated 23.12.2016	Public Works Department H06-2059	Provision for Advertising and Publicity of Mumbai Metro line, Shivdi-Nhava-Sheva Project and New Railway line	8.00
Total				78.65
Source: Contingency Fund sanction orders from respective Departments				

Appendix-2.12 (Reference: Paragraph 2.5; Page 63) Contingency Fund sanction orders and utilisation against sanctions						
(₹ in crore)						
Sr. No.	Sanction No. and date	Department/Grant No./MH	Purpose for which drawn	Sanctioned Amount	Amount utilised	Balance amount
1	CNF-2016/2 Budget-12 dt: 30.06.2016	Public Works Department H-6/2059	Provision for Minor Works Finance from Discretionary Grants (State Plan Schemes)	2.10	0.00	2.10
2	CNF-2016/2 Budget-12 dt: 30.06.2016	Public Works Department H-3/2216	Provision for Minor Works Finance from Discretionary Grants (State Plan Schemes)	1.05	0.00	1.05
3	CNF-2016/4 Budget-11 dt: 15.07.2016	Law and Judiciary Department J01-2016	Provision for Honorarium and office expenses of committee appointed for fixing the staffing pattern in all districts and session courts	0.20	0.00	0.20
4	CNF-2016/1 Budget-12 dt: 30.11.2016	Public Works Department H-8/4059	Provision for Construction of 'B' wing of the District Court building at Sangli (State Plan Scheme)	1.79	0.00	1.79
5	CNF-2016/4 Budget-6 dt: 04.12.2016	Revenue and Forest Department C-4/2059	Provision for Land Acquisition for Government purpose	0.70	0.00	0.70
6	CNF-2016/6 Budget-7 dt: 30.11.2016	Woman and Child Welfare Department X-01/2235	Provision for Manodhairya Yojana financial assistance to Women and Child (State share)	27.66	0.00	27.66
7	CNF-2016/10 Budget-6 dt: 01.12.2016	Revenue and Forest Department C-6/2245	Provision for salary to the staff of State Disaster Response Force	5.95	0.00	5.95
8	CNF-2016/11 Budget-19 dt: 01.12.2016	Tribal Development Department T-05/2236	Provision for implementation of Village Child Development Centre in Tribal Areas	4.00	0.00	4.00
9	CNF-2016/12 Budget-12 dt: 01.12.2016	Home Department B03/2041	Provision for construction of 250 metre Break Test Track in RTO vehicle testing	0.85	0.00	0.85
10	CNF-2016/15 Budget-6 dt: 28.02.2017	Revenue and Forest Department C-1/2053	Provision for amount to be deposited in High Court as per the Appeal No.1442/2016 and 1697/2016 dated 09/01/2017	2.62	0.00	2.62
Total				46.92	0.00	46.92

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

Appendix-2.13			
(Reference: Paragraph 2.7.3 ; Page 66)			
Inoperative Personal Ledger Account			
Sr. No.	Name of Treasury	No. of accounts non-operative for one or more than one year	Balance as on 31 March 2017 (₹ in crore)
1	Ahmednagar	1	0
2	Akola	1	0
3	Amravati	6	0.06
4	Aurangabad	6	0.07
5	Beed	1	0
6	Bhandara	2	0.24
7	Buldhana	2	3.36
8	Chandrapur	2	0.01
9	Dhule	29	0.09
10	Gadchiroli	1	0.28
11	Gondia	1	0
12	Hingoli	4	6.13
13	Jalgaon	24	0.18
14	Jalna	3	0.04
15	Kolhapur	4	1.85
16	Latur	1	0
17	Nagpur	4	0.63
18	Nanded	19	0.18
19	Nandurbar	8	0.01
20	Nashik	3	0.01
21	Osmanabad	2	0.15
22	Parbhani	7	0.07
23	Pune	58	1.21
24	Raigad	38	0.06
25	Ratnagiri	4	0.02
26	Sangli	3	0.03
27	Satara	8	0.55
28	Sindhudurg	1	0.01
29	Solapur	1	0
30	Thane	26	0.22
31	Washim	2	0
32	Yavatmal	8	0.08
Grand Total		280	15.54
Source : Information obtained from Pr. Accountant General (A&E) I, Mumbai, Accountant General (Audit) II, Nagpur and Pay and Accounts office			

