Budgetary Subsidies in Maharashtra
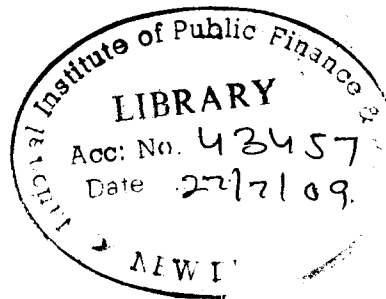
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(I)   Introduction

The Government of Maharashtra (GoM), in its effort to make the budget more transparent and user friendly, has drawn up plans to estimate the subsidies emanating from their budget. Towards this effort the GoM has been publishing the *Subsidies in the Budget of Government of Maharashtra*. The latest in this series of publications (started in 1988) is the twelfth such report and pertains to the year 1998-99.

The scope and definition (see later sections) of subsidy however, varies with the methodology of estimating it. This in turn depends on the objectives of the study.[1] This report is the culmination of a study instituted by the GoM and entrusted to the National Institute of Public Finance and Policy (NIPFP). The report begins by first laying down the meaning of the term *subsidy* (section II). This is followed by a section dealing with some of the definitional issues relating to the scope of the term, followed by a section (IV) on the broad objectives for subsidisation. Section V discusses the need and relevance of this study followed by a section on a brief description of the methodology adopted by the GoM. This section (VI) also enlists some of the limitations in that methodology. Section VII outlines the methodology adopted in this study followed by a special section devoted to the specific adjustments and the rationale behind their adoption. Section IX compares the methodologies followed by the GoM with that adopted in this study and section X gives quantitative estimates of the volume of subsidisation.[2]

(II)   Meaning of *subsidy*

The word subsidy is derived from (latin) *subsidium* meaning *troops stationed in reserve*, and essentially implies *coming to assistance from behind*. The perceived outcome of subsidy measures manifests in the form of *alteration in relative prices* and / or *relaxation of budget constraints*. A subsidy in its simplest form is a negative tax – a reverse flow from the government to the public.

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[1] Other differences in estimates may arise from the choice (or availability) of the data source.

[2] An attempt is also made at comparing the estimates from the two methodologies.

(III) Some Definitional Issues

Following from the above non-imposition of a tax should not be construed as amounting to a subsidy – for example, in the case of tax incentives and tax holidays – quite often there is talk of it to be considered as an implicit subsidy. This feeling or notion is misplaced – the tax revenue, in such a case, is (at best) notional and may not have ever happened if the industries were not there and the overbearing feeling that the industries would not have come up but for the tax incentives should not be forgotten. An activity may be deemed to have been subsidised only when there is an alternative means of judging its costs (for comparison).

When an organisation (or government in this case) undertakes cross subsidisation, as a marketing tool (say, the pricing of petroleum products and the pricing of electricity across different sections of the consumers), then the net impact needs to be computed. For example, when computing the subsidy involved in petroleum products not only the under-pricing of *Diesel* but also the over pricing of *Petrol* should be taken to compute the subsidy element. Similarly the under-pricing of power for domestic consumers would reveal only a partial story – one should net out the overpricing for the industrial and commercial consumers to get to the true element of consumption subsidy. Again, as noted earlier, the true quantum of subsidy should be based on a benchmark based on the most efficient method of production, or in the least, a benchmark based on the available best practices.

Commonly, subsidy *refers to a specific good* the relative price of which, has been altered with a view to changing the consumption or allocation decision in favour of the subsidised good. Subsidy can thus arise either due to *expenditure allocation, administered prices* or due to *non-recovery of costs.* The last of these forms the most comprehensive estimate and would include both subsidies to the consumers (in the form of income supplement and below cost provision) as well as to the producers (production inefficiencies).

Subsidy can be said to have been extended (or offered) if and only if goods and services are provided or made available at less than the costs incurred in their production or provision. The moot question is how to arrive at these costs? Should we look only at basic costs (exclusive of taxes or primary costs) or tax inclusive costs? If taxes are considered as components of costs then waiving of taxes is a subsidy, else it is not. Could taxes be considered as the factor payment to the government (for providing the legal, regulatory and

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institutional framework)? In that case taxes are a cost component and these are not determined in a market but they are administered. However, a counter point can be that taxes in general are the fall out of the bargaining capacities of the various lobbies and in that sense are susceptible to the usual forces. In turn these may then, be said to have been determined in a competitive environment.[3]

If taxes are to be considered as items of basic cost, then taxes would get endogenised and the input of this factor (namely government) can be optimised, and it should be technically possible to decide on the optimum quantum (that is size of government) of this factor.

(IV) Objectives of subsidy

Over the years, the subsidies have been utilised to serve several purposes. But, the foremost economic reasoning for extending subsidies has been an attempt at internalising the positive externalities. These externalities could be associated with promoting self-reliance for reasons such as reduced risk and exposure to the volatility of the international markets and trade, increased adaptability, and enhanced knowledge to undertake research and innovate.[4] For example, in case of production, subsidies may be administered in the form of high import tariffs or direct price support or reduced tax liabilities to provide for protection of domestic production.

In an ideal situation,[5] such a strategy may enable domestic production to survive the initial high cost phase[6] and benefit from learning in the long run to reduce the costs. In this context (and in general also), it should be remembered that all forms of subsidies should be time-bound and subject to periodic review and not extend ad-infinitum.

Consumption subsidies may help along preserving camaraderie and bonhomie by reducing inequality. There may exist highly unequal capacities (ability or capability to earn sufficient income and relative lack of employment or income generating opportunities) – either due to

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[3] Say, the political parties (and in turn politicians) give out their respective proposals to the populace, that in turn decide upon whom to get into place for governance.

[4] This is the converse of the principal economic reason for *taxation*. Taxation is ideally meant to redraw the private supply and demand curves to closely resemble the social cost and demand curves.

[5] Where business and entrepreneurial activity is uncorrupted by attempts to earn supranormal profits.

[6] By boosting demand, when production is below capacity and both average and marginal costs are on the decline.

severe market distortions or due to historical acts of commission and omission. In such situations, some forms of direct income support or consumption and / or employment supplements may help along preventing large scale riotous outbreaks and severe break down of the law and order situation with consequent adverse economic outcomes.

It is important to understand if the consumer subsidies are targeting poverty alleviation programmes or are targeting inequitous consumption patterns. It may be argued that the subsidisation schemes may at best help in reducing inequalities in consumption but they would always be ineffective when expected to fulfil poverty alleviation objectives.[7]

Certain policy measures that are expected to lead to indirect subsidisation may actually lead to dead-weight losses. For example, considerations of objectives like employment generation or employment protection result in decline in productivity and escalation in costs and inventory. Therefore, it is important to gauge the overall impact including both direct and indirect effects in estimating the extent or volume of subsidisation.

Over the years, while the underlying targets of subsidisation have remained unchanged, the relative importance of the more philanthropic economic objectives of the *social planner* has substantially declined. The present day reasons are more immediate (largely political and often attempting to uphold the virtues of democracy) and framed on the individual (derived from the developments in the fields of incentives and motivation). These are driven by the relatively stronger lobbying capabilities (among the producers) and the substantial voting power invested among the financially downtrodden (economically weaker) sections of the population.

