

Paragraph	Table of Contents		Page
	Preface		ix
	Executive Summary		xi-xiv
CHAPTER 1: OVERVIEW OF STATE FINANCES			
1.1		Profile of the State	1
	1.1.1	Gross State Domestic Product	1
	1.1.2	Sectoral growth in GSDP at current prices	2
1.2		Basis and Approach to State Finances Audit Report	3
1.3		Report Structure	3
1.4		Overview of Government Account Structure and Budgetary Processes	4
	1.4.1	Snapshot of Finances	7
	1.4.2	Snapshot of Assets and Liabilities of the Government	8
1.5		Fiscal Balance: Achievement of deficit and total debt targets	8
	1.5.1	Comparison of targets of fiscal parameters projected in Medium Term Fiscal Policy Statement (MTFPS) with actuals for the current year	10
	1.5.2	Trends in Deficit/Surplus	10
1.6		Deficits after examination of audit	13
CHAPTER II: FINANCES OF THE STATE			
2.1		Major changes in Key fiscal aggregates during 2021-22 <i>vis-à-vis</i> 2020-21	15
2.2		Sources and Application of Funds	16
2.3		Resources of the State	17
	2.3.1	Receipts of the State	17
	2.3.2	State's Revenue Receipts	18
	2.3.2.1	Trends and growth of Revenue Receipts	18
	2.3.2.2	State's Own Resources	21
	2.3.2.3	Non –Tax Revenue	24
	2.3.2.4	Transfers from the Union Government	25
	2.3.3	Capital receipts	29
	2.3.4	State's performance in mobilization of resources	29
2.4		Application of resources	30
	2.4.1	Growth and Composition of Expenditure	30
	2.4.2	Revenue Expenditure	32
	2.4.2.1	Major changes in Revenue Expenditure	34
	2.4.2.2	Committed expenditure	34
	2.4.2.3	Undischarged liabilities in National Pension System	36
	2.4.2.4	Subsidies	36
	2.4.2.5	Financial Assistance by the State Government to Local Bodies and Other Institutions	37
	2.4.3	Capital Expenditure	38
	2.4.3.1	Major changes in Capital Expenditure	39
	2.4.3.2	Quality of Capital expenditure	39
	2.4.4	Expenditure Priorities	41
	2.4.4.1	Object head-wise expenditure	42

Paragraph	Table of Contents	Page
2.5	Public Account	42
	2.5.1 Net Public Account Balances	43
	2.5.2 Reserve Funds	43
	2.5.2.1 Consolidated Sinking Fund	44
	2.5.2.2 State Disaster Response Fund	44
	2.5.2.3 Guarantee Redemption Fund	45
	2.5.2.4 State Compensatory Afforestation Fund	46
	2.5.2.5 Building and other Construction Workers Welfare Cess	46
	2.5.2.6 Accounting of transactions relating to Central Road Fund	47
2.6	Debt Management	47
	2.6.1 Debt profile: Components	48
	2.6.2 Debt Profile: Maturity and Repayment	53
2.7	Debt Sustainability Analysis	54
	2.7.1 Utilisation of borrowed funds	57
	2.7.2 Status of Guarantees – Contingent Liabilities	58
	2.7.3 Management of Cash Balances	59
2.8	Conclusion	60
2.9	Recommendations	61
CHAPTER III: BUDGETARY MANAGEMENT		
3.1	Budget Process	63
	3.1.1 Summary of total provisions, actual disbursements and savings during the financial year	64
	3.1.2 Charged and voted disbursement	65
3.2	Appropriation Accounts	65
3.3	Comments on integrity of budgetary and accounting process	65
	3.3.1 Unnecessary or Excessive Supplementary Grants	65
	3.3.2 Advances from Contingency Fund	67
	3.3.3 Excessive or Unnecessary Re-appropriation	67
	3.3.4 Unspent amount and surrendered appropriations and/or huge Savings/ Surrenders	68
	3.3.4.1 Persistent Savings	69
	3.3.4.2 Grants with “Nil” expenditure	69
	3.3.5 Excess expenditure and its regularization	69
	3.3.5.1 Excess expenditure relating to 2021-22	69
	3.3.5.2 Regularisation of excess expenditure of previous financial years	70
	3.3.6 Grant-in-aid for creation of capital assets	70
3.4	Comments on transparency of Budgetary and Accounting process	71
	3.4.1 Lump Sum Budgetary provisions	71
3.5	Comments on effectiveness of Budgetary and Accounting process	71
	3.5.1 Budget projection and gap between expectation and actual	71
	3.5.2 Budgetary flow and review of grants	73

