



STATE FORUM 2024

Balanced Growth & Fiscal Management

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Government of Maharashtra



- 01 Maharashtra State- Overview**
- 02 Socio-economic Growth Strategies**
- 03 Aspirational Growth and Fiscal Management**



OVERVIEW

Maharashtra- Key Highlights



2nd largest State in Population (112 Mn)
3rd largest State in area (~308,000 sq.km)

~63% of State population belongs to working age group (15-59 yrs.) (Median age – 28.2 years); Proportion of elderly people is higher than national average

Most urbanized State Urban population **~46%** (Census 2011)

36 districts, 6 revenue divisions

Urban - 28 Municipal Corporations, 245 Municipalities, 139 Nagar Panchayats

Rural – 27,832 Gram Panchayats, 351 Panchayat Samitis, 34 Zilla Parishads

4 UNESCO sites, 350+ forts, 6 national parks, 50 wildlife sanctuaries, ~720 kms of coastline

Maharashtra – Key Highlights

GSDP – Rs. 42.66 Lakh Cr, **13.0 % of India's GDP**

At **150.7%** of National Average - one of the highest Relative Per capita income

Leader in manufacturing, 13.8% share in national Industrial output

Largest FDI attracting state, 30% Share in India's FDI (Oct. 1999-Dec.2023)

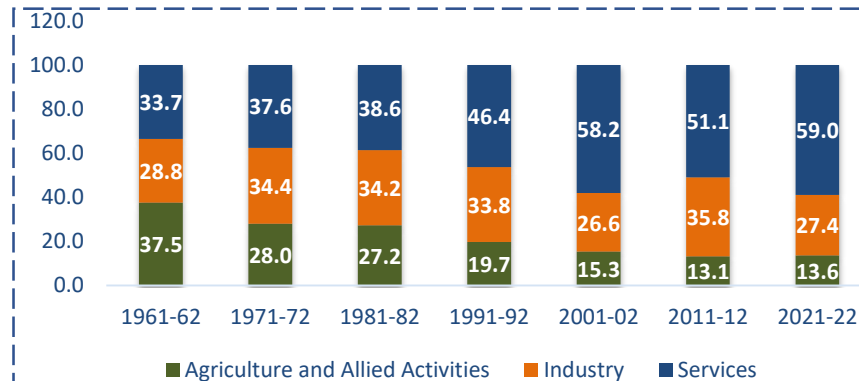
Leader in Exports, 17% Share in India's exports from 2021-22

8% of total MSMEs in India, contributing to **11%** of India's MSME GVA

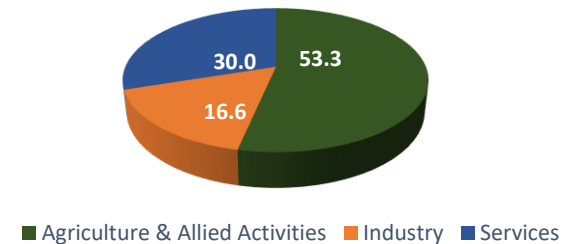
Maharashtra's GST collection Rs. 3.20 Lakh Cr; **16%** share of India's collection

Highest number of cooperative societies across multiple sectors (26.2% of the country)

Decadal Sector wise share in GSDP



Sector wise share in Total workforce (Census-2011)



Physical & Industrial Infrastructure



National highway length (km)

India: 140,995
Maharashtra: 18,317 (13%)



Airport (No.)

India: 129
Maharashtra: 20 Airstrips



290 Industrial areas (143 large and 108 mini-industrial areas & 39 Growth Centers)



Major and minor ports (No.)

India: 13 major + 187 minor
Maharashtra: 2 major + 48 minor



Operational SEZs (No.)

India: 262
Maharashtra : 37 (14.12%)

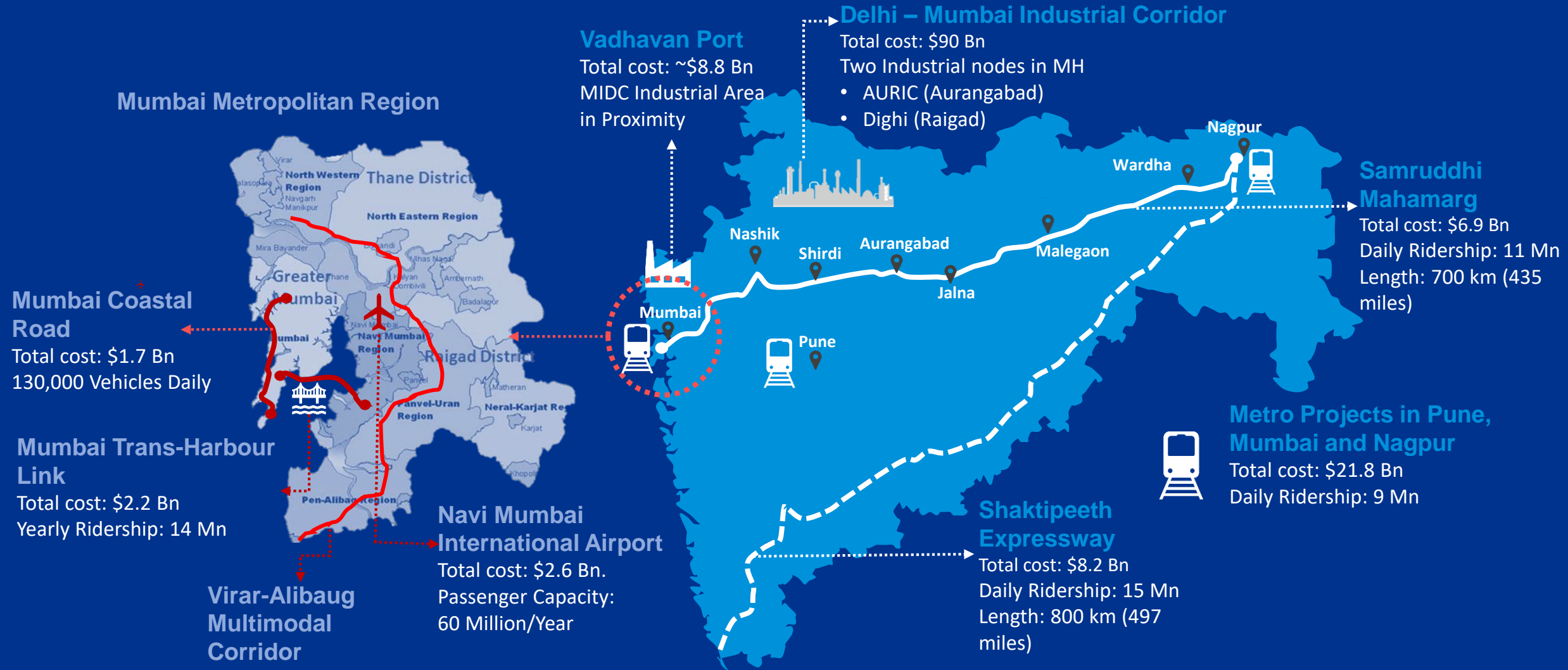


Power surplus state



Socio-economic Growth Strategies

Infrastructure led Development



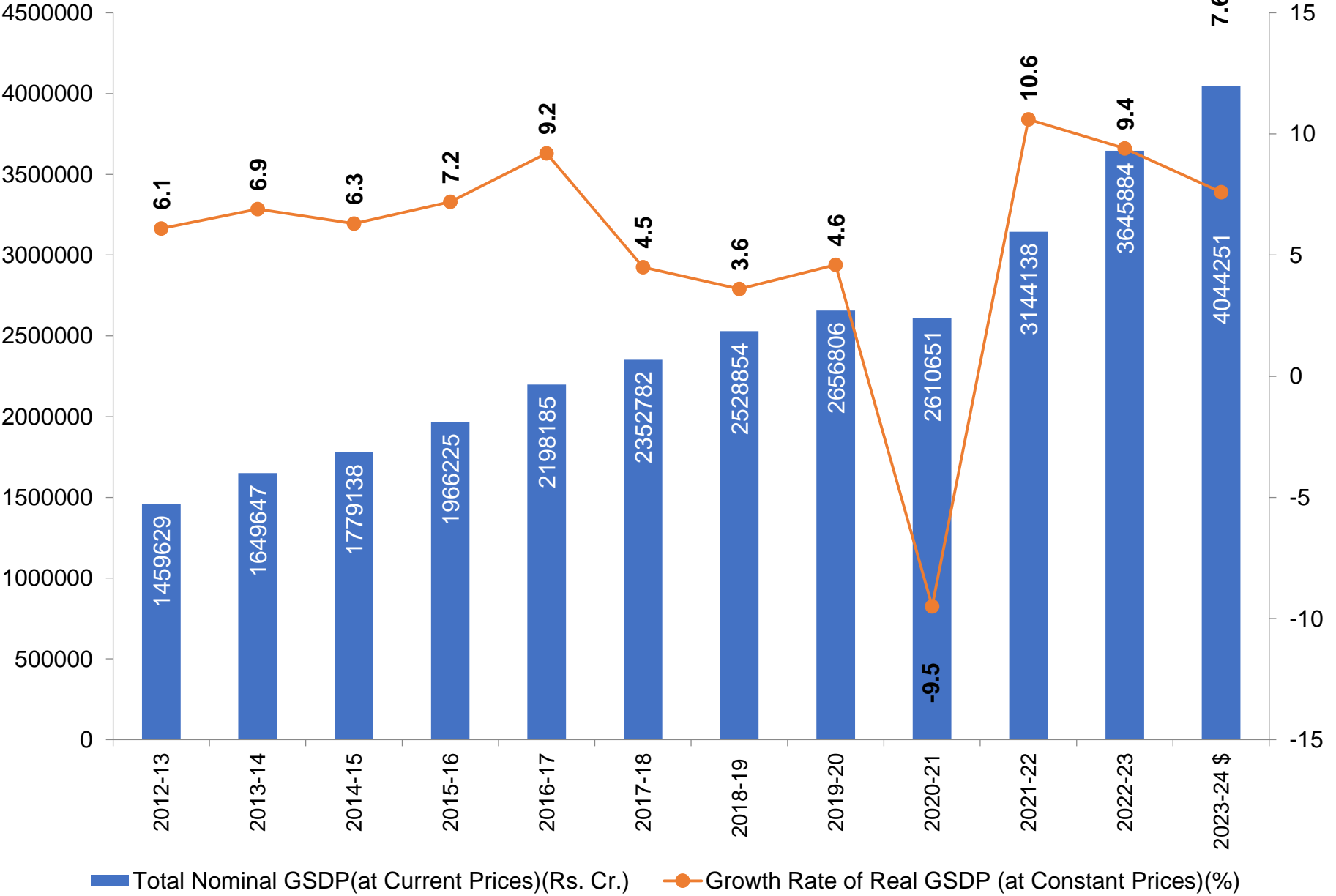
30+	Number of Mega Projects under development	\$40+ Bn	Total Investment in Transport Infrastructure	48+ Mn	Population benefited	Financial Capital of the East → MMR
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Capex increase to boost economic growth