(V)   Why study subsidies?

Subsidy refers to a specific good the relative price of which, has been altered with a view to changing the consumption or allocation decision in favour of the subsidised good.[8] In that sense, it has all the ingredients of interest that encourage the study and analysis of consumer behaviour.

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[7] Consumption or income supplements have an in-built bias against *generation of sufficient motivation* to develop individual capabilities.

The interest is further re-vitalised by the recognition that relatively short-term political considerations need not always conflict with the relatively long-term economic rationale.[9] Moreover, the discussion in the multilateral organisations like World Trade Organisation (WTO, formerly General Agreement on Tariffs and Trade (GATT)), on subsidies now attempts to see the relevance of the erstwhile economic justifications in the light of moves towards greater integration of world markets and attempts at globalisation. The discussion in such fora now attempts to highlight how subsidies, within a country, may affect economies elsewhere. The more immediate issues for any given country encompass (but are not limited to) effects of agricultural subsidies on the cropping pattern, their impact on inter-regional disparities in development, and sub-optimal use of resources like water and power.

In its literal sense, a subsidy (recall from the paragraph on the dictionary meaning) should be provided for out of the cumulative savings or reserves. However, by an ingenious evolution, there has been an increased reliance on borrowing from the future to finance current or present expenditures. This relatively newer form of subsidisation is essentially (or more realistically) taxation of the future. The profligate misuse of such economic instruments, resulting in fiscal instabilities, is cause for serious concern.

Most subsidies emanate from the government budgets, while there maybe others that are quasi-fiscal or completely off-budget arising out of regulations and administered price regimes. *The present study focuses on budget-based subsidies and does not include off-budget subsidies.* Unhindered growth in the underlying subsidies has resulted in precarious fiscal health of several governments. Coupled with this, a stronger demand for improved transparency in governance has led economists to assess the impact and extent of inherent subsidies in an effort to alleviate the fiscal imbalances in government actions.

There is a growing tendency towards excess subsidisation of most public services in all the states. Policy correctives can be worked out only after suitable quantification of the estimates for each of these services. The immediate relevance of this study in Maharashtra's context is to provide for alternative estimates based on a relatively more comprehensive definition of

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[8] Here, as well in the rest of the study, we assume that there are no quality variations and that subsidy is distributed uniformly or homogeneously over the whole group of products and / or services.

[9] The relative gap between the short and long terms would narrow with reduced information asymmetries and faster information collation and dissemination.

subsidies (than followed by the GoM). The quantification of the volume of subsidies should also inculcate greater transparency in the budgetary exercise.

(VI) Methodology of Subsidy Estimation followed by the Government of Maharashtra (GoM)

The GoM estimates subsidy by categorising them into *explicit*, *grants-in-aid* and *hidden* components.[10] The effort is to enlist these for each of the departments by the kind of schemes and its functional objective. These categories are further classified into subsidies that are *general* and those that are *exclusive* in being targeted at the *Scheduled Castes (SCs), Scheduled Tribes (STs), Women, Children, Physically Handicapped and Destitutes*.

Explicit subsidies are those that are clearly spelt out in the budget, however, they also include grants-in-aid to several organisations and assistance provided to public sector undertakings (PSUs).[11] Such overlap in classification may result in erroneous estimates of overall subsidy because of the possibility of double counting.

Again, while certain forms of grants-in-aid are considered as subsidies, certain others are not. Those not considered include grants-in-aid to municipal councils / corporations, zilla parishads, panchayat samitis, village panchayats and expenditure on establishment of local bodies. Items of government expenditure that are traditionally considered as the basic responsibilities of the state are also not treated as subsidy. These include, among others, law and order, judicial administration, primary education, education for girls upto standard XII, health services provided at the primary level such as family welfare, universal immunisation and other programmes for eradication of diseases like malaria, TB, leprosy, etc. and financial assistance granted for relief in the event of scarcity and other natural calamities. However, there is no reason to abrogate such expenses from an estimate for overall subsidy. These should be considered as a *justified* subsidy on the grounds of their extensive positive externalities.[12]

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[10] The last of these is analogous to an implicit subsidy.
[11] This observation is based on the detailed tables in Annexure C of their publication.
[12] These are a form of explicit subsidy and therefore should be treated thus.

Hidden subsidies are involved in schemes and activities of the government in which the beneficiaries receive an input or a service at a rate lower than the corresponding market rate, or the cost incurred by the government in providing such an input or a service. These include supply of raw materials at prices lower than the market prices, loans given at interest rates lower than the market rates for commercial activities or loans for other activities for which the rate of interest is less than the cost of raising such funds by the government, sale of final product at a price lower than the cost incurred thereon, etc.. However, it is also noted that because of difficulty in estimation the subsidy element in case of irrigation water and such other services, these have not been quantified. We note here that some of these limitations can be overcome by adopting the methodology (of un-recovered costs) as developed by NIPFP and described in the following section.

(VII)   Theoretical Outline of the Methodology[13] for the Computation of Recovery Rates and the Extent of Subsidisation of various sectors

Subsidy estimations follow either of the two conventions of the National Accounts or a budget-based approach. For the National Income Accounts (NIA), the Central Statistical Organisation (CSO) computes subsidies as government grants on current account received by private industries, public corporations and government enterprises. These may take the form of direct payments to producers, or the differential between the buying and selling prices of government trading organisations, or compensation for operating losses. Thus subsidies in the NIA are transfers that add to the incomes of the producers from current production. The budgetary cost of subsidies, however, is the outlay on a service net of cost recovery through user charges. This is the convention that is adopted here.

A comprehensive estimation of subsidies should include both explicit and implicit components. These may then be computed as the non-recovered costs in the provision of a service. The coverage in this exercise here is limited to social and economic services and excludes pure public goods.

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[13] The effort in this exercise has been to keep the computational assumptions and the theoretical framework as close as possible to the methodology followed in the book *Government Subsidies in India*, by D. K. Srivastava

The formula used to compute the subsidy (S) in a specific *good or service* is as follows:

$$S = RX + (d + i) K_0 + i (Z_0 + L_0) - (RR + I + D)$$

where,

RX is revenue expenditure on the good or the service,

L_0 is the sum of loans advanced for the good or the service at the beginning of the year / period,

K_0 is the sum of capital expenditure on the good or the service excluding equity investment at the beginning of the period,

Z_0 is the sum of equity and loans advanced to public enterprises classified within the good or service category at the beginning of the period,

RR is the revenue receipt from the good or service,

I + D is the interest, dividend and other revenue receipts from public enterprises falling within the good or service category,

d = depreciation rate and

i = interest rate.

All the relevant data, for estimation, has been culled out from the Finance Accounts except for the depreciation and interest rates, which have been estimated separately.

In calculating revenue expenditure, net intra-governmental and general-purpose inter-governmental transfers have been excluded. Transfer payments to Individuals and Co-operatives have also been excluded. As noted earlier, these transfers are more in the nature of income supplements and maybe expended over an entire range of products and services. For example, the investment and assistance to (even in the form of share capital of) co-operatives is considered as transfer to co-operatives (and consequently have been treated different from investments in Public Sector Undertakings, see the next section). However, the effort here is to get a measure of the extent of recoverable costs.[14] Note that recoverable costs concern those that can be attempted from the service users, while there can be a subsidisation of the inefficiency of production. Such distinction between consumption and production subsidies is, however, not attempted here.

and Tapas Sen, National Institute of Public Finance and Policy, 1997. The results for the study for the year 1993-94 are reproduced and then updated with the results for the years 1997-98 and 1998-99.

