

## Immediate Release



सत्यमेव जयते

## PRESS BRIEF



## The Finance Accounts and Appropriation Accounts of the Government of Maharashtra for the year 2020-21

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## ***Finance Accounts and Appropriation Accounts 2020-21***

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### **Press Brief**

### **Immediate Release**



The Annual Accounts of the Government of Maharashtra *viz.* the Finance Accounts and the Appropriation Accounts are prepared by the Principal Accountant General (A&E)-I, Mumbai under the supervision of the Comptroller and Auditor General of India in accordance with requirements of the Articles 149, 150 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

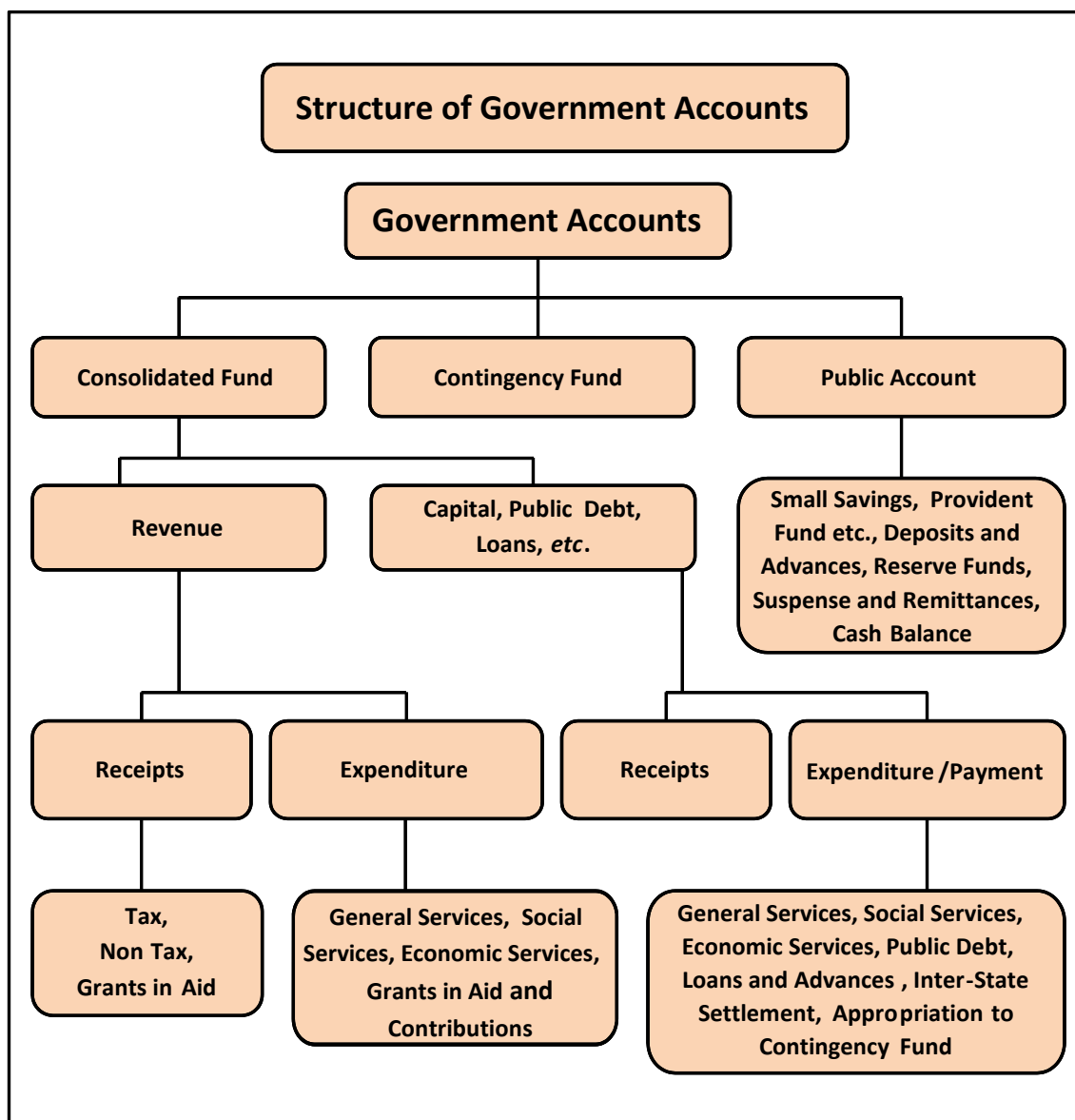
These Accounts have been tabled in State Legislature on 28.12.2021. The Finance Accounts of the Government of Maharashtra present the financial position of the State along with the details of receipts and disbursements of the Government for the year. The Appropriation Accounts present the sums expended in the year against the provisions specified in the schedules appended to the Appropriation Act.

