

Immediate Release



सत्यमेव जयते

PRESS BRIEF



**The Finance Accounts and Appropriation Accounts of
the Government of Maharashtra for the year 2017-18**

PRESS BRIEF



**FINANCE
ACCOUNTS**



**APPROPRIATION
ACCOUNTS**



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Finance Accounts and Appropriation Accounts 2017-18

Press Brief

Immediate Release



The Annual Accounts of Government of Maharashtra viz. the Finance Accounts and the Appropriation Accounts are prepared by the 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.

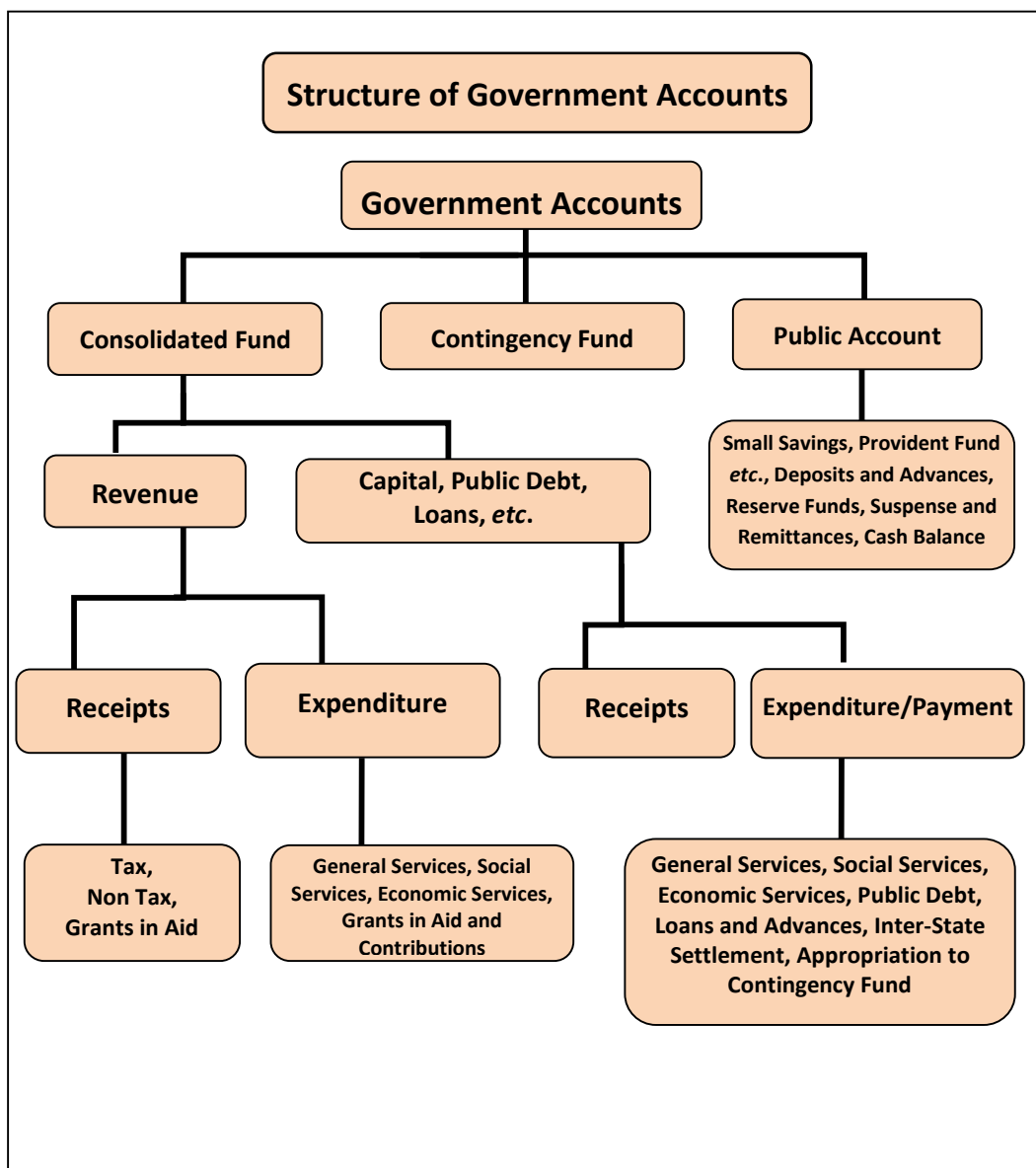
The Finance Accounts of Government of Maharashtra presents the financial position of the State along with details of receipts and disbursements of the Government for the year. The Appropriation Accounts presents the sums expended in the year against the provisions specified in the schedules appended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