- The State budget supports infrastructure development - 12% of total budgetary expenditure
- Besides, the State Parastatals like MMRDA, CIDCO, MIDC, MSRDC, MSIDC, MHADA, MSEDCL, Maha GenCo etc. contribute additionally.
- The State Government provides initial equity mostly in form of support to land acquisition for projects and guarantees for loans taken by Parastatals These Parastatals raise and repay their loans.
- Special focus on MMR – Economic Master Plan to develop it as Growth Hub- Target to make it \$300 billion economy from the present \$140 billion by 2030 and \$1.5 trillion by 2047. (Niti Aayog supported plan document)

Year	Capex through State Budget (Rs crores)	Capex through parastatals (Rs crores)	TOTAL CAPEX (Rs crores)
2018-19	36594	35036	71630
2019-20	38385	62791	101176
2020-21	32029	54175	86204
2021-22	49106	61212	110318
2022-23	66308	61234	127542
2023-24	77350	72666	150016

Total Nominal GSDP & Growth Rate



Challenges

❑ Regional Disparities :-

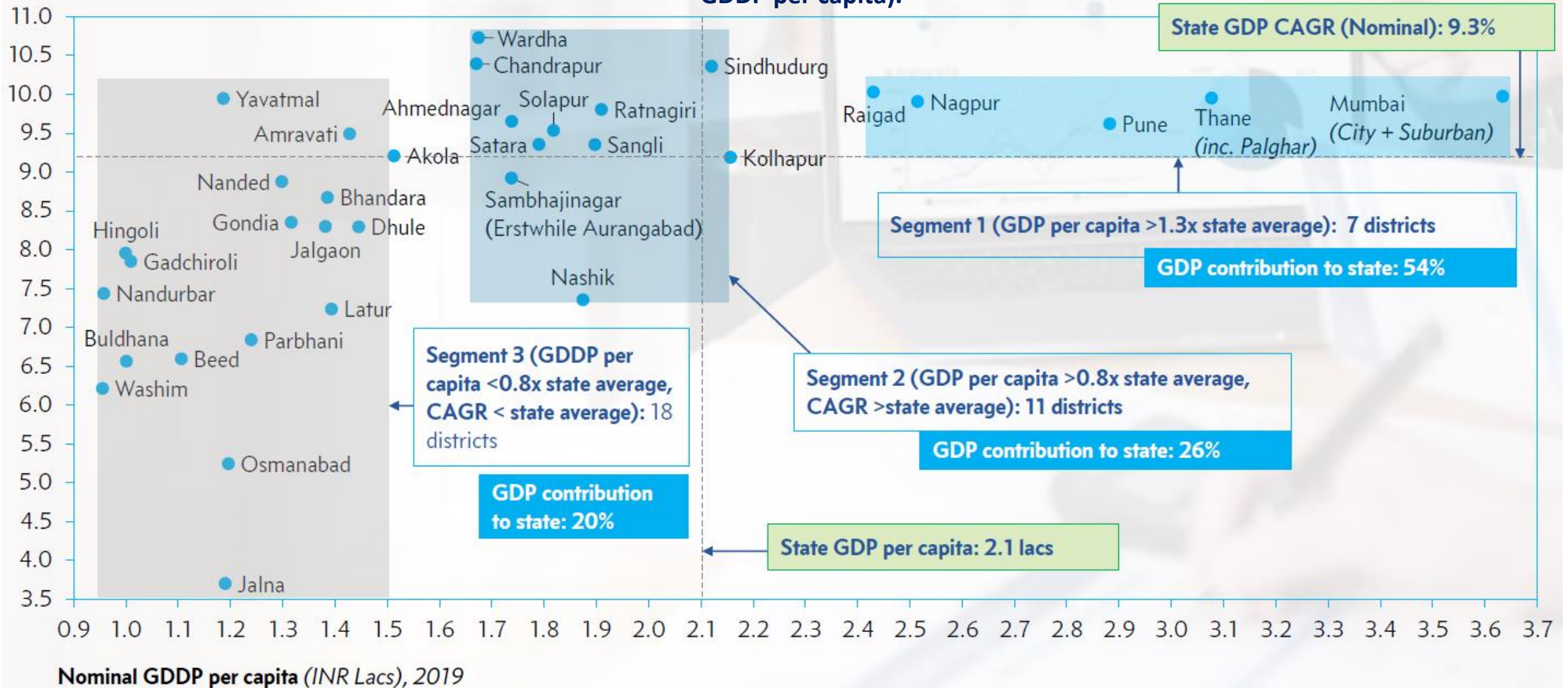
- 14 Districts of the State have their per capita income below national average.
- 7 districts GDP accounts for 54% of State GSDP.
- 18 districts have growth rate less than State GSDP and income below state average.

❑ Structural issues in economy and Workforce Composition :-

- 53% of workforce is still employed in Agriculture Sector which contributes on 13% of GSDP.
- Slow GVA growth rate in manufacturing sector
- Women participation in economy

Balanced Growth – a challenge

Districts have been split into three segments based on growth and GDP. More than 50% of the districts are in the 3rd segment (low GDDP per capita).



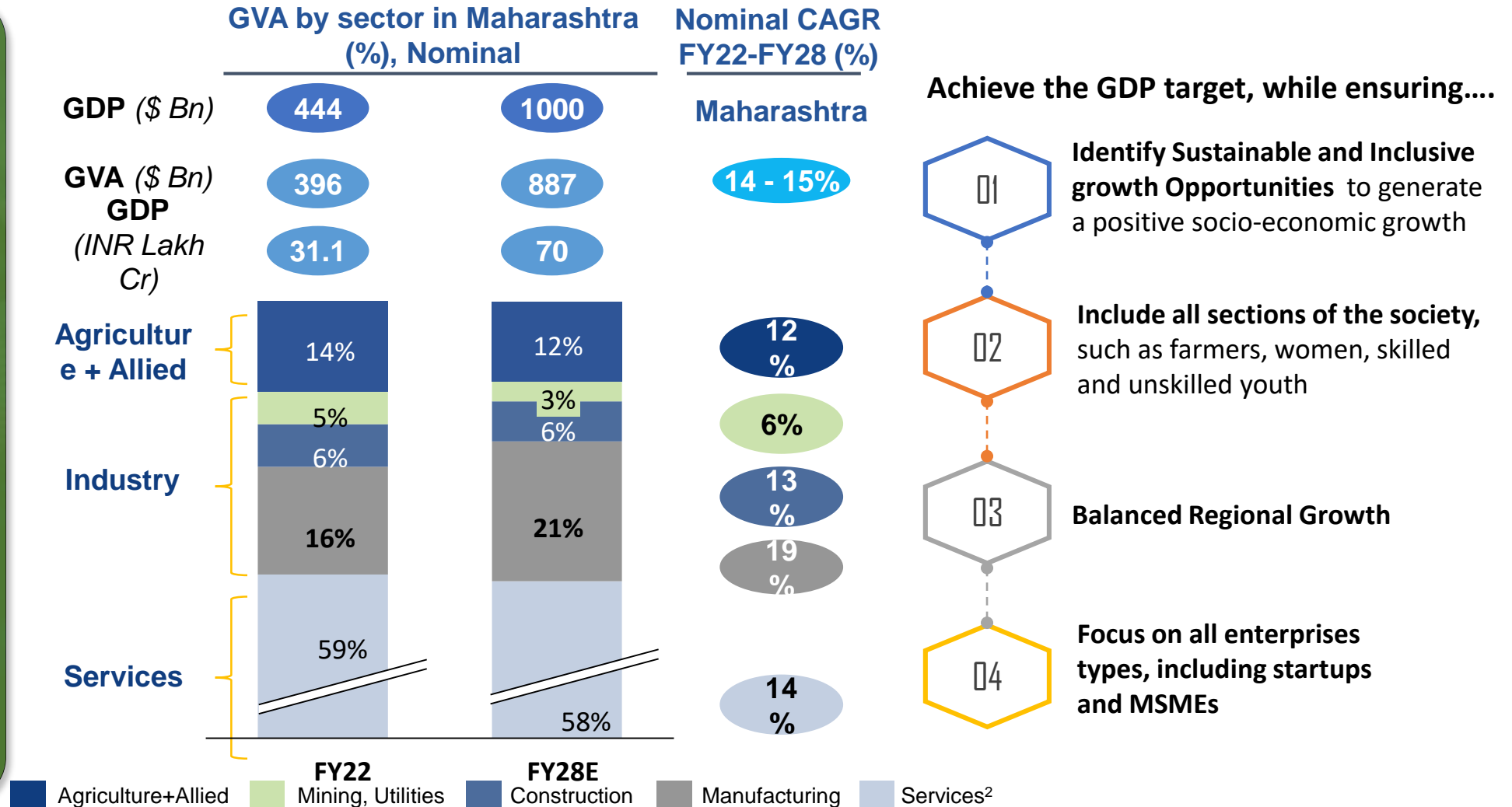
Vision : Maharashtra – USD One Trillion economy by 2028

The Hon'ble Prime Minister has set a Vision for *Viksit Bharat* by 2047



VISION

Become \$1 Trillion economy, by identifying inclusive, sustainable economic growth opportunities and improving economic well-being and quality of life for all citizens



Maharashtra Economic Advisory Council (EAC) was established to provide guidance and recommendations to achieve this target, under chairmanship of Shri N. Chandrasekaran, Chairman TATA Sons

Social and Economic Outcomes



Jobs creation

Add **15 Mn+** incremental jobs **4.5 Mn in manufacturing**, **1.1 Mn in construction, mining and utilities**, **4.5 Mn in services**

Increased economic avenues to drive up women labour force participation from current levels of 36%



Boost per capita income

State GDP per capita (nominal) to increase from INR 2.2 L (FY21) to INR 5.3 L (FY28)

Increase farmer incomes by 2-2.5X through region specific interventions



Drive Sustainability

Reduce emission intensity from current level of 0.22 to 0.16 Kg CO₂/PPP \$GDP

Share of renewables by installed capacity increased from 34% (FY23) to 45% (FY28)



Financial inclusion

Increase MSME credit penetration from 58% (FY20) to 80% (FY28)

Households covered by health insurance increased from 22% (FY21) to 80% (FY28)



Enhance Quality of Life

Healthcare: Increase workers per 10K people from 43 (FY21) to 100⁴ (FY30)

Improve quality of living across cities; Mumbai ranked 117th in global index (FY22)



Improve regional economic balance

Accelerate economic growth across all districts of Maharashtra

Bring equitable growth across all districts of Maharashtra

Maharashtra's Multi-Dimensional Socio-Economic Progress - better targeting and improving quality of services (1/2)

Key Highlights

Maharashtra launched **Human Development Mission** in 2011 to improve HDI with districts as focus. HDI of Maharashtra improved to **0.701** (2019) from **0.549** (2012).

