

**Immediate Release**



सत्यमेव जयते

**PRESS BRIEF**



**The Finance Accounts and Appropriation Accounts of the  
Government of Maharashtra for the year 2016-17**

**PRESS BRIEF**



**FINANCE  
ACCOUNTS**



**APPROPRIATION  
ACCOUNTS**



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## ***Finance Accounts and Appropriation Accounts 2016-17***

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### **Press Brief**

### **Immediate Release**



The Annual Accounts of Government of Maharashtra viz. the Finance Accounts and the Appropriation Accounts are prepared by the Principal Accountant General (A&E) under the supervision of the Comptroller and Auditor General of India in accordance with requirements of 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.

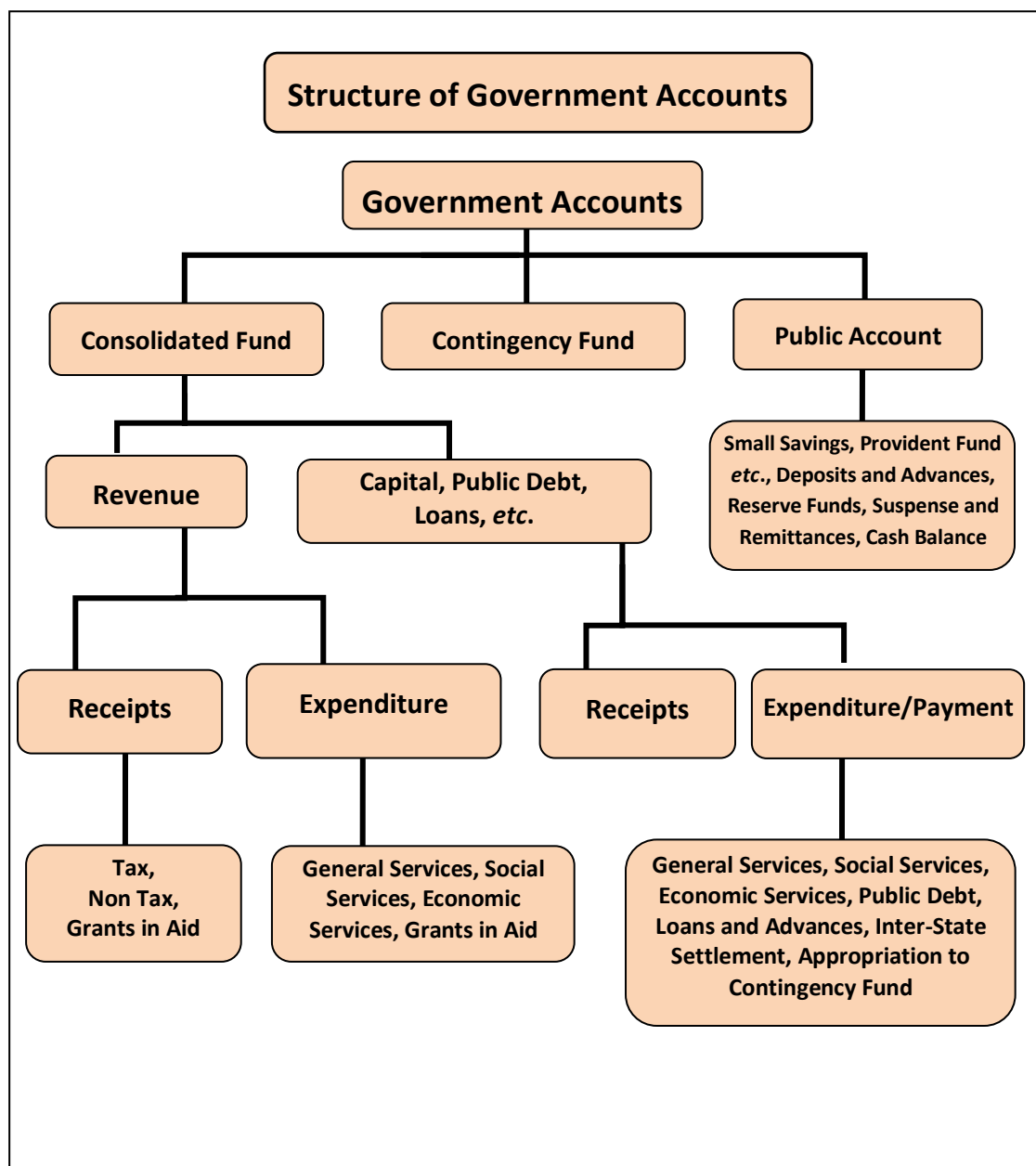
The Finance Accounts of Government of Maharashtra presents the financial position of the State along with details of receipts and disbursements of the Government for the year. The Appropriation Accounts presents the sums expended in the year against the provisions specified in the schedules appended to the Appropriation Act.