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Finance Accounts and Appropriation Accounts 2017-18

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



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Finance Accounts and Appropriation Accounts 2017-18

HIGHLIGHTS

Revenue Surplus:

- The State could eliminate revenue deficit and achieve the fiscal target of Revenue surplus (₹ 2,082 crore) fixed in the Maharashtra Fiscal Responsibility and Budget Management Act, 2005.

Fiscal Indicators:

- The State's Fiscal Deficit of ₹ 23961 crore (0.96 *per cent* of GSDP of ₹ 24,96,505 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 from ₹ 2,65,388 crore in 2015-16 to ₹ 3,34,131 crore in 2017-18 i.e. by more than 26 *per cent*.
- Utilisation of Public Debt receipts for servicing of debt showed a increasing trend from 82 *per cent* in 2015-16 to 92 *per cent* in 2017-18.

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 ₹ 142 crore on the untransferred amount during 2017-18. A balance amount of ₹ 5,906 crore accumulated over the years with interest liability thereon remains untransferred as on 31.03.2018. 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.



Finance Accounts and Appropriation Accounts 2017-18

Personal Deposit Account:

- The balance as on 31 March 2018, in all the 1,363 Personal Deposit (PD) accounts is ₹ 12,229 crore. Out of 1,363 PD Accounts, only 937 (69 per cent) accounts were reconciled during the year.

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 2017-18 are given below:-

(₹ in crore)

Receipts (Total :2,69,392)	Revenue (2,43,653)	Tax Revenue	2,05,151*
		Non Tax Revenue	16,679
		Grants-in-aid	21,823
	Capital (25,739)	Recovery of Loans and Advances	1,778
		Borrowings and other Liabilities	23,961
		Other Capital Receipts	...
Disbursements (Total :2,69,392)	Revenue Expenditure		2,41,571
	Capital Expenditure		26,842
	Loans and Advances disbursed		979

- * Includes ₹ 37,219 crore on account of 'Share of Union Taxes/Duties'
- 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.



Finance Accounts and Appropriation Accounts 2017-18

- 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 ₹ 72,476 crore.

- ***Funds borrowed /Loans discharged***

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

(₹ in crore)

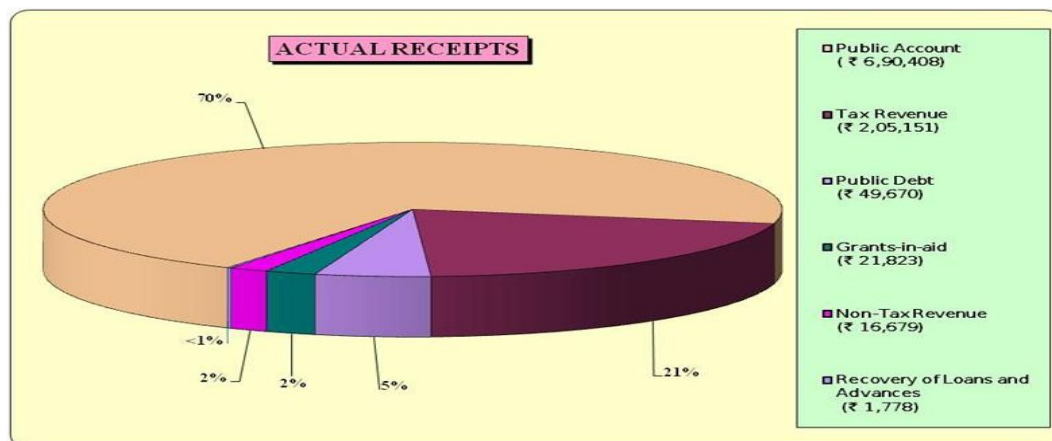
Loans raised (₹ 1,02,106)	Internal Debt	49,502
	Government of India Loan	168
	Other obligations	52,436
Loans Discharged (₹ 65,530)	Internal Debt	16,427
	Government of India Loan	949
	Other obligations	48,154