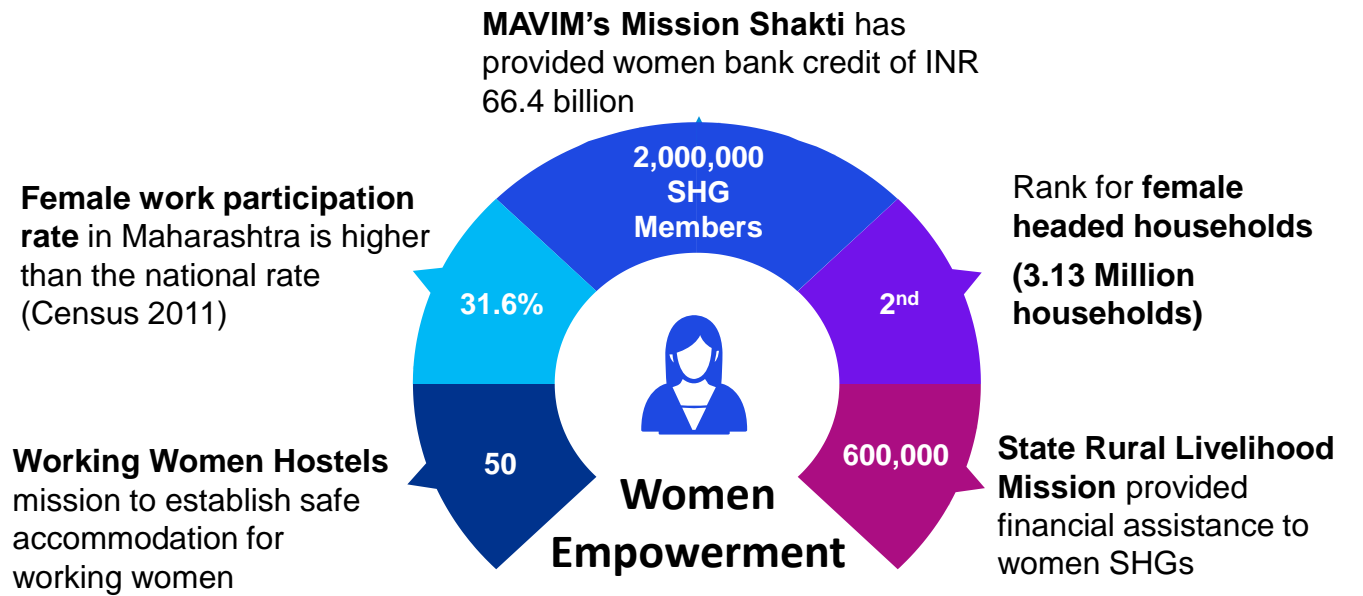
Population of multidimensionally poor people has fallen from 14.8 % to 7% in a 4-year period

Pahile Paul programme to ensure school readiness

MahaDBT (In last 5 yrs.) –

- **12.6 million student** scholarships were disbursed under **50 post-matric** schemes across **11 departments** amounting to **INR 212 billion**
- **5.7 million scholarships to students incl.** from minority and weaker sections

MahaDBT - More than 10 million farmer beneficiaries received financial assistance under GoI/ State schemes



Maharashtra's Multi-Dimensional Socio-Economic Progress - better targeting and improving quality of services (2/2)

Key Highlights

Universal Health Coverage

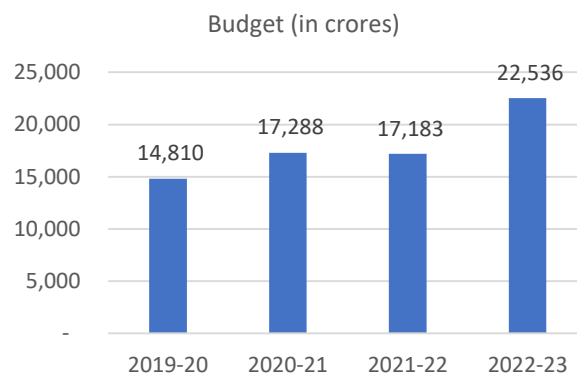
Tackling malnutrition through interventions under Poshan 2.0 in 110,429 Anganwadi centres
7.4 million beneficiaries - **pregnant women to children upto 6 years**

Dedicated state nutrition mission to tackle stunting— Rajmata Jijau Mission to support ICDS interventions through policy development, building data systems and technological solutions

Aarambh ECD – Early Childhood Development program for 0–3-year-old addressing stunting



Health & Nutrition



Increasing pattern in healthcare budget

Details of co-branded health insurance scheme

Healthcare Coverage	1.5 lakhs	5 lakhs
Eligible Beneficiaries	2.22 cr	12 cr
Ailments Covered	996	1900

IMR

Infant Mortality Rate (IFR) of MH is 16;
lower than national average of 28

U5MR

Under Five Mortality Rates (U5MR) of MH is 18;
lower than national rate of 32

NMR

Neo-natal Mortality Rate (NMR) of MH is 11;
lower than national rate of 20

MMR

Maternal Mortality Ratio (MMR) of MH is 33;
lower than national ratio of 97

Recent Interventions

Enhanced commitment to social welfare with better targeting :-There is significant rise in revenue expenditure for social welfare schemes: (~25% of Revenue Expenditure)

Beneficiary Group	Names of Schemes	Expected Annual Exp.
Women	Mukhyamantri Majhi Ladki Bahin Yojana/Lek Ladaki Yojana/ Mukhyamantri Annapurna (Ujjwala+)/ Free higher education to girls/ Nav Additional Revolving Funds for Women Self Help Groups	47985 Cr
Farmers	Namo Shetkari Mahasanman Nidhi Yojana/Loss of Crops –Re. 1 Crop Insurance, Assistance/ Jalyukta Shivar Abhiyan/Project on Climate Resilient Agriculture (PoCRA 2.0)/Agri-business & Rural Transformation (SMART) Project/Agri Pumps Electricity Bill Subsidy & Solar Pumps	19875 Cr
Youth	Mukhya Mantri Yuva Karyaprashikshan Yojana/ Concessions & Scholarships for students in Higher Education	19540 Cr
Old Age	Shravanbal Seva Rajya Nivrutti Vetan Yojana /Sanjay Gandhi Niradhar Anudan Yojana/Vayoshri Yojana	8631 Cr
Health for all	Mahatma Phule Jan Arogya Yojana -Cashless Health insurance cover increased from Rs. 1.5 to Rs. 5 Lakhs per family	2403 Cr

Maharashtra - Committed to Sustainable Development Goals and Climate Action

- Implementation Coordination Centre (SDG-ICC) has been established to coordinate with MoSPI, NITI Aayog and the line departments
- The state aspires to be in the Top 3 in SDG in next three years. Improvement in 10 goals



Prioritizing key sectors for urgent Climate Action

Energy

Decarbonizing Power

Transport

Electric, shared, public and non-motorized

Build

Sustainable, low carbon infrastructure footprint

Industry

Modern & Clean technology (Green Hydrogen)

Agriculture

Sustainable practices (solarization of agri feeders, solar pump)

Urban

Make cities livable

- **Maharashtra Council for Climate Change (MCCC)** is established under the chairmanship of Hon'ble Chief Minister and Hon'ble Deputy Chief Minister to monitor action plan for climate change.
- **State Action Plan for Climate Change (SAPCC)** - framework for responding to the effects of climate change.
- **Maharashtra Coastal Zone Management Authority (MCZMA)** for protecting and improving the quality of the coastal environment and preventing, abating and controlling environmental pollution in coastal areas.

❖ Mission Solarisation of Agri-Feeder and commissioning of 16,000 MW Solar Distributed RE Capacity under MSKVY 2.0

- Total Ag. Connections- 45 lacs accounting for 30% of energy demand
- Electricity Supply to Ag. is on 8 Hrs. rotational basis. 50% of farmers get electricity during night time.
- Total Energy subsidy
 - Direct-Rs 11,319 cr
 - Cross subsidy-Rs15,336 cr



Reduction in cost of supply to agriculture and cross-subsidy burden on industries



