

**Chapter II**  
**Budgetary Management**



## CHAPTER II BUDGETARY MANAGEMENT

This chapter reviews Maharashtra's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings and last-minute fund surrenders. It highlights weaknesses in financial planning, control and compliance, stressing the need for realistic budgeting, timely fund utilisation and modern practices like gender and green budgeting.

### 2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in every financial year, a statement of the estimated receipts and expenditure of the State for that year called "The Annual Financial Statement" (Budget) is to be laid before the State legislature. The estimates of the expenditure show 'charged' and 'voted' items<sup>1</sup> of the expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorization is necessary before incurring any expenditure by the State Government.

The Maharashtra Budget Manual (MBM) prescribes the procedure to be followed for preparation of budget estimates and subsequent action relating to authorisation of expenditure. The budget is prepared by the Finance Department on the basis of the proposals received from the Heads of the departments on the dates prescribed by the Finance Department. The Finance Department consolidates the estimates and prepares the summary statement of the financial position for the budgeted year, detailed estimates of receipts and statements of demands for grants followed by detailed estimates of expenditure. These estimates include both voted and charged expenditure to be met from the Consolidated Fund of the State. The glossary of budget related terms is given in **Appendix 2.1**. The budget process begins with the release of the Budget Circular, normally in August, which provides guidance to departments in structuring their estimates for the following fiscal year.

### 2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilization of resources, strengthen scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from state legislature, actual expenditure and savings are summarized in **Table 2.1**.

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

**Table 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25**

(₹ in crore)								
	Nature of Expenditure	Original	Supplementary	Total Budget	Actual Expenditure	Savings	Surrender during 2024-25	% of Savings against Total Budget
Voted	I. Revenue	466713.65	103531.97	570245.62	464467.72	105777.90	106714.30	18.55
	II. Capital	98376.14	26485.70	124861.84	85611.63	39250.21	39378.33	31.43
	III. Loans and Advances	7487.47	6532.69	14020.16	12135.06	1885.10	1921.61	13.44
	<b>Total</b>	<b>572577.26</b>	<b>136550.36</b>	<b>709127.62</b>	<b>562214.41</b>	<b>146913.21</b>	<b>148014.20</b>	<b>20.72</b>
Charge	IV. Revenue	62871.47	561.96	63433.43	57518.72	5914.71	5603.96	9.32
	V. Capital	21.25	3.37	24.62	9.52	15.10	14.93	61.33
	VI. Public Debt – Repayment	57197.54	47.99	57245.53	41805.78	15439.75	15439.75	26.97
	<b>Total</b>	<b>120090.26</b>	<b>613.32</b>	<b>120703.58</b>	<b>99334.02</b>	<b>21369.56</b>	<b>21058.64</b>	<b>17.45</b>
	Appropriation to Contingency Fund	0	0	0	0	0	0	0
	<b>Grand Total</b>	<b>692667.52</b>	<b>137163.68</b>	<b>829831.20</b>	<b>661548.43</b>	<b>168282.77</b>	<b>169072.88</b>	<b>20.28</b>
<i>Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 10085.25 crore) and Capital Heads (₹ 2847.84 crore).</i>								
<i>Source: Appropriation Accounts 2024-25</i>								

During the year 2024-25, Government of Maharashtra incurred expenditure of ₹ 6,61,548.43 crore against the total grants and appropriations of ₹ 8,29,831.20 crore resulting in overall savings of ₹ 1,68,282.77 crore. The net savings were offset to an extent of ₹ 763.05 crore by excess. These savings stood at 20.28 per cent of total grants and appropriations made during the year.

The savings and excesses were intimated by the office of the Principal Accountant General (Accounts and Entitlement)-I, Maharashtra regularly to the Controlling Officers through Monthly Reports on expenditure. They also took up the matter with Departments concerned after closure of the preliminary and final accounts in March 2025, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanation was received (June 2025).

Trends in the original budget, revised estimate and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

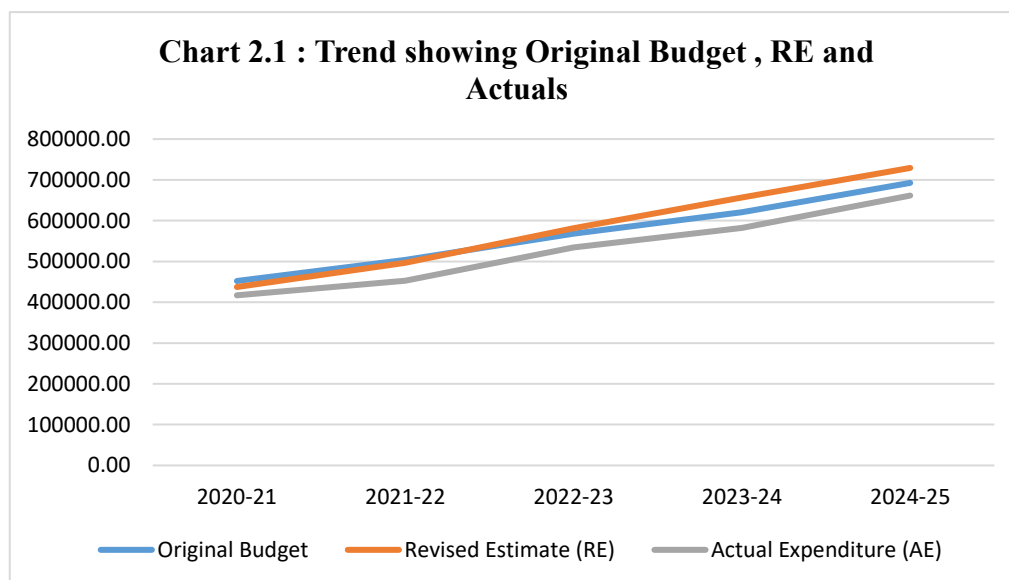
**Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during FYs 2020-21 to 2024-25**

(₹ in crore)					
	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Original Budget</b>	452136.69	503688.31	568270.63	620847.10	692667.52
<b>Supplementary budget</b>	72152.87	60698.39	84538.52	105373.15	137163.68
<b>Total Budget (TB)</b>	524289.56	564386.70	652809.15	726220.25	829831.20
<b>Revised Estimate (RE)</b>	437390.51	496637.96	581268.25	656495.09	729275.53
<b>Actual Expenditure (AE)</b>	417048.36	452850.67	534074.20	582296.66	661548.43

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Savings</b>	(-)107241.20	(-)111536.03	(-)118734.95	(-)143923.59	(-) 168282.77
<b>Percentage of supplementary to the original provision</b>	15.96	12.05	14.88	16.97	19.80
<b>Percentage of overall saving/excess to the overall provision</b>	20.45	19.76	18.19	19.82	20.28
<b>TB-RE</b>	86899.05	67748.74	71540.90	69725.16	100555.67
<b>RE-AE</b>	20342.15	43787.29	47194.05	74198.43	67727.1
<b>(TB-RE) as % of TB</b>	16.57	12.00	10.96	9.60	12.12
<b>(RE-AE) as % of TB</b>	3.88	7.76	7.23	10.22	8.16

*Source: Annual Financial Statement and Appropriation Accounts of respective years*

Despite a steady increase in budgetary provisions and substantial supplementary allocations, expenditure control and forecasting remained weak, as evidenced by persistently high and growing savings. The increasing reliance on supplementary budgets coupled with significant under-utilisation of Revised Estimates points to deficiencies in realistic budgeting. Strengthening budget formulation and improving expenditure execution are necessary to enhance the credibility of budget estimates. This suggests scope for improving the realism of budget estimates, alignment of supplementary demands with actual implementation capacity, and strengthening of expenditure forecasting and monitoring mechanisms.



*(Source: Appropriation Accounts of the respective years)*

**Chart 2.1** depicts a steady increase in the Original Budget, Revised Estimates, and Actual Expenditure during 2020-21 to 2024-25. Revised Estimates consistently exceeded the Original Budget, while Actual Expenditure remained lower than both, indicating repeated in-year revisions and year-end savings.