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## *Finance Accounts and Appropriation Accounts 2020-21*

### *The pictorial representation of Structure of Government Accounts*



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## ***Finance Accounts and Appropriation Accounts 2020-21***

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### ***HIGHLIGHTS***

#### ***Revenue Deficit:***

- The State had a Revenue deficit of ₹ 41,142 crore against the target of maintaining a revenue surplus fixed in the Maharashtra Fiscal Responsibility and Budget Management Act, 2005.

#### ***Fiscal Indicators:***

- The State's Fiscal Deficit of ₹ 71,558 crore ( 2.69 *per cent* of Gross State Domestic Product (GSDP) of ₹ 26,61,629 crore) is within the target of 3 *per cent* of GSDP fixed by Section 5.2 of Maharashtra Fiscal Responsibility and Budget Management Act, 2005.

#### ***Public Debt:***

- The total public debt has increased by more than 28 *per cent* from ₹ 3,35,021 crore in 2018-19 to ₹ 4,28,482 crore in 2020-21.
- Utilisation of Public Debt receipts for servicing of debt showed a decreasing trend from 207 *per cent* in 2018-19 to 75 *per cent* in 2020-21.

#### ***Liability under the National Pension System:***

- The State Government employees recruited on or after 1 November 2005 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 *per cent* of his/her basic pay and dearness allowance, and 14 *per cent* of basic pay and dearness allowance is contributed by the State Government; and the entire amount is to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.
- During the year 2020-21, total contribution to Defined Contribution Pension Scheme was ₹ 5,333.49 crore (Employees contribution

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## ***Finance Accounts and Appropriation Accounts 2020-21***

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₹ 2,462.94 crore [Tier I - ₹ 2,181.14 crore and Tier II - ₹ 281.80 crore] and Government contribution ₹ 2,870.55 crore). The Government transferred ₹ 3,236.89 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension Scheme. The Government contribution to NPS was less by ₹ 183.05 crore which resulted in the understatement of Revenue deficit and Fiscal deficit to the same extent.

- During the year 2020-21, ₹ 3,236.89 crore was transferred to National Securities Depository Limited (NSDL)/Trustee Banks. The cumulative balance amount of ₹ 10,642.26 crore is yet to be transferred to NSDL. Uncollected, unmatched and un-transferred amounts, with accrued interest, represent outstanding liabilities of the Government under the Scheme.

### ***Personal Deposit Accounts:***

The balance as on 31 March 2021, in all the 1,975 Personal Deposit (PD) accounts is ₹ 10,806 crore. Out of the 1,975 PD Accounts, 49 Administrators had reconciled and verified their balances with the Treasury figures and 429 annual verification certificates were furnished by them to the Treasury Officer for onward submission to the Principal Accountant General's office.

### ***OTHER IMPORTANT POINTS***

The Finance Accounts of the Government of Maharashtra present the accounts of receipts and outgoings of the Government for the year together with the financial results disclosed by the revenue and capital accounts, the accounts of public debts and the liabilities and assets as worked out from the balances recorded in the accounts.