[14] Subsidies in the form of reduced user charges or reduced interest rates account only for the consumption subsidies and would not be able to capture the extent of production subsidies.

The nominal depreciation rate is calculated as the sum of the long-term inflation rate (measured over a period of 10 years) and a 2 percent real depreciation rate (assuming an average life of fifty years for a capital asset). The calculation of the nominal depreciation rate follows the assumptions and methodologies used by Mundle and Rao (1991) and Tiwari (1996). The method however, does not adequately address the issue of summing capital expenditures of varying vintages reflecting differing value of the rupee. For the year 1998-99, however, we have used a depreciation rate as suggested by the Government of Maharashtra.[15] The interest rate reflects the opportunity cost of government investment, that is, it reflects the current cost of borrowing for financing capital expenditure. It is estimated as the average rate of interest on internal (including small savings and provident fund) and external debt incurred by the government.[16] For Maharashtra, the depreciation rates in 1998-99, 1997-98 and 1993-94 are taken as 12.75 per cent, 10 per cent and 10.6 per cent respectively and the interest rates used are 12 per cent, 13 per cent and 11.77 per cent, respectively.

(VIII) Specific adjustments

Transfers to individuals include scholarships, compensation, insurance, gratuity and pension contributions, other social security measures like rehabilitation and assistance for repairs and construction, special employment and development programmes. Transfers to co-operatives include expenditure, investment and assistance to co-operatives.[17] While transfer to individuals is normally an income support measure and induces consumption support, transfer to co-operatives can result in both production and consumption subsidies. Often, transfers to co-operatives are indirectly used for transfers to individuals.

Investment in PSUs is separated out from Capital Outlay. By using the existing interest rates, the opportunity cost of the investment is netted against the actual accruals to get an estimate

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[15] Written communication from Joint Secretary, Finance Department, GoM.

[16] In the 1993-94 study the interest rate is computed as the average rate of interest on internal (including small savings and provident fund) and external debt incurred by the government. For example, the interest rates computed for the Center, Gujarat, Karnataka, Kerala, Maharashtra and Tamil Nadu were 9.6, 10.85, 11.20, 11.59, 11.77 and 11.83 per cent respectively.

[17] Note that the co-operatives sector in Maharashtra is quite large. Several of them pay back dividends, but these have not been considered in our estimations. In the event that the investment in these co-operatives are treated similar to that for other PSUs, the recovery rate may show a further decline.

of the under-recovery on such investments. Such assistance can be largely treated as a production subsidy.[18]

The dividends paid out by companies are mapped on to the services by matching the information from Statement numbers 13 and 14 in the Finance Accounts.

(IX) Comparison between methodology of subsidy computation as developed by NIPFP and the methodology followed by the GoM.

The GoM methodology estimates subsidies purely on the basis of expenditure side data. While the compilation of explicit subsidies and grants-in-aid as mentioned in the budget is straight-forward, the hidden subsidies are computed mainly as the *discount* (as compared to the ruling market prices) extended by the government on account of loans and other goods or services. On the contrary, the NIPFP methodology utilises imputed costs (rather than actual expenditures) as also the information on receipts, to present a more comprehensive estimate.

The cost under-recovery estimate for subsidies in various services has an advantage in that these can be segregated into *merit* and *non-merit* components. Note that this is also the objective in the GoM methodology where the merit services / products are considered as the *basic responsibilities of the state and as such the subsidy element in those services is ignored.* While the GoM method aims to capture the subsidy element by deciphering the expenditure components of the various departments, it may not be able to provide any normative guidelines to gauge the ability of the department to raise its own resources. In the absence of a mechanism to gauge the extent of distortion and the optimal degree of subsidisation – the NIPFP methodology may assist in devising normative rules for collecting user fees or for revising tariffs.

The NIPFP method helps capture (in the form of netting out) the interaction and overlap in the functioning of the various departments – while the GoM methodology would not be able to account for the inter-departmental interactions. Such interactions include for example, funds transferred from other accounts, and / or to a reserve fund, or invested in a PSU.

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[18] The investment in co-operatives is treated as a transfer, under the assumption that it is the conscious effort of the government not to view these investments for strictly commercial gains.

The estimates from the two approaches of GoM and NIPFP are, therefore, not directly comparable, although in principle the services categorised under a particular department can be theoretically clubbed together to give a composite figure for the department as a whole.

There are, however, several points of congruence between the two methodologies. For example, they do not account for the subsidies due to tax expenditures (due to incentives and other concessions, and rightly so. See *definition of subsidies* in the text). Again, subsidies implicit in a market price which would be higher than the actual price for such *merit goods* (see later) as technical / medical education are also not covered. The introductory note in the document by the GoM, however, does not give an exhaustive list of the merit goods. In the NIPFP methodology the consideration is as follows:

> The non-merit goods / services are those where consumption is *rival* and *exclusion* is possible. In principle, therefore, cost recovery is possible through user charges. Even if full cost-recovery maybe considered undesirable in some cases, the extent of subsidisation needs to be monitored.

> The distinction between merit and non-merit goods / services is based on the premise that the former have relatively stronger externalities. Again in the case of merit goods / services, it is important to investigate the *quality* of subsidy envisaged to address issues of targeting and efficacy of subsidy, while in the case of non-merit goods / services it is the *quantity* of subsidy.

> The distinction in subsidies across different non-merit goods and services is important to adjudge the appropriate extent of justifiable or desirable subsidies. The non-merit goods and services have been broadly classified into 7 social services and 10 economic services. The former includes (1) *Education, Sports, Art & Culture (excluding Elementary Education)*, (2) *Medical & Family Welfare* (excluding Public Health),(3) *Water Supply & Sanitation* (excluding Sewerage & Sanitation), (4) *Housing*, (5) *Urban Development*, (6) *Social Security & Welfare* (excluding Social Welfare and Nutrition) *and* (7) *Other Social Services,* while the latter includes (1) *Agriculture & Allied Services* (excluding Soil & Water Conservation, Environmental Forestry & Wild Life, Agricultural Research & Education), (2) *Co-operation*, (3) *Rural Development*, (4) *Special Area Programmes*, (5) *Irrigation* (excluding Flood

Control & Drainage), (6) *Power*, (7) *Industries*, (8) *Transport* (excluding Roads & Bridges), (9) *Civil Supplies and* (10) *Other Economic Services*.

Note that those which have been excluded above are considered as *merit* goods / services. Other than the ones not mentioned there, those considered as merit social services are *Information and Publicity*, *Welfare of SCs, STs and OBCs* and *Labour*. The residual list of merit economic services consist of *Space Research*, *Oceanographic Research*, *Other Scientific Research*, *Ecology and Environment* and *Meteorology*.[19]

(X)   Subsidy Estimates by Services

The *classification* of the subsidies (general and exclusive) by departments (as given in the *Subsidies in the Budget of Maharashtra*) corresponds closely to that followed for the Economic Services group in this report.[20] A crude comparison of the 2 estimates (namely, GoM and NIPFP) shows that for the Economic services group the NIPFP methodology results in a subsidy estimate which is almost twice that obtained from the GoM methodology (for the year 1998-99).