Investment of Rs.30,000 crore across various districts in Maharashtra



Day-time electricity supply to farmers and agriculture



Over 20,000 direct rural jobs and development of solar ecosystem and skills



Contributes to national and solar targets, CO2 emissions savings



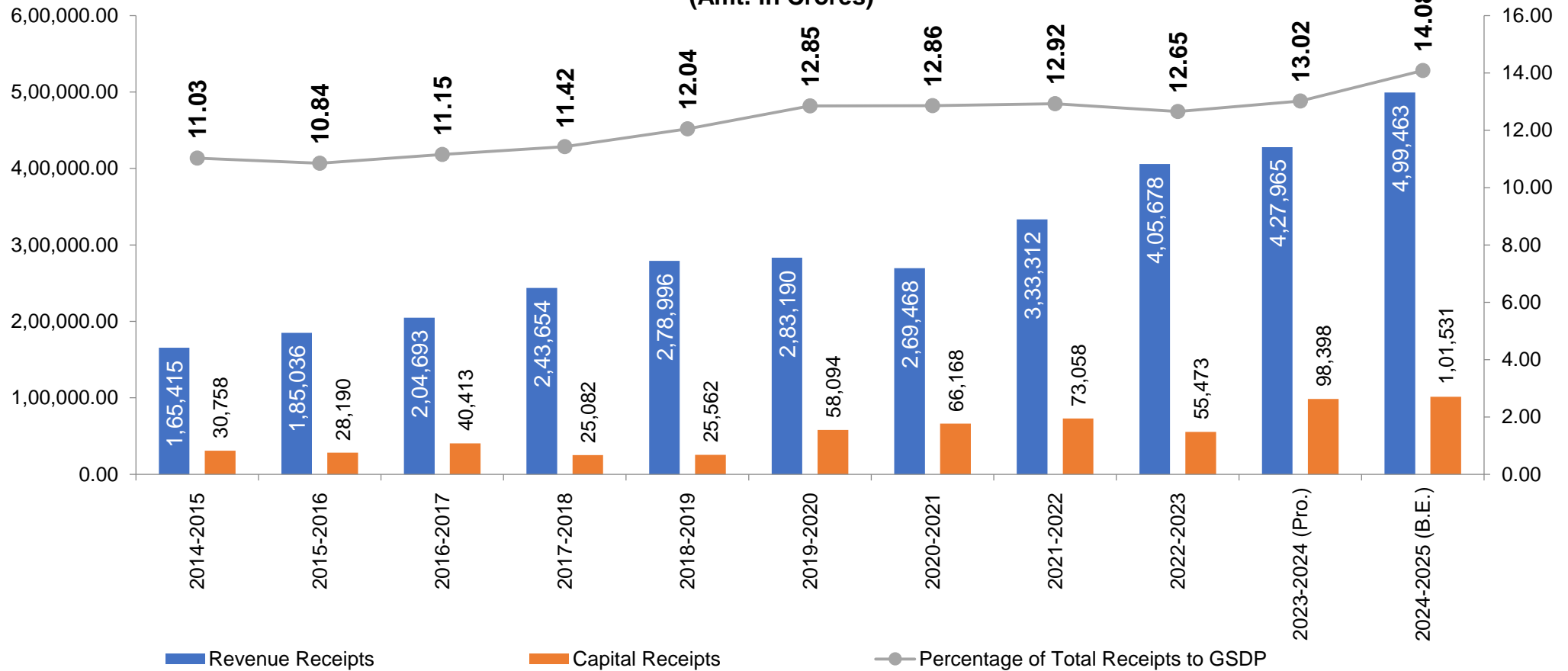
FISCAL MANAGEMENT- **Balancing aspirational** **growth scenario**

Brief Information of Budget- Maharashtra

(Rs. Cr)				
Sr. No.	Details	2022-23 (Actual)	2023-24 (Prov. Actuals)	2024-25 (BE)
1	Revenue Receipts	4,05,677.93	4,27,964.81	4,99,462.84
	A) Own Tax Revenue	3,37,487.29	3,71,662.28	4,19,972.28
	B) Non Tax Revenue	68,190.65	56,302.53	79,490.56
2	Revenue Expenditure	4,07,614.40	4,39,529.47	5,19,513.53
3	Revenue Deficit (1-2)	1,936.47	11,564.66	20,050.69
4	Capital Receipts	55,472.78	98,397.95	1,01,531.17
	A) Recovery of Loans	642.62	551.88	2,475.10
	B) Borrowings & Other Liabilities	54,830.16	97,846.07	99,056.07
5	Capital Expenditure	66,308.02	77,350.46	92,779.63
6	Total Receipts (1+4)	4,61,150.71	5,26,362.76	6,00,994.01
7	Total Expenditure (2+5)	4,73,922.42	5,16,879.93	6,12,293.16
8	Fiscal Deficit (4B-(6-7))	67,601.87	88,363.24	1,10,355.22

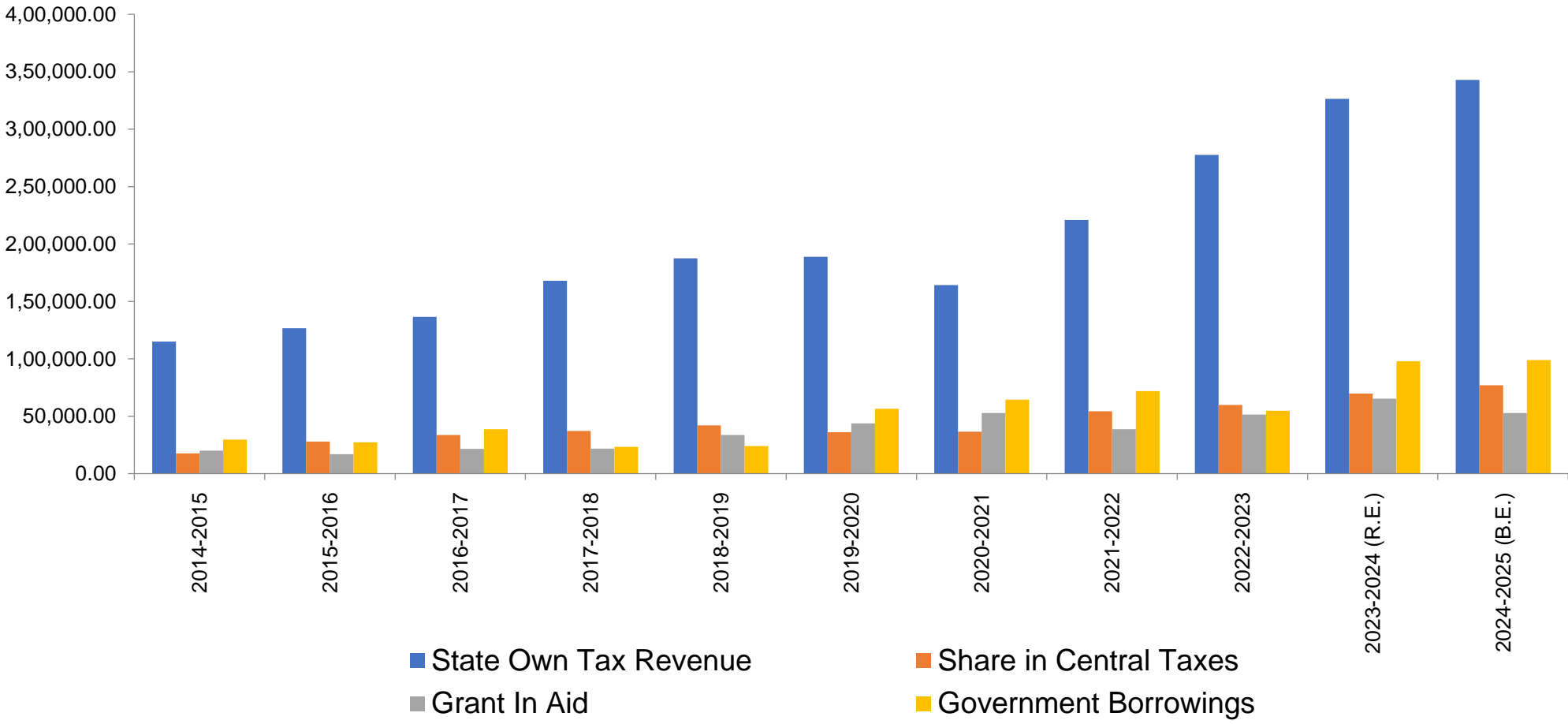
Trends in Receipts

(Amt. in Crores)

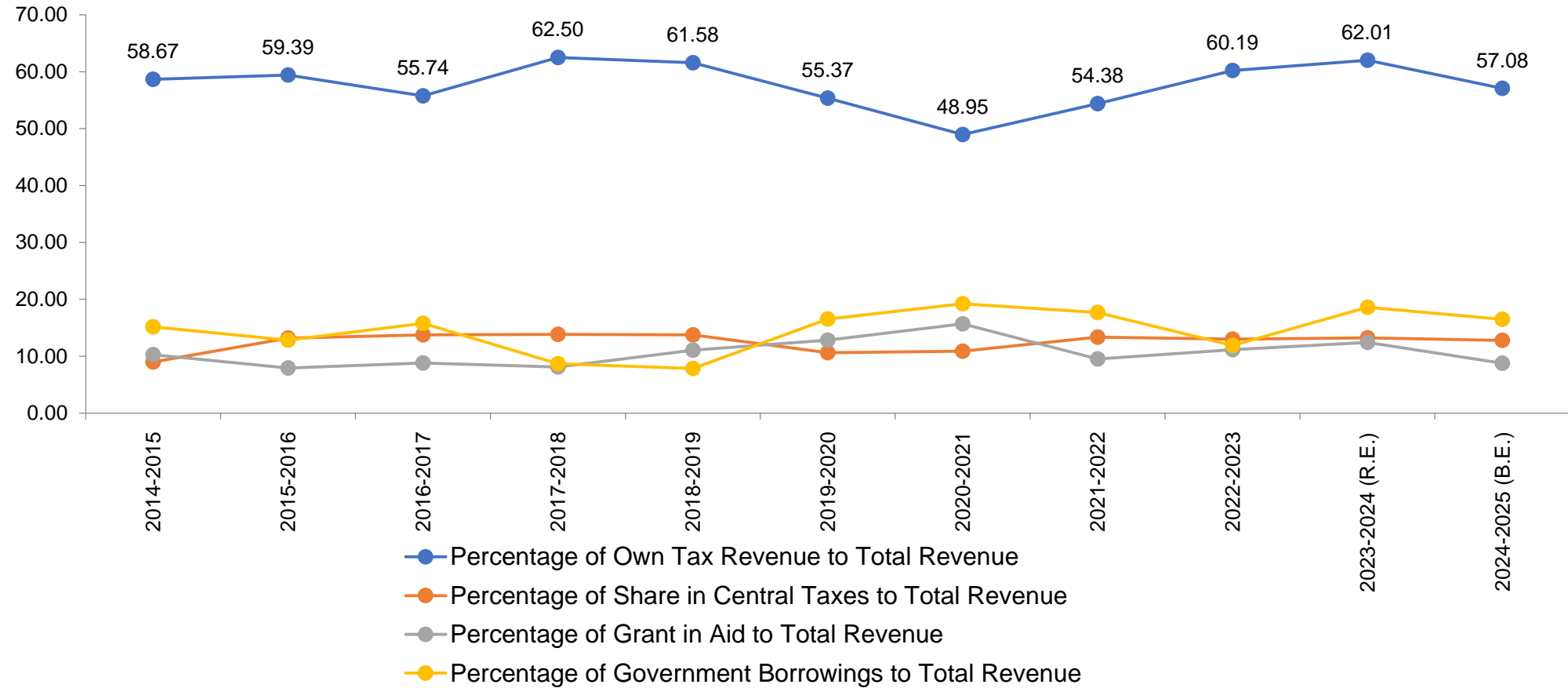


Trends in Revenue Receipts

(Amt. in Crores)