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## ***Finance Accounts and Appropriation Accounts 2020-21***

Important indicators from the Finance Accounts are highlighted below:

### ***Receipts and Disbursements during the year***

- Receipts and Disbursements of the Government of Maharashtra as depicted in the Finance Accounts for the year 2020-21 are given below:-

( ₹ in crore )

<b>Receipts</b> (Total:3,42,639)	<b>Revenue</b> (2,69,468)	Tax Revenue	2,00,759*
		Non Tax Revenue	15,975
		Grants-in-aid and Contributions	52,734
	<b>Capital</b> (73,171)	Recovery of Loans and Advances	1,613
		Borrowings and other Liabilities	71,558 <sup>#</sup>
		Other Capital Receipts	...
<b>Disbursements</b> (Total:3,42,639)	<b>Revenue Expenditure</b>		3,10,610
	<b>Capital Expenditure</b>		29,687
	<b>Loans and Advances disbursed</b>		2,342

\* Includes ₹ 36,504 crore on account of 'Share of Union Taxes/Duties'

<sup>#</sup> This differs from Statement No.6 - Statement of Borrowing and Other Liabilities of the Finance Accounts as this is arrived at considering net of Public Debt, Appropriation to Contingency Fund, Contingency Fund, Public Account and Opening and Closing Cash Balances, etc.

- The Union Government transfers substantial funds directly to State agencies for implementation of various schemes and programmes. As these transfer of funds were not routed through State Budget, they are not reflected in the accounts of the State Government.
- Though there is no assurance for completeness of the details, the funds so transferred during the year as captured from Public Financial Management System (PFMS) portal of the Controller General of Accounts amounts to ₹ 1,38,492.93 crore.

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## Finance Accounts and Appropriation Accounts 2020-21

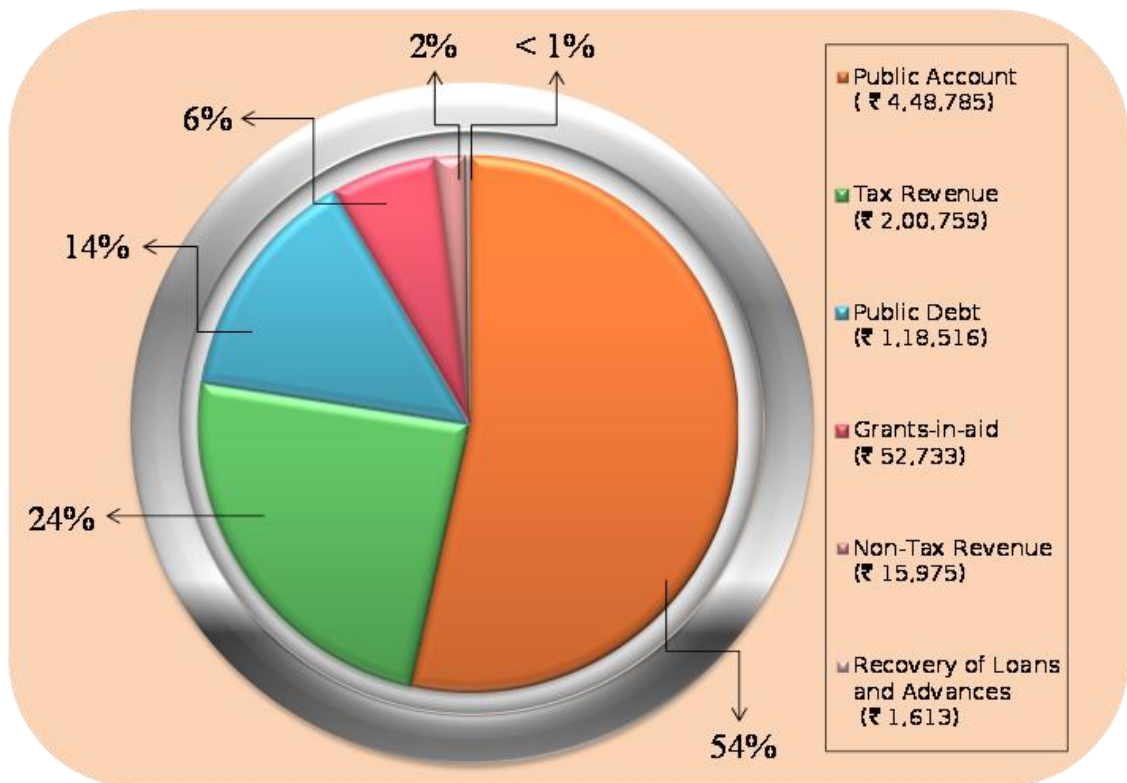
### Funds borrowed /Loans discharged

- The details of funds borrowed and the Loans discharged during the year are given below:-