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## Finance Accounts and Appropriation Accounts 2016-17

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



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## ***Finance Accounts and Appropriation Accounts 2016-17***

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### ***HIGHLIGHTS***

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

- The State's Fiscal Deficit of ₹ 38,616 crore ( 1.70 *per cent* of GSDP of ₹ 22,67,789 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. The State's Fiscal Deficit, excluding the borrowings under Ujwal Discom Assurance Yojana (UDAY) scheme, would be 1.48 *per cent* (₹ 33,657 crore) of GSDP.

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

- The State had a Revenue deficit of ₹ 8,536 crore against the target of Revenue surplus fixed in the Maharashtra Fiscal Responsibility and Budget Management Act, 2005. Revenue deficit increased by ₹ 3,177 crore (60 *per cent*) over the previous year due to disproportionate growth of Revenue Expenditure at 12 *per cent* ( ₹ 22,855 crore) over growth rate of Revenue Receipts at 11 *per cent* ( ₹ 4,040 crore). Significant decrease in Revenue Receipts (₹ 3,390.88 crore) over the previous year is noted under Taxes and Duties on Electricity (₹ 1,836.81 crore), Stamps and Registration Fees (₹ 755.16 crore), fees received by Education, Sports, Art and Culture Departments (₹ 349.93 crore), Major Irrigation (₹ 267.33 crore), State Excise receipts (₹ 181.65 crore). Similarly, increase in Revenue Expenditure (₹ 17,695.10 crore) were recorded under Urban Development (₹ 3,747.82 crore), Crop Husbandry (₹ 3,206.75 crore), Interest Payment (₹ 2,760.50 crore), General Education (₹ 1,872.48 crore), Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (₹ 1,859.70 crore), Pensions and Other Retirement Benefits (₹ 1,521.41 crore), Police (₹ 1,383.38 crore), Other Rural Development Programme (₹ 1,343.06 crore).

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## ***Finance Accounts and Appropriation Accounts 2016-17***

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

- The total public debt has increased from ₹ 2,37,455 crore in 2014-15 to ₹ 3,01,838 crore in 2016-17 i.e. by more than 27 *per cent*.
- Utilisation of Public Debt receipts for servicing of debt showed a decreasing trend from 97 *per cent* in 2014-15 to 74 *per cent* in 2016-17.

### ***Liability under New Pension Scheme:***

- As per the New Pension Scheme (NPS), the State Government is to contribute its share towards the Retirement Benefits of its employees recruited on or after 01 November, 2005, every year. This State contribution along with employees' contribution is to be handed over to the designated Fund Manager for further investment and discharge of final benefits to the retirees. The State Government, thus under NPS, is absolved of interest liability, inter alia, of keeping the employees money and paying interest thereon. However, it is seen that the Government delayed the transfer of the contributions to the Fund Manager and paid interest of ₹ 1,210.56 crore on the untransferred amount during 2007-08 to 2015-2016. A balance amount of ₹ 3,588.82 crore accumulated over the years with interest liability thereon remains untransferred as on 31.03.2017. Thus even after introduction of New Pension Scheme, the State Government continues to bear the interest liability, due to delay / non-transfer of full contributions to the Fund Manager.

### ***Personal Deposit Account:***

- The balance as on 31 March 2017, in all the 1,627 Personal Deposit (PD) accounts is ₹ 13,335 crore. Out of 1,627 PD Accounts, 1,148 (71 *per cent*) accounts were not reconciled during the year.

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## **Finance Accounts and Appropriation Accounts 2016-17**

### **OTHER IMPORTANT POINTS**

The Finance Accounts 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. Some of the important indicators are highlighted below from Finance Accounts.