### 2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component-wise analysis of the Budget and Expenditure for the FY 2024-25 is summarized in **Table 2.3**.

**Table 2.3: Component Wise Budget and Expenditure for the year 2024-25**

(₹ in crore)					
Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the total Budget
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
<b>Committed Expenditure</b>	185598.97	153968.7	22.37	23.27	82.96
<b>State Schemes</b>	579127.58	458766.17	69.79	69.35	79.22
<b>Central Share for CSS</b>	35819.36	25935.87	4.32	3.92	72.41
<b>State Share for CSS</b>	28259.96	21346.49	3.41	3.23	75.54
<b>EAP - Externally Aided Projects</b>	1025.34	1531.2	0.12	0.23	149.34
<b>Total</b>	<b>829831.21</b>	<b>661548.43</b>	<b>100.00</b>	<b>100.00</b>	

*Source: Appropriation Accounts 2024-25*

Against the total budget provision of ₹ 8,29,831.21 crore, the State Government incurred an expenditure of ₹ 6,61,548.43 crore, resulting in overall utilisation of about 80 *per cent*. Committed expenditure showed higher utilisation (82.96 *per cent*) compared to other components. State Schemes, which constituted about 70 *per cent* of the budget, recorded utilisation of 79.22 *per cent*. Funds under Centrally Sponsored Schemes were under-utilised, with the Central and State shares recording utilisation of 72.41 *per cent* and 75.54 *per cent* respectively.

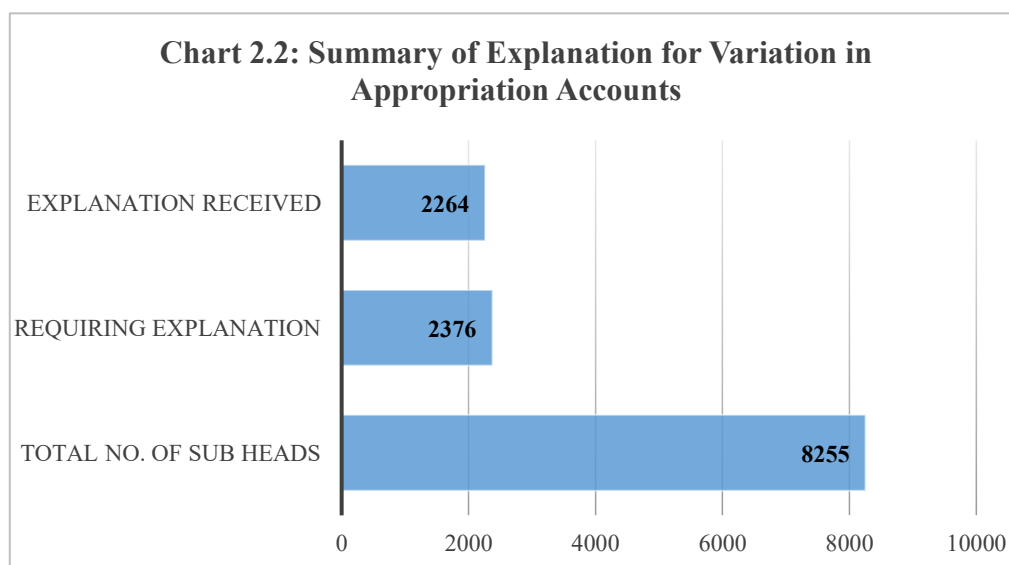
Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide an explanation for cases where the expenditure varies significantly from the budgeted provision (Original + Supplementary). The limit is beyond which such variation at the Sub-Head/ Unit of Appropriation-level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

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

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

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

According to Paragraph 165 of the Maharashtra Budget Manual, the orders sanctioning re-appropriation of funds which involve some distinct or unusual feature should briefly specify the reasons for the additions to and deductions from the sub-heads affected by them. However, on scrutiny of the re-appropriation orders issued by the Finance Department revealed that in respect of 112 items (4.71 *per cent*) out of 2376 items commented in the Appropriation Accounts, no reasons for additional provision/withdrawal of provision were mentioned. This goes against the principle of transparency stipulated in Section 6 of Fiscal Responsibility and Budgetary Management Act. The summary of explanation for variation in Appropriation Accounts is given in **Chart 2.2**



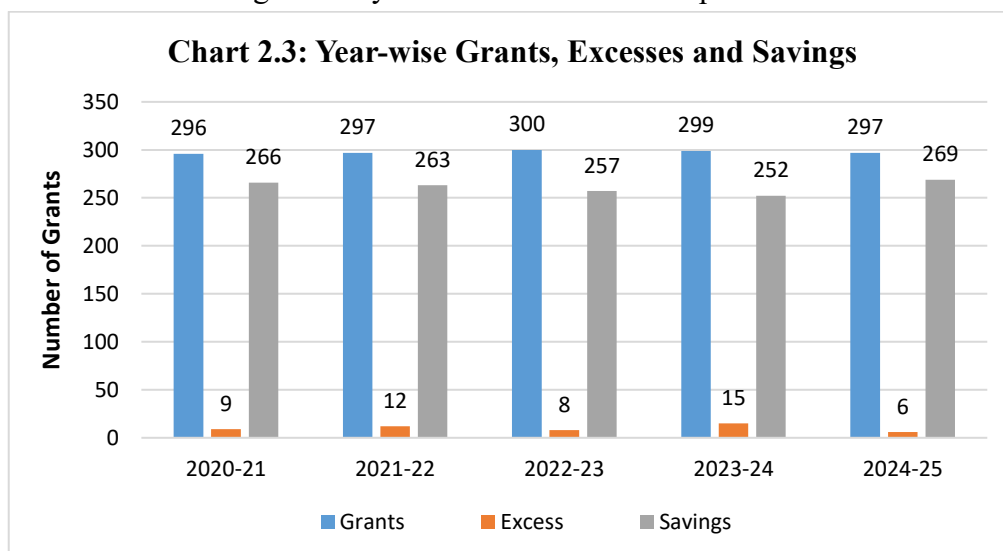
*Source: Information furnished by office of the Pr. Accountant General (Accounts & Entitlement), Maharashtra*

### 2.3 Budget Marksmanship

#### Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition. A year-wise analysis of grants, excesses,

and savings provides valuable insights into the efficiency of budget execution and financial management by the State. It has been depicted in **Chart 2.3**.



Source: Appropriation Accounts of the respective years

The expenditure composition outturn for the FY 2024-25 is given in **Table 2.4**.

**Table 2.4: Expenditure composition overall deviation FY 2024-25**

Section	Overall Deviation (per cent)	Range of Deviation (per cent)	Number of Grants
Revenue (Voted)	18.55	< 25	72
		25-50	48
		> 50 up to 100	29
Capital (Voted)	29.62	< 25	55
		25-50	18
		>50 up to 100	21
Revenue (Charged)	9.32	< 25	11
		25-50	9
		> 50 up to 100	42
Capital (Charged)	26.99	< 25	1
		25-50	2
		> 50 up to 100	7

Source: Appropriation Accounts 2024-25

The large number of grants with deviations exceeding 25 per cent points to deficiencies in realistic budgeting and phased execution, especially in capital works. With an overall deviation of 29.62 per cent, capital voted grants exhibited the highest variability, and 39 grants showed deviations above 25 per cent, highlighting persistent weaknesses in capital budgeting and execution. During the Grant review of Grant C07 and Y02 it was noticed that under revenue voted section there was a deviation of 24.23 per cent and 25.52 per cent in Grant C07 and Y02 respectively.

Overall, while aggregate deviations appear moderate in some sections, the large number of grants with deviations exceeding 25 per cent—particularly in capital and charged expenditure—suggests persistent challenges in realistic budgeting, timely execution, and in-year monitoring of expenditure.

## 2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and reappropriation distinctly in gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

## 2.5 Budgetary and accounting process

### 2.5.1 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

#### A. Excess expenditure during current year

There was an excess disbursement of ₹ 763.05 crore over the authorisation made by the State Legislature under two Grants and four Appropriations during 2024-25 as indicated in **Table 2.5**.