Finance Accounts and Appropriation Accounts 2017-18

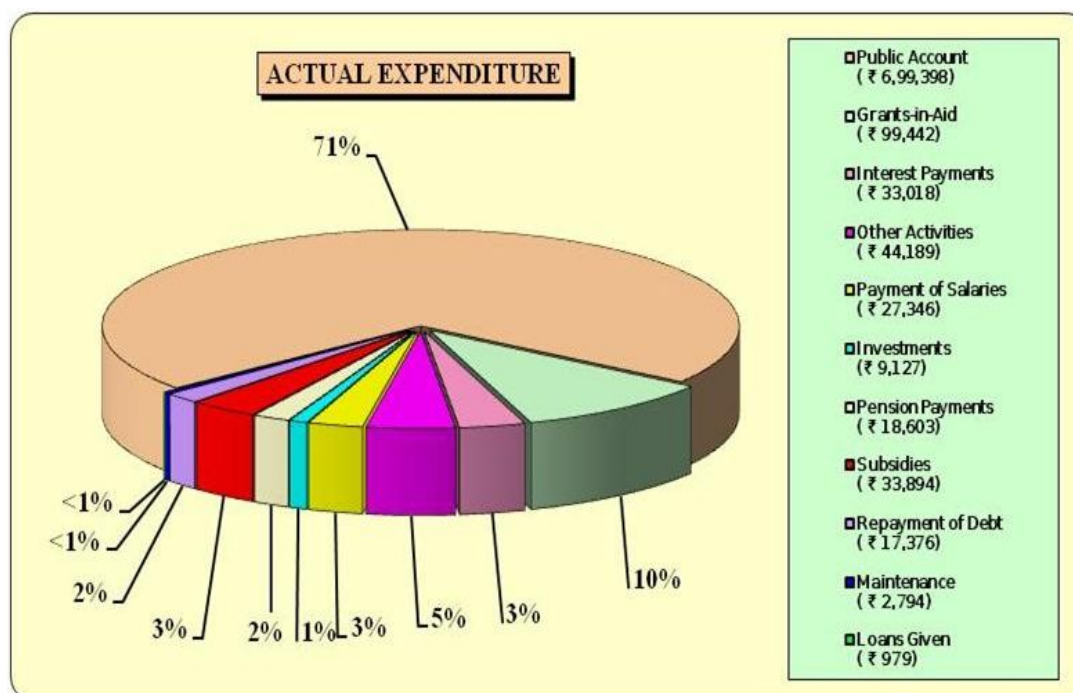
• Where the Rupee came from*

(₹ in crore)



• Where the Rupee went*

(₹ in crore)



* Excluding opening and closing cash balances

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Finance Accounts and Appropriation Accounts 2017-18

Highlights of Accounts

(₹ in crore)

SR. No.	Head	B.E. 2017-18	Actuals	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP
1.	Tax Revenue	1,90,842	2,05,151	107	8
2.	Non-Tax Revenue	20,156	16,679	83	1
3.	Grants-in-aid & Contributions received	32,740	21,823	67	1
4.	Revenue Receipts (1+2+3)	2,43,738	2,43,653	100	10
5.	Recovery of Loans and Advances	1,227	1,778	145	...
6.	Other Receipts
7.	Borrowings & Other Liabilities	38,788	23,961	62	1
8.	Capital Receipts (5+6+7)	40,015	25,739	64	1
9.	Total Receipts (4+8)	2,83,753	2,69,392	95	11
10.	Committed Expenditure (CE) (11+13)	1,82,913	1,73,514	95	7
11.	CE on Revenue Account	1,77,804	1,68,537	95	7
12.	CE on Interest Payments out of 11	31,027	33,018	106	1
13.	CE on Capital Account*	5,109	4,977	97	...
14.	Scheme Expenditure (SE) (15+16)	1,00,840	95,878	95	4