		(₹ in crore )
<b>Loans raised</b> (₹ 1,71,674)	Internal Debt	1,03,520
	Government of India Loan	14,996
	Other obligations	53,158
<b>Loans Discharged</b> (₹ 1,03,397)	Internal Debt	56,616
	Government of India Loan	971
	Other obligations	45,810

### Where the Rupee came from\*

(₹ in crore)



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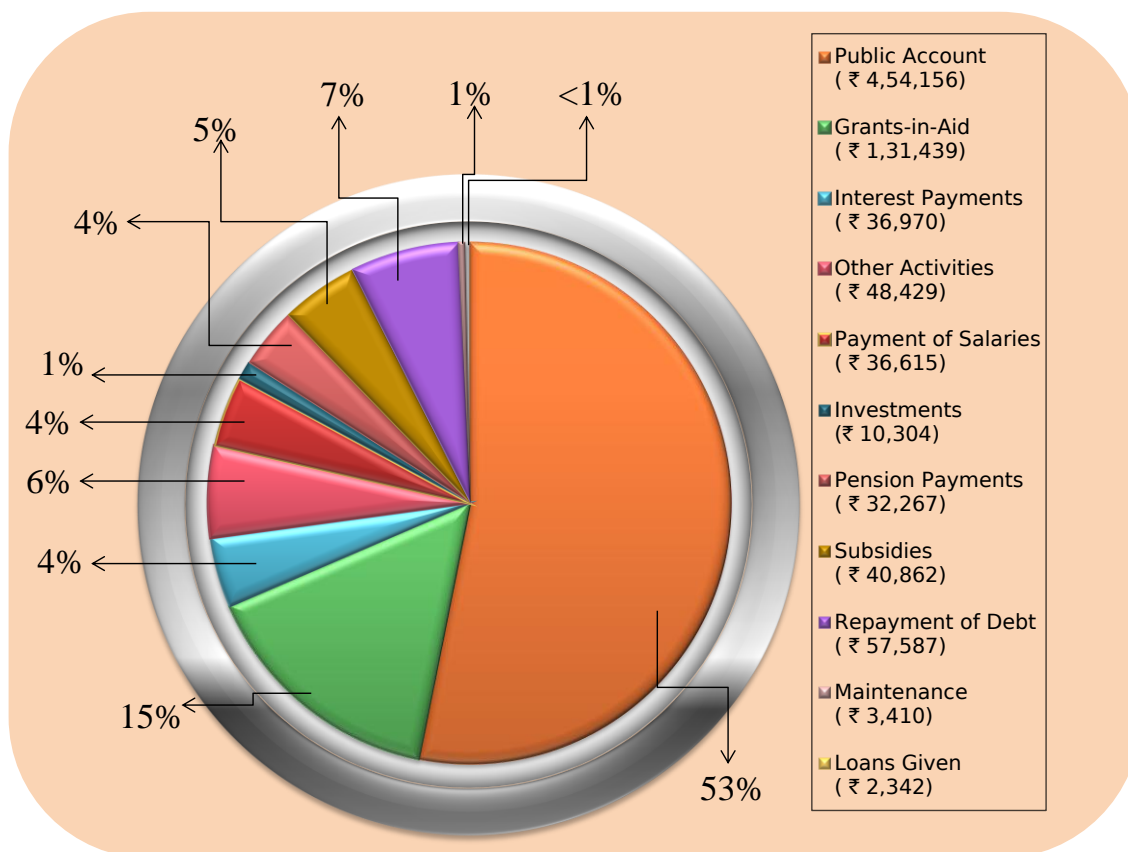




## Finance Accounts and Appropriation Accounts 2020-21

**Where the Rupee went\***

(₹ in crore)



\* Excluding opening and closing cash balances

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## Finance Accounts and Appropriation Accounts 2020-21

### Highlights of Accounts

( ₹ in crore)