**Table 2.5: Excess expenditure during 2024-25 requiring regularisation**

(₹ in crore)

Grant No.	Grant details	Amount of excess expenditure required to be regularised
C-2	Stamps & Registration	20.353
O-31	District Plan- Sangli	0.005
C-1	Revenue & District Administration	0.011
L-1	Interest Payment	727.284
R-1	Medical & Public Health	15.113
T-1	Interest Payments	0.290
	<b>Total</b>	<b>763.054</b>

*Source: Appropriation Accounts 2024-25*

The excess expenditure during 2024-25 was mainly attributable to provisioned interest payments on the State Provident Fund amounting to ₹ 727.28 crore, penal interest of ₹ 15.11 crore incurred due to delay in transfer of Finance Commission grants (committed liabilities), and ₹ 20.35 crore towards cost of stamps and expenses on sale of stamps.

## B. Regularisation of excess expenditure of previous financial years

The excess expenditure of ₹ 3025.76 crore incurred during the period 2017-18 to 2023-24 was yet to be regularised as on March 2025 by the State Legislature. The details of excess expenditure of previous financial years requiring regularisation are shown in **Appendix 2.2**.

To strengthen the legislative oversight over the expenditure from Consolidated Fund of State, these cases of excess expenditure need to be regularized at the earliest and measures to contain recurrence of such excess may be taken by the State Government.

### 2.5.1.1 Persistent Excess expenditure in certain Grants

Audit scrutiny revealed that there were no cases of persistent excess expenditure more than ₹10 crore in each case during the last five years (2021-2025).

### 2.5.2 Supplementary Grants rendered non-essential

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

It was observed that in 62 cases (**Appendix 2.3**), despite the sanction of supplementary provisions aggregating ₹ 29,742.51 crore, the actual expenditure during 2024-25 did not reach the level of the original provisions. This indicates that the supplementary provisions were unnecessary. Further, in 84 cases involving supplementary provisions exceeding ₹two crore in each case, supplementary grants amounting to ₹ 1,37,066.48 crore proved excessive (**Appendix 2.4**) during the year.

**Table 2.6** shows six Grants where Supplementary Budget of ₹ 1000 crore and more in each case, was provided despite the actual expenditure falling short of the Original Budgetary allocation.

**Table 2.6: Instances of Unnecessary Supplementary Budget Allocation of ₹ 1000 crore and more**

(₹ in crore)						
Sr. No	Grant No. and Description	Revenue/capital	Budget (original)	Expenditure	Savings(-) against original Budget	Budget (Supplementary)
1	B01	Revenue	29104.99	23960.29	-5144.70	1279.22
2	F02	Revenue	17252.06	13554.03	-3698.03	7358.52
3	I05	Capital	17785.84	16434.73	-1351.11	3109.91
4	T05	Revenue	13582.45	12517.44	-1065.01	2993.96
5	H08	Capital	4840.79	4090.74	-750.05	2813.09
6	N03	Revenue	16788.52	16371.41	-417.12	5083.70

Source Appropriation Accounts 2024-25

Thus, it can be concluded that the large Supplementary grants of ₹ 1,37,163.68 crore led to a further increase in the savings against the Budget. Seeking supplementary grants without requirement is indicative of poor budgetary management by the State Government. Further, it is also clear that there is absence of allocative efficiency and utilisation efficiency by departments which led to excess expenditure in some grants and savings in others. Overall, the pattern reflects weak alignment between original estimates, supplementary demands, and actual expenditure, underscoring the need for more realistic budget formulation, careful scrutiny of supplementary proposals, and strengthened in-year expenditure monitoring to avoid both excess provisioning and year-end savings.

During the Grant Review of Grant C-7 and Grant Y-2, audit observed that the supplementary provisions obtained were unnecessary, as the actual expenditure in both cases did not even reach the level of the original provision, resulting in substantial savings, as detailed in **Table 2.7**.

**Table 2.7: Unnecessary supplementary provisions under Grant C-07 and Y-02**

Grant No	Original	Supplementary	(₹ in crore)	
			Actual Expenditure	Savings
C07- Forest	4353.47	56.88	3341.56	1068.79
Y02-Water Supply and Sanitation	6007.14	290.66	4690.90	1606.90

*Source: Appropriation accounts 2024-25*

In a subhead under Grant C-07, against an original provision of ₹ 60 crore, a supplementary demand of ₹ 56.88 crore was obtained for ‘*Strengthening of the State Biodiversity Board*’. However, the actual expenditure was only ₹ 14.50 crore, leading to savings of ₹ 102.38 crore, which was surrendered on 31 March 2025. The department attributed the surrender to non-filling of vacant posts, reduction in anticipated expenditure, non-receipt of bills, and non-completion of works as per plan.

### 2.5.3 Injudicious re-appropriation of funds

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

During 2024-25, re-appropriation orders under 165 grants amounting to ₹ 47,697.17 crore were issued. Out of this re-appropriation orders under 137 grants amounting to ₹ 24,195.70 crore were issued on 31 March 2025. Further, in 22 Grants (**Appendix 2.5(a)**), reduction of provision exceeding ₹ two crore through re-appropriation orders effected by various departments proved injudicious as there was excess expenditure under these cases.

A dominant feature of the Appendix is the concentration of such cases under Grant I05 – Capital Expenditure on Irrigation, particularly relating to share capital contributions to Irrigation Development Corporations (Godavari Marathwada, Tapi, and Krishna Valley). In several instances, sizeable

re-appropriations were made (ranging from ₹ five crore to over ₹ 250 crore), yet expenditure exceeded the reduced provision, leading to savings that mirrored the amount re-appropriated. This indicates that the funds were withdrawn without a realistic assessment of actual expenditure requirements.

The pattern suggests that re-appropriations were used as a routine adjustment mechanism rather than being driven by well-founded savings, undermining the purpose of in-year financial control. Similar issues were also observed in a few non-irrigation grants, including District Plan schemes and Medical and Public Health, though on a smaller scale.

In 41 schemes, **(Appendix 2.5(b))** augmentation of provision also proved unnecessary because expenditure was either equal to or did not come up to the level of original/supplementary budget provision. The recurring pattern, particularly in irrigation-related capital expenditure and major social sector grants, suggests weaknesses in expenditure forecasting, scrutiny of supplementary demands, and in-year financial review. Strengthening the assessment of fund requirements before approving supplementary grants or re-appropriations, and linking augmentation decisions more closely with realistic implementation timelines, would help improve budgetary discipline and the efficiency of resource utilisation.

#### 2.5.4 Unspent amount and surrendered appropriation and/or large savings/surrenders

##### 2.5.4.1 Substantial savings due to low utilisation of budgetary provisions

Budget proposals should strive to optimize all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

##### (A) Saving after surrenders

An analysis of Grants and Appropriations showed that in two cases during the year 2024-25, savings (after surrender) exceeded ₹ 100 crore in each case as given in **Table 2.8**.

**Table 2.8: Statements of Grants/Appropriations showing large savings (exceeding ₹ 100 crore) after surrenders during 2024-25**

							(₹ in crore)
Sr. No	Grant No	Grant name	Total budget	Actual expenditure	Savings	Surrender	Savings after surrender
1	H05	Road and Bridges	7140.88	5720.91	1419.96	938.27	481.69
2	H08	Capital expenditure on Public works Administrative and Functional Buildings	7653.88	4090.74	3563.14	3437.17	125.97

Source: Appropriation Accounts 2024-25

Analysis of grants and appropriations for the year 2024-25 revealed that in 80 grants, savings (excluding surrenders) exceeded ₹ 100 crore in each case

(Appendix 2.6). Further, it was observed that in two grants and five appropriations, despite provisions of more than ₹ two crore in each case, no expenditure was incurred, as detailed in Table 2.9.

