Table of Contents

Paragraph		Table of Contents	Page
Prefac	ce		ix
Execu	itive Summ	ary	xi
		CHAPTER 1: OVERVIEW	
1.1		Profile of the State	1
	1.1.1	Gross State Domestic Product of the State	1
1.2		Basis and Approach to State Finances Audit Report	3
1.3		Overview of Government Account Structure and Budgetary Processes	4
	1.3.1	Snapshot of Finances	7
	1.3.2	Snapshot of Assets and Liabilities of the Government	8
1.4		Fiscal Balance: Achievement of deficit and total debt targets	9
	1.4.1	Comparison of targets of fiscal parameters projected in Medium Term Fiscal Policy Statement (MTFPS) with actuals for the current year	10
	1.4.2	Trends in Deficit/Surplus	11
	1.4.3	Performance of the State Government with respect to borrowings according to the limits fixed by Government of India	13
1.5		Deficits after examination of audit	13
		Chapter II: Finances of the State	
2.1		Major changes in Key fiscal aggregates during 2022-23 vis-à-vis 2021-22	15
2.2		Sources and Application of Funds	16
2.3		Resources of the State	17
	2.3.1	Receipts of the State	18
	2.3.2	State's Revenue Receipts	18
	2.3.2.1	Trends and growth of Revenue Receipts	18
	2.3.2.2		21
	2.3.2.3	Non –Tax Revenue	23
	2.3.2.4	Transfers from the Union Government	24
	2.3.3	Capital receipts	28
	2.3.4	State's performance in mobilization of resources	29
2.4		Application of Resources	29
	2.4.1	Growth and Composition of Expenditure	29
	2.4.2	Revenue Expenditure	31
	2.4.2.1	Major changes in Revenue Expenditure	32
	2.4.2.2	Committed expenditure	33
	2.4.2.3	Undischarged liabilities in National Pension System	35
	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

Par	agraph	Table of Contents	Page
	2.4.3.1	Major changes in Capital Expenditure	38
	2.4.3.2	Quality of Capital expenditure	39
	2.4.4	Expenditure Priorities	40
	2.4.4.1	Object head-wise expenditure	41
2.5		Public Account	42
	2.5.1	Net Public Account Balances	42
	2.5.2	Reserve Funds	43
	2.5.2.1	Consolidated Sinking Fund	43
	2.5.2.2	State Disaster Response Fund	43
	2.5.2.3	Guarantee Redemption Fund	45
		State Compensatory Afforestation Fund	45
		Building and other Construction Workers Welfare Cess	46
		Accounting of transactions relating to Central Road and	46
		Infrastructure Fund (CRIF)	
	2.5.2.7	Funds outside Consolidated Fund or Public Account of the	47
		State	
	2.5.2.7.1	Maharashtra Nivara Nidhi	47
2.6		Public Liability Management	48
	2.6.1	Liability Profile: Components	49
	2.6.2	7 1 7	53
2.7		Debt Sustainability Analysis	55
	2.7.1	Utilisation of borrowed funds	59
	2.7.2	Status of Guarantees – Contingent Liabilities	60
	2.7.3	Management of Cash Balances	61
2.8		Conclusion	63
2.9		Recommendations	64
Chapter III: Budgetary Management			
3.1		Budget Process	65
	3.1.1	1	66
	2.1.2	savings during the financial year	
	3.1.2		67
		Budget Marksmanship	67
	3.1.3.1	Aggregate Budget Outturn Expenditure Composition Outturn	67 68
3.2	3.1.3.2	Appropriation Accounts	68
3.3		Comments on integrity of budgetary and accounting process	69
3.3	3 3 1	Unnecessary or Excessive Supplementary Grants	69
	3.3.2		70
		Excessive / Unnecessary Re-appropriation of Funds	70
	3.3.4		71
		Savings/ Surrenders	, -
	3.3.4.1	Persistent Savings	72
	3.3.4.2	Grants with "Nil" expenditure	72

Par	agraph	Table of Contents	Page
	3.3.5	Excess expenditure and its regularizations	73
	3.3.5.1	Excess expenditure relating to 2022-23	73
	3.3.5.2	Regularisation of excess expenditure of previous financial	74
		years	
	3.3.6	1	74
3.4		Comments on transparency of Budgetary and Accounting	75
	2.4.1	process	7.5
	3.4.1		75
	3.4.2		75
3.5		funding for ensuring implementation Comments on effectiveness of Budgetary and Accounting	75
3.3		process	/3
	3.5.1	Budget projection and gap between expectation and actual	75
	3.5.2	Budgetary flow and review of grants	78
	3.5.2.1	Rush of Expenditure	78
	3.5.3	Review of selected grants	80
	3.5.3.1	Grant H-6 Expenditure on Public works and Administrative Functional Building	80
	3.5.3.2		82
3.6		Conclusion	85
3.7		Recommendations	86
CHAPTER IV: QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES A 1 Non-discharge of liability in regreat of interest 97			
4.1		Non-discharge of liability in respect of interest	87
4.2		Funds transferred directly to State implementing agencies	88
4.3		Delay in submission of Utilisation Certificates	88
	4.3.1	Recording of Grantee Institution as "Others"	90
4.4		Abstract Contingent bills	90
4.5		Personal Deposit Accounts	92
4.6		Indiscriminate use of Minor head 800	93
4.7		Outstanding balance under major Suspense and DDR heads	96
	4.7.1	Adverse Balances under DDR Heads	97
4.8		Non-reconciliation of Departmental figures	97
4.9		Reconciliation of Cash Balances	98
4.10		Compliance with Accounting Standards	98
4.11		Submission of Accounts/Separate Audit Reports of Autonomous Bodies	99
4.12			101
		Departmental Commercial Undertakings/Corporations/ Companies	
4.13		Non-submission of details of grants/loans given to bodies and authorities	101
4.14		Timeliness and Quality of Accounts	102
4.15		Misappropriations, losses, thefts, etc	102