Appendix-3.1			
<i>(Reference: Paragraph 3.1 ; Page 69)</i>			
Department-wise breakup of outstanding utilisation certificates			
Sr. No.	Department	Number of certificates	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	3254	630.51
2	Co-operation, Marketing and Textiles	283	1166.98
3	Employment and Self-Employment	30	121.02
4	Environment	67	154.26
5	Finance	4	20.08
6	Food, Civil Supplies and Consumer Protection	11	14.41
7	General Administration	86	222.78
8	Higher and Technical Education	322	964.76
9	Home	274	459.98
10	Housing	1	1.50
11	Industries, Energy and Labour	120	3807.54
12	Law and Judiciary	144	9.11
13	Maharashtra Legislature Secretariat	20	2.25
14	Marathi Language	8	2.89
15	Medical Education and Drugs	52	72.57
16	Minority Development	341	189.42
17	Planning	8732	5104.14
18	Public Health	733	1568.95
19	Public Works	322	86.97
20	Revenue and Forests	3517	1813.11
21	Rural Development and Water Conservation	1608	2986.21
22	School Education and Sports	2236	4582.76
23	Social Welfare, Cultural Affairs and Sports	3629	1667.61
24	Tourism and Cultural Affairs	267	554.55
25	Tribal Development	6860	4003.73
26	Urban Development	2509	28952.31
27	Water Resources	2	0.01
28	Water Supply and Sanitation	1044	928.80
29	Women and Child Development	2408	232.57
	Total	38884	60321.78

Source : Finance Accounts 2016-17

Appendix-3.2 <i>(Reference: Paragraph 3.1.1.2 ; Page 70)</i> Statement showing list of Drawing and Disbursing Officers test checked for pending Utilisation Certificates		
Sr. No.	Drawing and Disbursing Officer	Department
1	Planning Department, Mantralaya	Planning
2	Assistant District Planning Officer, Thane	Planning
3	District Planning Officer, Mumbai Suburban, Bandra	Planning
4	Chief Accounts and Finance Officer, ZP, Nashik	Planning/Tribal Development
5	District Planning Officer, Pune	Planning
6	Chief Accounts and Finance Officer, ZP, Ahmednagar	Planning
7	Collector, Mumbai City	Planning
8	Project Officer, Integrated Tribal Development Project, Nandurbar	Tribal Development
9	Project Officer, Integrated Tribal Development Project, Taloda, Nandurbar	Tribal Development
10	Account Officer, Maritime Board, Mumbai	Home
11	Commissioner of Police, Crawford Market, Brihanmumbai	Home
12	Accounts Officer, Regional Transport Office, Wadala East	Home