The volume of subsidies has been estimated to be above 7.5 per cent of the GSDP for the year 1998-99. There seems to be a general deterioration in the recovery rates in the Economic services, while those for the Social Services have remained almost unchanged over the 6 years between 1993-94 and 1998-99. The subsidies are almost equi-proportionately distributed over the Social and Economic Services for the 3 years in consideration (namely, 1993-94 and 1997-98 and 1998-99).[21] The following tables (1 to 5) present the detailed subsidy estimations for the goods and services.[22]

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[19] Some of these services may not receive mention in the state finance accounts, simply because they are out of the purview of states. The classification is maintained thus, to enable consistency with the 1993-94 study. The former study in turn carried a classification based on the central government finance accounts.

[20] These are *Agriculture & Allied Services, Rural Development, Co-operation & Textiles, Irrigation & Flood Control, Power Development, Industries & Minerals, Transport & Communications, Social & Community Services, General Services and Scientific Services & Research*.

[21] though marginally higher in favour of Economic services.

[22] These are followed by appendix tables (1 to 8) compiled from the report on *Subsidies in the Budget of Government of Maharashtra*.

Table 1: Aggregate Government Subsidies in Maharashtra

(Rupees Lakhs)

	Year	Revenue Expenditure	Revenue Receipts	Capital Outlay (beginning of the period)	Loans and Advances (beginning of the period)	Investment in PSUs	Interest received	Dividends received	Depreciation	Interest payable on capital outlay	Interest payable on Loans & Advances	Interest on investment in PSUs	Subsidy	Rate of subsidy	Rate of Recovery
Grand Total Subsidy	1998-99	1,415,161.84	154,751.38	2,061,608.40	792,747.53	346,340.28	24,455.50	126.80	262,855.07	247,393.01	95,129.70	41,548.83	1,882,754.78	91.30%	8.70%
	1997-98	1,338,289.24	150,990.84	1,987,493.59	730,193.09	234,384.93	41,304.76	196.30	198,749.36	258,374.17	94,925.10	30,470.04	1,728,316.01	89.98%	10.02%
	1993-94	755,397.39	114,073.94	1,028,473.45	599,357.10	48,076.43	6,053.19	163.46	109,018.19	121,051.33	70,532.56	5,658.60	941,267.47	88.67%	11.33%
Total (Merit & Non-Merit) Social Services	1998-99	883,141.30	18,159.05	138,353.92	197,078.69	19,661.70	9,861.55	2.34	17,640.12	16,602.47	23,649.44	2,359.40	915,369.80	97.03%	2.97%
	1997-98	819,938.50	14,744.25	126,335.45	100,162.73	6,193.01	9,969.45	0.22	12,633.55	16,423.61	23,421.15	805.09	848,507.98	97.17%	2.83%
	1993-94	432,374.59	8,806.90	84,189.66	107,618.22	3,679.03	4,954.38	0.00	8,924.10	9,909.12	12,666.66	433.02	450,546.22	97.04%	2.96%
Total (Merit & Non-Merit) Economic Services	1998-99	532,020.54	136,592.33	1,923,254.48	595,668.84	326,578.58	14,593.95	124.46	245,214.95	230,790.54	71,480.26	39,189.43	967,384.97	86.47%	13.53%
	1997-98	518,350.74	136,246.59	1,861,158.14	550,030.36	228,191.92	31,335.31	196.08	186,115.81	241,950.56	71,503.95	29,664.95	879,808.03	83.98%	16.02%
	1993-94	522,922.80	105,267.04	944,283.79	491,638.88	44,397.40	1,098.81	163.46	-100,094.08	111,142.20	57,865.90	5,225.57	490,721.24	82.16%	17.84%

Notes: The numbers pertaining to Revenue Expenditure, Revenue Receipts and Capital Outlay are the adjusted figures. Interest payable and depreciation are the imputed costs

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Table 2: Subsidies in the Merit Social Services

(Rupees Lakhs)

	Year	Revenue Expenditure	Revenue Receipts	Capital Outlay (beginning of the period)	Loans and Advances (beginning of the period)	Investment in PSUs	Interest received	Dividends received	Depreciation	Interest payable on capital outlay	Interest payable on Loans & Advances	Interest on investment in PSUs	Subsidy	Rate of subsidy	Rate of Recovery
Merit Goods / Services	1998-99	505,924.97	5,150.96	452,459.99	7,795.54	5,967.88	0.27	0.00	57,688.65	54,295.20	935.46	716.15	614,409.20	99.17%	0.83%
	1997-98	476,003.01	4,166.78	375,603.28	7,311.68	4,014.19	1.48	0.00	37,560.33	48,828.43	950.52	521.84	559,695.87	99.26%	0.74%
	1993-94	250,878.83	2,888.10	161,337.71	4,796.34	1,730.26	0.05	0.00	17,101.80	18,989.45	564.53	203.65	284,850.11	99.00%	1.00%
Social Services	1998-99	390,150.19	3,908.52	17,812.26	5,518.24	5,967.88	0.07	0.00	2,271.06	2,137.47	662.19	716.15	392,028.47	99.01%	0.99%
	1997-98	360,510.96	2,756.84	15,123.14	5,243.21	4,014.19	1.32	0.00	1,512.31	1,966.01	681.62	521.84	362,434.58	99.24%	0.76%
	1993-94	189,190.56	1,361.66	8,741.17	4,484.06	1,730.26	0.00	0.00	926.56	1,028.84	527.77	203.65	190,515.73	99.29%	0.71%
Elementary Education	1998-99	234,622.04	743.82	52.27	54.66	0.00	0.00	0.00	6.66	6.27	6.56	0.00	233,897.72	99.68%	0.32%
	1997-98	215,699.29	356.72	52.27	54.89	0.00	0.00	0.00	5.23	6.80	7.14	0.00	215,361.73	99.83%	0.17%
	1993-94	116,199.58	179.30	51.82	55.99	0.00	0.00	0.00	5.49	6.10	6.59	0.00	116,038.46	99.85%	0.15%
Public Health	1998-99	48,063.34	617.23	6,677.62	0.00	0.00	0.00	0.00	851.40	801.31	0.00	0.00	49,098.82	98.76%	1.24%
	1997-98	45,835.19	575.97	5,809.20	0.00	0.00	0.00	0.00	580.92	755.20	0.00	0.00	46,595.34	98.78%	1.22%
	1993-94	26,499.47	363.01	3,501.50	0.00	0.00	0.00	0.00	371.16	412.13	0.00	0.00	26,919.75	98.67%	1.33%
Sewerage and Sanitation	1998-99	10,611.95	27.30	182.86	0.00	0.00	0.00	0.00	23.31	21.94	0.00	0.00	10,629.91	99.74%	0.26%
	1997-98	9,244.58	61.37	182.86	0.00	0.00	0.00	0.00	18.29	23.77	0.00	0.00	9,225.27	99.34%	0.66%
	1993-94	86.20	23.91	182.86	0.00	0.00	0.00	0.00	19.38	21.52	0.00	0.00	103.20	81.19%	18.81%
Information and Publicity	1998-99	1,822.60	36.23	11.07	0.00	0.00	0.00	0.00	1.41	1.33	0.00	0.00	1,789.11	98.02%	1.98%
	1997-98	1,504.45	37.66	11.07	0.00	0.00	0.00	0.00	1.11	1.44	0.00	0.00	1,469.34	97.50%	2.50%
	1993-94	1,266.92	41.77	11.07	-0.04	0.00	0.00	0.00	1.17	1.30	0.00	0.00	1,227.62	96.71%	3.29%
Welfare of SCs, STs and OBCs	1998-99	53,841.43	0.00	10,820.16	1,985.00	5,967.88	0.07	0.00	1,379.57	1,298.42	238.20	716.15	57,473.70	100.00%	0.00%
	1997-98	51,348.19	0.00	8,999.46	1,929.46	4,014.19	1.32	0.00	899.95	1,169.93	250.83	521.84	54,189.42	100.00%	0.00%
	1993-94	25,186.86	0.00	4,925.64	1,627.70	1,730.26	0.00	0.00	522.12	579.75	191.58	203.65	26,683.96	100.00%	0.00%
Labour	1998-99	2,616.44	2,483.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	132.50	5.06%	94.94%
	1997-98	2,261.65	1,725.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	536.53	23.72%	76.28%
	1993-94	1,597.45	753.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	843.78	52.82%	47.18%
Social Welfare	1998-99	10,287.32	0.00	68.28	3,479.15	0.00	0.00	0.00	8.71	8.19	417.50	0.00	10,721.72	100.00%	0.00%
	1997-98	18,217.88	0.00	68.28	3,259.43	0.00	0.00	0.00	6.83	8.88	423.73	0.00	18,657.31	100.00%	0.00%
	1993-94	13,561.75	0.00	68.28	2,800.49	0.00	0.00	0.00	7.24	8.04	329.62	0.00	13,906.64	100.00%	0.00%
Nutrition	1998-99	28,285.07	0.00	0.00	-0.57	0.00	0.00	0.00	0.00	0.00	-0.07	0.00	28,285.00	100.00%	0.00%
	1997-98	16,399.73	0.00	0.00	-0.57	0.00	0.00	0.00	0.00	0.00	-0.07	0.00	16,399.66	100.00%	0.00%
	1993-94	4,792.33	0.00	0.00	-0.08	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	4,792.32	100.00%	0.00%

