



**Report of the  
Comptroller and Auditor General of India  
on  
State Finances  
for the year ended 31 March 2014**



**Government of Gujarat**

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# Preface

1. This Report has been prepared for submission to the Governor of Gujarat under Article 151 of the Constitution.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of the Finance Accounts and the Appropriation Accounts respectively, of the State Government for the year ended 31 March 2014. Information has also been obtained from the Government of Gujarat wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various rules, procedures and directives relating to financial reporting during the current year.
4. The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

## Executive Summary

### **Background**

In response to the Twelfth Finance Commission's recommendations, the Gujarat Government enacted the Gujarat Fiscal Responsibility Act, 2005 (GFRA) which incorporated the objectives of prudence in fiscal management, fiscal stability by progressive elimination of revenue deficit, sustainable debt management and greater transparency in the fiscal operations of the Government.

To maintain a stable and sustainable fiscal environment consistent with equitable growth, the Thirteenth Finance Commission (ThFC) recommended a fiscal consolidation roadmap for the State by amending their Fiscal Responsibility Legislations. The State Legislature in March 2011 amended the Fiscal Responsibility Act in line with the recommendations. This required the State to reduce the revenue deficit to zero by 2011-12, the fiscal deficit to not more than three *per cent* of the estimated GSDP for the year beginning 2011-12, to cap the total public debt of the State Government to 27.1 *per cent* of the estimated GSDP by end of 2014-15 and to cap the outstanding guarantees within the limit (₹ 20,000 crore) prescribed in the Gujarat State Guarantees Act, 1963.

### **The Report**

Based on the audited accounts of the Government of Gujarat for the year ending March 2014, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

**Chapter I** is based on the Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2014. It provides an insight into trends of different components of the government's receipts, expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to State implementing agencies through the off-budget route.

**Chapter II** is based on the Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter III** is an inventory of the Government's compliance with various reporting requirements and financial rules. The Report also has additional data collated from several other sources in support of the findings.

## Audit findings and recommendations

### Fiscal position

The State had a revenue deficit during the period 2009-11 which turned into a revenue surplus during the period of 2011-12 to 2013-14. In 2013-14, the State had a revenue surplus of ₹ 4,717 crore, a decrease of ₹ 853 crore over the previous year. The decrease in the revenue surplus during the current year was mainly on account of an increase of only ₹ 4,747 crore (6.31 per cent) in revenue receipts against an increase of ₹ 5,601 crore (8.04 per cent) in revenue expenditure over the previous year. The fiscal deficit increased from ₹ 15,153 crore in 2009-10 to ₹ 18,422 crore in 2013-14. Fiscal deficit during the year increased by ₹ 1,930 crore over the previous year. The increase was mainly on account of increase of ₹ 1,450 crore (6.83 per cent) in capital expenditure. An increase of ₹ 1,930 crore in fiscal deficit together with an increase of ₹ 1,171 crore in interest payment resulted in increase of ₹ 759 crore in primary deficit from ₹ 4,331 crore in 2012-13 to ₹ 5,090 crore in 2013-14.

The expenditure on Grants-in-aid and subsidies should be booked under revenue expenditure in the accounts. However, during 2013-14, the Government of Gujarat wrongly budgeted and booked expenditure of ₹ 1,462.75 crore on account of Grants-in-aid and expenditure of ₹ 170.75 crore on account of subsidy under the capital section instead of revenue section. This has resulted in understatement of revenue expenditure and overstatement of revenue surplus to the tune of ₹ 1,633.50 crore.

During the period 2009-10 to 2013-14, the non-debt receipts did not cover the primary expenditure<sup>1</sup> resulting in primary deficit in each year. In 2013-14, primary revenue expenditure and capital expenditure increased over the previous year without commensurate increase in non-debt receipts resulting in increase in primary deficit from ₹ 4,331 crore to ₹ 5,090 crore.

The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹ 13,358 crore and ₹ 11,923 crore at the end of 2012-13 and 2013-14 respectively. The high level of investment held in 'Cash Balance Investment Account' at the end of these financial years indicates that there is need for better cash management.

### State's own resources

The tax revenue of the State in 2013-14 slightly exceeded the ThFC projection by ₹ 430 crore. However, it could not achieve the target of budget estimates and MTFPS projection and stood lower by ₹ 3,835 crore (6.37 per cent). Actual non-tax revenue was slightly less than MTFPS projections and more than ThFC projections (5.44 per cent) and Budget estimates (10.00 per cent).

<sup>1</sup>Primary Expenditure is total expenditure except interest payments of the concerned year.

### Revenue expenditure

The share of revenue expenditure in total expenditure declined from 85.16 *per cent* in 2009-10 to 76.38 *per cent* in 2013-14 mainly on account of high growth rate attained by capital expenditure during this period except 2013-14.

Revenue expenditure continuously increased from ₹ 48,638 crore in 2009-10 to ₹ 75,259 crore in 2013-14. However, the growth rate fluctuated widely from 25.55 *per cent* in 2009-10 to 4.01 *per cent* in 2011-12 to 8.04 *per cent* in 2013-14.

### Quality of expenditure

Development expenditure of the State comprises revenue and capital expenditure including loans and advances on socio-economic services. The development expenditure increased from ₹ 39,806 crore in 2009-10 to ₹ 70,525 crore in 2013-14. As a percentage of the total expenditure, the total development expenditure of the State increased from 69.70 *per cent* in 2009-10 to 71.57 *per cent* in 2013-14.

### Investment and returns

Government had invested ₹ 55,058 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies, Co-operative Institutions etc.,. During 2013-14, Government invested ₹ 603 crore in Statutory Corporations, ₹ 7,188 crore in Government Companies and ₹ 96 crore in Co-operative institutions, etc. Though during the period of last five years, the State Government invested ₹ 24,007 crore, the average return by way of dividend on the investments in Government companies and Statutory Corporations etc., was 0.31 *per cent*.

### Oversight of funds transferred directly from the Union to the State implementing agencies

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for the implementation of various schemes/programmes in social and economic sectors. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture these fund flows and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them are not representing the overall picture of the resources under the control of the State Government. During 2013-14, ₹ 4,785.40 crore was transferred to the State Implementing Agencies which was ₹ 34.24 crore less than that of the previous year.

The Government of India has decided that the plan assistance under all Centrally Sponsored Schemes (CSS) and block grants would now be classified as Central Assistance to State Plan. It has also decided to transfer the central assistance through the Consolidated Fund of the state in a phased manner from 2014-15 onwards.

## Funds and other Liabilities

There were 16 Reserve Funds earmarked for specific purposes, out of which six funds were inoperative. The total accumulated balance as on 31 March 2014 in these funds was ₹ 8,990.38 crore (₹ 8,838.83 crore in operational funds and ₹ 151.55 crore in non-operational funds). However, the investment out of these funds was only ₹ 5,168.68 crore.

## Debt sustainability

The positive resource gap for two consecutive years turned into negative in 2012-13 and continued in 2013-14. It happened mainly on account of 7.03 per cent increase in primary expenditure against only 6.43 per cent increase in non-debt receipts during current year. The net funds available from borrowed fund after providing for the interest and repayment declined from ₹ 6,912 crore in 2010-11 to ₹ 3,058 crore in 2013-14.

## Financial management and budgetary control

Against total provision of ₹ 1,18,537.03 crore during 2013-14, an expenditure of ₹ 1,05,794.46 crore was incurred. This resulted in a total savings of ₹ 12,742.57 crore which was a result of the savings of ₹ 13,768.92 crore being offset by the excess of expenditure ₹ 1,026.35 crore under various grants.