Paragraph		Table of Contents	Page
	3.5.2.1	Flow of expenditure	73
	3.5.3	Review of selected grants	75
	3.5.3.1	Budget and Expenditure	75
	3.5.3.2	Substantial savings under Sub-heads	76
	3.5.3.3	Surrender of entire provision	77
3.6		Conclusion	79
3.7		Recommendations	79
CHAPTER IV: QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES			
4.1		Funds outside Consolidated Fund or Public Account of the State	81
	4.1.1	Maharashtra Nivara Nidhi	81
4.2		Non-discharge of liability in respect of interest	82
4.3		Funds transferred directly to State implementing agencies	83
4.4		Single Nodal Agency (SNA) and Single Nodal Account	84
4.5		Delay in submission of Utilisation Certificates	85
	4.5.1	Recording of Grantee Institution as “Others”	86
4.6		Abstract Contingent bills	87
4.7		Personal Deposit Accounts	89
	4.7.1	Inoperative Personal Deposit Accounts	90
4.8		Indiscriminate use of Minor head 800	90
4.9		Outstanding balance under major Suspense and DDR heads	92
	4.9.1	Adverse Balances under DDR Heads	94
4.10		Non-reconciliation of Departmental figures	94
4.11		Reconciliation of Cash Balances	95
4.12		Compliance with Accounting Standards	96
4.13		Submission of Accounts/Separate Audit Reports of Autonomous Bodies	97
4.14		Departmental Commercial Undertakings/Corporations/Companies	98
4.15		Non-submission of details of grants/loans given to bodies and authorities	99
4.16		Timeliness and Quality of Accounts	100
4.17		Misappropriations, losses, thefts, etc	100
4.18		Follow up action on State Finances Audit Report	100
4.19		Conclusions	100
4.20		Recommendations	101
CHAPTER V: FINANCIAL PERFORMANCE OF STATE PUBLIC SECTOR UNDERTAKINGS			
5.1		Introduction	103
	5.1.1	Mandate	103
5.2		Number of State PSUs and status of Accounts	104
	5.2.1	Details of inactive PSUs	105
	5.2.2	Summary of financial performance of PSUs	105

Paragraph	Table of Contents	Page
5.3	Contribution of PSUs to the Economy of the State	106
5.4	Investments in Government Companies and Statutory Corporations and Budgetary Support	106
	5.4.1 Budgetary support to PSUs	108
	5.4.2 Restructuring, Disinvestment and Privatisation of PSUs	109
	5.4.3 Analysis of outstanding loans given to PSUs	109
	5.4.3.1 Long-term loans outstanding as on 31 March 2022	109
	5.4.3.2 Adequacy of assets to meet loan liabilities	110
	5.4.3.3 Interest Coverage	111
5.5	Returns from PSUs	111
	5.5.1 Profit earned by PSUs	111
	5.5.2 Losses incurred by PSUs	112
	5.5.3 Erosion of Net Worth of PSUs	113
	5.5.4 Dividend pay-out by PSUs	113
	5.5.5 Return on Capital Employed	114
	5.5.6 Return on Equity of PSUs	115
	5.5.7 Rate of Real Return on Investment	115
5.6	Oversight Role of CAG	117
	5.6.1 Appointment of statutory auditors of State PSUs by CAG	117
	5.6.2 Submission of Accounts by PSUs	117
	5.6.2.1 Need for timely submission	117
	5.6.2.2 Timeliness in preparation of accounts by PSUs	118
	5.6.3 CAG's oversight- Audit of annual accounts and supplementary audit	119
	5.6.3.1 Financial reporting framework	119
	5.6.3.2 Audit of accounts of Government Companies by Statutory Auditors	119
	5.6.3.3 Supplementary audit of annual accounts of Government Companies	119
5.7	Results of CAG's Audit of Accounts	120
	5.7.1 Audit of accounts of Government Companies under Section 143 of the Companies Act, 2013	120
	5.7.1.1 Amendment of Financial Statements	120
	5.7.1.2 Significant comments of the CAG issued as supplement to the Statutory Auditors' Report on State PSUs	120
	5.7.1.3 Management Letters	124
5.8	Conclusion	124
5.9	Recommendations	125