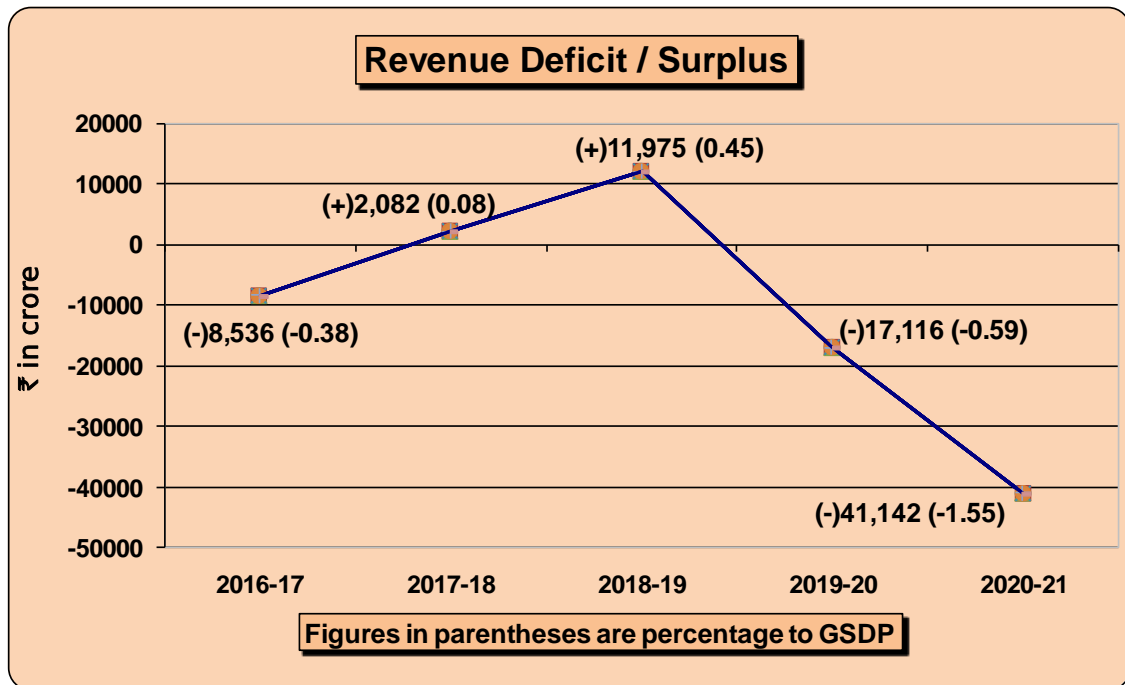
Sr. No.	Head	B.E. 2020-21	Actuals	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP
1	Tax Revenue	273181	200759	73	8
2	Non-Tax Revenue	20506	15975	78	1
3	Grants-in-aid and Contributions received	53770	52734	98	2
4	Revenue Receipts (1+2+3)	<b>347457</b>	<b>269468</b>	<b>78</b>	10
5	Recovery of Loans and Advances	2309	1613	70	0
6	Other Receipts	...	...	...	...
7	Borrowings & Other Liabilities	54619	71558	131	3
8	Capital Receipts (5+6+7)	<b>56928</b>	<b>73171</b>	<b>129</b>	3
9	Total Receipts (4+8)	<b>404385</b>	<b>342639</b>	<b>85</b>	13
10	Committed Expenditure (CE) (11+13)	<b>260379</b>	<b>234295</b>	<b>90</b>	9
11	CE on Revenue Account	254333	228582	90	9
12	CE on Interest Payments out of 11	35531	36970	104	1
13	CE on Capital Account	6046	5713	94	0
14	Scheme Expenditure (SE) (15+16)	<b>144006</b>	<b>108344</b>	75	4
15	SE on Revenue Account	102635	82028	80	3
16	SE on Capital Account	41371	26316	64	1
17	Total Expenditure (10 + 14)	<b>404385</b>	<b>342639</b>	<b>85</b>	13
18	Revenue Expenditure (11+ 15)	<b>356968</b>	<b>310610</b>	<b>87</b>	12
19	Capital Expenditure (13+16)	<b>47417</b>	<b>32029</b>	<b>68</b>	1
20	Revenue Deficit (18-4)	<b>9511</b>	<b>41142</b>	<b>433</b>	2
21	Fiscal Deficit 17-(4+5+6)=7	<b>54619</b>	<b>71558</b>	<b>131</b>	3