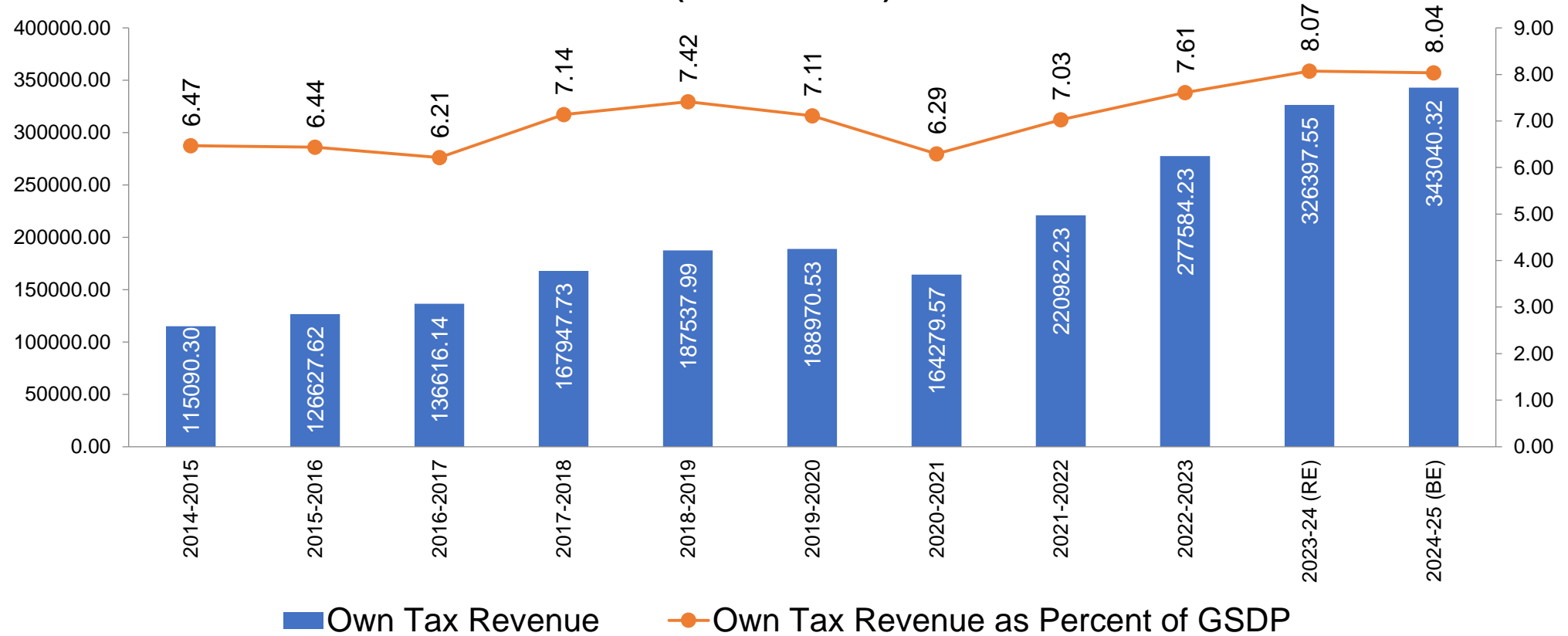


Composition Trend in Revenue Receipts (In %)

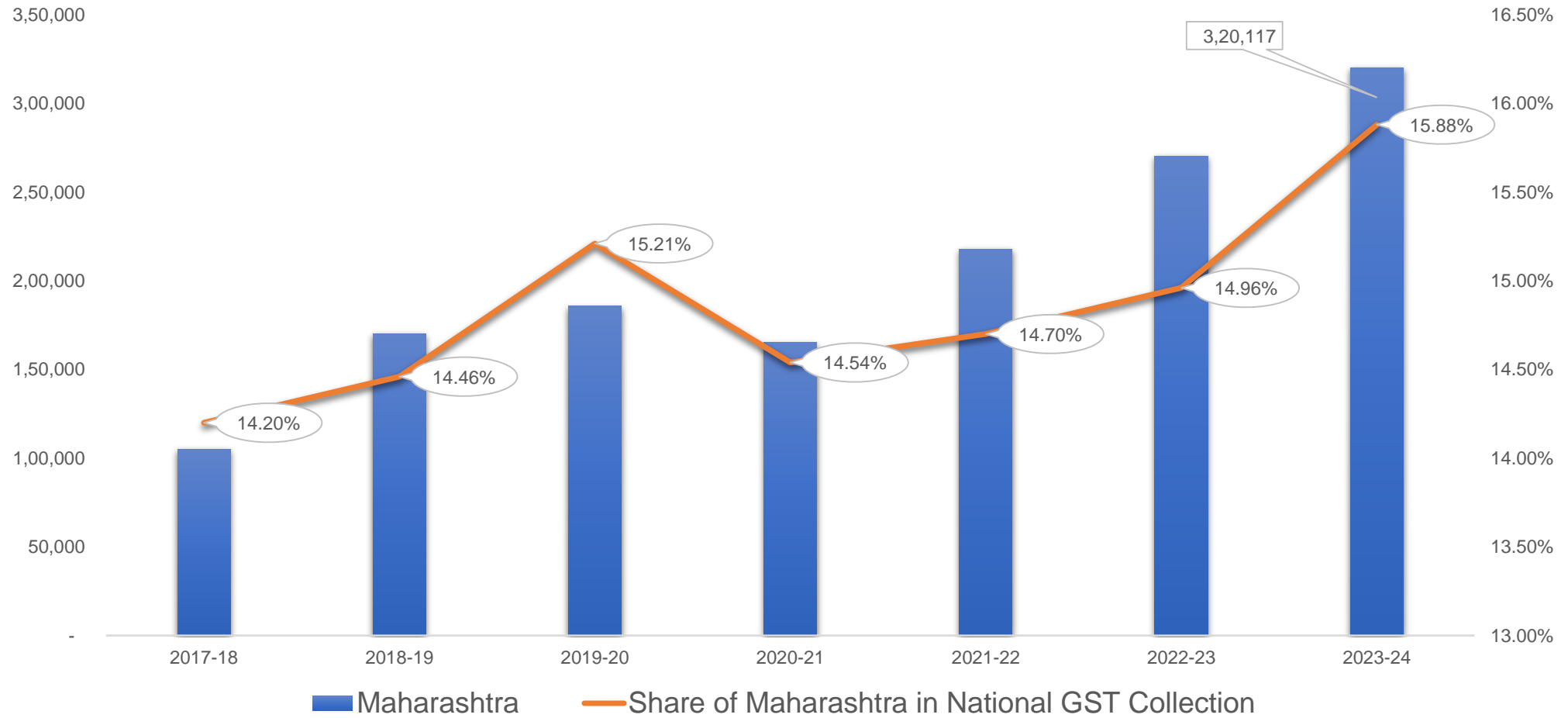


Own Tax Revenue as Percentage of GSDP

(Amt. in Crores)