Par	agraph	Table of Contents	Page
4.16		Follow up action on State Finances Audit Report	103
4.17		Conclusion	103
4.18		Recommendations	103
CHAPTER V: FINANCIAL PERFORMANCE OF STATE PUBLIC SECTOR			
UNDERTAKINGS (SPSUs)			
5.1		Introduction	105
5.2		Definition of Government Companies	105
5.3		Mandate of Audit	105
5.4		Number of SPSUs and Status of Financial Statements [FSs]	106
5.5		SPSUs and their Contribution to GSDP of the State	107
	5.5.1	•	108
5.6		Investments in SPSUs and Budgetary Support	109
	5.6.1	Equity holding and Loans in SPSUs	109
	5.6.2	C 7 11	110
5.7		Market Capitalisation of Equity investment in SPSUs	111
5.8		Restructuring, Disinvestment and Privatisation of SPSUs	111
5.9		Analysis of Outstanding loans given to SPSUs	111
	5.9.1	Long-term loans outstanding as on 31 March 2023	111
	5.9.2	Adequacy of Assets to meet Loan liabilities	112
5.10		Returns from SPSUs	112
	5.10.1	Profit earned by SPSUs	112
5.11		SPSUs incurring Losses	114
	5.11.1	Losses incurred	114
	5.11.2	Net Profit/Loss Ratio	116
	5.11.3	Dividend Pay-out by SPSUs	116
5.12		Debt Servicing	117
	5.12.1	Interest Coverage Ratio	117
5.13		Financial Performance of SPSUs	118
	5.13.1	Return on Capital Employed	118
	5.13.2	Return on Equity of SPSUs	119
	5.13.3	Rate of Real Return on Investment	121
	5.13.4	Erosion of Net worth of SPSUs	122
5.14		Oversight Role of CAG	123
	5.14.1	Appointment of Statutory Auditors of SPSUs by CAG	123
	5.14.2	Submission of FSs by SPSUs	123
	5.14.2.1	Need for timely submission	123
	5.14.2.2	Timeliness in preparation of FSs by SPSUs	124
	5.14.3	CAG's Oversight- Audit of FSs and Supplementary Audit	125
	5.14.3.1	Financial reporting framework	125
	5.14.3.2	Audit of FSs of Government Companies by Statutory	125
		Auditors	
	5.14.3.3	Supplementary audit of FSs of Government Companies	125

Paragraph		Table of Contents	
5.15		Results of CAG's Oversight role	125
	5.15.1	Audit of FSs of SPSUs under Section 143 of the Companies	125
		Act, 2013	
	5.15.2	Amendment of FSs	126
	5.15.3	Revision of Auditors Report	126
5.16		Management Letters	126
5.17		Conclusion	126
5.18	·	Recommendations	127

	Appendices	Reference to Paragraph	Page
1.1	General Data of Maharashtra	1.1	129
2.1	Time series data on State Government Finances	2.2	130
2.2	Fiscal priority of the State	2.3.2.2 2.3.2.3	133
2.3	Reconciliation of Government Investment with Accounts of companies	2.4.3.2	134
3.1	Glossary of important Budget related terms	3.1	135
3.2	Grants/Appropriations closed with excess (₹10 crore or more) supplementary provisions during 2022-23	3.3.1	137
3.3	Unnecessary re-appropriation of funds during 2022-23	3.3.3	139
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	142
3.5	Grants/Appropriations having large savings (above ₹ 100 crore) during the year 2022-23	3.3.4	145
3.6	Grants closed with savings of more than ₹ 100 crore persistently during 2018-19 to 2022-23	3.3.4.1	148
3.7	Excess expenditure remaining un-regularized	3.3.5.2	150
3.8	Details of the Schemes for which provision (₹ 100 Crore and above) was made but was either withdrawn or no expenditure was incurred	3.4.2	152
3.9	Statement showing quarter wise expenditure for all grants during the year 2022-23	3.5.2.1	154
4.1	Implementing agencies which received major direct transfer from GoI during 2022-23	4.2	167
4.2	Department-wise breakup of outstanding Utilisation Certificates	4.3	169
4.3	Details of pending Detailed Contingent Bills up to 2022-23	4.4	170
4.4	Delay in submission of Accounts/Audit Reports by Autonomous Bodies	4.11	171

	Appendices	Reference to Paragraph	Page
4.5	Status of finalisation of Accounts and Government investments in Departmentally managed Commercial and Quasi-Commercial Undertakings	4.12	174
4.6	Department-wise/age-wise breakup of cases of misappropriation, defalcation etc.	4.15	176
4.7	Department-wise/category-wise details of losses to Government due to theft, misappropriation/loss of Government material	4.15	177
5.1	Statement showing list of SPSUs of Maharashtra under audit jurisdiction of CAG and status of their Annual FSs as on 30 September 2023.	5.4 & 5.14.2.2	178
5.2	Summarised financial position and working results of SPSUs as per latest finalised FSs as on 30 September 2023	5.5.1	184
5.3	Details of Return on Capital Employed (ROCE) of SPSUs for the three years ended 30 September 2023	5.13.1	192
5.4	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 2023	5.13.2	200
5.5	Statement showing year-wise details of the investment <i>vis-a-vis</i> present value of investment infused by the State Government for the period 2000-01 to 2022-23	5.13.3	204
5.6	Statement showing list of SPSUs whose net worth has eroded as on 31 March 2023	5.13.4	206
5.7	Details of SPSUs having continuous erosion in net worth for more than three years	5.13.4	209
5.8	Statement showing list of SPSUs where Management Letters were issued	5.16	210