Appendix-3.3								
<i>(Reference: Paragraph 3.3., Page 72)</i>								
Delay in submission of Accounts/Audit Reports by Autonomous Bodies								
Sr. No.	Name of the Body	Period of Entrustment/ Audit under Section of CAG's DPC Act, 1971	Year up to which Accounts were rendered	Due date of submission of Accounts to audit	Delay in submission of Accounts		Period up to which SAR is issued	Placement of SAR in the Legislature
					Accounts received on	Period of delay (in months)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Maharashtra Housing and Area Development Authority (MHADA), Mumbai	01/04/2013 to 31/03/2018/ Section 20(1)	2015-16 2016-17	June 2016 June 2017	18/8/2016 1/09/2017	02 02	2015-16	SAR 2013-14 presented on 15/12/2014 & SAR 2014-15 presented on 05/8/2016
2	Mumbai Metropolitan Region Development Authority (MMRDA), Mumbai	01/04/2014 to 31/03/2019/ Section 20(1)	2015-16 2016-17	June 2016 June 2017	03/11/2016 13/07/2017	04 -	2015-16	No provision for presentation in MMRDA's Act
3	Maharashtra Jeevan Pradhikaran (MJP), Mumbai	01/04/2017 to 31/3/2022 Section 20(1)	2014-15	June 2015	25/10/2016	16	2014-15	SAR 2012-13 presented on 2/08/2016
4	Maharashtra Krishna Valley Development Corporation (MKVDC), Pune	01/04/2011 to 31/03/2016/ Section 19(3)	2015-16 2016-17	June 2016 June 2017	27/3/2017 10/07/2017	09 -	2015-16	SAR 2015-16 presented on 03/08/2017
5	Konkan Irrigation Development Corporation (KIDC), Thane	01/04/2013 to 31/03/2018/ Section 19(3)	2015-16	June 2016	20/03/2017	09	2015-16	SAR 2014-15 presented on 09/08/2017
6	Maharashtra Maritime Board (MMB), Mumbai	01/04/2016 to 31/03/2021/ Section 20(1)	2015-16	June 2016	01/06/2017	11	2014-15	SAR 2005-06 to 2010-11 presented on 07/04/2015 & SAR 2011-12 to 2013-14 presented on 05/08/2016
7	Maharashtra State Commission for Women (MSCW), Mumbai	01/04/2013 to 31/03/2018/ Section 19(3)	2014-15	June 2015	23/11/2016	17	2014-15	SAR 2012-13 presented on 30/03/2015
8	Maharashtra Pollution Control Board (MPCB), Mumbai	01/04/2013 to 31/03/2018/ Section 20(1)	2014-15	June 2015	18/10/2016	16	2014-15	SAR 2004-05 presented in April 2008
9	Slum Rehabilitation Authority, Mumbai (SRA)	01/04/2016 to 31/03/2021/ Section 20(1)	2015-16	June 2016	04/11/2016	04	2015-16	SAR 2014-15 presented on 16/12/2016
10	Maharashtra Water Resources Regulatory authority (MWRRA)	01/04/2015 to 31/03/2020/ Section 20(1)	2015-16	June 2016	16/08/2016	02	2015-16	SAR 2015-16 presented on 07/04/2017
11	Rajiv Gandhi Science and Technology Commission (RGSTC)	01/04/2010 onwards till existence/ Section 19(3)	2015-16	June 2016	16/12/2016	06	2015-16	SAR 2011-12 & 2012-13 presented on 31/03/2015 SAR 2013-14 presented on 28/7/2015 & SAR 2014-15 presented on 07/04/2016

Appendix-3.3 (contd...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
12	Maharashtra Khadi and Village Industries Board (MSKVIB), Mumbai	01/04/2012 to 31/03/2017/ Section 20(1)	2012-13 2013-14 2014-15 2015-16	June 2013 June 2014 June 2015 June 2016	31/01/2017	43 31 19 07	2011-12	SAR 2009-10 presented on 17/04/2013 SAR 2010-11 presented on 23/12/2014 & SAR 2011-12 presented on 23/12/2014
13	Maharashtra State Legal Services Authority (MSLSA) Mumbai	The audit of State District Legal services Authorities have been taken under Section 19(2) of the CAGs (DPC) Act 1971	2008-09	June 2009	28/04/2010*	08	2008-09	SAR yet to be presented
14	Maharashtra State Commission for Protection of Child Rights (MSCPCR)	The audit has been taken up as per Sn 19(2) of CAG's (DPC) Act 1971	2015-16	June 2016	20/09/2016	03	2015-16	SAR 2008-09 to 2012-13 presented on 01/04/2016 & SAR 2013-14 & 2014-15 presented on 04/08/2016
15	Maharashtra State Human rights commission (MSHRC)	The audit has been taken under section 19(2) of the CAG's (DPC) Act 1971 read with rule 35(2) of the protection of Human rights Act, 1993	2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14	June 2004 June 2005 June 2006 June 2007 June 2008 June 2009 June 2010 June 2011 June 2012 June 2013 June 2014	10/07/2017	156 144 132 120 108 96 84 72 60 48 36	2002-03	SAR 2002-03 yet to be presented.
16	Maharashtra State Minorities Commission (MSMC)	The audit has been taken under section 19(3) of the CAG's (DPC) Act 1971 read with section 12(3) of Maharashtra State Minorities Commission Act, 2004	2012-13	June 2013	22/11/2016	41	2012-13	SAR yet to be presented from the first year of audit 2005-06
17	Maharashtra Building and other construction Workers Welfare Board (MBOCWFB)	Section 19(2)	2007-08 2008-09 2009-10 2010-11 2011-12	June 2008 June 2009 June 2010 June 2011 June 2012	14/03/2017	104 92 80 68 56	2007-08 to 2011-12	