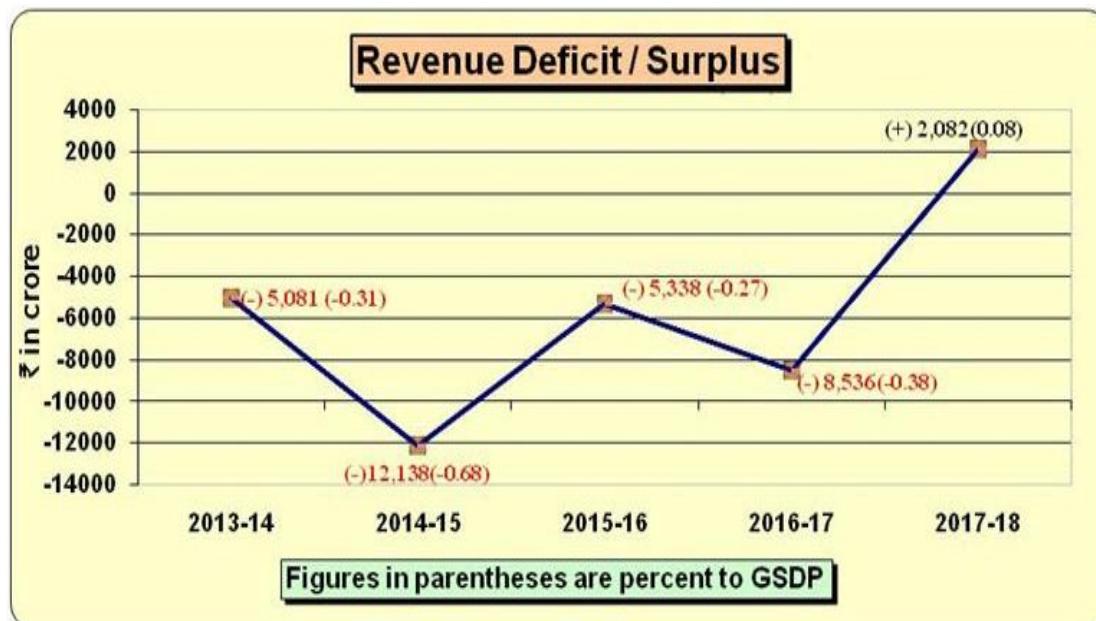
Finance Accounts and Appropriation Accounts 2017-18

SR. No.	Head	B.E. 2017-18	Actuals	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP
15.	SE on Revenue Account	70,445	73,034	104	3
16.	SE on Capital Account	30,395	22,844	75	3
17.	Total Expenditure (10+14)	2,83,753	2,69,392	95	1
18.	Revenue Expenditure (11+15)	2,48,249	2,41,571	97	10
19.	Capital Expenditure (13+16)*	35,504	27,821	78	1
20.	Revenue Surplus (18-4)	(-)4,511	2,082	46	...
21.	Fiscal Deficit 17-(4+5+6)= 7	38,788	23,961	62	1