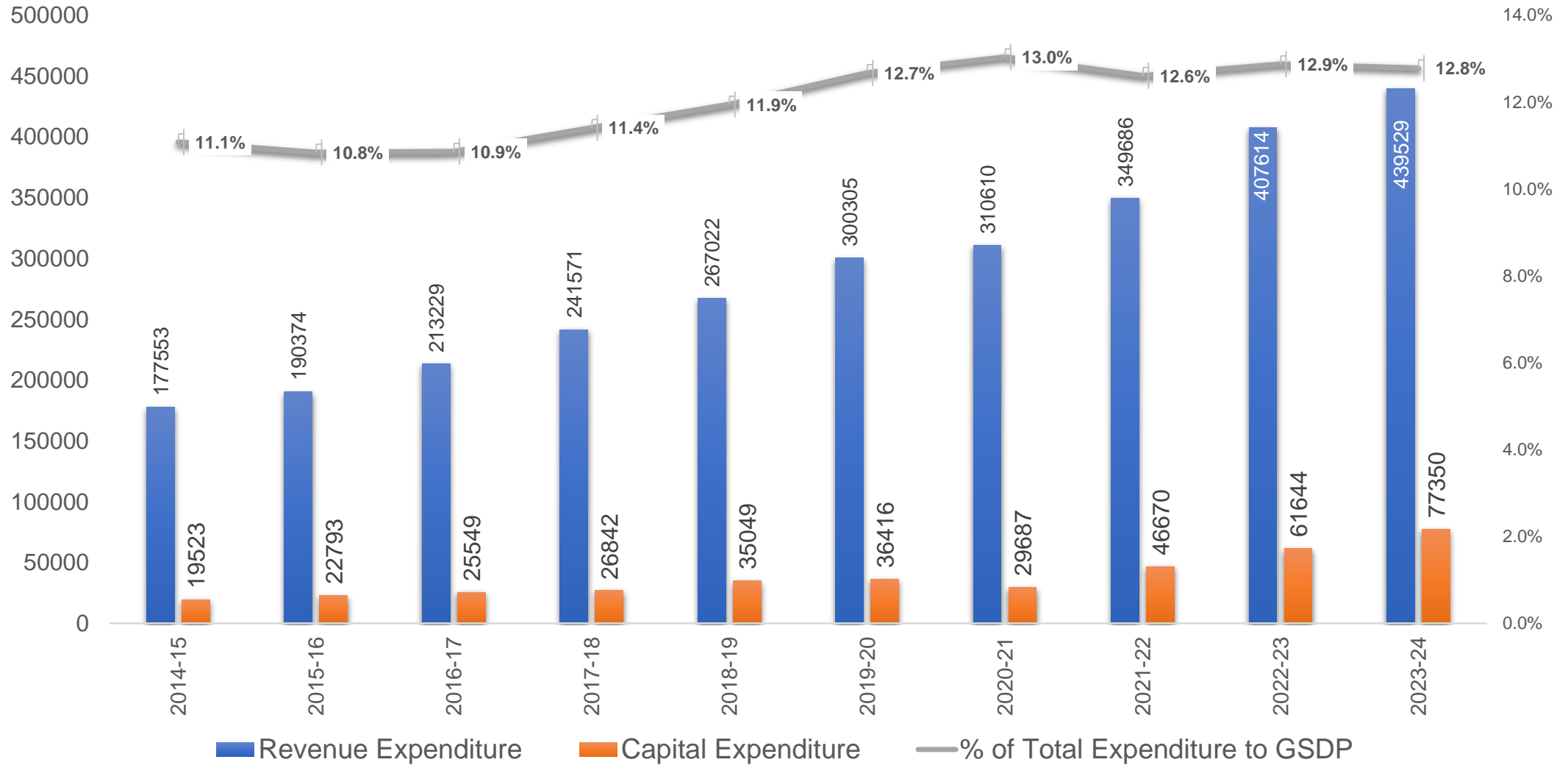


GST Collection

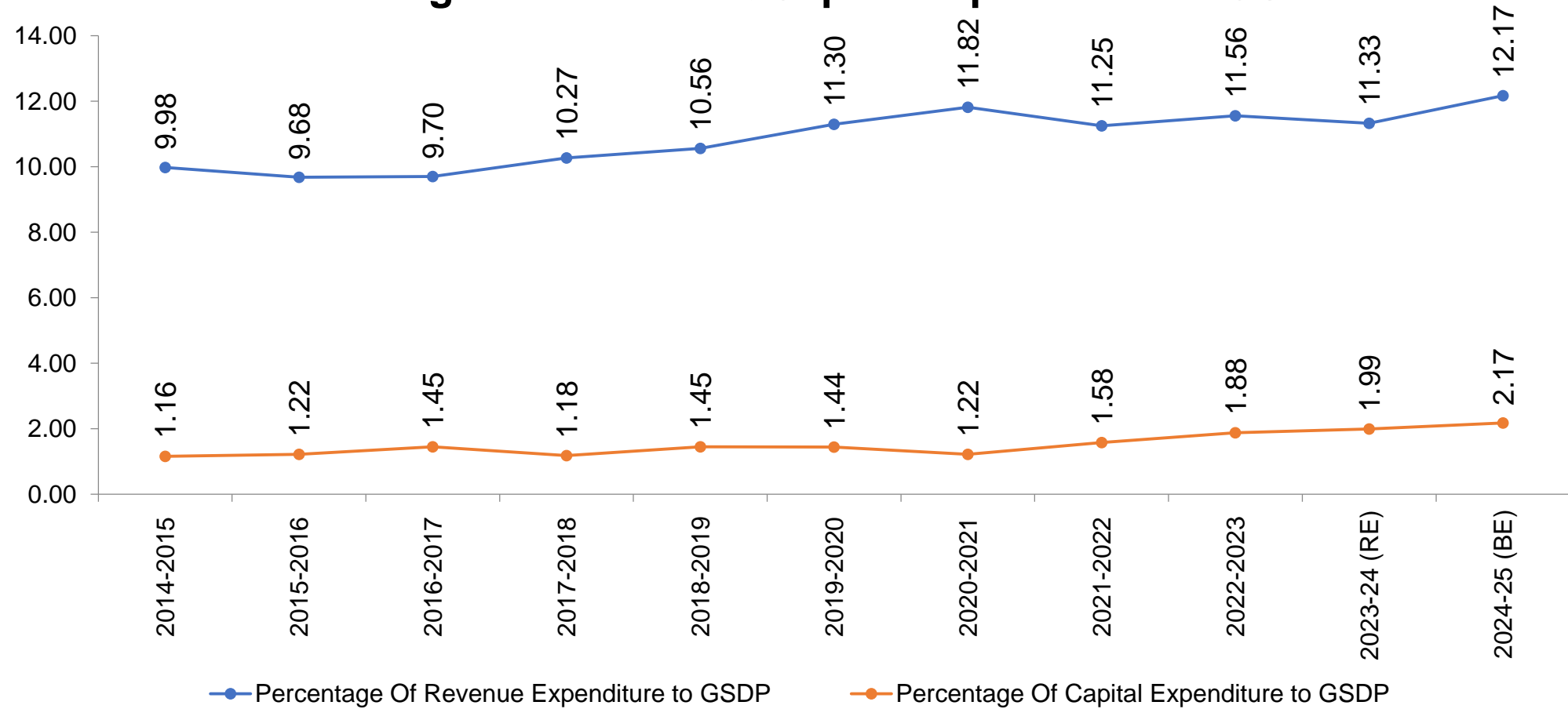


Trends in Expenditure

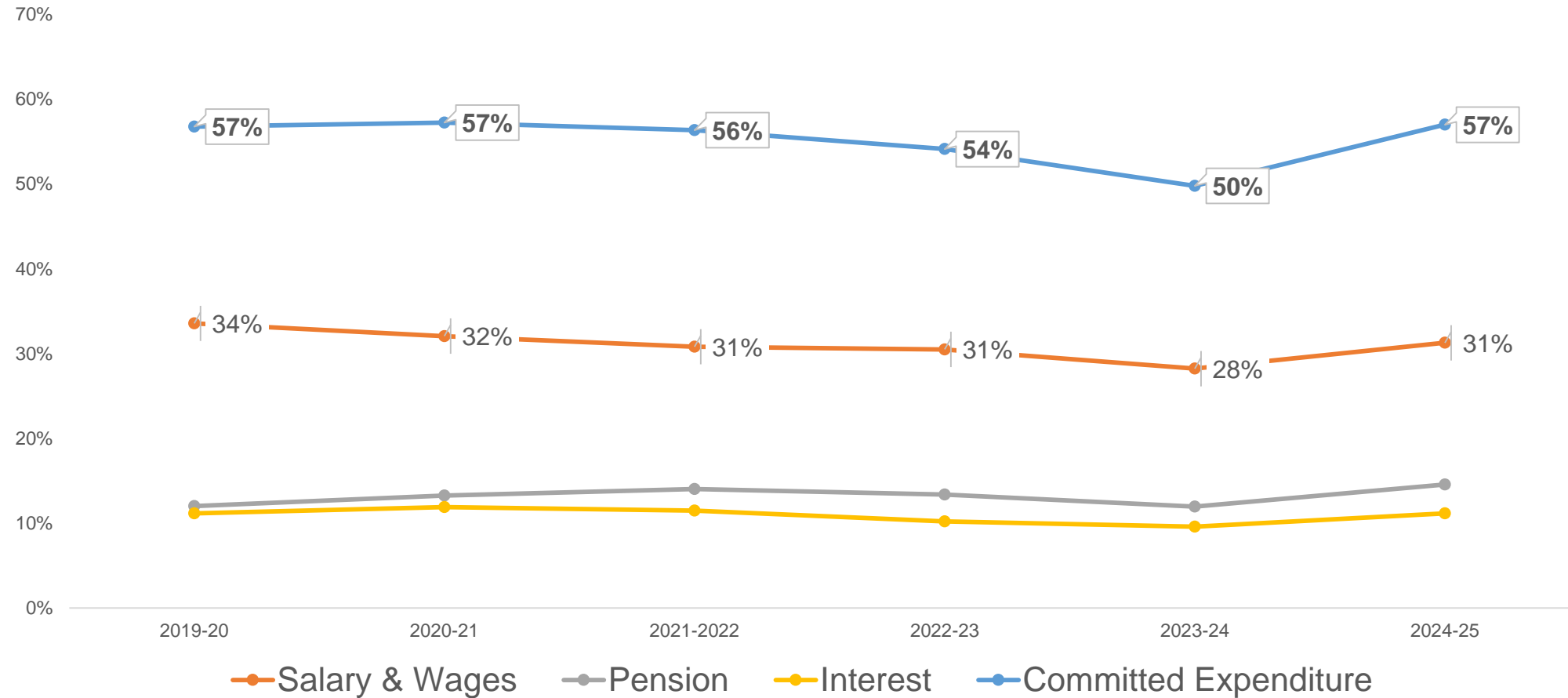
(in Rs.Cr)



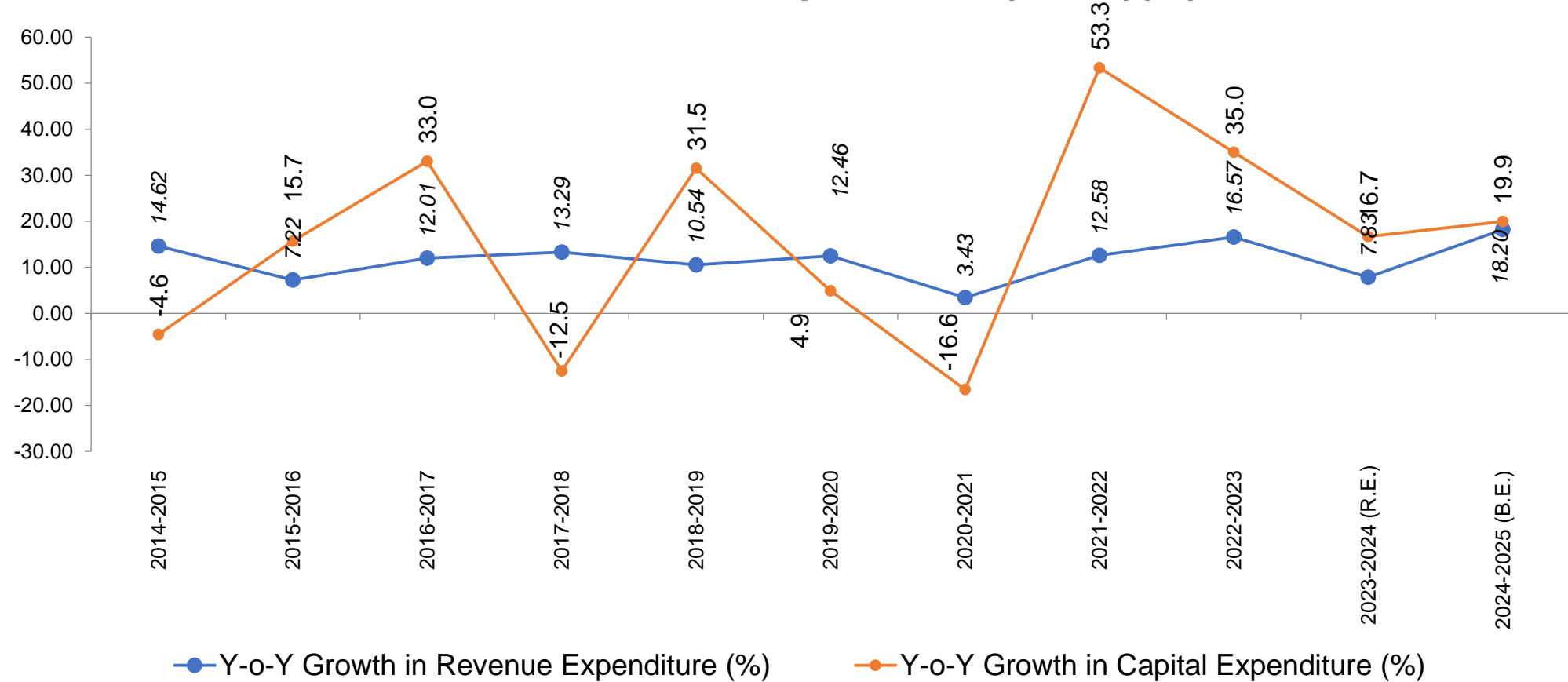
Percentage of Revenue & Capital Expenditure to GSDP