Appendix-3.3 (concl...)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
18	Fees Regulatory Authority (FRA)	Section 19(3)	-	-	-	-	-	-
19	Maharashtra State Haj Committee	Section 19(2)	-	-	-	-	-	-
20	Admission Regulatory Authority (ARA)	Section 19(3)	-	-	-	-	-	-
21	Slum Rehabilitation Authority Pune & Pimpri Chinchwad Area, Pune	01/04/2005 to 31/03/2011 Section 20(1)	-	-	-	-	-	-
22	Maharashtra Electricity Regulatory Commission (MERC)	Under Section 104 of the Electricity Act, 2003 read with section 20(1) of the DPC Act, 1971	2015-16	July 2016	01/08/2016	-	2015-16	SAR of 2014-15 is placed on 07/04/2016
23	Tapi Irrigation Development Corporation (TIDC), Jalgaon	01/04/2013 to 31/03/2018 Section 19	2015-16	June 2016	22/06/2017	11	2013-14	SAR for the year 2012-13 placed in December 2015
24	Vidharba Irrigation Development Corporation (VIDC), Nagpur	01/04/2012 to 31/03/2017 Section 19(3)	2015-16	June 2016	21/6/2017	11	2014-15	SAR for the year 2011-12 and 2012-13 placed on 18/12/2015
25	Godavari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad	01/04/2014 to 31/03/2019 Section 19(3)	2014-15	June 2015	15/07/2016	12	2013-14	SAR for 2012-13 yet to be presented
26	Maharashtra Water Conservation Corporation (MWCC), Aurangabad**	2001-02 to 2013-14	2014-15	June 2015	18/08/2016	13	-	

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

*Date differs from previous year due to correction

**Annual Accounts up to 2013-14 have been tabled in the State Legislature. CAG will Audit from 2014-15.

Appendix-3.4				
(Reference: Paragraph 3.4; Page 73)				
Status of finalisation of Accounts and Government investments in Departmentally managed Commercial and Quasi-Commercial Undertakings				
Sr. No.	Name of Undertaking	Accounts finalised up to	Investment as per the last Accounts (₹ in crore)	Remarks/Reasons for delay in preparation of Accounts
(1)	(2)	(3)	(4)	(5)
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
Mumbai Region				
1	Greater Mumbai Milk Scheme, Worli	2015-16	(-)5.50	
2	Milk Transport Scheme, Worli	2006-07	2.34	MTS Worli has been closed vide Government order dated 17/07/2008
3	Mother Dairy, Kurla	2015-16	33.22	
4	Central Dairy, Goregaon	2014-15	80.67	
5	Unit Scheme, Mumbai	2014-15	30.33	
6	Agricultural Scheme, Mumbai	2014-15	10.45	
7	Electrical Scheme, Mumbai	2014-15	5.16	
8	Water Supply Scheme, Mumbai	2014-15	15.57	
9	Cattle Feed Scheme, Mumbai	2014-15	(-)3.33	
10	Cattle Breeding and Rearing Farm, Palghar	2015-16	1.32	
11	Dairy Project, Dapchari	2015-16	15.37	
12	Government Milk Scheme, Bhiwandi	2015-16	0.61	
13	Government Milk Chilling Centre, Saralgaon, Thane	2015-16	0.21	
14	Government Milk Scheme, Khopoli	2015-16	2.11	
15	Government Milk Scheme, Mahad	2015-16	1.45	
16	Government Milk Scheme, Chiplun	2015-16	3.34	
17	Government Milk Scheme, Ratnagiri	2015-16	7.22	
18	Government Milk Scheme, Kankavali	2014-15	2.67	
Pune Region				
19	Government Milk Scheme, Pune	2015-16	3.87	
20	Government Milk Scheme, Mahabaleshwar	2015-16	1.21	
21	Government Milk Scheme, Satara	2015-16	4.97	
22	Government Milk Scheme, Miraj	2015-16	84.76	
23	Government Milk Scheme, Solapur	2015-16	2.25	
Nagpur Region				
24	Government Milk Scheme, Nagpur	2014-15	1.25	
25	Government Milk Scheme, Wardha	2015-16	13.97	
26	Government Milk Scheme, Chandrapur	2015-16	(-)11.90	
27	Government Milk Scheme, Gondia	2015-16	36.01	