Notes: The numbers pertaining to Revenue Expenditure, Revenue Receipts and Capital Outlay are the adjusted figures. Interest payable and depreciation are the imputed costs

Table 3: Subsidies in the Merit Economic Services

	Year	Revenue Expenditure	Revenue Receipts	Capital Outlay (beginning of the period)	Loans and Advances (beginning of the period)	Investment in PSUs	Interest received	Dividends received	Depreciation	Interest payable on capital outlay	Interest payable on Loans & Advances	Interest on investment in PSUs	Subsidy	Rate of subsidy	Rate of Recovery
Economic Services	1998-99	115,774.78	1,242.44	434,647.73	2,277.30	0.00	0.20	0.00	55,417.59	52,157.73	273.28	0.00	222,380.73	99.44%	0.56%
	1997-98	115,492.05	1,409.94	360,480.14	2,068.47	0.00	0.16	0.00	36,048.01	46,862.42	268.90	0.00	197,261.28	99.29%	0.71%
	1993-94	61,688.27	1,526.44	152,596.54	312.28	0.00	0.05	0.00	16,175.23	17,960.61	36.76	0.00	94,334.38	98.41%	1.59%
Soil and Water Conservation	1998-99	12,384.63	0.00	99,808.97	2,277.30	0.00	0.20	0.00	12,725.64	11,977.08	273.28	0.00	37,360.43	100.00%	0.00%
	1997-98	10,291.27	0.00	87,174.24	2,068.47	0.00	0.16	0.00	8,717.42	11,332.65	268.90	0.00	30,610.09	100.00%	0.00%
	1993-94	4,621.63	0.00	31,963.60	312.28	0.00	0.05	0.00	3,388.14	3,762.12	36.76	0.00	11,808.59	100.00%	0.00%
Environmental Forestry and Wild Life	1998-99	1,100.92	123.64	158.94	0.00	0.00	0.00	0.00	20.26	19.07	0.00	0.00	1,016.62	89.16%	10.84%
	1997-98	854.40	239.24	158.94	0.00	0.00	0.00	0.00	15.89	20.66	0.00	0.00	651.72	73.15%	26.85%
	1993-94	547.11	1,109.67	113.94	0.00	0.00	0.00	0.00	12.08	13.41	0.00	0.00	-537.07	-93.80%	193.80%
Agricultural Research and Education	1998-99	11,909.39	0.00	960.19	0.00	0.00	0.00	0.00	122.42	115.22	0.00	0.00	12,147.04	100.00%	0.00%
	1997-98	11,082.09	0.00	919.33	0.00	0.00	0.00	0.00	91.93	119.51	0.00	0.00	11,293.54	100.00%	0.00%
	1993-94	7,543.34	0.00	42.48	0.00	0.00	0.00	0.00	4.50	5.00	0.00	0.00	7,552.84	100.00%	0.00%
Flood Control and Drainage	1998-99	509.39	0.00	3,383.79	0.00	0.00	0.00	0.00	431.43	406.05	0.00	0.00	1,346.88	100.00%	0.00%
	1997-98	533.40	0.00	3,055.87	0.00	0.00	0.00	0.00	305.59	397.26	0.00	0.00	1,236.25	100.00%	0.00%
	1993-94	333.95	0.00	2,051.22	0.00	0.00	0.00	0.00	217.43	241.43	0.00	0.00	792.81	100.00%	0.00%
Roads and Bridges	1998-99	89,335.23	1,118.80	330,302.06	0.00	0.00	0.00	0.00	42,113.51	39,636.25	0.00	0.00	169,966.19	99.35%	0.65%
	1997-98	92,273.52	1,170.70	269,145.84	0.00	0.00	0.00	0.00	26,914.58	34,988.96	0.00	0.00	153,006.36	99.24%	0.76%
	1993-94	48,191.09	416.62	118,422.18	0.00	0.00	0.00	0.00	12,552.75	13,938.29	0.00	0.00	74,265.51	99.44%	0.56%
Space Research	1998-99	1.36	0.00	33.78	0.00	0.00	0.00	0.00	4.31	4.05	0.00	0.00	9.72	100.00%	0.00%
	1997-98	1.27	0.00	25.92	0.00	0.00	0.00	0.00	2.59	3.37	0.00	0.00	7.23	100.00%	0.00%
	1993-94	12.26	0.00	3.12	0.00	0.00	0.00	0.00	0.33	0.37	0.00	0.00	12.96	100.00%	0.00%
Oceanographic Research	1998-99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–
	1997-98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–
	1993-94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–
Other Scientific Research	1998-99	262.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	262.00	100.00%	0.00%
	1997-98	83.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83.50	100.00%	0.00%
	1993-94	40.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.85	99.63%	0.37%
Ecology and Environment	1998-99	271.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	271.86	100.00%	0.00%
	1997-98	372.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	372.60	100.00%	0.00%
	1993-94	398.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	398.89	100.00%	0.00%
Meteorology	1998-99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–
	1997-98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–
	1993-94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–