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

- Receipts and Disbursements of the Government of Maharashtra as depicted in the Finance Accounts for 2016-17 are given below:-

(₹ in crore )

<b>Receipts</b> (Total :2,45,055)	<b>Revenue</b> (2,04,693)	Tax Revenue	1,70,331*
		Non Tax Revenue	12,709
		Grants-in-aid	21,653
	<b>Capital</b> (40,362)	Recovery of Loans and Advances	1,746
		Borrowings and other Liabilities	38,616 <sup>#</sup>
		Other Capital Receipts	...
<b>Disbursements</b> (Total :2,45,055)	<b>Revenue Expenditure</b>		2,13,229
	<b>Capital Expenditure</b>		25,549
	<b>Loans and Advances disbursed</b>		6,277 <sup>\$</sup>

• \* Includes ₹ 33,715 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 (2016-17) 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.

• <sup>\$</sup> Includes ₹ 4,960 crore on account of taking over of 75 per cent of Medium term and short term debt of the Discom by issuing Special Bonds

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## ***Finance Accounts and Appropriation Accounts 2016-17***

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- 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 Central Plan Scheme Monitoring System portal of the Controller General of Accounts is ₹ 10,261 crore.
- ***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> (₹ 1,00,119)	Internal Debt	47,710
	Government of India Loan	627
	Other obligations	51,782
<b>Loans Discharged</b> (₹ 55,602)	Internal Debt	10,917
	Government of India Loan	970
	Other obligations	43,715

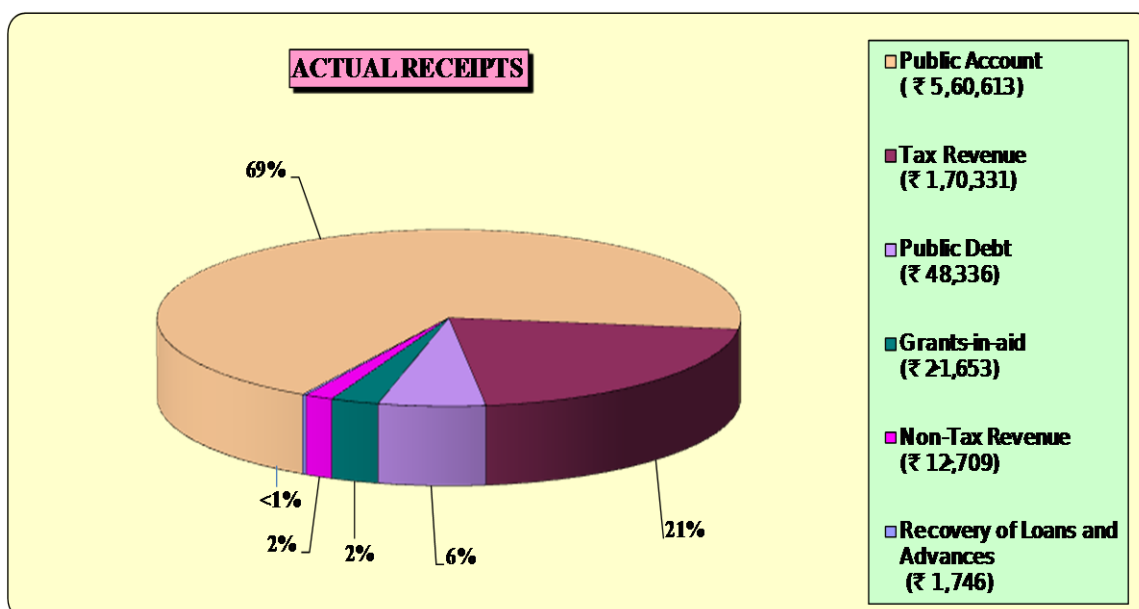
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## Finance Accounts and Appropriation Accounts 2016-17