Appendix-3.4 (concl.)				
(1)	(2)	(3)	(4)	(5)
Aurangabad Region				
28	Government Milk Scheme, Aurangabad	2015-16	24.35	
29	Government Milk Scheme, Udgir	2015-16	44.43	
30	Government Milk Scheme, Beed	2015-16	21.32	
31	Government Milk Scheme, Nanded	2015-16	11.22	
32	Government Milk Scheme, Bhoom	2015-16	16.81	
33	Government Milk Scheme, Parbhani	2015-16	38.55	
Nashik Region				
34	Government Milk Scheme, Nashik	2015-16	2.78	
35	Government Milk Scheme, Dhule	2015-16	6.90	
36	Government Milk Scheme, Chalisgaon	2015-16	1.95	
37	Government Milk Scheme, Ahmednagar	2015-16	4.03	
38	Government Milk Scheme, Wani	2015-16	0.55	
Amravati Region				
39	Government Milk Scheme, Amravati	2015-16	14.44	
40	Government Milk Scheme, Akola	2015-16	20.43	
41	Government Milk Scheme, Yavatmal	2015-16	11.94	
42	Government Milk Scheme, Nandura	2014-15	3.56	
Agriculture, Animal Husbandry, Dairy Development and Fisheries Department				
43	Land Development by Bulldozer Scheme, Pune	1994-95	4.00	These are sick units with no operations. Hence they have stopped preparing Accounts
44	Land Development by Bulldozer Scheme, Aurangabad	1998-99	21.93	
45	Land Development by Bulldozer Scheme, Amravati	1995-96	0.01	
46	Land Development by Bulldozer Scheme, Nagpur	1996-97	2.18	
Revenue and Forests Department				
47	Allapalli and Pendigundam Forest Ranges of Forest Divisions including Saw mills and Timber Depot	1985-86	0.00	These are sick units with no operations. Hence they have stopped preparing Accounts
Food, Civil Supplies and Consumer Protection Department				
48	Procurement, Distribution and Price Control Scheme in Mumbai and Thane Rationing Area	2015-16	1,004.08	
49	Procurement, Distribution and Price Control Scheme in Mofussil Area	2015-16	918.20	
Total			2513.26	
Source: <i>Proforma</i> Accounts				

Appendix-3.5

(Reference: Paragraph 3.5 ; Page 73)

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

(₹ 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	5 (18.87)	6 (0.29)	3 (3.67)	4 (10.38)	5 (4.37)	57 (34.40)	80 (71.98)
Co-operation, Marketing and Textile	0 (0.00)	0 (0.00)	1 (10.83)	1 (0.53)	0 (0.00)	0 (0.00)	2 (11.36)
Finance	0 (0.00)	0 (0.00)	7 (93354.08) ⁹	21 (384.84)	0 (0.00)	3 (1.52)	31 (93740.44)
Food, Civil Supplies and Consumer Protection	2 (5.94)	0 (0.00)	1 (3.05)	0 (0.00)	5 (19.68)	3 (8.55)	11 (37.22)
General Administration	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	2 (2.58)	2 (2.58)
Higher and Technical Education	1 (1.39)	1 (0.49)	1 (29.65)	0 (0.00)	1 (290.36)	0 (0.00)	4 (321.89)
Home	1 (3.59)	3 (428.38)	2 (12.37)	3 (9.69)	4 (4.85)	8 (5.97)	21 (464.85)
Housing	4 (389.55)	0 (0.00)	3 (1.54)	0 (0.00)	1 (9.01)	1 (0.07)	9 (400.17)
Industries, Energy and Labour	0 (0.00)	1 (0.94)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.94)
Law and Judiciary	2 (0.79)	2 (0.29)	1 (0.01)	1 (0.04)	0 (0.00)	0 (0.00)	6 (1.13)
Marathi Language	1 (2.69)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (2.69)
Medical Education and Drugs	1 (1.3)	0 (0.00)	1 (3.53)	1 (7.96)	0 (0.00)	2 (7.02)	5 (19.81)
Milk Supply Development	1 (0.73)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.73)
Planning	2 (0.29)	4 (0.46)	4 (0.27)	1 (0.00)	0 (0.00)	0 (0.00)	11 (1.02)
Public Health	2 (1368.98)	3 (1313.53)	12 (3528.49)	1 (1.19)	1 (4.58)	2 (2.32)	21 (6219.09)
Public Works	1 (0.00)	1 (0.00)	0 (0.00)	3 (0.57)	6 (1.15)	9 (8.22)	20 (9.94)
Revenue and Forests	2 (0.96)	3 (63.74)	0 (0.00)	2 (3.44)	1 (0.08)	27 (16.65)	35 (84.87)
Rural Development and Water Conservation	0 (0.00)	0 (0.00)	1 (0.35)	5 (83.00)	4 (168.31)	7 (7.14)	17 (258.80)
School Education and Sports	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (2.02)	1 (2.02)
Social Justice and Special Assistance	1 (48.00)	0 (0.00)	0 (0.00)	0 (0.00)	2 (6.27)	4 (87.92)	7 (142.19)
Tribal Development	3 (9.43)	3 (0.23)	0 (0.00)	1 (3.28)	0 (0.00)	0 (0.00)	7 (12.94)
Water Resources	20 (16.31)	19 (8.48)	10 (16.24)	2 (0.52)	3 (5.03)	3 (0.50)	57 (47.08)
Water Supply and Sanitation	2 (2.65)	2 (4.05)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	4 (6.70)
TOTAL	51 (1871.47)	48 (1820.88)	47 (96964.08)	46 (505.44)	33 (513.69)	129 (184.88)	354 (101860.44)