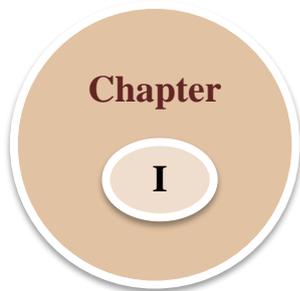
As of now the excess expenditure of ₹ 9,400.24 crore (₹ 1,026.35 crore plus ₹ 8,373.89 crore) relating to the period 2003-04 to 2013-14 requires regularisation under Article 205 of the Constitution of India.

In three grants/appropriations in which savings of ₹ 49.55 crore occurred, the amounts had not been surrendered by the concerned departments.

Under 96 grants, out of the total provision of ₹ 36,177.23 crore in respect of 924 sub-heads, ₹ 12,846.30 crore (35.51 per cent) were surrendered.

## Financial reporting

Non-submission of utilisation certificates of ₹ 7,420.40 crore indicates lack of proper monitoring by the departments in utilisation of grants given for specific purposes. There has been non-submission/delay in submission of accounts of autonomous bodies/authorities. There is pendency in submission of detailed contingent bills against large amounts drawn on abstract contingent bills amounting to ₹ 281.53 crore by the departmental authorities. The 170 outstanding cases of misappropriations, losses etc., and non recovery of amounts indicate lack of adequate efforts by the departments to make good the losses and fix responsibility. Further, accounting of various important items of expenditure relating to various sectors, revenue receipts etc. under omnibus Minor Head – 800 resulted in non classification of diverse activities of the Government under available minor heads.



# Finances of the State Government

## Profile of Gujarat

Gujarat is situated on the west coast of India, bound by the Arabian Sea in the west and the states of Rajasthan in the north, Madhya Pradesh in the east and Maharashtra in the south. The State also shares an international border with Pakistan on the north western fringe. It has a coast line of about 1,600 kilometres, which is one third of India’s mainland coastline. It is the seventh largest State in terms of geographical area (1,96,024 sq.km) and the ninth largest by population. As indicated in **Appendix 1.1** the State’s population increased from 5.07 crore in 2001 to 6.04 crore in 2011 (Provisional figure) recording a decadal growth of 19.13 *per cent*. The percentage of population below the poverty line was 16.63 *per cent* as compared to the all-India average of 21.92 *per cent*. The State’s Gross State Domestic Product (GSDP) in 2013-14 at current prices was ₹ 7,73,990<sup>1</sup> crore. The State’s literacy rate increased from 69.14 *per cent* (as per 2001 census) to 79.31 *per cent* (as per 2011 census). General data relating to the State is given in **Appendix 1.1**.

### Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State’s economy as it indicates the standard of living of the State’s population. The trends in the annual growth of the State’s GSDP as compared to India’s GDP at current prices are indicated below:

**Table 1.1: Trends- Annual growth of State’s GSDP as compared to India’s GDP**

	2009-10	2010-11	2011-12	2012-13	2013-14
India’s GDP (₹ in crore) (Base year 2004-05)	61,08,903	72,48,860	83,91,691	93,88,876	1,04,72,807
Growth rate of GDP (percentage)	15.18	18.66	15.77	11.88	11.54
State’s GSDP (₹ in crore)	4,31,262	5,21,519(P)	5,94,563(P)	6,70,016(Q)	7,73,990(A)
Growth rate of GSDP (percentage)	17.22	20.93	14.01	12.69	15.52

Estimates: (P) = Provisional, (Q) = Quick and (A) = Advance

(Source: Ministry of Statistics and Programme Implementation, Central Statistical Organisation, Directorate of Economic and Statistics, Gandhinagar)

### 1.1 Introduction

This chapter provides a broad perspective on the finances of the Government of Gujarat during the current year and analyses critical changes in the major

<sup>1</sup> Advance estimates by Directorate of Economic and Statistics, Gandhinagar

fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.1 Part B and Part C**. The methodology adopted for the assessment of the fiscal position of the State is given in **Appendix 1.2**.

### 1.1.1 Summary of Fiscal Transactions in 2013-14

**Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2013-14) *vis-à-vis* the previous year while **Appendix 1.3** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

**Table 1.2: Summary of Fiscal transactions**

Receipts			Disbursements				
	2012-13	2013-14		2012-13	2013-14		
				Non-Plan	Plan	Total	
<b>Section-A: Revenue</b>							
<b>Revenue receipts</b>	<b>75,228.53</b>	<b>79,975.74</b>	<b>Revenue expenditure</b>	<b>69,658.49<sup>#</sup></b>	<b>51,365.15</b>	<b>23,893.39</b>	<b>75,258.54</b>
Tax revenue	53,896.69	56,372.37	General services	24,128.27	25,707.44	1,112.93	26,820.37
Non-tax revenue	6,016.99	7,018.31	Social services	29,528.97	17,372.10	15,009.68	32,381.78
Share of Union taxes/ duties	8,869.05	9,701.93	Economic services	15,838.97	7,959.94	7,770.78	15,730.72
Grants from Government of India	6,445.80	6,883.13	Grants-in-aid and Contributions	162.28	325.67	0.00	325.67
<b>Section-B: Capital</b>							
<b>Misc. Capital receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>Capital Outlay</b>	<b>21,226.52</b>	<b>166.67</b>	<b>22,510.70</b>	<b>22,677.37</b>
Recoveries of Loans and Advances	46.90	140.69	Loans and Advances disbursed	882.25	52.05	551.17	603.22
Public Debt receipts*	19,497.19	19,343.04	Repayment of Public Debt*	6,536.52	-	-	6,203.91
Contingency Fund	80.50	0.00	Contingency Fund	0.00	-	-	0.11
Public Account receipts	50,046.35	52019.52	Public Account disbursements	46,537.61	-	-	50,039.25
Opening Cash Balance	18,631.81	18689.89	Closing Cash Balance	18,689.89	-	-	15,386.48
<b>Total</b>	<b>1,63,531.28</b>	<b>1,70,168.88</b>		<b>1,63,531.28</b>			<b>1,70,168.88</b>

(Source: Finance Accounts of the respective years)

\* Excluding net transactions under ways and means advances and overdrafts

# Rounded off to ₹ 69,659 crore and used in the subsequent paragraphs in the report (after rounding off Non-plan and plan revenue expenditure as ₹ 47,146 crore and ₹ 22,513 crore respectively).

The following are the significant changes during 2013-14 over the previous year:

- Revenue receipts grew by ₹ 4,747 crore (6.31 per cent) over the previous year. The increase was mainly due to increase in the State's own tax revenue by ₹ 2,476 crore (4.59 per cent), increase in State's share of Union taxes/ duties by ₹ 833 crore (9.39 per cent), increase in grants from the Government of India (GoI) by ₹ 437 crore (6.78 per cent) and increase

in the non-tax revenue by ₹ 1,001 crore (16.64 *per cent*). The growth rate of own tax revenue (4.59 *per cent*) was least among all the constituents of revenue receipts.

- Revenue expenditure increased by ₹ 5,600 crore (8.04 *per cent*) over the previous year mainly due to increase in expenditure on General Services by ₹ 2,692 crore (11.16 *per cent*), on Social Services by ₹ 2,853 crore (9.66 *per cent*) and on grants-in-aid and contribution by ₹ 163 crore (100.68 *per cent*).
- Capital outlay increased by ₹ 1,451 crore (6.84 *per cent*) over the previous year whereas the disbursement of loans and advances decreased by ₹ 279 crore (31.63 *per cent*).
- Public debt receipts decreased by ₹ 154 crore while repayment of public debt decreased by ₹ 333 crore. The net availability of public debt receipt of ₹ 13,139 crore during 2013-14 was 1.37 *per cent* more than that of previous year of ₹ 12,961 crore.