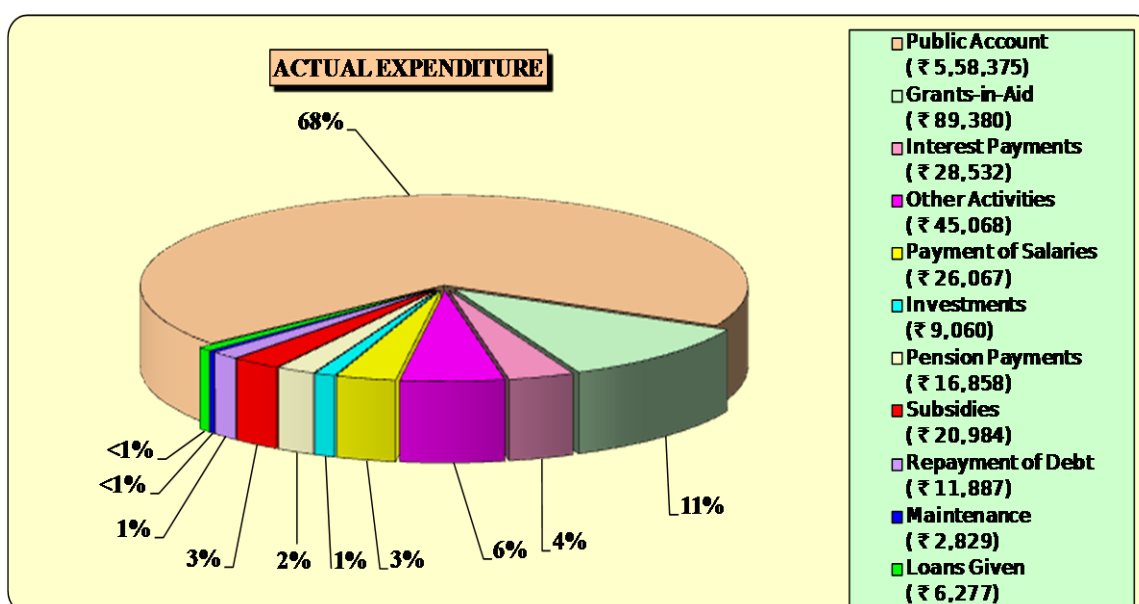
### • Where the Rupee came from\*

(₹ in crore)



### • Where the Rupee went\*

(₹ in crore)



\* Excluding opening and closing cash balances

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## **Finance Accounts and Appropriation Accounts 2016-17**

### **Highlights of Accounts**

( ₹ in crore)

<b>SR. No.</b>	<b>Head</b>	<b>B.E. 2016-2017</b>	<b>Actuals</b>	<b>Percentage of Actuals to B.E.</b>	<b>Percentage of Actuals to GSDP</b>
1.	Tax Revenue	1,75,849	1,70,331	97	7
2.	Non-Tax Revenue	19,997	12,709	64	1
3.	Grants-in-aid & Contributions received	24,964	21,653	87	1
4.	<b>Revenue Receipts ( 1+2+3 )</b>	<b>2,20,810</b>	<b>2,04,693</b>	<b>93</b>	<b>9</b>
5.	Recovery of Loans and Advances	1,151	1,746	152	...
6.	Other Receipts	...	...	...	...
7.	Borrowings & Other Liabilities	35,031	38,616 <sup>#</sup>	110	2
8.	<b>Capital Receipts ( 5+6+7 )</b>	<b>36,182</b>	<b>40,362</b>	<b>112</b>	<b>2</b>
9.	<b>Total Receipts ( 4+8 )</b>	<b>2,56,992</b>	<b>2,45,055</b>	<b>95</b>	<b>11</b>
10.	Non-Plan Expenditure (NPE) (11+13)	1,81,774	1,82,618	100	8
11.	NPE on Revenue Account	1,75,193	1,71,140	98	8
12.	NPE on Interest Payments out of 11	28,220	28,532	101	1
13.	NPE on Capital Account *	6,581	11,478	174	...
14.	Plan Expenditure (PE) (15+16)	73,686	62,437	85	3

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## **Finance Accounts and Appropriation Accounts 2016-17**