Notes: The numbers pertaining to Revenue Expenditure, Revenue Receipts and Capital Outlay are the adjusted figures. Interest payable and depreciation are the imputed costs

Table 4: Subsidies in the Non-Merit Social Services

	Year	Revenue Expenditure	Revenue Receipts	Capital Outlay (beginning of the period)	Loans and Advances (beginning of the period)	Investment in PSUs	Interest received	Dividends received	Depreciation	Interest payable on capital outlay	Interest payable on Loans & Advances	Interest on investment in PSUs	Subsidy	Rate of subsidy	Rate of Recovery
Non-Merit Goods / Services	1998-99	909,236.87	149,600.42	1,609,148.41	784,951.99	340,272.40	24,455.23	126.80	205,166.42	193,097.81	94,194.24	40,832.69	1,268,345.58	87.93%	12.07%
	1997-98	862,286.23	146,824.06	1,611,890.31	722,881.41	230,370.74	41,303.28	196.30	161,189.03	209,545.74	93,974.58	29,948.20	1,168,620.14	86.12%	13.88%
	1993-94	504,418.56	111,185.84	867,135.74	594,460.76	46,346.17	6,053.14	163.46	91,916.39	102,061.88	69,968.03	5,454.94	656,417.36	84.83%	15.17%
Social Services	1998-99	492,991.11	14,250.53	120,541.66	191,560.45	13,693.82	9,861.48	2.34	15,369.06	14,465.00	22,987.25	1,643.26	523,341.33	95.60%	4.40%
	1997-98	459,427.54	11,987.41	111,212.31	174,919.52	2,178.82	9,968.13	0.22	11,121.23	14,457.60	22,739.54	283.25	486,073.40	95.68%	4.32%
	1993-94	243,184.03	7,445.24	75,448.49	103,134.16	1,948.77	4,954.38	0.00	7,997.54	8,880.29	12,138.89	229.37	260,030.50	95.45%	4.55%
Education, Sports, Art and Culture	1998-99	306,008.39	2,868.56	21,576.21	1,151.84	712.12	5.16	0.00	2,750.97	2,589.15	138.22	85.45	308,698.46	99.08%	0.92%
	1997-98	270,554.68	2,581.49	18,604.50	1,128.16	712.12	2.42	0.00	1,860.45	2,418.59	146.66	92.58	272,489.04	99.06%	0.94%
	1993-94	148,022.51	2,143.76	7,253.09	741.92	504.97	1.61	0.00	768.83	853.69	87.32	59.43	147,646.42	98.57%	1.43%
Medical and Family Welfare	1998-99	58,948.97	2,016.10	23,081.48	179.69	158.71	0.00	0.00	2,942.89	2,769.78	21.56	19.05	62,686.14	96.88%	3.12%
	1997-98	56,121.87	2,060.17	21,343.07	17.27	158.71	0.00	0.00	2,134.31	2,774.60	2.25	20.63	58,993.48	96.63%	3.37%
	1993-94	36,789.94	1,172.42	16,178.17	67.84	158.71	0.00	0.00	1,714.89	1,904.17	7.98	18.68	39,263.24	97.10%	2.90%
Water Supply and Sanitation	1998-99	60,696.54	1,148.38	15,835.83	103,700.79	0.00	8,371.06	0.00	2,019.07	1,900.30	12,444.09	0.00	67,540.56	87.65%	12.35%
	1997-98	59,608.13	664.96	15,477.17	91,862.34	0.00	7,957.47	0.00	1,547.72	2,012.03	11,942.10	0.00	66,487.55	88.52%	11.48%
	1993-94	23,691.11	1,046.32	13,091.50	47,481.75	0.00	3,959.41	0.00	1,387.70	1,540.87	5,588.60	0.00	27,202.55	84.46%	15.54%
Housing	1998-99	23,260.16	1,783.86	27,466.09	59,038.93	12,296.21	297.89	2.34	3,501.93	3,295.93	7,084.67	1,475.55	36,534.14	94.60%	5.40%
	1997-98	17,808.83	895.59	25,774.53	55,891.45	796.21	891.63	0.22	2,577.45	3,350.69	7,265.89	103.51	29,318.93	94.25%	5.75%
	1993-94	13,593.83	1,587.02	21,294.92	36,504.99	796.21	680.70	0.00	2,257.26	2,506.41	4,296.64	93.71	20,480.13	90.03%	9.97%
Urban Development	1998-99	25,553.54	1,115.52	13,649.78	11,714.76	395.00	1,186.08	0.00	1,740.35	1,637.97	1,405.77	47.40	28,083.43	92.43%	7.57%
	1997-98	28,192.07	3,380.39	13,117.18	11,069.40	395.00	1,114.47	0.00	1,311.72	1,705.23	1,439.02	51.35	28,204.53	86.25%	13.75%
	1993-94	16,040.85	1,238.22	7,312.16	7,007.57	395.00	307.53	0.00	775.09	860.64	824.79	46.49	17,002.11	91.67%	8.33%
Social Security and Welfare	1998-99	0.00	0.00	6,700.20	331.38	131.38	0.07	0.00	854.28	804.02	39.77	15.81	1,713.81	100.00%	0.00%
	1997-98	0.00	0.00	6,536.02	331.38	116.78	0.63	0.00	653.60	849.68	43.08	15.18	1,560.92	99.96%	0.04%
	1993-94	0.00	0.00	5,341.97	322.04	93.88	0.32	0.00	566.25	628.75	37.90	11.05	1,243.63	99.97%	0.03%
Other Social Services	1998-99	18,523.51	5,318.11	12,232.07	15,443.06	0.00	1.22	0.00	1,559.59	1,467.85	1,853.17	0.00	18,084.78	77.27%	22.73%
	1997-98	27,141.96	2,404.81	10,359.84	14,619.52	0.00	1.51	0.00	1,035.98	1,346.78	1,900.54	0.00	29,018.94	92.34%	7.66%
	1993-94	5,045.79	257.50	4,976.68	11,008.05	0.00	4.81	0.00	527.53	585.76	1,295.65	0.00	7,192.41	96.48%	3.52%

Notes: The numbers pertaining to Revenue Expenditure, Revenue Receipts and Capital Outlay are the adjusted figures. Interest payable and depreciation are the imputed costs

Table 5: Subsidies in the Non-Merit Economic Services

(Rupees Lakhs)