**Table 2.9 : Entire grant remaining unutilised during 2024-25**

(₹ in crore)			
Sl. No.	Grant	Grant Description	Amount
1	C08	Compensation & Assignments to Local Bodies and Panchayati Raj Institutions	10.00
2	M02	Food, Storage and warehousing	26.80
2	O04	Other Rural Development Programmes	100.08
3	O06	Other Scientific Research	38.00
4	O12	Investment in General Financial & Trading Institutions	20.00
5	Q06	Loans to Government Servants, etc	3.46
6	ZI01	Interest Payments	11.00
<i>Source: Appropriation Accounts 2024-25</i>			

On scrutiny of files during Grant Review of Grant Y-02 and C-07 it was noticed that in the below four subheads shown in Table 2.10 the entire budget provision was surrendered on 31 March 2025.

**Table 2.10: Details showing surrender of entire provision under Grant. C-07 and Y-02**

(₹ in crore)					
Sr. No.	Description	Original and Supplementary Grant	Amount Re-appropriated	Total Grant	Actual Expenditure
1	<b>2215</b> 107(04)(05) Execution of Sant Gadge Baba Gram Safai Mission, Publicity and Reward Scheme	20.00	20.00	0	0
Surrender of entire provision of ₹ 20.00 crore in March 2025 was attributed to non-approval of funds on Budget Distribution System by the Finance Department.					
2	<b>2215</b> 196(02)(01) Grant-in-aid for Water Supply Scheme for Marathwada Division by Integrated Grid Process	5.0	5.0	0	0
Surrender of entire provision of ₹ five crore in March 2025 was attributed to no demand for funds from the Maharashtra Jeevan Pradhikaran.					
3	<b>2215</b> 196(02)(02) Tilari Project based Water Supply Scheme	5.00	5.00	0	0
Surrender of entire provision of ₹ five crore in March 2025 was attributed to no demand for funds from the implementing Agencies under the scheme.					
4	<b>2406</b> (003(00)(04) Education and Training- Students Harit sena	40.00	40.00	0	0
Withdrawal of entire provision of ₹ 40.00 crore from the above subhead through surrender in the month of March 2025 was due to non-filling of vacant posts, reduction in expenses, non-receipt of bills and non-completion of work as per plan.					
<i>Source: Appropriation Accounts 2024-25</i>					

Further, in nine Sub-Heads under Grant No. Y-02 and C-07, savings of ₹ two crore and above and ranging between 21.15 per cent and 91.51 per cent of the total provision was surrendered in March 2025 as detailed in Table 2.11.

**Table 2.11: Sub-head wise substantial saving under Grant Y-02 and C-07**

(₹ in crore)

Sr No	Cross Reference Code	Description	Total Grant	Actual	Savings	Percentage of Saving
1	2215 01 196 (01) (05)	Regular Establishment	282.28	222.58	59.70	21.15
Surrender of provision of ₹ 59.70 crore in March 2025 was attributed to less demands from Zilla Parishads than projected and non-filling of post under Contractual services.						
2	2215 01 001 (01) (04)	Grant-in-aid to Maharashtra Jeevan Pradhikaran for payment of Salary and Other Allowances	252.87	164.29	88.58	35.03
Savings were attributed to non- receipt of approval for payment of arrears of 7 <sup>th</sup> Pay Commission to the employees of MJP and non- finalisation of recruitment process. The re-appropriated amount of ₹ 88.58 crore was surrendered in March 2025.						
3	2215 02 107(02) (05)	Swachh Bharat Mission (Centrally Sponsored Scheme) (State Share)	541.10	71.39	469.71	86.81
4	2215 02 107(02) (10)	Swachh Bharat Mission (Central Share) Centrally Sponsored Scheme.	1262.00	107.09	1154.91	91.51
Surrender of provision of ₹ 1,624.62 crore in March 2025 was attributed to release of State Share in proportion to Central Share received. Reasons for further saving of ₹ 0.10 crore under the head 107(02)(10) have not been furnished (July-2025).						
5	2406 02 110 (00) (03)	Integrated Development of Wildlife Habitat (60% Central share)	22.50	3.11	19.39	86.18
6	2406 02 110 (00) (04)	Project tiger (Non Recurring Expenditure (60% Centra share)	45.00	14.59	30.41	67.57
7	2406 02 110 (00) (16)	Integrated Development of Wild Life Habitat (40% State Share)	15	2.14	12.86	85.73
Funds amounting to ₹ 62.67 crore were surrendered from the above subhead in March 2025. The department stated that the funds were surrendered due to non-filling of vacant posts, reduction in expenses, non- receipt of bills and non- completion of work as per plan.						
8	2415 06 277 (00) (02)	Forest Academy of Development Administration and Management Kundal (Committed)	10.03	5.74	4.29	42.77
9	2415 06 277 (00) (03)	Forest Academy of Development Administration and Management Chandrapur	45.00	21.65	23.35	51.89
Funds amounting to ₹ 27.64 crore was surrendered from the above sub head in March 2025. The department stated that the funds were surrendered due to non-receipt of bills, non-filling vacant posts and less number of trainee participation.						
<b>Source: Appropriation Accounts 2024-25</b>						

### (B) Persistent Savings

“Persistent savings” refers to the consistent practice of not utilizing the allocated funds every year. Persistent savings in the last three years indicated that the budgetary controls in the Departments were not effective and previous year’s trends were not taken into account while allocating the funds for the year. It was observed that in 52 grants, there was persistent saving exceeding ₹ 100 crore in each case (**Appendix 2.7**) during 2022-23 to 2024-25.

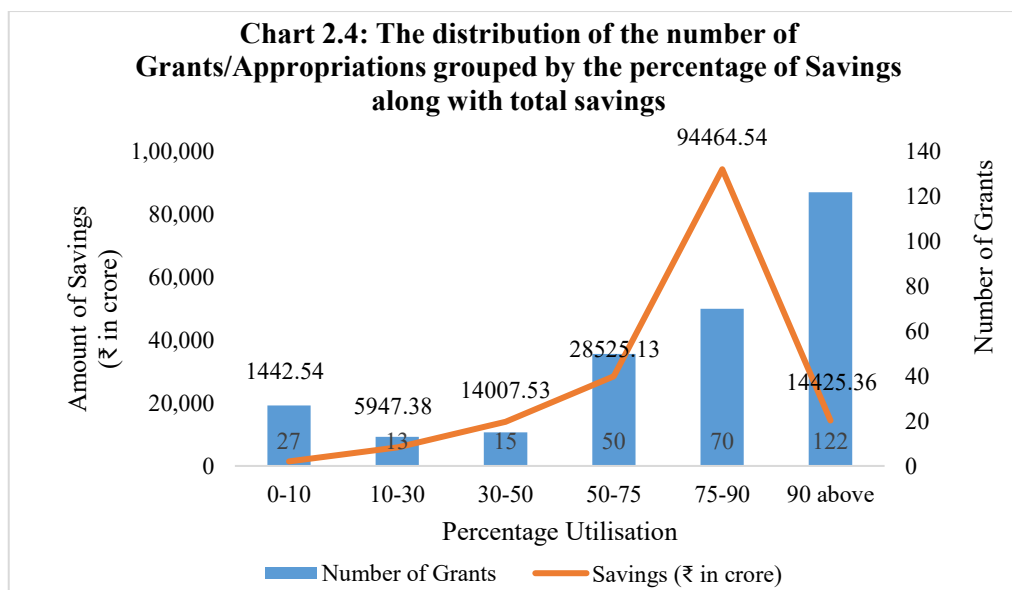
Large and recurring savings are evident in Urban Development, Police Administration, Water Resources, Rural Development, Education, Medical & Public Health, Water Supply and Sanitation, and Social Security, suggesting that under-utilisation is not confined to peripheral or low-priority sectors. Capital-intensive grants, such as Capital Expenditure on Irrigation, Roads and Bridges, Energy, Rural Development, and Social Services, consistently show high savings, pointing to implementation delays, land/clearance issues, or weak project readiness.