### 1.1.2 Review of fiscal situation

As per the Gujarat Fiscal Responsibility Act, 2005 (GFRA 2005) enacted in line with the recommendations of the Twelfth Finance Commission (TwFC), the State Government had agreed for elimination of revenue deficit by the end of 2007-08 and reduction of fiscal deficit to not more than three *per cent* of the GSDP by 31 March 2009. Similarly, the target of the ratio of Public Debt to GSDP was 30 *per cent* by March 2008. Total outstanding guarantees were to be capped within the limit provided in the Gujarat State Guarantee Act, 1963. Though the State had achieved the above targets by 2006-07, the fiscal deficit targets for 2009-10 and 2010-11 were relaxed by one *per cent* and 0.5 *per cent* of GSDP respectively by GoI.

To maintain a stable and sustainable fiscal environment consistent with equitable growth, the Thirteenth Finance Commission (ThFC) has recommended a fiscal consolidation roadmap for the State by amending their Fiscal Responsibility Legislations. This requires the State to reduce the revenue deficit to zero from 2011-12 onwards, reduce the fiscal deficit to three *per cent* of the estimated GSDP of the year beginning 2011-12 and maintain it thereafter and to cap the total outstanding debt of the State Government from the level of 28.8 *per cent* in 2011-12 to 27.6 *per cent* in 2013-14 and to 27.1 *per cent* at the end of 2014-15 of the estimated GSDP for the respective financial year. The ThFC target for total outstanding debt to GSDP ratio for the year 2013-14 was 27.6 *per cent*. The State Legislature in March 2011 amended the Fiscal Responsibility Act after the recommendations of the ThFC.

Major fiscal variables provided in the budget based on recommendations of the ThFC and the projections made in the Medium Term Fiscal Policy Statement (MTFPS) - 2013 are depicted in **Table 1.3**.

**Table 1.3: Major Fiscal variables**

Fiscal variables	2013-14		Achievement
	ThFC targets for the State	Targets proposed in the Budget and Projections made in MTFPS	
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	0	(+) 4,602	4,717
Fiscal Deficit/GSDP (in per cent)	3	2.57	2.38
Ratio of total outstanding debt of the Government to GSDP (in per cent)	27.6	-	23.65

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as the State achieved a revenue surplus of ₹ 3,215 crore in that year. The revenue surplus stood at ₹ 4,717 crore in 2013-14 against the projection in MTFPS of ₹ 4,602 crore. At the end of 2013-14, the fiscal deficit as percentage to GSDP was 2.38, which was well within the limit of three per cent. In the Fiscal Consolidation Roadmap, ThFC fixed the target of 27.6 per cent for the ‘Total Outstanding Debt’<sup>2</sup> as percentage of GSDP at the end of 2013-14. However, the State Government fixed the target for ‘Total Public Debt’ instead of ‘Total Outstanding Debt’ as percentage of GSDP in Budget and in MTFPS. This was not in consonance with the recommendations of ThFC. Total Public Debt constitutes only 82 per cent of Total Outstanding Debt in 2013-14. In any case, the State’s total outstanding debt as percentage of GSDP was 23.65 per cent in 2013-14 which was within the target of 27.6 per cent fixed by the ThFC.

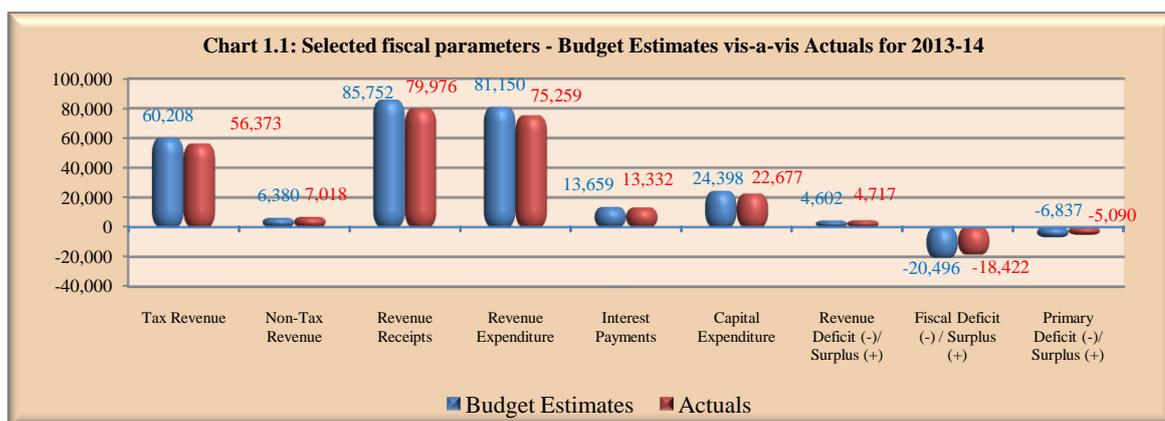
The expenditure on Grants-in-aid and subsidies should be booked under revenue expenditure in accounts. However, during 2013-14, the Government of Gujarat wrongly budgeted and booked expenditure of ₹ 1,462.75 crore relating to Grants-in-aid and expenditure of ₹ 170.75 crore on account of subsidy under the capital section instead of revenue section. This has resulted in understatement of revenue expenditure and consequent overstatement of revenue surplus to the tune of ₹ 1,633.50 crore.

### 1.1.3 Budget Estimates and Actuals

Budget estimates presented by the State Government provide a description of the projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of the fact that due care has not been taken during their estimation. Further, it also indicates non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government.

**Chart 1.1** Presents the budget estimates and actuals of some important fiscal parameters.

<sup>2</sup>Total Outstanding Debt includes Public Debt and Public Account Liabilities. Public Debt includes only Internal Debt and Loans from Government of India. Public Account Liability includes liabilities under small saving funds, GPF, Reserve funds etc.



During 2013-14, compared to the budget estimates, the tax revenue decreased by ₹ 3,835 crore (6.37 per cent) while non-tax revenue increased by ₹ 638 crore (10.00 per cent). Further, the revenue receipts decreased over the budget estimates by ₹ 5,776 crore (6.74 per cent) mainly on account of lower realization of tax revenue against budget estimates. Against an estimated revenue surplus of ₹ 4,602 crore, the financial year ended with a revenue surplus of ₹ 4,717 crore.

The revenue expenditure reflected decrease of ₹ 5,891 crore (7.26 per cent) over the budget estimates and capital expenditure on General, Social and Economic Services decreased by ₹ 1,721 crore (7.05 per cent) against the budget estimates. The actual capital expenditure, though increased over the previous year, stood lower than the budget estimate, indicating asset creation was not given as much priority as initially intended in the budget estimates. The improvement in actual revenue surplus over the budget estimates has mainly been on account of lower revenue expenditure than estimated. Due to lower revenue and capital expenditure than budgeted, the actual fiscal deficit stood lower than what was estimated and consequently resulted in lower primary deficit than estimated.