Figures in parenthesis indicate the amount of misappropriation, loss, defalcation etc.

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

Appendix-3.6*(Reference : Paragraph 3.5, Page 73)***Department-wise/category-wise details of losses to Government
due to theft, misappropriation/loss of Government material****(₹ in lakh)**

Name of the Department	Theft cases		Misappropriation/loss of Government material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Agriculture, Animal Husbandry, Dairy Development and Fisheries	11	5.69	69	66.29	80	71.98
Co-operation, Marketing and Textiles	1	0.53	1	10.83	2	11.36
Finance	1	13.89	30	93726.55	31	93740.44
Food, Civil Supplies and Consumer Protection	2	5.94	9	31.28	11	37.22
General Administration	0	0.00	2	2.58	2	2.58
Higher and Technical Education	1	0.49	3	321.40	4	321.89
Home	1	0.00	20	464.85	21	464.85
Housing	1	11.08	8	389.09	9	400.17
Industries, Energy and Labour	0	0.00	1	0.94	1	0.94
Law and Judiciary	4	0.57	2	0.56	6	1.13
Marathi Language	0	0.00	1	2.69	1	2.69
Medical Education and Drugs	1	1.30	4	18.51	5	19.81
Milk Supply Development	1	0.73	0	0.00	1	0.73
Planning	10	0.89	1	0.13	11	1.02
Public Health	0	0.00	21	6219.09	21	6219.09
Public Works	1	0.00	19	9.94	20	9.94
Revenue and Forests	3	3.44	32	81.43	35	84.87
Rural Development and Water Conservation	2	3.51	15	255.29	17	258.80
School Education and Sports	0	0.00	1	2.02	1	2.02
Social Justice and Special Assistance	0	0.00	7	142.19	7	142.19
Tribal Development	2	1.8	5	11.14	7	12.94
Water Resources	41	18.24	16	28.84	57	47.08
Water Supply and Sanitation	4	6.70	0	0.00	4	6.70
Total	87	74.80	267	101785.64	354	101860.44