<b>SR. No.</b>	<b>Head</b>	<b>B.E. 2016-2017</b>	<b>Actuals</b>	<b>Percentage of Actuals to B.E.</b>	<b>Percentage of Actuals to GSDP</b>
15.	PE on Revenue Account	49,261	42,089	85	2
16.	PE on Capital Account	24,425	20,348	83	1
17.	<b>Total Expenditure (10+14 )</b>	<b>2,55,460</b>	<b>2,45,055</b>	<b>96</b>	<b>11</b>
18.	<b>Revenue Expenditure (11+15 )</b>	<b>2,24,455</b>	<b>2,13,229</b>	<b>95</b>	<b>9</b>
19.	<b>Capital Expenditure ( 13+16) *</b>	<b>31,006</b>	<b>31,827</b>	<b>103</b>	<b>1</b>
20.	<b>Revenue Deficit (18-4 )</b>	<b>3,645</b>	<b>8,536</b>	<b>234</b>	<b>...</b>
21.	<b>Fiscal Deficit 17-(4+5+6)= 7</b>	<b>35,031</b>	<b>38,616<sup>\$</sup></b>	<b>110</b>	<b>1.70</b>

*Except where indicated otherwise , GSDP figures ( ₹ 22,67,789 crore) used in this publication are adopted from the Directorate of Economics and Statistics, Government of Maharashtra.*

*\* Includes Loans and Advances of ₹ 3,277 crore disbursed*

*\$ The Fiscal deficit excluding the borrowings under UDAY scheme would be 1.48 per cent ( ₹ 33,657 crore) of GSDP during 2016-17.*

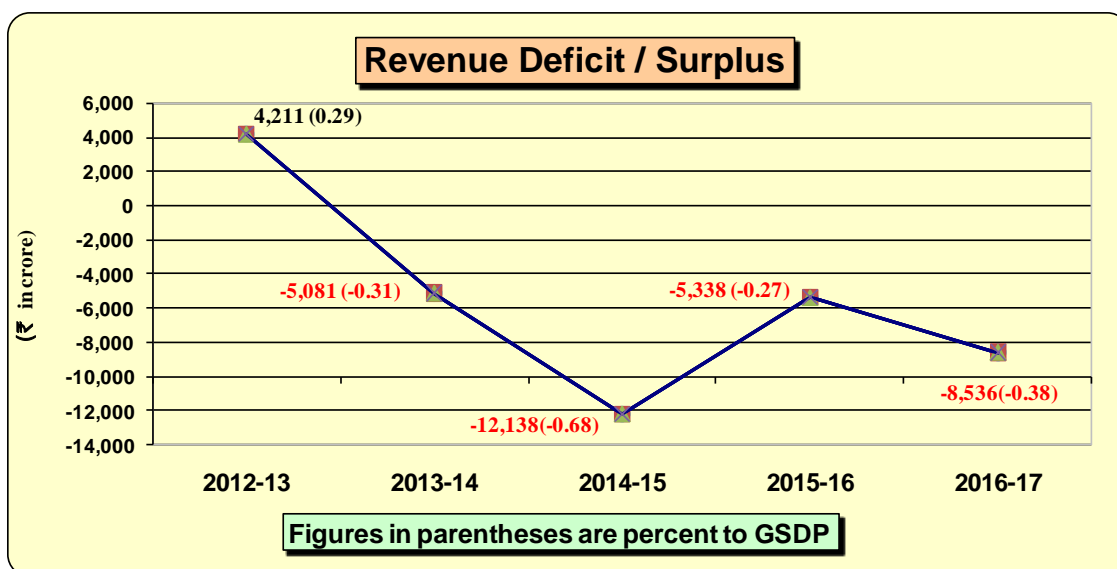
*# This differs from Statement No.6 - Statement of Borrowing and Other Liabilities of the Finance Accounts as this is arrived at considering net of Public Debt, Appropriation to Contingency Fund, Contingency Fund, Public Account and Opening and Closing Cash Balances, etc.*