	Appendices	Reference to Paragraph	Page
1.1	General Data of Maharashtra	1	127
2.1	Time series data on State Government Finances	2.2	128
2.2	Fiscal priority of the State	2.3.2.2 2.3.2.3	131
3.1	Glossary of important Budget related terms	3.1	132
3.2	Grants/Appropriations closed with excess supplementary provisions during 2021-22	3.3.1	134
3.3	Unnecessary re-appropriation of Funds above ₹ 10 crore during 2021-22	3.3.3	136
3.4	Grants/Appropriations which closed with savings of more than ₹ 10 crore each and more than 20 <i>per cent</i> of the total provisions	3.3.4	137
3.5	Grants/Appropriations having large savings (above ₹ 100 crore) during the year 2021-22	3.3.4	140
3.6	Grants closed with savings of more than ₹ 100 crore persistently during 2017-18 to 2021-22	3.3.4.1	143
3.7	Excess expenditure remaining un-regularized	3.3.5.2	145
3.8	Rush of expenditure during the last quarter and last month of 2021-22	3.5.2.1	147
4.1	Department-wise breakup of outstanding utilisation certificates	4.5	149
4.2	Details of pending Detailed Contingent Bills up to 2021-22	4.6	150
4.3	Delay in submission of Accounts/Audit Reports by Autonomous Bodies	4.13	151
4.4	Status of finalisation of Accounts and Government investments in Departmentally managed Commercial and Quasi-Commercial Undertakings	4.14	154
4.5	Department-wise/age-wise breakup of cases of misappropriation, defalcation etc.	4.17	156
4.6	Department-wise/category-wise details of losses to Government due to theft, misappropriation/loss of Government material	4.17	157
5.1	Statement showing list of Public Sector Undertakings (PSUs) of Maharashtra under audit jurisdiction of CAG and status of their Annual Accounts as on 30 September 2022	5.2	158
5.2	Summarized financial position and working results of PSUs as per latest finalized accounts as on 30 September 2022	5.2.2	163
5.3	Statement showing list of PSUs having ICR \geq 1 and IRC $<$ 1 as on 31 March 2022	5.4.3.3	173

	Appendices	Reference to Paragraph	Page
5.4	Statement showing list of PSUs having negative Net Worth as on 31 March 2022	5.5.3	175
5.5	Statement showing list of PSUs where Dividend were declared during the year 2019-20 to 2021-22	5.5.4	176
5.6	Details of Return on Capital Employed (ROCE) of State PSUs for the three years ended 30 September 2022	5.5.5	177
5.7	Statement showing Return on Equity (ROE) of Government Companies and Statutory Corporations wherein State Government has direct Equity investment for the three years ended 30 September 2022	5.5.6	185
5.8	Statement showing details of the investment <i>vis-à-vis</i> present value of the investment infused by the State Government for the period 2000-01 to 2021-22	5.5.7	188
5.9	Statement showing list of PSUs where Management Letters were issued	5.7.1.3	190