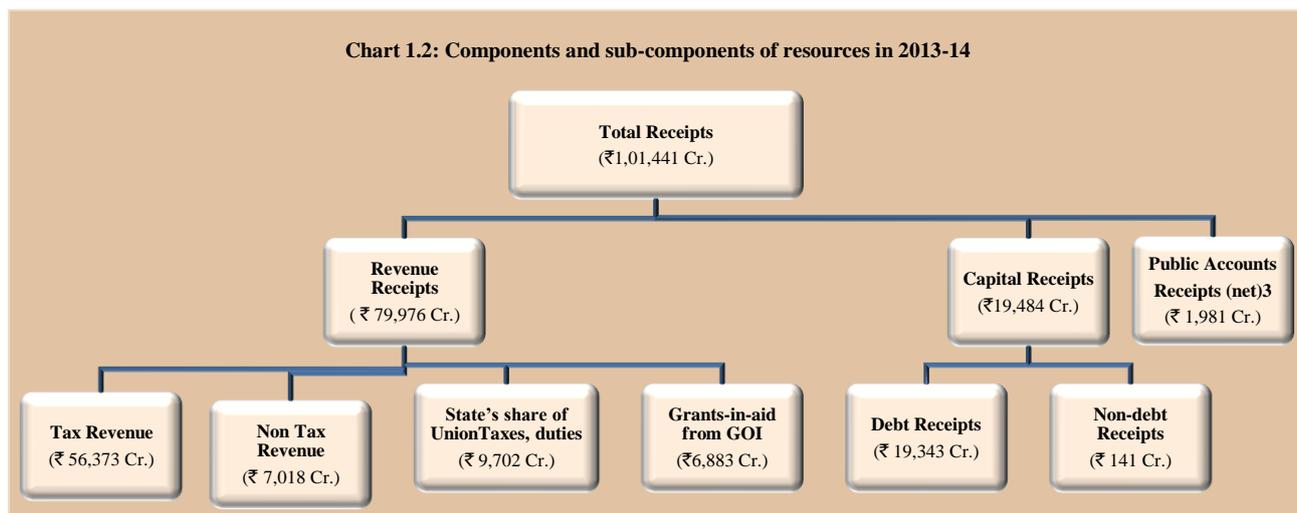
The budget proposals included an increase of tax rate on cigarette made from tobacco and included sale of used two wheelers and commercial vehicles in tax net for increasing the State's revenue receipts. Also concessions were given in VAT and property tax and electricity duty totalling about ₹ 245 crore.

## 1.2 Resources of the State

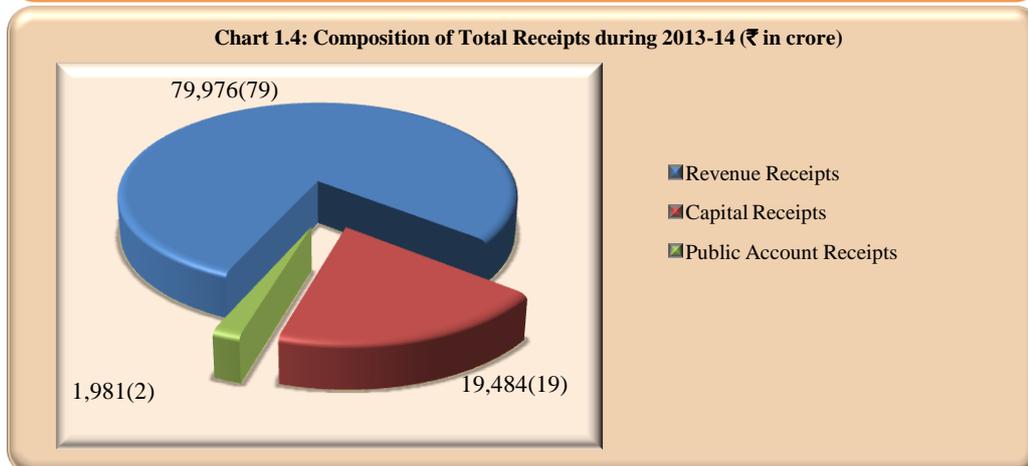
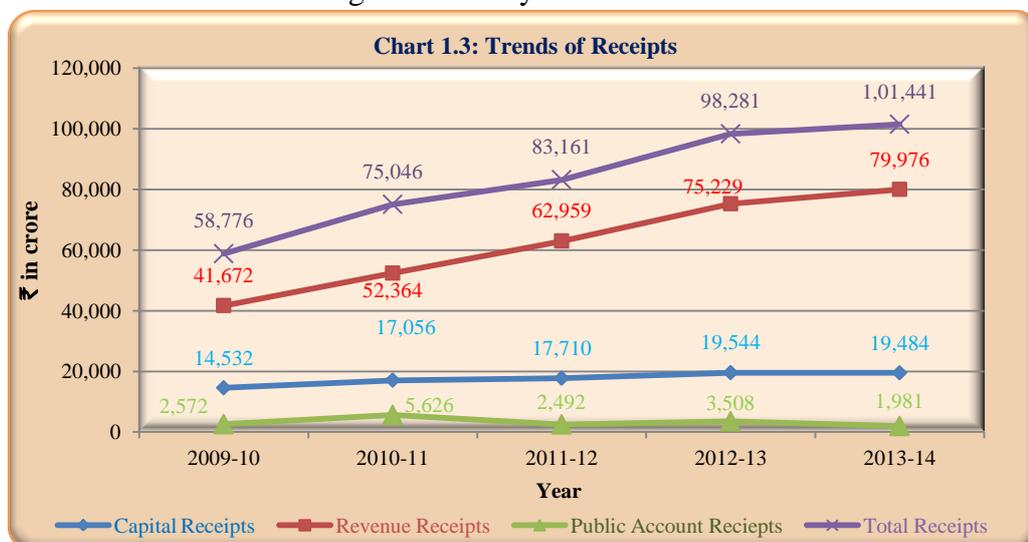
### 1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and Grants-in-aid from the Government of India. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from the Public Account. **Table 1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual

Finance Accounts. The flow **Chart 1.2** depicts the components and sub-components of resources during the year 2013-14.



While **Chart 1.3** depicts the trends of various components of the State's receipts during 2009-10 to 2013-14, the **Chart 1.4** depicts the composition of resources of the State during the current year 2013-14.



Figures in parenthesis indicates percentage share

<sup>3</sup>Public Accounts Receipts (Gross) is ₹ 52,020 crore

The total resources of the State Government increased steadily from ₹ 58,776 crore in 2009-10 to ₹ 1,01,441 crore in 2013-14. The increase in total resources during the period of 2009-10 to 2013-14 was 72.59 per cent. The relative share of Revenue receipts which stood at 71 per cent of the total resources in 2009-10 increased to 79 per cent in 2013-14, while that of Capital receipts and Public Account receipts to total resources, declined from 24.72 per cent and 4.54 per cent in 2009-10 to 19.20 per cent and 1.95 per cent in 2013-14 respectively. The percentage of tax receipts to revenue receipts increased significantly from 64 per cent in 2009-10 to 70 per cent in 2013-14.

### **1.2.2 Funds transferred by the Central Government to State Implementing Agencies outside the State Budget**

The Central Government had been transferring a sizeable quantum of funds directly to the State Implementing Agencies<sup>4</sup> for the implementation of various schemes/programmes in the social and economic sector. As these funds were not routed through the State Budget/State Treasury System, the Annual Finance Accounts did not capture these fund flows and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them were not representing the whole picture. During 2013-14, ₹ 4,785.40 crore was transferred to the State Implementing Agencies which was ₹ 34.24 crore less than that of the previous year. The funds directly transferred to State Implementing Agencies are presented in **Table 1.4**.