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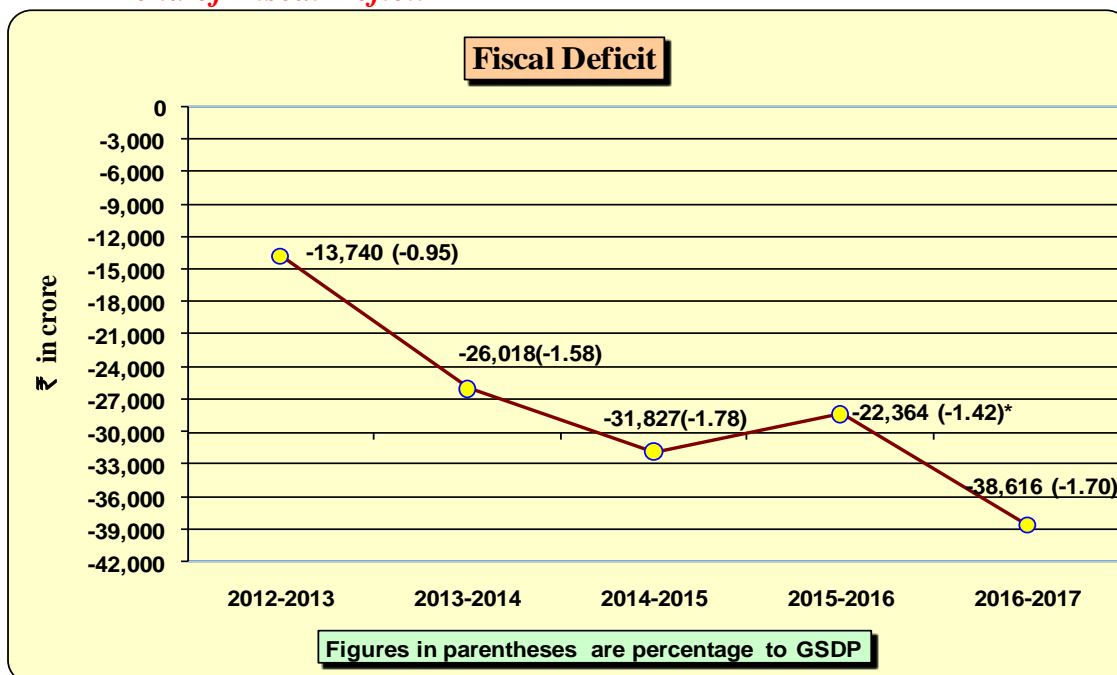


## Finance Accounts and Appropriation Accounts 2016-17

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



### • Trend of Fiscal Deficit



\* Differ from figures shown in previous years Accounts at a Glance due to revision in GSDP figures

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## ***Finance Accounts and Appropriation Accounts 2016-17***

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- ***Interest on Deposits Accounts***

The State Government is to pay interest on the uninvested balances lying under the head “Deposit Accounts bearing interest”. During 2016-17, the entire balance of ₹ 34,604.64 crore lying in interest bearing Deposit Accounts was not invested. The State Government paid an interest of ₹ 2,649.51 crore on a portion of ₹ 34,040.82 crore. The interest liability on remaining portion of uninvested balance of ₹ 563.82 works out to ₹ 45.11 crore. The amount of interest outstanding against these interest bearing Deposits over the years has a overall liability of the State Government and the liability is understated in the Accounts to that extent.

- ***Debts and Liabilities***

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature. However, no limits in this regard have been laid by the State Legislature. Liabilities of the State Government increased by ₹ 44,517 crore from ₹ 3,51,341 crore in 2015-16 to ₹ 3,95,858 crore during 2016-17. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by ₹ 36,450 crore i.e. from ₹ 2,65,388 crore in 2015-16 to ₹ 3,01,838 crore at the end of 2016-17. Details of the Public Debt and total liabilities of the State Government are as under :-

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## **Finance Accounts and Appropriation Accounts 2016-17**

(₹ in crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Internal Debt</b>	1,91,637	2,08,016	2,28,906	2,57,159	2,93,952
<b>Loans and Advances from Central Government</b>	8,799	8,893	8,549	8,229	7,886
<b>Total Public Debt *</b>	2,00,436(15)	2,16,909(15)	2,37,455(13)	2,65,388(13)	3,01,838((13)
<b>Small Savings</b>	2,146	2,343	2,495	2,758	3,069
<b>Provident Funds</b>	17,014	18,710	19,818	20,763	21,576
<b>Other Obligations</b>	49,452	55,843	59,978	62,432	69,375
<b>Total Liabilities *</b>	2,69,048(20)	2,93,805(19)	3,19,746(18)	3,51,341(18)	3,95,858(17)
<b>GSDP</b>	14,48,466	16,47,506	17,92,122	20,01,223 <sup>#</sup>	22,67,789 <sup>\$</sup>