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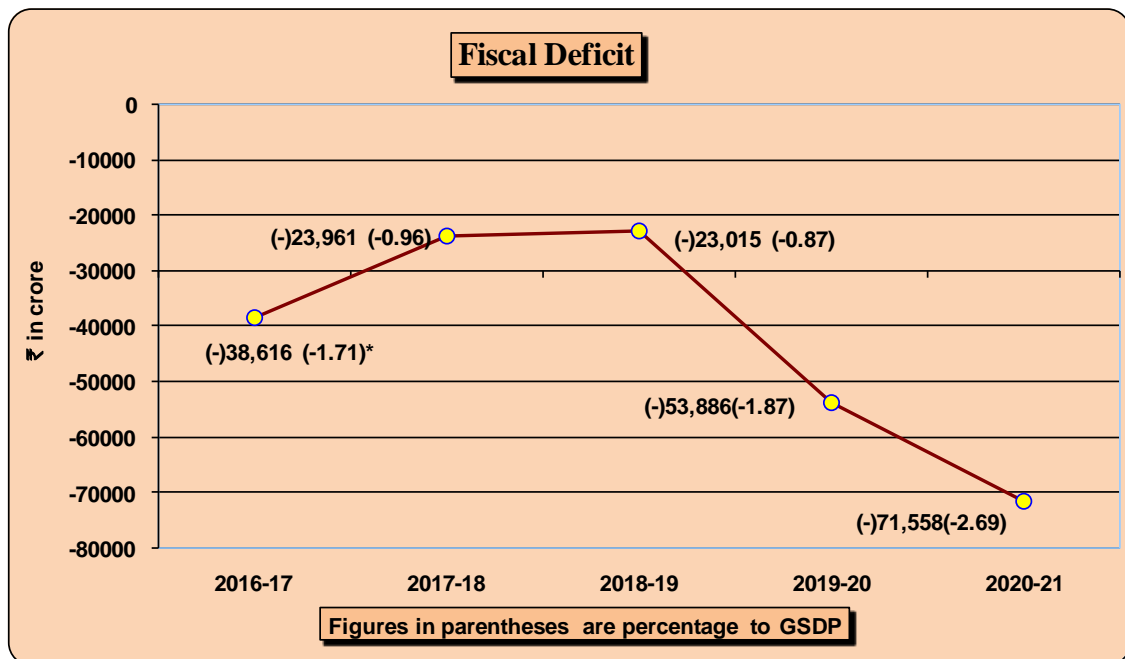


## Finance Accounts and Appropriation Accounts 2020-21

### Trend of Revenue Deficit/Surplus over the five years



### Trend of Fiscal Deficit



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## Finance Accounts and Appropriation Accounts 2020-21

### Debts and Liabilities

As against the target of outstanding Debt less than 25 per cent of the GSDP, during 2020-21, the outstanding debt of the Government of Maharashtra was 16 per cent of the GSDP.

Liabilities of the State Government increased by ₹ 68,277 crore from ₹ 4,79,899 crore in 2019-20 to ₹ 5,48,176 crore during 2020-21. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by ₹ 60,930 crore i.e. from ₹ 3,67,552 crore in 2019-20 to ₹ 4,28,482 crore at the end of the current year. Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

Year	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Internal Debt</b>	2,93,952	3,27,026	3,28,522	3,61,132	4,08,036
<b>Loans and Advances from Central Government</b>	7,886	7,105	6,499	6,420	20,446
<b>Total Public Debt *</b>	3,01,838(13)	3,34,131(13)	3,35,021(13)	3,67,552(13)	4,28,482(16)
<b>Small Savings</b>	3,069	3,335	3,612	3,881	4,348
<b>Provident Funds</b>	21,576	21,857	22,072	23,569	23,842
<b>Other Obligations</b>	69,375	73,110	76,078	84,897	91,504
<b>Total Liabilities *</b>	3,95,858(17)	4,32,433(17)	4,36,783(16)	4,79,899(17)	5,48,176(21)
<b>GSDP</b>	22,57,032	24,96,505	26,60,318	28,78,583	26,61,629 <sup>\$</sup>