**Table 1.4: Funds transferred directly to State Implementing Agencies**

(₹ in crore)

Sl. No.	Programme/Scheme	Implementing Agency in the State	2011-12	2012-13	2013-14
1	Sarva Shiksha Abhiyan	Gujarat Council of Primary Education	880.28	1,139.18	805.60
2	Accelerated Rural Water Supply Scheme	Gujarat Water Supply and Sewerage Board	571.05	717.47	515.07
3	National Rural Health Mission	State Health Society Gujarat	550.92	455.39	538.51
4	Integrated Watershed Management Program	Gujarat State Watershed Management Agency, Gandhinagar	198.06	348.05	62.77
5	Mahatma Gandhi National Rural Employment Guarantee Scheme	DRDA and Gujarat State Watershed Management Agency, Gandhinagar	324.29	342.59	335.30
6	Rural Housing (Indira Awas Yojana)	DRDAs	380.53	206.49	266.52
7	National Mission on Micro Irrigation	Gujarat Green Revolution Company Limited	166.64	182.00	220.00
8	MPs Local Area Development Scheme	District Collectors	103.50	144.50	192.50
9	Pradhan Mantri Gram Sadak Yojana	Gujarat State Rural Roads Development Agency	66.59	125.74	519.24
10	National Horticulture Mission	Gujarat Horticulture Mission	92.98	100.25	119.22
11	Others	NGOs and other institutions (each receiving less than ₹ 100 crore)	1,058.00	1,057.98	1,210.67
<b>Total</b>			<b>4,392.84</b>	<b>4,819.64</b>	<b>4,785.40</b>

Source: Central Plan Scheme Monitoring System (CPSMS) of the Controller General of Accounts (CGA).

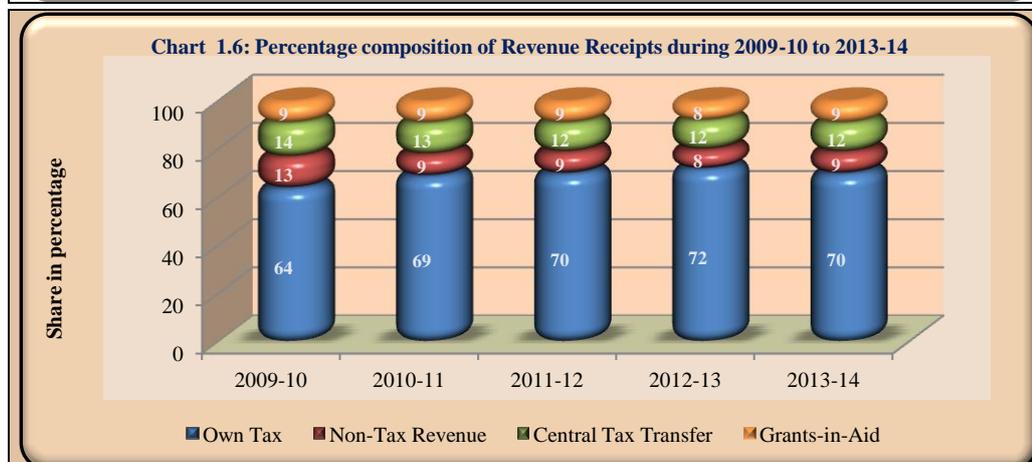
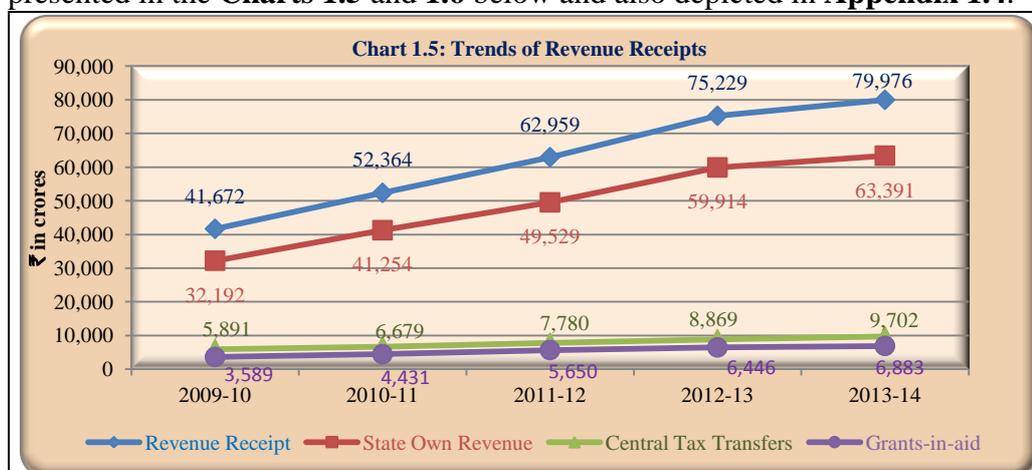
<sup>4</sup> See glossary

During 2013-14, direct transfers from the Union Government to Sarva Shiksha Abhiyan constituted 16.83 per cent of the total transfers. Other major programmes/schemes which received funds directly from the Union Government were Accelerated Rural Water Supply Scheme (10.76 per cent), National Rural Health Mission (11.25 per cent), Pradhan Mantri Gram Sadak Yojana (10.85 per cent) and Mahatma Gandhi National Rural Employment Guarantee Scheme (7.01 per cent).

The Government of India has now decided that the plan assistance under all Centrally Sponsored Schemes (CSS) and block grants would be classified as Central Assistance to State Plan. It has also decided to transfer the central assistance through the Consolidated Fund of the state in a phased manner from 2014-15 onwards.

### 1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State’s own tax and non-tax revenues, Central tax transfers and Grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2009-10 to 2013-14 are presented in the **Charts 1.5** and **1.6** below and also depicted in **Appendix 1.4**.



The revenue receipts during the year 2013-14 grew by 6.31 per cent over the previous year due to 16.63 per cent increase in non-tax revenue, 4.59 per cent increase in State’s own tax revenue, 6.78 per cent increase in grants-in-aid and

9.39 *per cent* increase in central tax transfer. The growth rate of own tax revenue of 4.59 *per cent* was least among all constituents of revenue receipts.

The revenue receipts of the State increased steadily from ₹ 41,672 crore in 2009-10 to ₹ 79,976 crore in 2013-14 with significant improvement in the share of State's own tax revenue while share of non-tax revenue declined from 13 *per cent* in 2009-10 to nine *per cent* in 2013-14.

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As the GSDP grows, the ability of the State's own tax revenue should increase. The trends of revenue receipts relative to GSDP are presented in **Table 1.5** below:

**Table 1.5: Trends of Revenue Receipts relative to GSDP**

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue Receipts (RR) (₹in crore)</b>	<b>41,672</b>	<b>52,364</b>	<b>62,959</b>	<b>75,229</b>	<b>79,976</b>
Rate of growth of RR ( <i>per cent</i> )	7.75	25.66	20.23	19.49	6.31
R R/GSDP ( <i>per cent</i> )	9.66	10.04	10.59	11.23	10.33
<b>Buoyancy Ratios</b>					
Revenue Buoyancy w.r.t. GSDP <sup>5</sup>	0.45	1.23	1.44	1.54	0.41
State's Own Tax Buoyancy w.r.t. GSDP.	0.78	1.72	1.55	1.72	0.30
Revenue Buoyancy with reference to State's own taxes	0.57	0.71	0.93	0.89	1.37

Source: Finance Accounts of the respective years

The GSDP at current prices increased from ₹ 6,70,016 crore in 2012-13 to ₹ 7,73,990 crore in 2013-14 representing an increase of 15.52 *per cent*. The growth rate of revenue receipts continuously declined from a high of 25.66 *per cent* in 2010-11 to 19.49 *per cent* in 2012-13 and further declined to 6.31 *per cent* during the year 2013-14. This was mainly due to sharp decline in growth rate of own tax revenue from 36 *per cent* in 2010-11 to 22 *per cent* in 2012-13 and further to 4.59 *per cent* in 2013-14. During the period from 2009-10 to 2013-14, the revenue receipts grew at lowest rate in 2013-14 mainly on account of lowest growth rate of own tax revenue.

Revenue Buoyancy during this period with reference to the growth rate of GSDP showed continuously increasing trend except for 2013-14. The sharp decline in revenue buoyancy in 2013-14 was mainly on account of exceptionally low growth rate of revenue receipts. The decline in state's own tax buoyancy in 2013-14 largely contributed to the steep fall in state's revenue buoyancy.