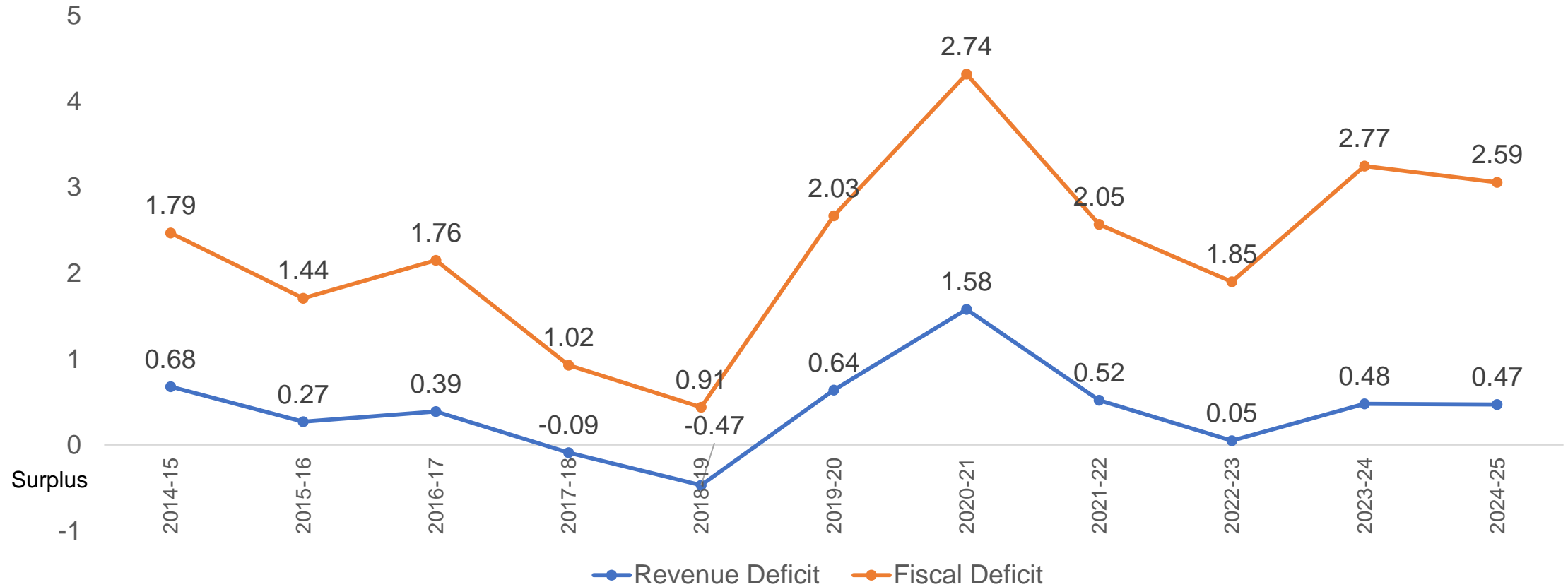
Committed Expenditure compared to Overall Revenue Receipts



Annual Growth in Expenditure (Y-o-Y)(%)



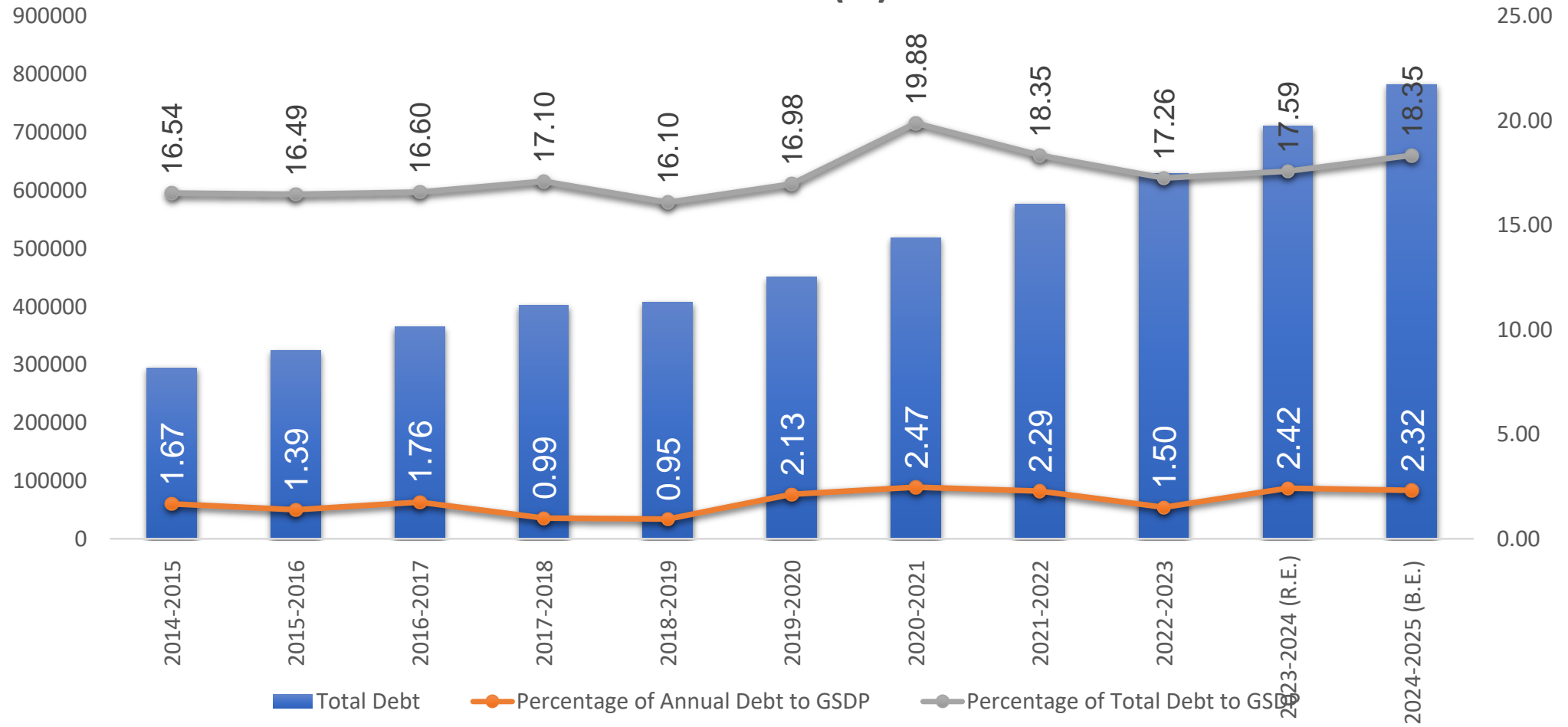
Revenue & Fiscal Deficit



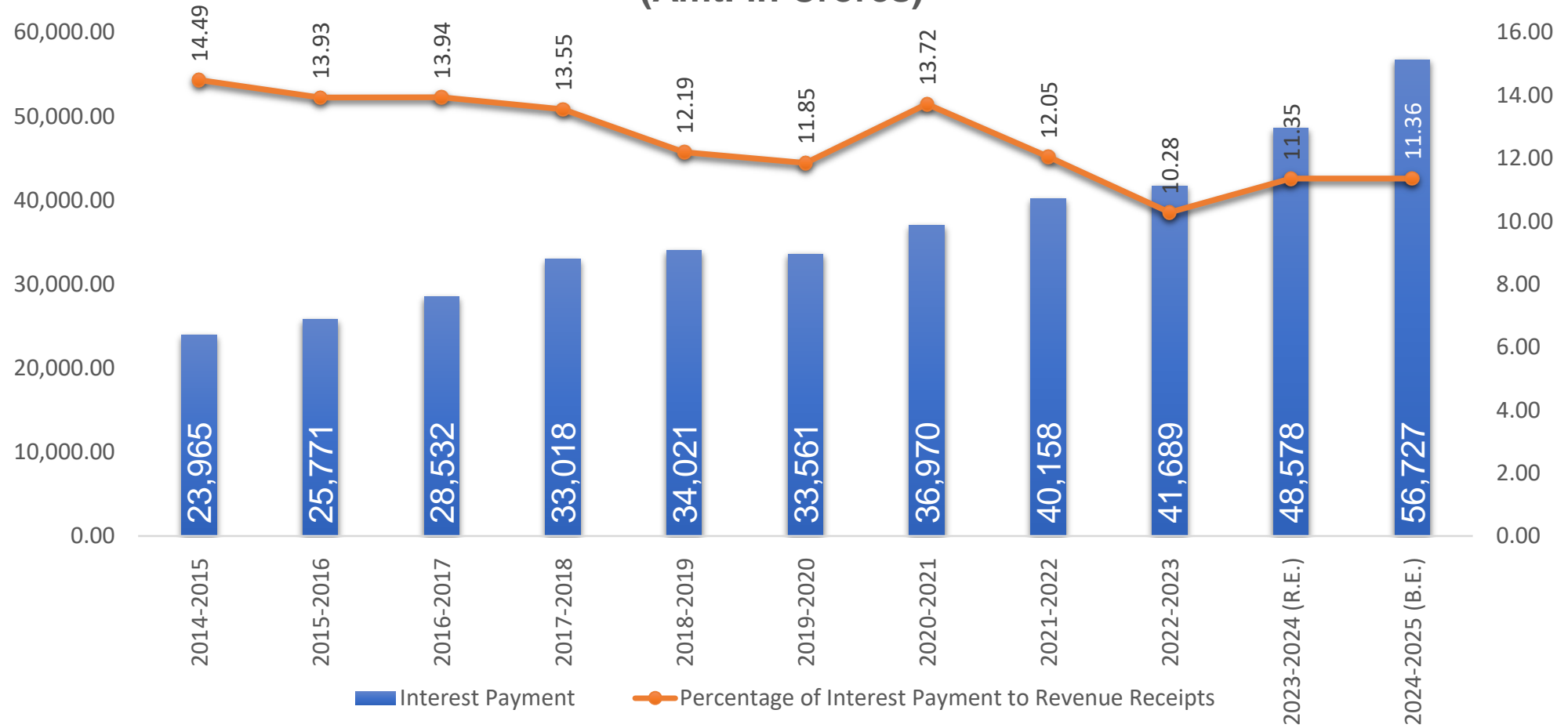
- Fiscal Deficit is well within the FRBM Limits of 3%.