Some grants exhibit extremely high savings ratios (50–100 *per cent*) over multiple years (e.g., Other Fiscal and Miscellaneous Services, Housing, Minorities Development, Water Supply and Sanitation), indicating that budget provisions substantially exceeded absorptive capacity.

In several large departments (e.g., Police Administration, Urban Development, Water Resources), the absolute amount of savings increased year-on-year, even where percentage savings remained broadly stable, magnifying the fiscal impact. The recurrence of savings in flagship and welfare-oriented schemes suggests that policy intent and budgetary prioritisation are not adequately translated into executable plans at the departmental and field levels. The continuation of similar savings patterns across three years indicates that past savings have not sufficiently informed subsequent budget estimates, reflecting weak feedback loops in the budgeting process.

### (C) Percentage Utilisation of Budget Allocation

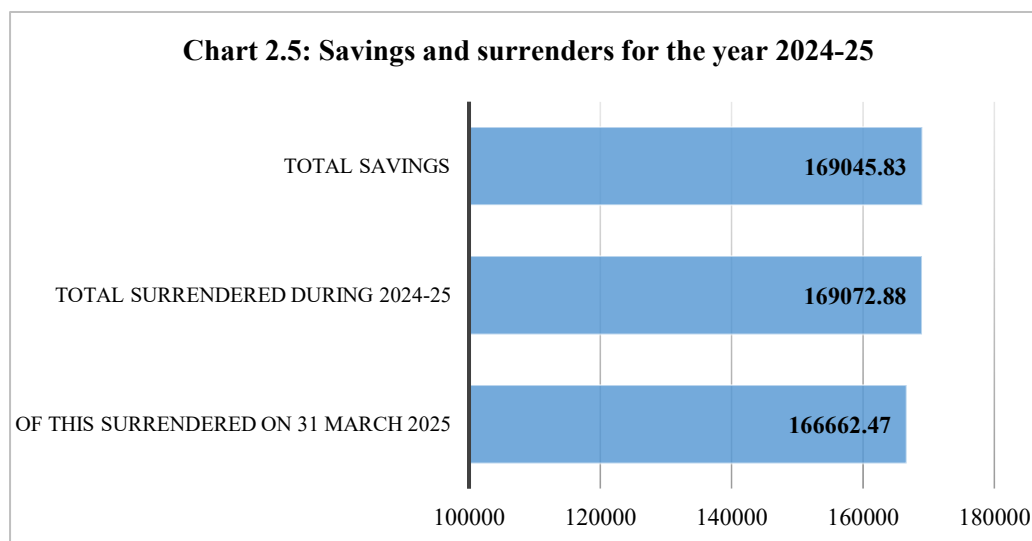
Para 173 of the MBM states that savings should not be kept in reserve by the Disbursing or Controlling Officers to meet possible unforeseen excess under other heads or to cover new expenditure which would normally be provided for in the next year’s estimates. All savings when they come to notice, should immediately be surrendered. Provisions that cannot be profitably utilized should be surrendered. Detail of grants grouped by the percentage of utilisation along with total savings during 2024-25 have been shown in **Appendix 2.8** and **Chart 2.4**.



Source: Appropriation Accounts 2024-25

#### (D) Saving not surrendered

It was noticed that savings under 17 grants amounting to ₹ 10.03 crore (**Appendix 2.9**) were not surrendered at all. Details of savings (exceeding ₹ 10 crore in each case) surrendered on the last day of March 2025 are given in **Appendix 2.10**.



Source: Appropriation Accounts 2024-25

Analysis of **Chart 2.5** revealed that out of surrendered amount of ₹ 1,69,072.88 crore, ₹ 1,66,662.47 crore (98.57 per cent) was surrendered on 31 March 2025. This close alignment suggests that savings were largely recognised and formally surrendered rather than remaining unaccounted for at the year end.

However, a critical feature is the timing of surrender. Of the total amount surrendered, ₹ 1,66,662.47 crore (around 99 per cent) was surrendered on 31 March 2025, i.e. on the last day of the financial year. Such end-year concentration points to delayed identification of savings, limiting the scope for re-deployment of funds during the year for other priority needs.

### 2.5.5 Misclassification between Revenue Expenditure and Capital Expenditure

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

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

During the financial year 2024-25, the State Government had booked ₹ 1,39,561.99 crore (Gross Expenditure) as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers related to this amount and noticed that an amount of ₹ 4,069.91 crore (**Appendix 2.11**) of expenditure of Revenue nature had been booked under Capital Expenditure. Thus, there was a misclassification of ₹ 4,069.91 crore, which resulted in understatement of Revenue deficit to that extent. The resulting Capital Expenditure, after audit, for FY 2024-25 was ₹ 1,35,492.08 crore.

### 2.5.6 Major policy pronouncement in budget and their actual funding for ensuring implementation

Several policy initiatives/schemes (₹ 10 crore and above) were taken up by the State Government during 2024-25. Appendix XI, Volume II of the Finance Accounts for the year 2024-25 provides details of major policy decisions taken during the year, including new schemes proposed in the budget. In 2024-25, new capital schemes amounting to ₹ 600.50 crore and revenue schemes totalling ₹ 7,246.79 crore were introduced. Of the total expenditure of ₹ 7,907.29 crore incurred on these new schemes, ₹ 7,551.55 crore was State's share, while ₹ 355.74 crore was the Central Share. The details of 15 new schemes each with an expenditure exceeding ₹ 10 crore, undertaken by the State Government during the year. is shown in **Appendix 2.12**.

#### **Mukhyamantri Majhi Ladki Bahin Yojana**

To ensure the economic independence of women in the State, improve their health and nutrition, and strengthen their decisive role within the family, the Government of Maharashtra approved the launch of the "Mukhyamantri Majhi Ladki Bahin Yojana" on 28 June 2024. Under this scheme, eligible women aged 21 to 65 years are to receive a financial benefit of ₹ 1,500 per month through Direct Benefit Transfer (DBT). The scheme is implemented by the Women and Child Development Department.

For implementation of the scheme, funds amounting to ₹ 26,200 crore were made available through the supplementary budget. Additionally, ₹ 3,490.75 crore was re-appropriated from the 'Lek Ladki Yojana'. Thus, a total grant of ₹ 29,693.09 crore was made available. Against this, the Department incurred an expenditure of ₹ 33,237.24 crore, resulting in excess expenditure of ₹ 3,541.16 crore, for which the Department did not provide any specific justification.

Test check of vouchers above ₹ 1,000 crore relating to scheme, aggregating ₹ 29,732.01 crore, showed that ₹ 15,586 crore drawn during January to March 2025 was transferred to the Drawing and Disbursing Officer’s Virtual Personal Deposit Account (VPDA). This indicates that the funds were not required for immediate utilisation and were drawn without actual expenditure needs, contrary to principles of budgetary discipline and financial propriety.

Significant excess expenditure remained unexplained, and large sums were drawn and parked in VPDA accounts without immediate requirement. This reflects weak budget estimation, inadequate financial controls.