### **1.3.1 State's Own Resources**

As the State's share in Central taxes and grants-in-aid is determined on the basis of recommendations of the Central Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes etc., the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as

<sup>5</sup> Figures differ from last year's report due to change in GSDP figures of 2009-10 to 2011-12

the components of non-tax receipts, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2009-10 to 2013-14 along with the respective all-India average are presented in **Appendix 1.5**.

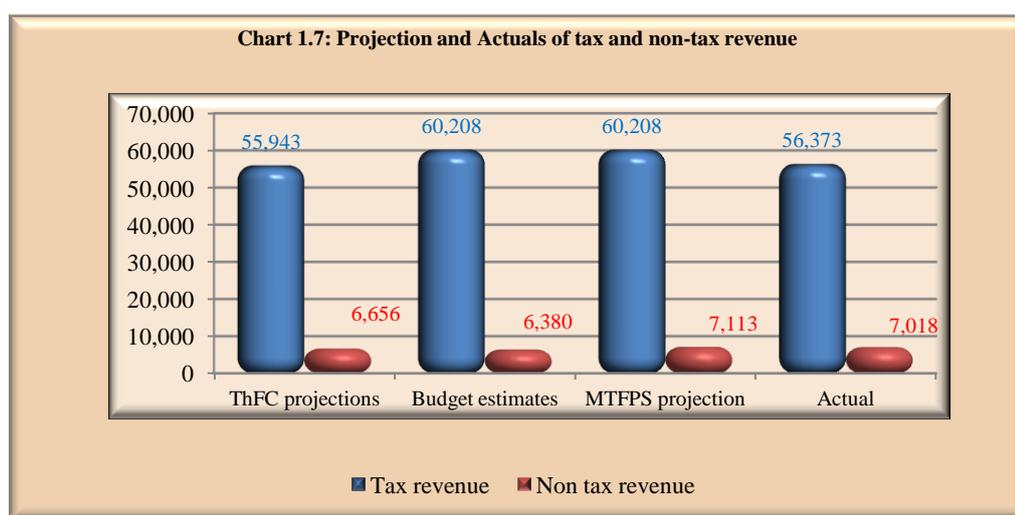
The State's actual tax and non-tax receipts for the year 2013-14 *vis-à-vis* assessment made by ThFC and MTFPS (February 2013) are presented in **Chart 1.7** and **Table 1.6** below:

**Table 1.6: Projections and Actuals of tax and non-tax revenues**

(₹ in crore)

	ThFC projections	Budget estimates	MTFPS projection	Actual
<b>Tax revenue</b>	55,943	60,208	60,208	56,373
<b>Non tax revenue</b>	6,656	6,380	7,113	7,018

Source: Finance Account of Gujarat State 2013-14 and Budget Publication No. 30 of GoG.



The tax revenue of the State in 2013-14 slightly exceeded the ThFC projection by ₹ 430 crore. However, it could not achieve the target of budget estimates and MTFPS projection and stood lower by ₹ 3,835 crore (6.37 per cent). Actual non-tax revenue was slightly less than MTFPS projections and more than ThFC projections (5.44 per cent) and budget estimates (10.00 per cent).

### 1.3.1.1 Tax revenue

The main components of tax revenue raised in the State during 2009-10 to 2013-14 are given in **Table 1.7**.

**Table 1.7: Main components of State's tax revenue**

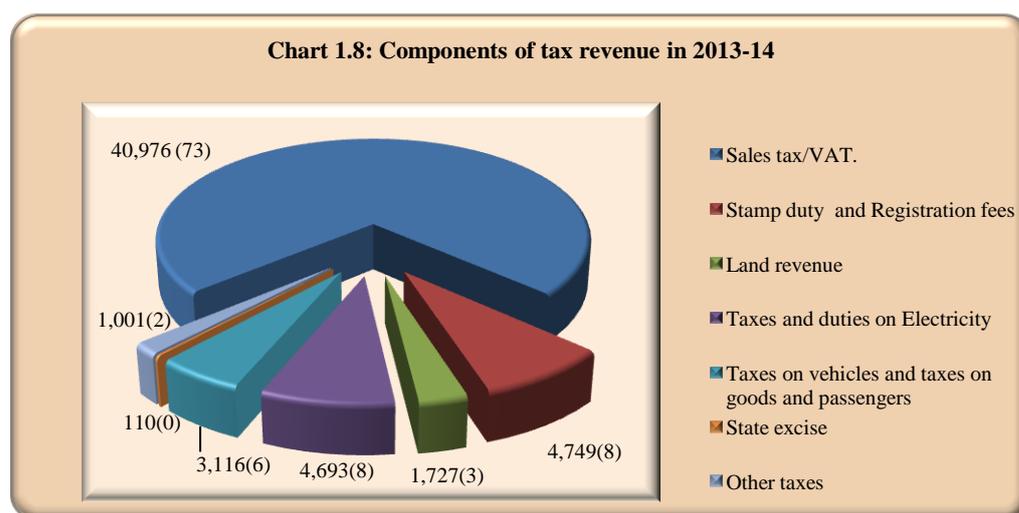
(₹ in crore)

Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage increase over previous year
Sales tax/VAT	18,199.79	24,893.45	31,202.31	39,464.67	40,976.06	3.83
Stamp duty and Registration fees	2,556.72	3,666.24	4,670.27	4,426.93	4,749.35	7.28
Land revenue	1,161.20	1,788.78	1,477.18	2,207.85	1,727.41	(-)21.76

Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage increase over previous year
Taxes and duties on Electricity	2,643.65	3,262.64	3,654.56	4,406.60	4,692.77	6.49
Taxes on vehicles and taxes on goods and passengers	1,549.55	2,010.07	2,459.37	2,486.84	3,116.37	25.31
State excise	65.94	62.97	72.11	84.91	109.82	29.34
Other taxes	563.38	654.48	716.49	818.89	1,000.59	22.19
<b>Total</b>	<b>26,740.23</b>	<b>36,338.63</b>	<b>44,252.29</b>	<b>53,896.69</b>	<b>56,372.37</b>	<b>4.59</b>

Source: Finance Accounts of the respective years

The components of tax revenue for the year 2013-14 are presented in **Chart 1.8** below.



Figures in parenthesis indicates percentage share

The State's own tax revenue increased by 4.59 *per cent* during 2013-14 over the previous year. Except land revenue, all the components of own tax revenue grew during 2013-14. Receipts under VAT, the most important contributor to the state's own resources grew only at 3.83 *per cent* in 2013-14 mainly due to less receipt of tax on crude oil, motor spirit and lubricants. The lower growth rate of VAT receipts mainly resulted in decline in growth rate of revenue receipts in 2013-14 over the previous year.

Taxes and duties on electricity showed an increase of ₹ 286 crore during the year and was 6.49 *per cent* more than previous year. Land Revenue decreased by ₹ 480 crore registering decrease of 21.76 *per cent* during 2013-14 from the previous year due to decline in the receipt. The ThFC projected the tax-GSDP ratio in 2013-14 at 8.33 *per cent* for Gujarat, however it actually stood at only 7.28 *per cent*. Thus, to achieve the target as projected by the ThFC, the state government should take necessary steps to augment the tax revenue especially by better tax compliance.