(Source: Maharashtra state (Pink Book))

Debt to GSDP (%)

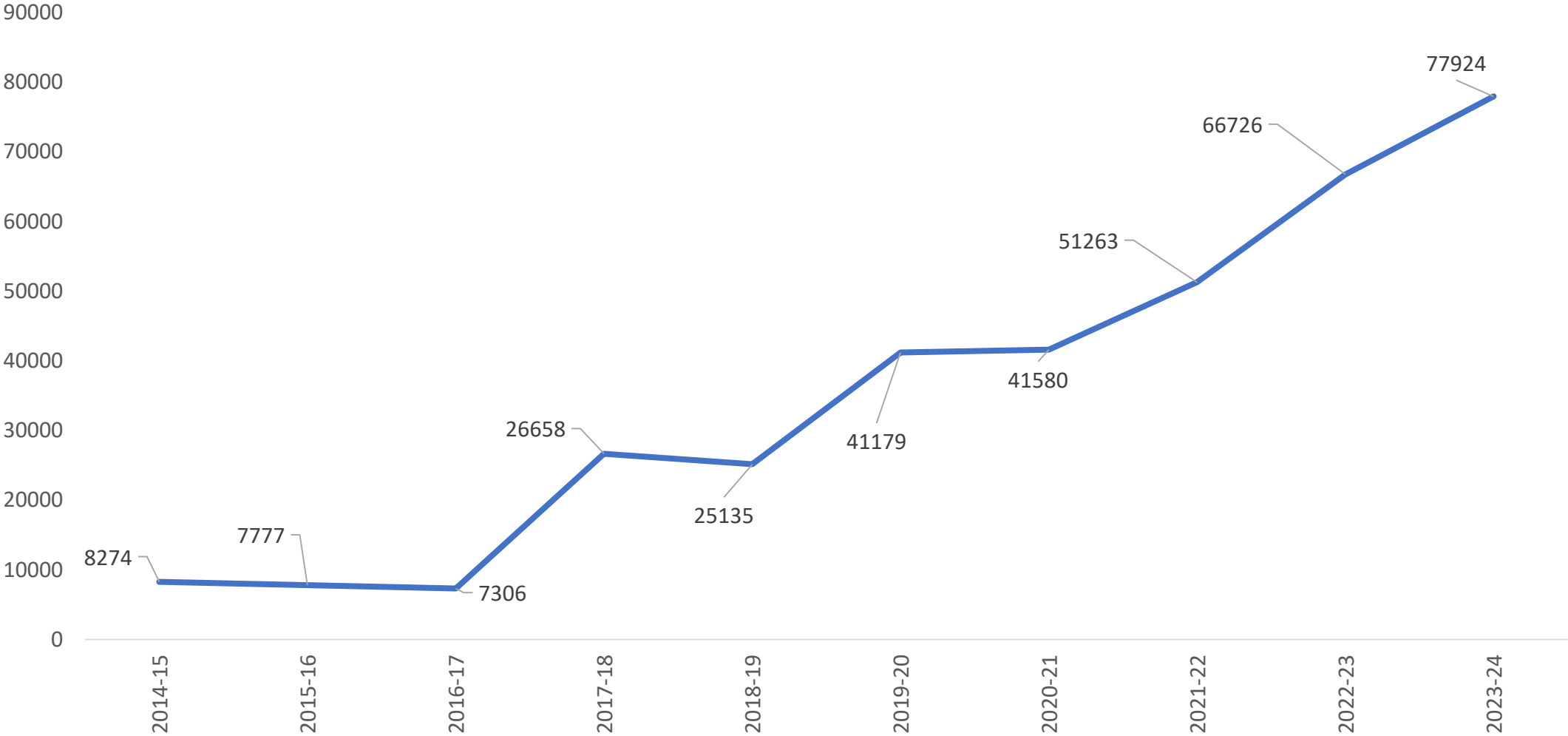


Interest Payment (Amt. in Crores)

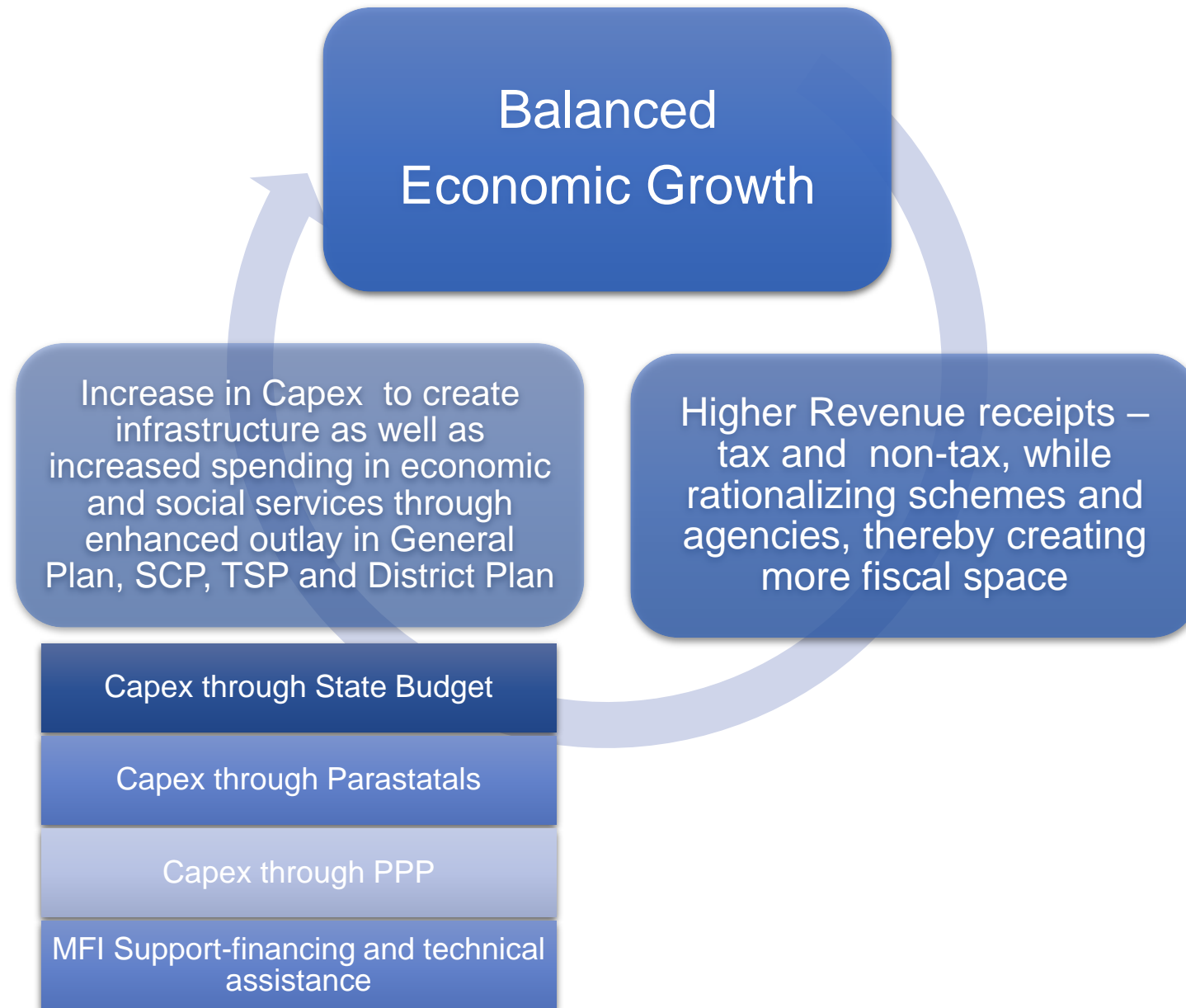


Government Guarantee

(Outstanding at the end of the financial year-in Rs.Cr)



Approach- Where there is a will, there is a way..



Approach- Where there is a will, there is a way..

Debt Sustainability

- Total debt burden is expected to reach Rs.7.82 Lakh Cr – 157% of Revenue receipts
- The state has managed to keep total debt well within 25% of GSDP and annual borrowing less than 3% of GSDP.
- There is fiscal space to further spend. However, thin spreading of financial resources, project management issues, rise in committed liabilities, non-merit Subsidies and freebies pose risks.
- Hence spending wisely is key in fiscal balance through strategic planning.

Accelerating Capital Expenditure to boost economic growth

- Effective utilization of CSS like Scheme for Special Assistance to States for Capital Investment, PM KUSUM-C
- State Infrastructure Pipeline in line with a trillion dollar economy vision
- Innovative financing- InvITs
- MoMs with State PSUs for guarantees and equity support
- Incentivizing private investments- PPPs

Approach- Where there is a will, there is a way..

Growth in State Own Tax Revenue and other Receipts

- Tax base- For taxes other than GST efforts are on to plug the gaps in assessment. (State Excise/ Tax on vehicles)
- Digitization to increase tax base (GIS) & strengthen audit systems.
- Formalization of informal sector.
- Explore Asset monetization of state infra assets, leasing public spaces, better user fee collection.

Rationalizing Revenue Expenditure

- Rationalizing schemes and agencies (Budget Speech 2024).
- Redundant schemes will be discontinued.
- Various schemes providing benefits to same set of beneficiaries will be merged to avoid duplication.
- Check on non-merit subsidies and freebies, direct targeting-DBT.
- HR - optimal utilization, staffing pattern reviews and increased IT use.



Thank You

Year-wise Capex of Parastatals and Guarantees by the State

Year	Capex through parastatals (Rs crores)	TOTAL CAPEX (Rs crores)	Guarantees (Rs crores)
2018-19	35036	71630	25135
2019-20	62791	101176	41179
2020-21	54175	86204	41580
2021-22	61212	110318	51263
2022-23	61234	127542	66726
2023-24	72666	150016	77294

Maharashtra GST and Share in National GST