\* Figures in brackets represent percentage to GSDP

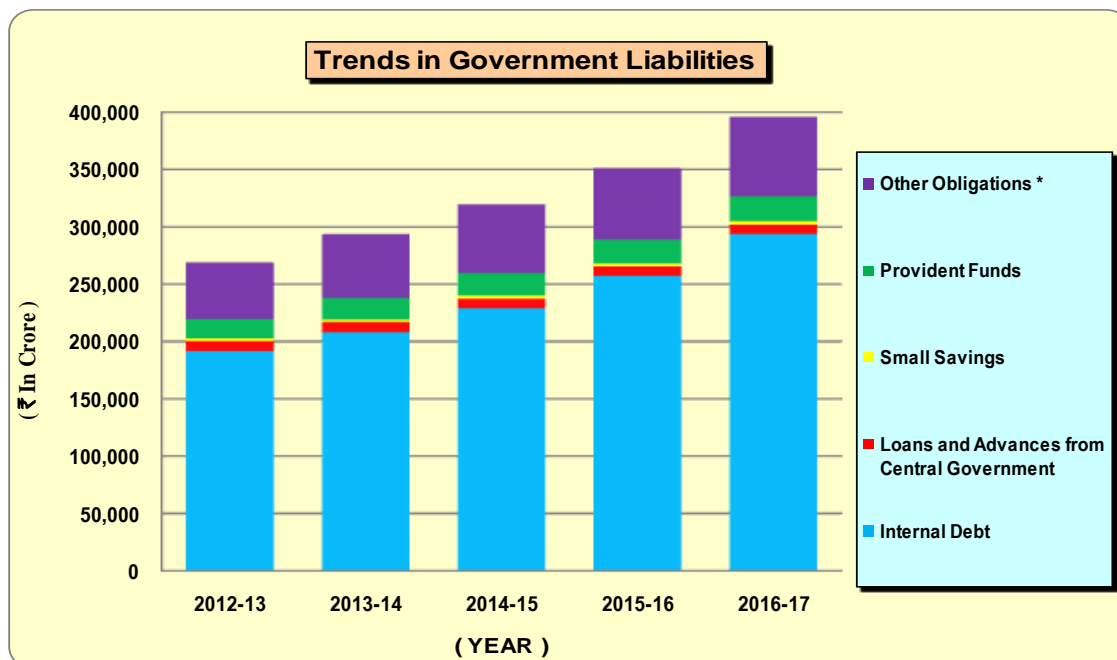
\$ Provisional (Advance Estimates) # Revised GSDP

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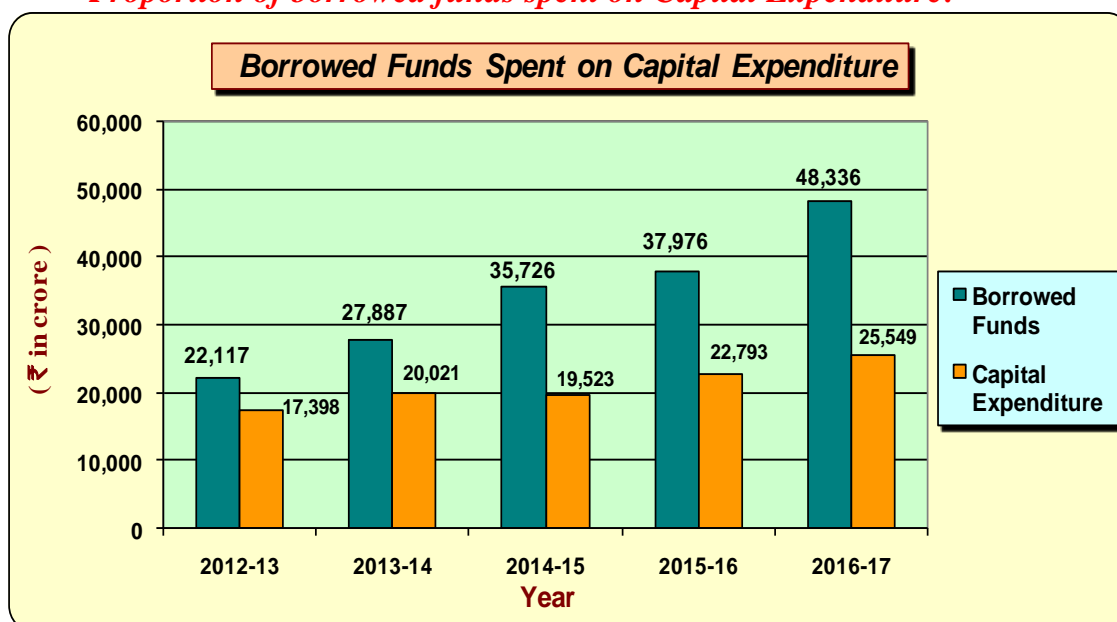
## Finance Accounts and Appropriation Accounts 2016-17