### 1.3.1.2 Non-tax Revenue

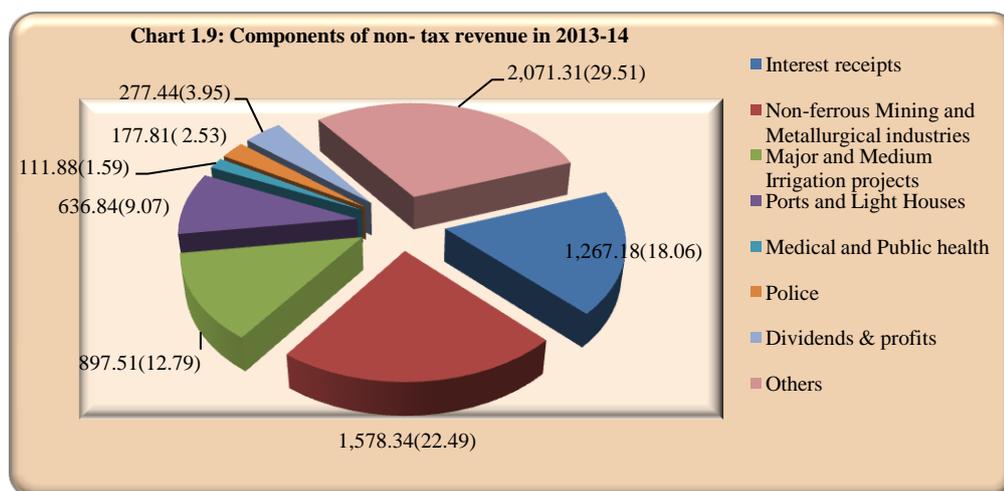
The main components of non- tax revenue raised in the State during 2009-10 to 2013-14 are given in **Table 1.8**.

**Table 1.8: Main components of State’s non-tax revenue**

Revenue Head	₹ in crore)					Percentage increase over previous years
	2009-10	2010-11	2011-12	2012-13	2013-14	
Interest receipts	419.44	403.89	631.89	1,325.84	1,267.18	(-)4.42
Non-ferrous Mining and Metallurgical industries	2,138.98	2,019.31	1,819.64	1,847.16	1,578.34	(-)14.55
Major and Medium Irrigation projects	504.61	618.14	684.15	714.13	897.51	25.68
Ports and Light Houses	344.41	361.23	453.51	577.68	636.84	10.24
Medical and Public health	62.40	118.11	90.76	126.34	111.88	(-)11.45
Police	101.45	149.08	138.97	163.84	177.81	8.53
Dividends & profits	76.72	114.43	128.93	54.31	277.44	410.85
Others	1,803.70	1,130.83	1,328.67	1,207.69	2,071.31	71.51
<b>Total</b>	<b>5,451.71</b>	<b>4,915.02</b>	<b>5,276.52</b>	<b>6,016.99</b>	<b>7,018.31</b>	<b>16.64</b>

Source: Finance Accounts of the respective years

The components of non-tax revenue for the year 2013-14 are presented in **Chart 1.9** below.



Figures in parenthesis indicates percentage share

The non-tax revenue of the State during 2013-14 increased by ₹ 1,001 crore (16.64 per cent) over the previous year mainly on account of higher growth of dividends and profit along with irrigation receipts. The interest receipts declined by four per cent over the previous year mainly due to decrease of interest income to ₹ 397 crore in 2013-14 from ₹ 1,169 crore in 2012-13 from local bodies. The major contributor of non-tax revenue i.e. the receipts from Non-Ferrous Mining and Metallurgical Industries decreased by 14.55 per cent in 2013-14 over the previous year.

The dividends and profits increased by 411 per cent during 2013-14 over the previous year. The Government received dividends mainly from

Gujarat Mineral Development Corporation Ltd. (₹ 141 crore), Gujarat State Petrochemical Corporation Ltd. (₹ 100 crore) and Gujarat State Financial Services Corporation Ltd. (₹ 26 crore). However, the State Government had not yet formulated any dividend policy regarding payment of minimum return by the PSUs on paid up share capital contributed by the State Government.

As pointed out earlier in the **Chart 1.6** the share of non-tax revenue in revenue receipt continuously decreased from 13 *per cent* in 2009-10 to nine *per cent* in 2013-14.

### **1.3.2 Grants-in-aid from Government of India**

The components of grants in aid received from the Government of India (GoI) during 2009-10 to 2013-14 are given in **Table 1.9**.

**Table 1.9: Main components of Grants-in-aid from GoI**

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Non-Plan Grants	837.39	1,063.60	1,467.13	1,230.30	2,079.21
Grants for State Plan Schemes	1,801.22	2,029.25	2,227.79	3,466.74	2,604.46
Grants for Central Plan Schemes	55.98	94.46	70.71	83.41	58.21
Grants for Centrally Sponsored Schemes	894.91	1,243.24	1,884.23	1,665.35	2,141.25
Total	<b>3,589.50</b>	<b>4,430.55</b>	<b>5,649.86</b>	<b>6,445.80</b>	<b>6,883.13</b>
Percentage of increase over previous year	-16.40	23.43	27.52	14.09	6.78
Total grants as a percentage of Revenue Receipts	8.61	8.46	8.97	8.57	8.61

Source: Finance Accounts of the respective years

The Grants-in-aid from GoI increased from ₹ 3,590 crore in 2009-10 to ₹ 6,883 crore in 2013-14 (91.72 *per cent*) mainly on account of increase in non-plan grants (148.30 *per cent*) and Centrally Sponsored Schemes (139.27 *per cent*).

The increase of 6.78 *per cent* in grants-in-aid from GoI in 2013-14 over previous year was mainly due to increase in non-plan grants (69.00 *per cent*) and grants for Centrally Sponsored Schemes (28.58 *per cent*).

### **1.3.3 Central Tax transfers**

The ThFC had recommended the States' share of Central taxes to be increased to 32 *per cent* from 30.50 *per cent* as recommended by TwFC. It awarded 3.041 *per cent* of shareable taxes excluding service tax and 3.089 *per cent* of shareable service tax to Gujarat in its award period (2010-11 to 2014-15). The central tax transfer stood at ₹ 9,702 crore in 2013-14 registering a growth of 9.39 *per cent* over the previous year (₹ 8, 869 crore).

### **1.3.4 Optimisation of the ThFC grants**

The recommendations of ThFC for the award period 2010-15 include release of grants-in-aid to the State Governments. Consequently, Gujarat State had to receive various grants in conformity with the recommendations of the ThFC.

The category wise amounts allocated as per the ThFC award and the amounts received there against are given in **Table 1.10** below:

**Table 1.10: Details of amounts awarded and received**

				(₹ in crore)
Sl. No.	Transfers	Amount awarded	Amount received	Difference
<b>1.</b>	<b>Local Bodies</b>	<b>943.64</b>	<b>596.50</b>	<b>347.14</b>
	Grants to PRIs	348.85	356.87	(-)8.02
	General performance grants to PRI	238.32	23.69	214.63
	Grants to ULBs	194.65	199.12	(-)4.47
	General performance grants to ULBs	132.98	0.00	132.98
	Scheduled Area Grant	14.42	14.40	0.02
	Scheduled Area Performance Grant	14.42	2.42	12.00
<b>2</b>	<b>Disaster Relief</b>	<b>441.95</b>	<b>441.95</b>	<b>0.00</b>
<b>3</b>	<b>Improving outcome grants</b>	<b>85.80</b>	<b>5.20</b>	<b>80.60</b>
<b>4</b>	<b>Environment related grants</b>	<b>79.48</b>	<b>20.48</b>	<b>59.00</b>
<b>5</b>	<b>Elementary education</b>	<b>113.00</b>	<b>113.00</b>	<b>0.00</b>
<b>6</b>	<b>Roads and bridges</b>	<b>324.00</b>	<b>324.00</b>	<b>0.00</b>
<b>7</b>	<b>State specific grants</b>	<b>325.00</b>	<b>240.12</b>	<b>84.88</b>
	<b>Total</b>	<b>2,312.87</b>	<b>1,741.25</b>	<b>571.62</b>

Source: Finance Department of Government of Gujarat

As per the ThFC award, during 2013-14 the State was entitled to receive ₹ 2,312.87 crore as grants-in-aid from GoI against which it had received ₹ 1,741.25 crore only (75.28 per cent of the award). On being pointed out (June 2014), in case of general performance grants to ULBs, the Urban Development and Urban Housing Department replied that due to non fulfillment of condition to bring the elected representatives of PRIs and ULBs under an independent Ombudsman/Lokayukta the grant was not released.