### 2.5.7 Non-adherence to the Quarterly Expenditure Limit

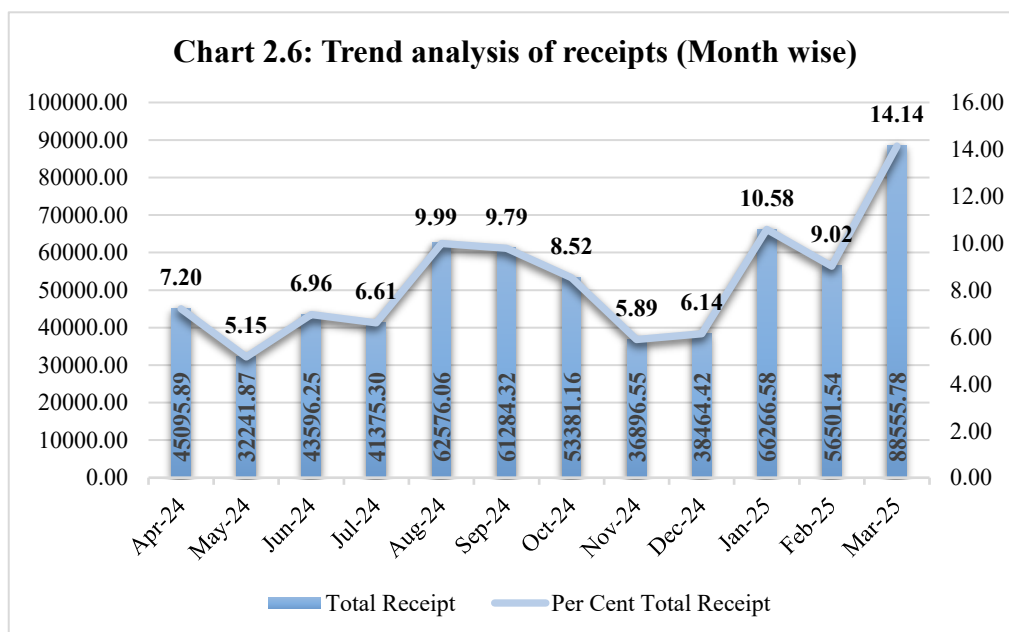
Rule 62(3) of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. Uniform flow of expenditure during the year is the primary requirement for proper budgetary control. According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided.

**Table 2.12: Rush of Expenditure during FY 2024-25**

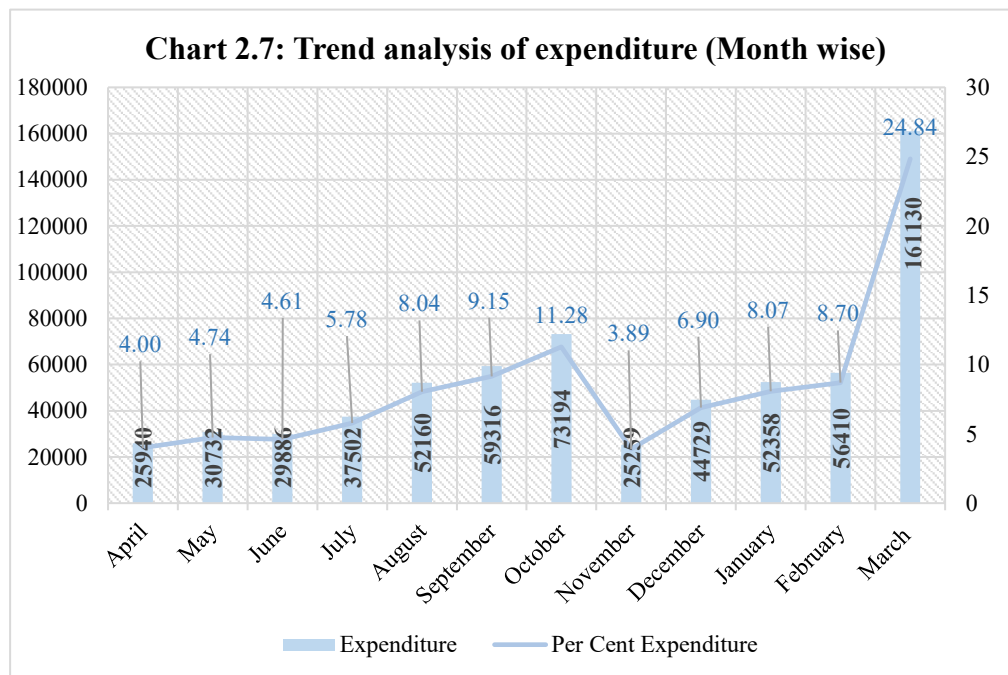
	Amount (₹ in crore)	Percentage of Total Expenditure in the year
Last Quarter of the year (Jan to Mar-2025)	260268.6	39.34
Last month of the year (Mar-25)	154813.14	23.40
Last day of the year (31st March 2025)	14848.12	2.24

Source: Monthly Civil Accounts 2024-25

Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 is shown in **Chart 2.6** and **Chart 2.7**.



The month-wise pattern of total receipts during 2024-25 reveals significant unevenness in the flow of revenues. While monthly receipts ranged between ₹ 32,241.87 crore and ₹ 88,557.78 crore, a substantial portion of the annual receipts accrued during the last quarter of the year. March 2025 alone accounted for 14.14 *per cent* of the total receipts, the highest during the year, while receipts during May 2024 were the lowest at 5.15 *per cent*. The concentration of receipts in the closing months indicates bunching of revenue inflows, which affects effective cash management and reduces the predictability of resource availability during the year.



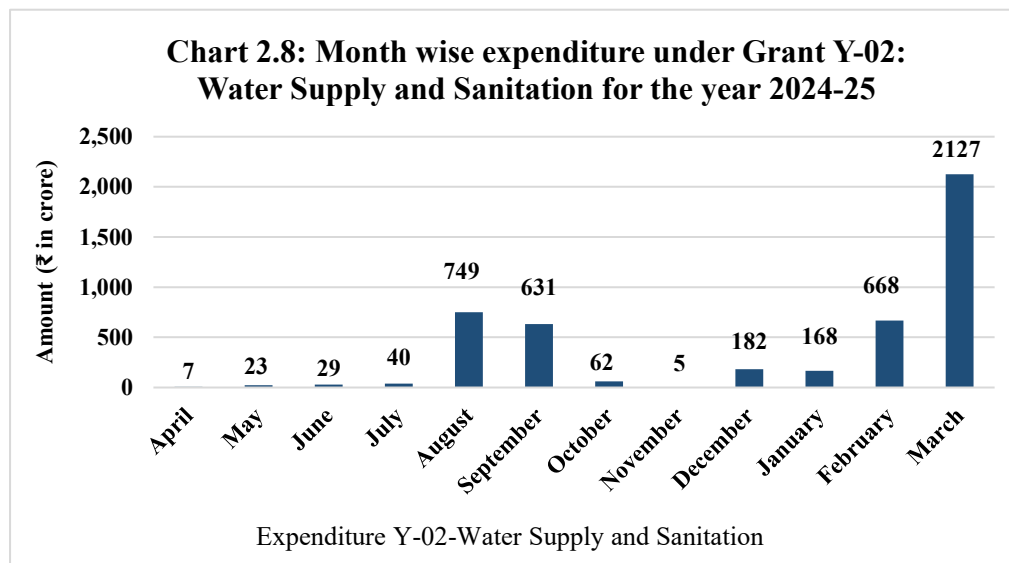
Source: Monthly Civil Accounts 2024-25

The month-wise trend of expenditure reveals significant bunching towards the end of the financial year. During April to June, expenditure remained subdued, with each month accounting for less than five *per cent* of the annual expenditure. Although spending showed a gradual increase during July to October, it declined sharply in November. A pronounced surge in expenditure was observed in March, when ₹ 1,61,130 crore—constituting 24.84 *per cent* of the annual expenditure—was incurred. The concentration of nearly one-fourth of the annual expenditure in the last month of the year points to weak expenditure planning and inadequate monitoring. Such end-year spending pressures undermine effective financial management and increase the risk of hasty or sub-optimal utilisation of funds. Strengthening monthly expenditure controls and ensuring smoother distribution of spending across the year are necessary to improve fiscal discipline.

### Monthly expenditure under Grant Y-02: Water Supply and Sanitation

**Chart 2.8** shows the month-wise pattern of expenditure under the Water Supply and Sanitation sector (Y-02) reveals significant bunching towards the end of the financial year. Expenditure during April to July remained negligible, indicating delayed commencement of activities. Although expenditure increased during August and September, it declined sharply during October and November. A substantial surge in expenditure was observed in the last quarter, particularly in March, when ₹ 2,127 crore was incurred. The concentration of a large

proportion of annual expenditure in the closing months reflects weak planning and inadequate monitoring of scheme implementation.