\* Figures in brackets represent percentage to GSDP

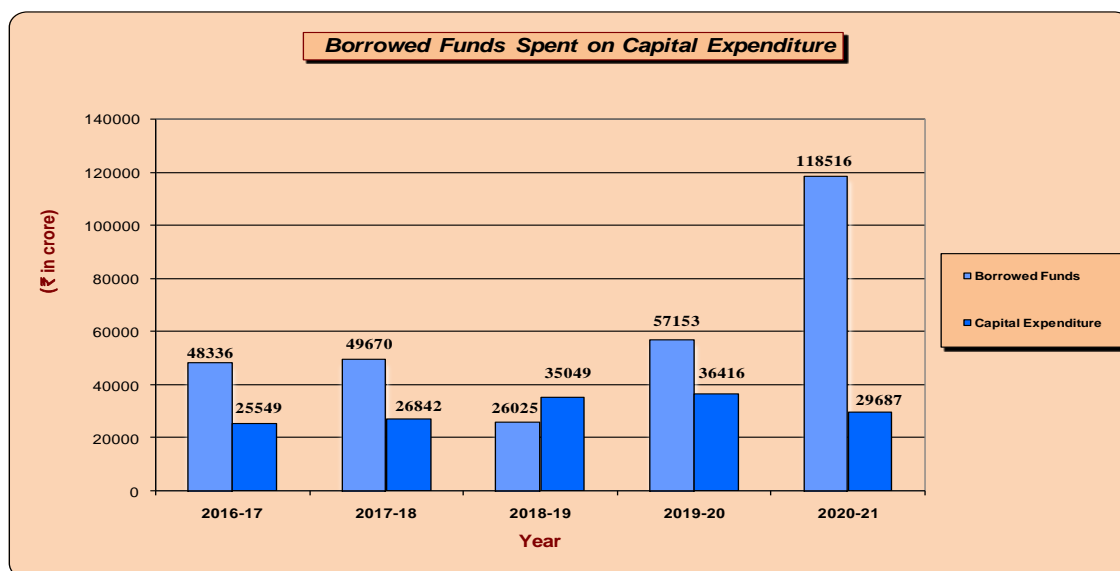
\$ Provisional (Advance Estimates)

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## Finance Accounts and Appropriation Accounts 2020-21

### Proportion of borrowed funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest.

The State Government, however, could not utilize the borrowings fully on capital assets in the year 2020-21.

Further the Internal debt of ₹ 1,03,520 crore raised during 2020-21 was mainly used for discharge of debt obligations (₹ 56,616 crore) and payment of interest (₹ 36,970 crore) thereon.

### Appropriation Accounts

Appropriation Accounts bring out the Grant/Appropriation wise expenditure of the State Government against amounts voted by the State Legislature and amounts charged on the Consolidated Fund. Appropriation Accounts are supplementary to the Finance Accounts. The Appropriation accounts comprise of 25 Charged Appropriations, 220 Voted Grants and 51 combined (Charged and Voted) provisions.

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## ***Finance Accounts and Appropriation Accounts 2020-21***

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### ***Provision vis-a-vis expenditure and surrender***

- 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 irregularities as an excess in it.
- The Appropriation Act, 2020-21 had provisions for gross expenditure of ₹ 5,24,290 crore and reduction of expenditure (recoveries) ₹ 7,820 crore. Against this, the actual gross expenditure was ₹ 4,17,048 crore and reduction of expenditure was ₹ 15,324 crore, resulting in net saving of ₹ 1,07,242 crore and under estimation of ₹ 7,504 crore on reduction of expenditure. The gross expenditure includes ₹ 1,634 crore drawn on Abstract Contingent (AC) Bills, out of which AC bills valuing ₹ 1,393 crore were outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

### ***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.
- It was noticed that there were persistent savings of more than ₹ 100 crore in 34 cases during the last five years, thereby indicating that either the provisions were in excess or the executive may not have succeeded in implementing the Legislative aspirations.

### ***Unnecessary/excessive supplementary provisions***

- An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. Supplementary provisions aggregating ₹ 13,225.91 crore obtained

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## ***Finance Accounts and Appropriation Accounts 2020-21***

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in 39 cases (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure ( ₹ 1,47,153.43 crore) did not come up to the level of the original provision ( ₹ 2,03,835.93 crore).

### ***Excess expenditure over provision during 2020-21 required regularization***

- The excess expenditure over the budget provision during 2020-21 under nine grants/appropriations amounted to ₹ 460.57 crore, which requires regularization under Article 205 of the Constitution of India.





## ***Finance Accounts and Appropriation Accounts 2020-21***

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**For further information on the Report please contact:**

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