	Year	Revenue Expenditure	Revenue Receipts	Capital Outlay (beginning of the period)	Loans and Advances (beginning of the period)	Investment in PSUs	Interest received	Dividends received	Depreciation	Interest payable on capital outlay	Interest payable on Loans & Advances	Interest on investment in PSUs	Subsidy	Rate of subsidy	Rate of Recovery
Economic Services	1998-99	416,245.76	135,349.89	1,488,606.75	593,391.54	326,578.58	14,593.75	124.46	189,797.36	178,632.81	71,206.98	39,189.43	745,004.25	83.23%	16.77%
	1997-98	402,858.69	134,836.65	1,500,678.00	547,961.89	228,191.92	31,335.15	196.08	150,067.80	195,088.14	71,235.05	29,664.95	682,546.75	80.40%	19.60%
	1993-94	261,234.53	103,740.60	791,687.25	491,326.60	44,397.40	1,098.76	163.46	83,918.85	93,181.59	57,829.14	5,225.57	396,386.86	79.06%	20.94%
Agriculture and Allied Activities	1998-99	173,927.63	88,807.74	74,547.12	15,170.54	2,456.97	384.10	77.57	9,504.76	8,945.65	1,820.46	294.84	105,223.93	54.10%	45.90%
	1997-98	175,353.02	87,829.42	69,623.63	13,249.13	2,401.63	45.54	108.94	6,962.36	9,051.07	1,722.39	312.21	105,417.15	54.51%	45.49%
	1993-94	137,286.44	71,783.90	59,671.78	9,541.93	3,584.88	235.23	16.02	6,325.21	7,023.37	1,123.09	421.94	80,144.89	52.66%	47.34%
Co-operation	1998-99	6,151.26	4,348.62	-0.02	106,933.71	0.00	208.95	0.00	0.00	0.00	12,832.05	0.00	14,425.73	75.99%	24.01%
	1997-98	4,185.79	1,836.21	0.00	102,803.10	0.00	458.47	0.00	0.00	0.00	13,364.40	0.00	15,255.51	86.93%	13.07%
	1993-94	2,907.12	962.86	0.00	47,218.41	0.00	753.93	0.00	0.00	0.00	5,557.61	0.00	6,747.94	79.72%	20.28%
Rural Development	1998-99	34,543.07	1,360.05	35.82	418.59	4.79	6.02	0.00	4.57	4.30	50.23	0.57	33,236.67	96.05%	3.95%
	1997-98	32,106.37	3,430.83	35.82	460.34	4.79	1.24	0.00	3.58	4.66	59.84	0.62	28,743.01	89.33%	10.67%
	1993-94	11,922.81	1,612.91	35.82	538.28	4.79	8.99	0.00	3.80	4.22	63.36	0.56	10,372.84	86.48%	13.52%
Special Area Programmes	1998-99	5,921.19	292.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,628.86	95.06%	4.94%
	1997-98	5,706.68	510.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,195.82	91.05%	8.95%
	1993-94	4,402.44	81.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,320.92	98.15%	1.85%
Irrigation	1998-99	177,204.59	5,349.77	1,183,760.19	1,912.40	117,267.64	0.00	0.00	150,929.42	142,051.22	229.49	14,072.12	479,137.07	98.90%	1.10%
	1997-98	167,908.79	5,798.50	1,102,198.57	1,580.31	21,436.05	0.00	0.00	110,219.86	143,285.81	205.44	2,786.69	418,608.09	98.63%	1.57%
	1993-94	96,196.76	8,936.38	633,118.87	1,569.27	192.64	3.65	0.00	67,110.60	74,518.09	184.70	22.67	229,092.80	96.24%	3.76%
Power	1998-99	1,702.25	7,550.64	225,878.52	414,601.97	148,199.50	13,949.99	0.00	28,799.51	27,105.42	49,752.24	17,783.94	103,642.73	82.82%	17.18%
	1997-98	1,747.96	7,070.13	324,927.07	379,508.91	148,199.50	30,735.09	0.00	32,492.71	42,240.52	49,336.16	19,265.94	107,278.06	73.94%	26.06%
	1993-94	1,599.33	5,191.22	95,529.56	395,842.59	0.00	25.21	0.00	10,126.13	11,243.83	46,590.67	0.00	64,343.54	92.50%	7.50%
Industries	1998-99	8,493.87	26,532.28	301.37	54,905.36	29,820.68	44.69	46.88	38.42	36.16	6,588.64	3,578.48	-7,888.27	-42.10%	142.10%
	1997-98	9,692.06	27,457.26	287.01	49,901.11	28,295.75	94.81	77.19	28.70	37.31	6,487.14	3,678.45	-7,705.60	-38.68%	138.68%
	1993-94	2,936.91	14,411.27	278.30	35,399.60	19,894.19	71.75	14.41	29.50	32.76	4,166.53	2,341.55	-4,990.19	-52.49%	152.49%
Transport	1998-99	2,173.63	8.05	3,613.92	-924.35	26,906.18	0.00	0.00	460.77	433.67	-110.92	3,228.74	6,177.84	99.87%	0.13%
	1997-98	1,205.00	14.72	3,131.67	84.04	26,141.18	0.00	0.00	313.17	407.12	10.93	3,398.35	5,319.84	99.72%	0.28%
	1993-94	839.43	137.56	2,550.87	902.70	19,456.18	0.00	0.00	270.39	300.24	106.25	2,289.99	3,668.74	96.39%	3.61%
Civil Supplies	1998-99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
	1997-98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
	1993-94	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04	100.00%	0.00%
Other Economic Services	1998-99	6,128.27	1,100.41	469.83	373.32	1,922.82	0.00	0.01	59.90	56.38	44.80	230.74	5,419.67	83.12%	16.88%
	1997-98	4,953.02	888.72	474.23	374.95	1,713.02	0.00	9.95	47.42	61.65	48.74	222.69	4,434.86	83.15%	16.85%
	1993-94	3,143.25	622.98	502.05	313.82	1,264.72	0.00	133.03	53.22	59.09	36.94	148.86	2,685.34	78.03%	21.97%

Notes: The numbers pertaining to Revenue Expenditure, Revenue Receipts and Capital Outlay are the adjusted figures. Interest payable and depreciation are the imputed costs

Appendix Tables

## Table 1: Subsidies in the Budget of Government of Maharashtra (in Rs. Crore)

Year	Explicit		Grants-in-Aid		Hidden		Total		Grand Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
1998-99	468.80	169.73	425.76	2528.83	277.91	981.86	1172.49	3680.42	4852.91
1997-98	406.05	151.64	344.70	2240.16	266.71	1004.98	1017.46	3396.78	4414.24
1996-97	557.00	159.28	484.43	1829.15	467.26	628.60	1508.69	2617.03	4125.72
1995-96	328.87	147.26	315.47	1603.98	186.49	643.64	830.83	2394.88	3225.71
1994-95	313.28	145.45	200.48	1418.21	173.61	612.55	687.37	2176.21	2863.58
1993-94	229.34	140.82	170.99	1348.76	182.04	509.52	582.37	1999.10	2581.47
1992-93	242.58	181.32	171.81	1207.55	152.92	443.33	567.31	1832.20	2399.51
1991-92	186.89	259.13	130.23	998.10	146.89	319.18	464.01	1576.41	2040.42
1990-91	175.55	451.67	103.02	924.92	112.81	322.03	391.38	1698.62	2090.00
1989-90	180.69	58.41	162.15	717.36	124.80	339.90	467.64	1115.67	1583.31
1988-89	188.19	46.23	113.95	595.34	88.96	297.81	391.10	939.38	1330.48
1987-88	180.78	66.90	46.57	549.44	41.38	345.86	268.73	962.20	1230.93

Source: Subsidies in the Budget of Government of Maharahstra, Finance Department, Government of Maharashtra.