Source: Monthly Civil Accounts 2024-25

Further, scrutiny of the Appropriations Accounts revealed that in 12 Grants, the entire expenditure of ₹ 524.77 crore was incurred in the month of March 2025 as shown in **Appendix 2.13**, indicating a significant concentration of spending at the close of the financial year. The expenditure largely relates to capital and developmental schemes such as education infrastructure, flood control, industrial infrastructure, medical and public health facilities, and share capital contributions where no spending occurred during the earlier months. The concentration of expenditure in March highlights the need for better expenditure phasing, earlier finalisation of sanctions, and closer alignment of fund release with implementation schedules.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches. The State Government has not prescribed quarter-wise percentages for incurring expenditure during the year. The quarterly details of expenditures incurred across all Grants are shown in the **Appendix 2.14**. Overall, the quarter-wise trends suggest that budget implementation remains heavily skewed towards the closing months, underscoring the need for improved planning, timely sanctioning, and closer alignment of expenditure with the financial year cycle.

Audit scrutiny of Grant Y-02 – Water Supply and Sanitation revealed a significant rush of expenditure towards the end of the financial year. Examination of sub-head-wise expenditure showed that in several cases, 56 to 100 *per cent* of the total expenditure was incurred in March 2025, as detailed in **Table 2.13**.

Table 2.13: Rush of expenditure in sub head level in Grant Y-02 and C-07

(₹ in crore)

Sr. No.	Sub head code	Sub-head Description	Amount expended in March 2025 (₹ in crore)	Progressive Expenditure (₹ in crore)	Percentage of Expenditure in March
<b>Y-02</b>					
1.	2215-01-196-A19	Grants in aids to Zilla Parishads for temporary Measures to alleviate Emergency Drinking Water Scarcity (Committed)	231.17	338.51	<b>68.29</b>
2.	2215-01-102-208	Piped Water Supply Schemes- Grants for Maintenance and Repairs	40.00	40.00	<b>100.00</b>
<p>The department stated that during the financial year 2024-25, an amount of ₹ 40.00 crore was disbursed under Major Head 2215 – Water Supply and Sanitation, Sub Head 2082 towards implementation of the Multi-Skilling RPL Model Training Programme, in pursuance of Government Decision (March 2025).</p> <p>The said amount was released to the State Water and Sanitation Mission through the Virtual Personal Deposit Account Administrator (VPDA) under Demand No. Y-02, Account Head 2215-2082, Object Head 31 – Subsidiary Grants (Non-Salary) (State Share – Programme).</p> <p>As per the provisions governing operation of VPDA, the funds credited to the VPDA do not constitute final expenditure. Any unspent balance is required to be credited back to the Consolidated Fund of the State after completion of one year from the date of drawal/credit of funds to the VPDA, or within the time limit specified in the sanction order, whichever is earlier. Accordingly, the balance remaining in the VPDA after utilisation of the sanctioned amount will be transferred back to the designated pooled fund/Consolidated Fund within the prescribed timeframe.</p>					
3.	2215-01-102-994	Mukhyamantri Rural Drinking Water Programme-MRDWP for providing Pure Drinking Water Supply for Rural areas	65.84	65.84	<b>100.00</b>
4.	2215-01-102-997	Jal Jeevan Mission- Grants to support Activities and Water Quality Monitoring and Surveillance (State Share 40%)	162.58	289.99	<b>56.06</b>
<p>During the financial year 2024-25, the Government of India approved a notional allocation of ₹ 5,352.93 crore for the scheme. However, the actual release received from the Government of India during the year was ₹ 1,605.00 crore, of which ₹ 112.41 crore pertained to supporting activities and the water quality component.</p> <p>As the entire notional allocation approved by the Government of India was not released during the year, the State Government, as a special measure, released an amount of ₹ 289.99 crore in March 2025 to ensure continuity of scheme implementation and to avoid disruption of ongoing activities. The release was made in anticipation of receipt of the balance Central assistance and in accordance with the extant provisions governing fund releases.</p> <p>Accordingly, the release of funds in March 2025 was necessitated by shortfall in Central releases and does not represent avoidable or irregular expenditure. The utilisation of the funds will be adjusted against future releases from the Government of India as per the prescribed guidelines.</p>					
5.	2215-01-199- A05	Grant-in-Aid to Maharashtra Jeevan Pradhikaran for authorising pensionary benefits to the absorbed Government Servants (Committed)	351.12	351.12	<b>100.00</b>
<i>Source: Appropriation Accounts 2024-25</i>					

## 2.6 Implementation of Selected CSS Scheme

Centrally Sponsored Schemes (CSS) represent a key component of India's cooperative federalism, with the Union Government providing Grants-in-Aid to States for social sector programmes. Despite reforms to improve fund flow efficiency—such as the introduction of the Single Nodal Agency (SNA<sup>2</sup>) model, SNA-SPARSH platform, and Just-in-Time releases via PFMS and IFMS—challenges persist in budgeting, accounting, and reconciling Central and State shares. The Union Government has incentivized States to adopt these reforms through performance-based grants, encouraging adoption of digital tools and integration of financial systems

During 2024-25, the five major schemes based on the Actual expenditure are as detailed below:

**Table 2.14: Five major schemes based on the Actual expenditure**

(₹ in crore)

GoI Scheme	State Scheme	GoI Release to State Treasury	Proportionate State Share	Central Share from Treasury to SNA	State share from Treasury to SNA	Total Release from Treasury to SNA	Expenditure	Unspent Balance
Pradham Mantri Awas Yojana-Rural	Indira Awas Yojana	4860.58	3240.39	4860.58	3240.39	8100.97	5220.88	4107.69
Flexible pool for RCH and Health System Strengthening National health Mission and National Urban Health Mission	National Rural health Mission, Grant-in-Aid to State Health Society	1515.02	1010.01	1256.37	1446.96	2703.33	3227.89	65.45
Saksham Anganwadi and Poshan 2	Rajiv Ghandi Scheme for empowerment of Adolescent Girls	1368.84	1537.74	1487.31	1225.35	2712.66	3248.93	307.61
Samagra Shiksha	Samagra Shiksha Abiyan-Sanskar Bharat Programme	1126.27	750.85	1128.67	1105.96	2234.63	2475.13	290.63
Pradhan Mantri Poshan Shakti Nirman	School Nutrition Programme for other Municipal Corporations nagar Palika	1054.08	702.72	1054.08	930.51	1984.59	1838.68	369.07

Source: SNA01 report

Centrally Sponsored Schemes (CSS) operated through the Single Nodal Agency (SNA) mechanism reveals significant mismatches between releases and utilisation, resulting in substantial unspent balances at the year end.

<sup>2</sup> Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received, to the concerned SNA's account, along with the corresponding State share

- Under Pradhan Mantri Awas Yojana–Rural, against a total release of ₹ 8,100.97 crore from the State Treasury to SNA, expenditure was ₹ 5,220.88 crore, leaving a large unspent balance of ₹ 4,107.69 crore, indicating weak absorption capacity despite full transfer of Central and State shares.
- In the case of National Health Mission (Flexible Pool for RCH and Health System Strengthening), expenditure exceeded releases during the year, yet an unspent balance of ₹ 65.45 crore remained, suggesting carry-forward of earlier balances and inadequate fund management at SNA level.
- For Saksham Anganwadi and Poshan 2, releases of ₹ 2,712.66 crore resulted in expenditure of ₹ 3,248.93 crore, while still leaving an unspent balance of ₹ 307.61 crore, pointing towards availability of accumulated balances from previous years.
- Under Samagra Shiksha Abhiyan, expenditure (₹ 2,475.13 crore) exceeded current-year releases (₹ 2,234.63 crore), with an unspent balance of ₹ 290.63 crore, again reflecting utilisation of prior-period funds alongside incomplete drawdown.
- In Pradhan Mantri Poshan Shakti Nirman, despite expenditure of ₹ 1,838.68 crore against releases of ₹ 1,984.59 crore, an unspent balance of ₹ 369.07 crore remained at the end of the year.

The above analysis indicates that under several Centrally Sponsored Schemes implemented through the SNA framework, funds released from the State Treasury were not fully utilised, resulting in significant unspent balances at the year end. In some schemes, expenditure exceeded current-year releases, implying utilisation of accumulated balances from previous years, while unspent balances continued to persist.