- The trend of increase in Internal Debt of the State Government is as under:-



\* Includes interest and non-interest bearing obligations such as local funds, other earmarked funds, etc.

- Proportion of borrowed funds spent on Capital Expenditure:



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## ***Finance Accounts and Appropriation Accounts 2016-17***

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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, did not utilize the borrowings fully for capital expenditure. The less spending was in the range of 21 *per cent* to 47 *per cent* during last five years.

Further the Internal debt of ₹ 47,709 crore raised during 2016-17 was mainly used for discharge of debt obligations (₹ 10,917 crore) and payment of interest (₹ 23,553 crore).

### **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. It comprises 26 Charged Appropriations, 171 Voted Grants and 51 combined (charged and voted) provisions.

- ***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.

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## ***Finance Accounts and Appropriation Accounts 2016-17***

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Appropriation Accounts 2016-2017 show disbursements aggregating ₹ 2,65,910 crore against the aggregate budget provision of ₹ 3,14,983 crore, resulting in saving of ₹ 49,073 crore against Grants and Appropriations. Out of the total amount of ₹ 43,561 crore surrendered during the year, ₹ 42,721 (98 *Per cent*), were surrendered on 30 and 31 March 2017 i.e. fag end of the year. Thus huge provision could not be utilised for other schemes due to belated surrender. This indicates inadequate financial control with consequent non utilisation of provision for other developmental purposes.

- ***Excess provision resulting in savings***

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

Sr. No.	Range of Savings	No. of cases	Total Provision (₹ in crore)	Savings (₹ in crore)	Percentage of Saving to Total Provision
1	Up to ₹ 20 crore	9	356.05	133.88	37.60
2	More than ₹ 20 crore and up to ₹ 50 crore	14	1,456.33	461.99	31.72
3	More than ₹ 50 crore and above	28	37,563.02	21,000.54	55.93
	<b>TOTAL</b>	<b>51</b>	<b>39,375.40</b>	<b>21,605.41</b>	<b>54.87</b>

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## ***Finance Accounts and Appropriation Accounts 2016-17***

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

The Departments with major savings were Home, Animal Husbandry, Fisheries & Dairy Development, School Education & Sports, Higher & Technical Education, Urban Development, Housing, Social Justice & Special Assistance, Tribal Development, Rural Development, Public Works and Water Resources.

- ***Persistent Savings***

The persistent saving 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 consistent savings of more than ₹ 100 crore for the previous four years in 23 cases which indicates that either the provisions were in excess or the Executives were not successful 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 ₹ 7,283 crore obtained in 35 cases (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure (₹ 1,02,898 crore) did not come up to the level of the original provision (₹ 1,18,287 crore)

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## **Finance Accounts and Appropriation Accounts 2016-17**

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- ***Excess expenditure over provision during 2016-17 required regularization***

The excess expenditure over the budget provision during 2016-17 under 36 grants/appropriations amounted to ₹ 167.69 crore, which requires regularization under Article 205 of the Constitution of India.

- ***Non-confirmation of full expenditure***

The gross expenditure of ₹ 2,65,910 crore during the year, includes ₹ 322 crore drawn on Abstract Contingent (AC) Bills and ₹ 32,351 crore as Grants-in-aid Bills, out of which, AC bills valuing ₹ 268 crore were outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills and Utilisation Certificates for ₹ 24,434 crore were pending from the Drawing and Disbursing Officers concerned.

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

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