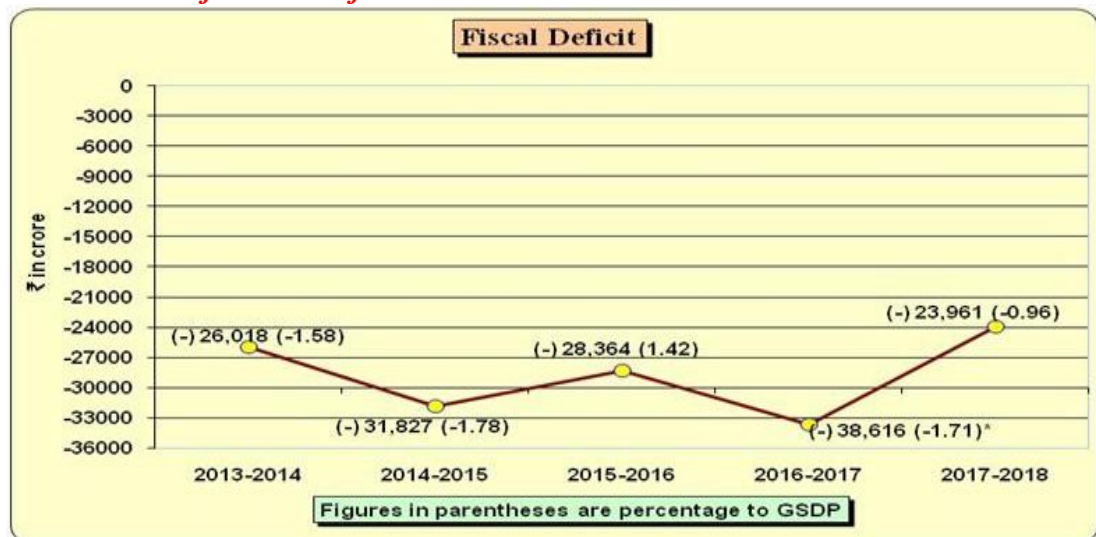


Finance Accounts and Appropriation Accounts 2017-18

• 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



Finance Accounts and Appropriation Accounts 2017-18

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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 2017-18, the entire balance of ₹ 37,845 crore lying in interest bearing Deposit Accounts was not invested. The State Government paid an interest of ₹ 1,934 crore on a portion of ₹ 37,277 crore. The interest liability on remaining portion of uninvested balance of ₹ 568 crore works out to ₹ 45 crore. The amount of interest outstanding against these interest bearing Deposits over the years has 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 ₹ 36,575 crore from ₹ 3,95,858 crore in 2016-17 to ₹ 4,32,433 crore during 2017-18. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by ₹ 32,293 crore i.e. from ₹ 3,01,838 crore in 2016-17 to ₹ 3,34,131 crore at the end of the current year. Details of the Public Debt and total liabilities of the State Government are as under:-



Finance Accounts and Appropriation Accounts 2017-18

(₹ in crore)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Internal Debt	2,08,016	2,28,906	2,57,159	2,93,952	3,27,026
Loans and Advances from Central Government	8,893	8,549	8,229	7,886	7,105
Total Public Debt *	2,16,909(15)	2,37,455(13)	2,65,388(13)	3,01,838((13)	3,34,131((13)
Small Savings	2,343	2,495	2,758	3,069	3,335
Provident Funds	18,710	19,818	20,763	21,576	21,857
Other Obligations	55,843	59,978	62,432	69,375	73,110
Total Liabilities *	2,93,805(19)	3,19,746(18)	3,51,341(18)	3,95,858(17)	4,32,433(17)
GSDP	16,47,506	17,92,122	20,01,223	22,57,032 [#]	24,96,505 ^{\$}

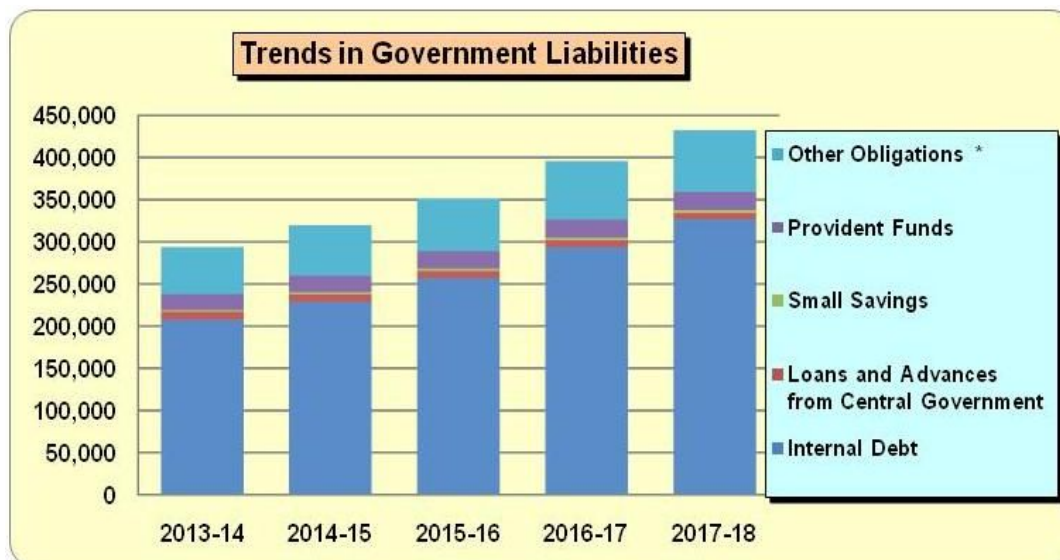
* Figures in brackets represent percentage to GSDP