Grant Y-02 has two Centrally sponsored schemes namely Jal Jeevan Mission (JJM) and Swachh Bharat Mission–Rural (SBM-Rural) in Maharashtra, the details of these schemes reflected in the SNA-01 reports, indicates significant imbalances between Central and State shares, actual expenditure, and unspent balances.

Under Jal Jeevan Mission (JJM), the Government of India released ₹ 1,605.88 crore, which was entirely credited directly to the SNA Escrow Account, with a prescribed 50:50 sharing ratio between the Centre and the State. Against this, the total release from the State Treasury to the SNA amounted to ₹ 4,051.99 crore, while actual expenditure incurred was ₹ 5,894.79 crore, indicating utilisation of substantial accumulated balances from previous years. Further, a large unspent balance of ₹ 1,987.33 crore continued to remain in the SNA bank account as on 31 March 2025. This reflects continued parking of funds outside the Consolidated Fund of the State and weak alignment between releases, expenditure planning, and utilisation.

In respect of SBM-Rural, the Government of India released ₹ 1,15.81 crore to the State Treasury, with a sharing ratio of 60:40 between the Centre and the State. Against the proportionate requirement, the Central share released from the Treasury to SNA was ₹ 89.71 crore, while the State share released was ₹ 59.80 crore, resulting in a total Treasury-to-SNA release of ₹ 149.52 crore.

The actual expenditure incurred was ₹ 262.31 crore, of which ₹ 223.88 crore was incurred through PFMS and ₹ 38.42 crore as DBT payments, again indicating utilisation of prior-period balances. However, an unspent balance of ₹ 4.14 crore still remained in the SNA account at year end.

The Government of Maharashtra has formally adopted the SNA-SPARSH system for managing and releasing funds for Centrally Sponsored Schemes, in line with the Government of India's directives from July 2025 onwards. Appropriate Single Nodal Agencies (SNAs) and State Scheme Managers (SSMs) have been designated for various schemes, and new fund transfer mechanisms using RBI e-Kuber accounts are being established.

### 2.6.1 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received, to the concerned SNA's account, along with the corresponding State share.

Audit analysed the VLC data and SNA PFMS report and found that there was discrepancy in data of Central and State share transfer to SNA accounts, as shown in Table 2.15.

**Table 2.15: Discrepancies in Central and State share transfer**

(₹ in crore)				
Source of Data	Central share received	Central share transferred	State share transferred	Less amount released by State
VLC	21061.18	19140.82	14434.98	1920.36
SNA PFMS Report	18501.60	16546.00	17013.22	1955.60
<b>Difference Amount</b>	<b>2559.58</b>	<b>2594.82</b>	<b>2578.24</b>	<b>35.24</b>

Source: Finance Accounts 2024-25

As per the State Government/ SNA 01 report from the SNA, the State Government received ₹ 18,501.60 crore being Central share during the year in its Treasury account. As on 31 March 2025, the Government transferred Central share of ₹ 16,546.60 crore and State share of ₹ 17,013.22 crore to the SNAs. Entire amount of ₹ 33,559.82 crore was transferred through GIA bills. Detailed vouchers and supporting documents of actual expenditure were not received by Principal Accountant General Office from the SNAs. As per the SNAs report, a total amount of ₹ 12,843.07 crore is lying unspent in the bank accounts of SNAs as on 31 March 2025.

### 2.6.2 Single Nodal Agency- SPARSH

To enhance oversight of the availability and utilization of funds released under Centrally Sponsored Schemes (CSS), the Department of Expenditure introduced revised guidelines for fund flow procedures. These guidelines aim to implement the principles of 'just-in-time releases' for payments, ensuring more efficient cash management at both the Central and State levels. As part of this effort, an alternative fund flow mechanism, SNA-SPARSH—a real-time system for the integrated and swift transfer of CSS funds—was introduced. This system operates through a seamless framework integrating the Public Financial Management

System (PFMS), State Integrated Financial Management Information System (IFMIS), and e-Kuber of the Reserve Bank of India (RBI), facilitating efficient and transparent fund disbursement.

As per the revised procedure notified by the Ministry of Finance, State Governments are required to transfer both the Central and State share of funds to the Single Nodal Agency (SNA) Account under the SNA-SPARSH model. Under the SNA-SPARSH model, each State must designate an SNA for implementing every State-Linked Scheme corresponding to a Centrally Sponsored Scheme (CSS), and all releases are to be routed exclusively through the Public Financial Management System (PFMS). Upon on boarding, existing SNA accounts must be closed, and unspent balances remitted—Central share to the Consolidated Fund of India and the State share to the respective State Consolidated Fund. Further, all SNAs and Implementing Agencies must be registered in the State Integrated Financial Management Information System (IFMIS), and funds are to be released on a just-in-time basis directly to beneficiaries or vendors, without routing through Personal Deposit (PD) accounts or other intermediary accounts, thereby promoting improved cash management and transparency.

The Government of Maharashtra is in the process of implementation of SNA SPARSH from July 2025.

## 2.7 Contingency Fund

The Contingency Fund of Government of Maharashtra was established under the Bombay Contingency Fund Act, 1956, and the State Government made the Maharashtra Contingency Fund Rules, 1956 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Maharashtra for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹ 150 crore.

### 2.7.1 Advances from the Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During FY 2024-25, no amount was withdrawn as an advance from the Contingency Fund in respect of Schemes/programmes.

## 2.8 Conclusions

- The budgetary performance of the State during 2024-25 reflects continued deficiencies in realistic budgeting and expenditure control. Against a total budget provision of ₹ 8,29,831.20 crore, the State incurred an actual expenditure of ₹ 6,61,548.43 crore across 297 grants and appropriations, resulting in overall savings of ₹ 1,68,282.77 crore (20.28 per cent). As against the savings there was excess expenditure of ₹ 763.05 crore in two grants and four charged appropriations, which require regularisation under Article 205 of the Constitution of India. In addition, excess expenditure of ₹ 3,025.76 crore, pertaining to the period 2017-18 to 2023-24 in respect of 61 grants and 19 appropriations, remained pending for regularisation as of March 2025.

- Further, supplementary provisions amounting to ₹ 1,37,163.68 crore, constituting 19.80 *per cent* of the original provisions, proved unnecessary, as the actual expenditure of ₹ 6,61,548.43 crore did not even reach the original budget provision.
- The implementation of the *Mukhyamantri Majhi Ladki Bahin Yojana* during 2024-25 was marked by significant deficiencies in budget estimation, expenditure control, and financial management. Against a total grant of ₹ 29,693.09 crore, the Department incurred an expenditure of ₹ 33,237.24 crore, resulting in excess expenditure of ₹ 3,541.16 crore, which remained unjustified. Further, the drawal of ₹ 15,586 crore during the last quarter of the year and its transfer to VPDA accounts, without immediate utilisation, indicates parking of funds and drawal without commensurate expenditure requirements. Such practices undermine the principles of budgetary discipline, financial propriety, and legislative control over public finances.

## **2.9 Good Practice**

- The State Government did not resort to any drawal from the State Contingency Fund during 2024-25. This indicates that unforeseen or emergent expenditure was effectively managed within the approved budgetary provisions.
- During the last five years (2021-25), persistent excess expenditure was not incurred under any grants. This reflects adherence to budgetary controls and effective expenditure management.

## **2.10 Recommendations**

- i. An appropriate control mechanism needs to be instituted by the State Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grant/Appropriation are controlled and anticipated savings are identified and surrendered within specified timeframe.
- ii. Priority should be accorded to all cases of pending regularisation and excess expenditure over the budget provision.
- iii. The Department should ensure realistic assessment of beneficiary coverage and fund requirements while formulating budget estimates for large DBT schemes, so as to avoid excess expenditure and supplementary demands. Drawal of funds should be strictly linked to actual and immediate expenditure needs, and parking of funds in VPDA or similar accounts should be avoided in compliance with financial rules.