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

Appendix-3.7				
(Reference: Paragraph 3.6.; Page 75)				
Details of sub-heads (schemes) booked under				
Minor Head 800 for the year 2016-17				
Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
(i)		Other Receipts		
0801	01	800	800(24)(01)-Receipt from MSEDCL	460.16
0029	00	800	800(17)(01) – Non-Agricultural Assessment – Commissioner Konkan	154.46
0029	00	800	800(01)(07) – Settlement Commissioner and Director of Land Record, Pune	78.42
0401	00	800	800(01)(11) - Cash Receipts for crediting unspent balances from out of amounts drawn under 2401-Crop husbandry	48.66
0029	00	800	800(06)(07) - Settlement Commissioner and Director of Land Record	35.78
0029	00	800	800(17)(05) – Non-Agricultural Assessment -	30.87
0216	01	800	800(00)(01) – License Fees	29.87
0029	00	800	800(17)(06) – Non-Agricultural Assessment	27.96
0029	00	800	800(18)(01) – Non-Agricultural Assessment – Receipts on account of application for obtaining a permission for non-agricultural	27.21
0029	00	800	800(01)(05) – Share of Expenditure recoverable from other State Government on account of construction of seven bridges From Government of Andhra Pradesh	21.57
Total				914.96
(ii)		Other Expenditure		
2801	05	800	800(00)(01)-Subsidy to the Distribution/Transmission Licensee for reduction in Agriculture and Power loom Tariff	7641.22
2217	80	800	800(00)(03)-Grant-in-aid to Urban Local Bodies in accordance to the 14th Finance Commission (CSS)	2136.31
2801	80	800	800(00)(04)- Grant-in-aid to MSEB Holding Company Ltd	991.75
2210	06	800	800 (01) (15)-National Rural Health Mission (State Share) Centrally Sponsored Scheme	861.50
2216	03	800	800(00)(01)-Gharkul Yojana for Scheduled Castes and Nav Boudh People (Rural) (SCP)	600.00
2701	80	800	800(01)(01)-Commercial Interest (3 years)	576.60
3001	00	800	800(00)(02)-Participation of State Government in Railway Project	572.00
4055	00	800	800(00)(09)-Installation of CCTV Surveillance System	430.96
2210	06	800	800(01)(18)- National Rural Health Mission Centrally Sponsored Scheme (Central Share 60%)	413.10
4070	00	800	800(00)(05)-Construction of Maharashtra State Police Housing	318.86
4801	05	800	800(00)(02)-Gaathan Feeder Separation Scheme and Infrastructure Development	301.00
2216	02	800	800(00)(01)-Gharkul Yojana for Scheduled Castes and Nav Boudh People (Urban) (SCP)	244.31
2210	06	800	800(01)(10)-Establishment of Trauma Care Units – Maharashtra Emergency Medical Services	221.67
4801	02	800	800(01)(07)-Capital Investment in Koradi TPS Extension projects	208.00
2801	05	800	800(00)(06)- Grant-in-aid to Maharashtra State Power Distribution Company Limited for Removal of Regional Imbalance of Agriculture Pumpsets/Rural Electrification (3yrs)	138.72
4801	02	800	800(01)(08)-Capital Investment in Chandrapur Thermal Extension Project	94.73
2801	05	800	800(00)(09)-Grant-in-aid to Maharashtra State Electricity Distribution Company Limited for Street Lights to Scheduled Caste and Nav Bouddha Basti under SCP	92.55

Appendix-3.7 (concl.)				
Major Head	Sub Major Head	Minor Head	Sub-head description	Amount (₹ in crore)
2810	60	800	800(00)(05)- Expenditure met from Maharashtra Energy Development Fund	83.36
2210	06	800	800(01)(16)- National Rural Health Mission	81.55
2701	80	800	800(02)(05) - Collections made on account of local cess on water charges and to be paid to Zilla Parishads – S.E. Thane Irrigation Circle, Thane	75.43
2210	06	800	800(01)(21) - Revised National Tuberculosis control Programme (RNTCP) Centrally Sponsored Scheme (Central Share 75 Per Cent)	66.46
2216	02	800	800(32)(01)- Removal and Rehabilitation of Slum Dwellers	61.43
4875	60	800	800(00)(01)-Creation and Development of Industrial Infrastructure	54.99
2210	06	800	800(01)(20)- National Urban Health Mission Centrally Sponsored Scheme (State Share 25 Per Cent)	49.46
2210	06	800	800(01)(19)- National Urban Health Mission Centrally Sponsored Scheme (Central Share 75%)	48.10
2070	00	800	800(00)(03) - Regional Staff of the Charity Commissioner	47.62
2210	06	800	800(01)(02) - Upgradation of Primary Health Centres into Rural Hospitals	45.87
2216	80	800	800(00)(05) - Payment of cess collection to Maharashtra Housing and Area Development Authority for credit to Bombay Building Repairs	45.00
4055	00	800	800(00)(02)-City Police (Central Share 60%)	45.00
4801	02	800	800(01)(05) - Capital Investment in Bhusaval TPS Expansion	42.99
2210	06	800	800(01)(22) - Revised National Tuberculosis control Programme (RNTCP) Centrally Sponsored Scheme (State Share 25 Per Cent)	40.94
2701	80	800	800(16)(01) - Maintenance and Repairs works under XIIIth Finance Commission Grants - Major and Medium Irrigation Projects	38.16
4055	00	800	800(00)(03)-District Police (State Share 40%)	36.35
4515	00	800	800(00)(03)- Pradhan Mantri Gram Sadak Yojana	35.00
2216	80	800	800(00)(02) - Payment to Maharashtra Housing and Area Development authority as Government contribution to Bombay Building Repairs	34.20
2217	80	800	800(00)(06)- Assistance to Municipal corporations for Smart City Abhiyan (central share 2%)	26.00
6225	01	800	800(01)(01)-Loans to Co-operative Spinning Mills of Scheduled Castes	24.00
2801	05	800	800(55)(01) - Grant in Aid to Maharashtra State Electricity Distribution Company Limited for Development and System Improvement	23.08
2701	80	800	800(02)(07) - Collections made on account of local cess on water charges and to be paid to Zilla Parishads – S. E. Pune Irrigation Circle, Pune	23.00
2210	06	800	800(01)(07) - Grants for Plan Schemes under Section 187 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961	22.01
2216	02	800	800(31)(01) - Removal and Rehabilitation of Slum Dwellers	21.75
2220	01	800	800(00)(01) - Establishment of Districts Information Offices	21.56
2210	03	800	800(02)(02) - Mofussil Hospitals and other Medical Services (Local Sector)	20.26
Total				16956.85