\$ Provisional (Advance Estimates) # Revised GSDP



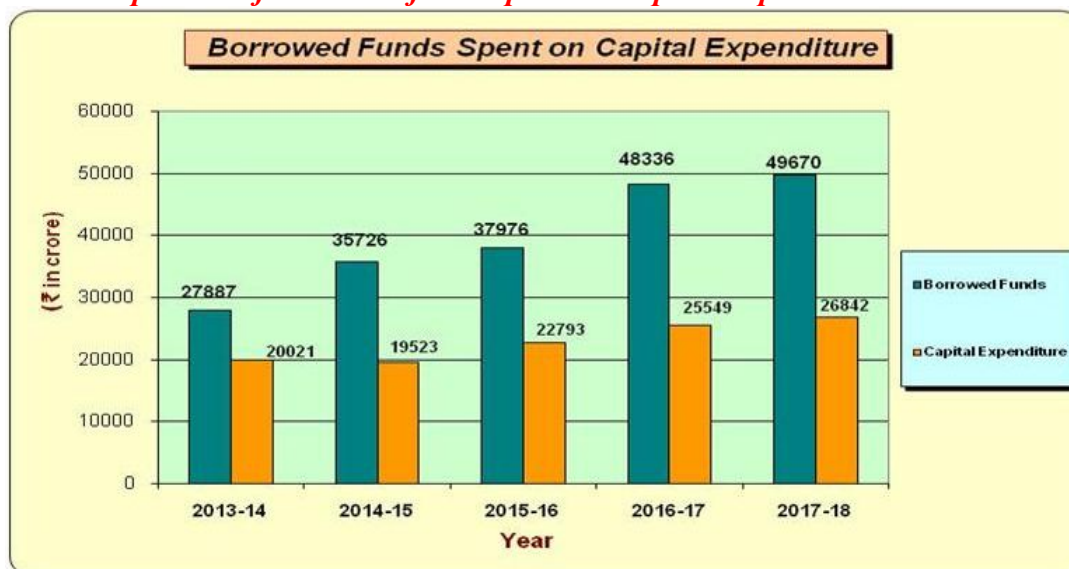
Finance Accounts and Appropriation Accounts 2017-18

- 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:





Finance Accounts and Appropriation Accounts 2017-18

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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, could not utilize the borrowings fully for capital expenditure. The less spending was in the range of 28 per cent to 46 per cent during last five years.

Further the Internal debt of ₹ 49,502 crore raised during 2017-18 was mainly used for discharge of debt obligations (₹ 16,428 crore) and payment of interest ₹ 33,018 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. It comprises 26 Charged Appropriations, 212 Voted Grants and 50 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.



Finance Accounts and Appropriation Accounts 2017-18

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The Appropriation Act, 2017-18 had provisions for gross expenditure of ₹ 3,73,034 crore and reduction of expenditure (recoveries) of ₹ 8,829 crore. Against this, the actual gross expenditure was ₹ 2,95,189 crore and reduction of expenditure was ₹ 8,420 crore, resulting in net saving of ₹ 77,845 crore and under estimation of ₹ 409 crore on reduction of expenditure. The gross expenditure includes ₹ 385 crore drawn on Abstract Contingent (AC) Bills, out of which AC bills valuing ₹ 341 crore are outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

- ***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 25 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 ₹ 9,258 crore obtained in 32 cases (₹ 10 crore or more in each case) during the year proved unnecessary as the actual expenditure (₹ 1,23,339 crore) did not come up to the level of the original provision (₹ 1,56,572 crore)

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Finance Accounts and Appropriation Accounts 2017-18

- ***Excess expenditure over provision during 2017-18 required regularization***

The excess expenditure over the budget provision during 2017-18 under 20 grants/appropriations amounted to ₹ 47 crore, which requires regularization under Article 205 of the Constitution of India.

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

The gross expenditure of ₹ 3,73,034 crore during the year, includes ₹ 385 crore drawn on Abstract Contingent (AC) Bills and ₹ 32,351 crore as Grants-in-aid Bills, out of which, AC bills valuing ₹ 341 crore were outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills and Utilisation Certificates for ₹ 24,726 crore were pending from the Drawing and Disbursing Officers concerned.

For further information on the Report please contact :

Accounts 2017-18	Officer to be contacted
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