Table 2: Percentage Share of Plan and Non-Plan

Year	Explicit		Grants-in-Aid		Hidden		Total	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1998-99	73.42	26.58	14.41	85.59	22.06	77.94	24.16	75.84
1997-98	72.81	27.19	13.34	86.66	20.97	79.03	23.05	76.95
1996-97	77.76	22.24	20.94	79.06	42.64	57.36	36.57	63.43
1995-96	69.07	30.93	16.44	83.56	22.47	77.53	25.76	74.24
1994-95	68.29	31.71	12.39	87.61	22.08	77.92	24.00	76.00
1993-94	61.96	38.04	11.25	88.75	26.32	73.68	22.56	77.44
1992-93	57.23	42.77	12.46	87.54	25.65	74.35	23.64	76.36
1991-92	41.90	58.10	11.54	88.46	31.52	68.48	22.74	77.26
1990-91	27.99	72.01	10.02	89.98	25.94	74.06	18.73	81.27
1989-90	75.57	24.43	18.44	81.56	26.86	73.14	29.54	70.46
1988-89	80.28	19.72	16.07	83.93	23.00	77.00	29.40	70.60
1987-88	72.99	27.01	7.81	92.19	10.69	89.31	21.83	78.17

Source: Same as in Table 1
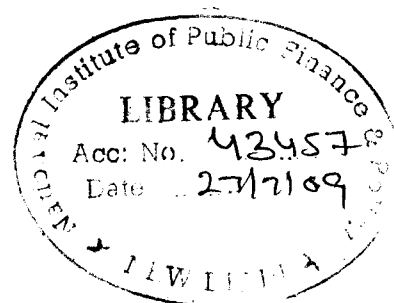
Table 3: Percentage Share of the 3 Categories of Subsidies

Year	Explicit	Grants-in Aid	Hidden
1998-99	13.16	60.88	25.96
1997-98	12.63	58.56	28.81
1996-97	17.36	56.08	26.56
1995-96	14.76	59.50	25.73
1994-95	16.02	56.53	27.45
1993-94	14.34	58.87	26.79
1992-93	17.67	57.49	24.85
1991-92	21.86	55.30	22.84
1990-91	30.01	49.18	20.81
1989-90	15.10	55.55	29.35
1988-89	17.62	53.31	29.07
1987-88	20.12	48.42	31.46

Source: Same as in Table 1

Table 4: Growth Rate of Subsidies (Percent)

Year	Explicit		Grants-in-Aid		Hidden		Total		Grand Total
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
1998-99	15.45	11.93	23.52	12.89	4.20	-2.30	15.24	8.35	9.94
1997-98	-27.10	-4.80	-28.84	22.47	-42.92	59.88	-32.56	29.80	6.99
1996-97	69.37	8.16	53.56	14.04	150.55	-2.34	81.59	9.28	27.90
1995-96	4.98	1.24	57.36	13.10	7.42	5.08	20.87	10.05	12.65
1994-95	36.60	3.29	17.25	5.15	-4.63	20.22	18.03	8.86	10.93
1993-94	-5.46	-22.34	-0.48	11.69	19.04	14.93	2.65	9.11	7.58
1992-93	29.80	-30.03	31.93	20.98	4.11	38.90	22.26	16.23	17.60
1991-92	6.46	-42.63	26.41	7.91	30.21	-0.89	18.56	-7.19	-2.37
1990-91	-2.84	673.28	-36.47	28.93	-9.61	-5.26	-16.31	52.25	32.00
1989-90	-3.99	26.35	42.30	20.50	40.29	14.13	19.57	18.77	19.00
1988-89	4.10	-30.90	144.69	8.35	114.98	-13.89	45.54	-2.37	8.09
1987-88									
Average Growth Rate	11.58	53.96	30.11	15.09	28.51	11.68	17.77	13.92	13.66
CAGR	9.05	8.83	22.28	14.89	18.90	9.95	14.33	12.97	13.28

Source: Same as in Table 1

Notes: Compounded Average Growth Rate (CAGR) and Average Growth Rate pertain to the period between 1987-88 and 1998-99.

Table 5: Subsidies by Targetted Beneficiaries (in Rs. Lakhs)

Year	General								Exclusive							
	Explicit		Grants-in-Aid		Hidden		Total		Explicit		Grants-in-Aid		Hidden		Total	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1998-99	27291	919	38951	241535	26476	83186	90718	325639	19380	19054	5627	11346	1318	15000	26331	42402
1997-98	22236	621	27906	215327	26168	83708	76309	299655	16369	14543	6564	8689	503	15190	25436	38423
1996-97	43557	1825	39618	175632	44926	51246	128269	228703	12143	14103	8627	7263	1800	11814	22570	33000
1995-96									11583	12966	7500	6748	1292	10726	20375	30442

Source: Same as in Table 1

Table 6: Percentage Share between Plan and Non-Plan Components

Year	General								Exclusive							
	Explicit		Grants-in-Aid		Hidden		Total		Explicit		Grants-in-Aid		Hidden		Total	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1998-99	96.74	3.26	13.27	86.73	24.14	75.86	21.79	78.21	54.70	45.30	33.15	66.85	8.06	91.94	38.31	61.69
1997-98	97.28	2.72	11.47	88.53	23.82	76.18	20.30	79.70	55.81	44.19	43.03	56.97	3.21	96.79	39.83	60.17
1996-97	95.98	4.02	18.48	81.52	46.71	53.29	35.94	64.06	46.26	53.74	54.22	45.78	13.42	86.58	40.61	59.39
1995-96									47.18	52.82	52.64	47.36	10.75	89.25	40.09	59.91

Source: Same as in Table 1

Table 7: Percentage Share by Categories

Year	General			Exclusive		
	Explicit	Grants-in-Aid	Hidden	Explicit	Grants-in-Aid	Hidden
1998-99	6.78	66.89	26.34	51.57	24.70	23.74
1997-98	6.08	64.70	29.22	51.54	23.89	24.58
1996-97	12.71	60.35	26.94	47.23	28.63	24.14
1995-96				48.31	28.04	23.65

Source: Same as in Table 1

Table 8: Growth Rate of Subsidies (Percent)

Year	General								Exclusive							
	Explicit		Grants-in-Aid		Hidden		Total		Explicit		Grants-in-Aid		Hidden		Total	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1998-99	22.74	47.98	32.41	12.17	1.18	-0.62	18.88	8.67	8.55	10.39	-14.28	30.60	161.28	-1.25	3.52	10.36
1997-98	-48.95	-65.98	-29.91	22.60	-41.75	63.34	-40.52	31.02	61.27	3.12	-23.91	19.31	-72.03	30.79	12.70	16.43
1996-97									4.83	8.76	15.03	7.93	39.27	8.28	10.77	8.40
1995-96																
Average Growth Rate	-13.11	-9.00	1.25	17.38	-20.29	31.36	-10.92	19.85	20.55	7.42	-7.72	19.28	42.84	12.61	9.00	11.73
CAGR	-20.84	-29.05	-3.57	17.27	-23.23	27.41	-18.91	18.33	18.73	7.36	-9.13	18.92	9.86	11.83	8.92	11.68

Source: Same as in Table 1

Notes: Compounded Average Growth Rate (CAGR) and Average Growth Rate pertain to the period between 1995-96 and 1998-99 for the Exclusive Subsidies and between 1996-97 and 1998-99 for General Subsidies.