Source: Finance Accounts 2016-17

Appendix-3.8			
(Reference: Paragraph 3.8; Page 76)			
Details of pending Detailed Contingent Bills up to 2016-17			
Sr. No.	Department	No. of AC Bills	Amount (₹ in crore)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	31	0.69
2	Co-operation, Marketing and Textiles	26	1.40
3	Employment and Self Employment	30	0.38
4	Environment	2	0.00
5	Finance	100	13.85
6	Food, Civil Supplies and Consumer Protection	16	5.37
7	General Administration	606	65.26
8	Higher and Technical Education	45	0.85
9	Home	795	770.30
10	Housing	14	0.02
11	Industries, Energy and Labour	30	1.41
12	Law and Judiciary	103	46.23
13	Marathi Language Division	4	0.01
14	Medical Education and Drugs	70	7.87
15	Minorities Development	10	0.03
16	Parliament Affairs	1	0.01
17	Planning	47	2.35
18	Public Health	43	5.18
19	Public Works	4	0.04
20	Revenue and Forests	164	3.67
21	Rural Development and Water Conservation	458	12.46
22	School Education and Sports	72	1.80
23	Social Justice and Special Assistance	56	0.68
24	Tourism and Cultural Affairs	62	9.84
25	Tribal Development	29	0.28
26	Urban Development	5	0.05
27	Water Resources	2	0.01
28	Water Supply and Sanitation	15	0.04
29	Women and Child Development	24	0.45
Grand Total		2864	950.53
Source : Finance Accounts 2016-17			

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

Appendix-4.1 (contd.)	
Terms	Description
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation <i>vis-à-vis</i> the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control
State implementing agencies	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Shiksha Abhiyan and State Health Mission for National Rural Health Mission, <i>etc.</i>

Appendix-4.1 (contd.)	
Terms	Description
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 205 or Article 206 of the Constitution
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFS is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.)
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to at least 1/5 th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year

Appendix-4.1 (contd.)	
Terms	Description
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance 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

Appendix-4.1 (concl.)	
Terms	Description
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the Appropriation Accounts of the State, the Annual Financial Accounts of the State or such other Accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize
Block Grant	A block grant is a lump sum grant provided by the Government of India to the State Government, with only general provisions as to the way it is to be spent
Core public goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure <i>etc.</i>
Merit goods	Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. The examples of such goods include the provision of free or subsidized food for the poor to support nutrition, the delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation <i>etc.</i>
Absorptive capacity	Absorptive capacity in this case refers to the ability of a State to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the design of schemes are well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place <i>etc.</i> so that the state is able to effectively achieve targeted outcomes

Appendix-4.2	
Acronyms and abbreviations	
Acronyms	Full Form
AC Bill	Abstract Contingency Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DC Bill	Detailed Contingency Bill
DE	Development Expenditure
FCP	Fiscal Correction Path
FFC	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budgetary Management Act, 2005
GoI	Government of India
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
IP	Interest Payment
MTFPS	Medium Term Fiscal Policy Statement
O and M	Operation and Maintenance
PAC	Public Accounts Committee
RE	Revenue Expenditure
RR	Revenue Receipts
S and W	Salaries and Wages
SAR	Separate Audit Report
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
UC	Utilisation Certificate
VAT	Value Added Tax

©
Comptroller and Auditor General of India

www.cag.gov.in

www.agmaha.nic.in