### State specific needs

The State was entitled to receive ₹ 325 crore as grant from GoI during 2013-14 under the category of state specific needs. The amounts allocated and the amounts received there against are given in **Table 1.11**.

**Table 1.11: Details of amounts awarded and received**

				(₹ in crore)
Sl. No.	Specific need	Amount awarded	Amount received	Difference
1	Ingress of Salinity	37.50	0.00	37.50
2	Coastal Erosion	37.50	0.00	37.50
3	Ground Water Recharge	50.00	65.12	(-)15.12
4	Police Training	53.75	53.75	0.00
5	Tribal Area Development	50.00	50.00	0.00
6	Public Health	59.25	59.25	0.00
7	Construction of Border Roads	25.00	0.00	25.00
8	Gir Lion Project	12.00	12.00	0.00
	<b>Total</b>	<b>325.00</b>	<b>240.12</b>	<b>84.88</b>

Source: Finance Department of Government of Gujarat

Out of eight projects/schemes, in two schemes pertaining to Narmada, Water Resources, Water Supply and Kalpsar (NWRWSK) department and one scheme pertaining to Road and Buildings Department the State Government did not receive ₹ 100 crore in 2013-14. On being pointed out, NWRWSK

Department replied (July 2014) that grant of ₹ 43.30 crore for 2013-14 was released only in June 2014 in case of ingress of salinity. In case of Coastal erosion works, the department stated (July 2014) that grant was not disbursed as physical verification was not carried out by Ministry of Environment and Forest. In case of construction of Border Roads, no reply has been received from the concerned department (October 2014).

## 1.4 Capital Receipts

Trends in growth and composition of receipts of the State are given in the **Table 1.12**.

**Table 1.12: Details of Capital Receipts**

(₹ in crore)					
Sources of State's Receipts	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Capital Receipts (CR)</b>	<b>14,532</b>	<b>17,056</b>	<b>17,710</b>	<b>19,544</b>	<b>19,484</b>
Miscellaneous Capital Receipts	136	91	10	0	0
Recovery of Loans and Advances	151	283	165	47	141
Public Debt Receipts	14,245	16,681	17,535	19,497	19,343
Rate of growth of debt capital receipts	38.21	17.10	5.11	11.19	(-0.79)
Rate of growth of non-debt capital receipts	42.08	30.31	-53.21	-73.14	200
Rate of growth of GSDP	17.22	20.93	14.01	12.69	15.52
Rate of growth of CR (per cent)	38.29	17.34	3.83	10.36	(-0.30)

Source: Finance Accounts of the respective years

The capital receipts of the State increased from ₹ 14,532 crore in 2009-10 to ₹ 19,484 crore in 2013-14. As public debt receipts form almost 99.27 per cent of capital receipts, the growth rate of capital receipts of state reflected a similar trend as debt capital receipts. During 2013-14 the growth rate of debt capital receipt was negative mainly due to less public debt receipt over the previous year. The trends in the total Public Debt Receipts are given in **Table 1.13**.

**Table 1.13: Public Debt Receipts**

(₹ in crore)					
	2009-10	2010-11	2011-12	2012-13	2013-14
Market Borrowings	9,000	11,500	16,500	15,546	15,493
NSSF (National Small Saving Fund)	4,168	4,136	67	1,659	1,912
Loans from Other Financial Institutions	991	886	780	1,700	1,777
<b>Total Internal Debt</b>	<b>14,159</b>	<b>16,522</b>	<b>17,347</b>	<b>18,905</b>	<b>19,182</b>
<b>Loans and Advances from GoI</b>	<b>86</b>	<b>159</b>	<b>188</b>	<b>592</b>	<b>161</b>
<b>Total Public Debt Receipts</b>	<b>14,245</b>	<b>16,681</b>	<b>17,535</b>	<b>19,497</b>	<b>19,343</b>

Source: Finance Accounts of the respective years

During 2013-14, the internal debt receipt increased by ₹ 277 crore mainly on account of increase in NSSF loans. The market borrowings having predominant share decreased by ₹ 53 crore in 2013-14 over the previous year. The total receipt of debt from internal sources increased continuously (35 per cent) from 2009-10 to 2013-14.

The total public debt receipts also increased by 36 per cent from 2009-10 to 2013-14. Against increase of 1.46 per cent in debt receipts from Internal

Sources in 2013-14 over the previous year, there was decrease of 0.79 per cent in total public debt receipts. This happened mainly due to decrease in loans and advances from the Government of India and also minor decrease in market borrowings.

## 1.5 Public Accounts Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use. The resources under various heads of Public Account Receipts are given in **Table 1.14**.

**Table: 1.14: Public Accounts Receipts (Net)**

(₹ in crore)

Resources under various heads	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Public Account Receipts</b>					
a. Small Savings, Provident Fund etc.	1,019	705	558	589	507
b. Reserve Fund	768	998	680	488	84
c. Deposits and Advances	1,178	2,533	1,358	1,844	2,242
d. Suspense and Miscellaneous	-583	1,312	-57	656	-1,033
e. Remittances	190	78	-47	-69	181
<b>Total</b>	<b>2,572</b>	<b>5,626</b>	<b>2,492</b>	<b>3,508</b>	<b>1,981</b>

Source: Finance Accounts of the respective years

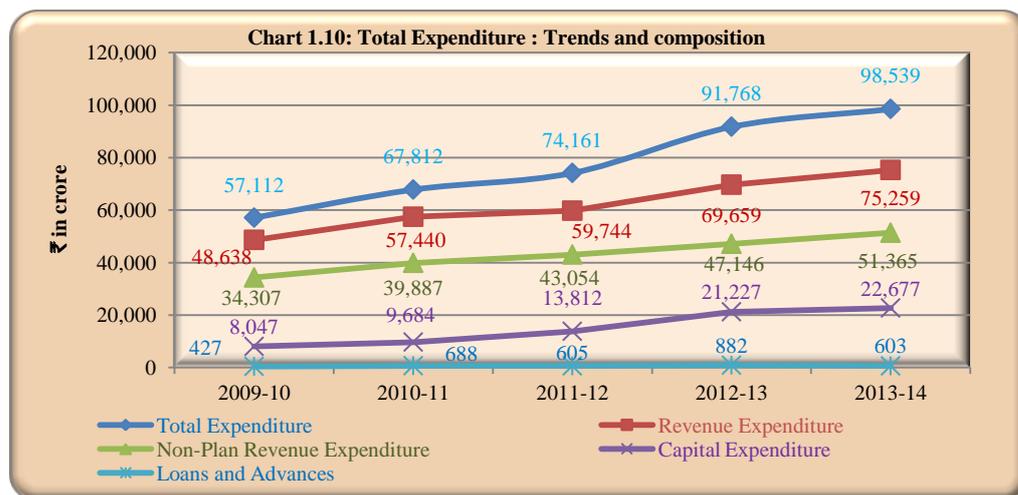
The net Public Account Receipts decreased from ₹ 2,572 crore in 2009-10 to ₹ 1,981 crore in 2013-14 with a high of ₹ 5,626 crore in 2010-11. The net availability of funds under Small Savings, Provident Fund, Reserve Fund and Deposits and Advances are being consistently used in financing of fiscal deficit.

## 1.6 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards the State's working as a welfare state.

### 1.6.1 Growth and Composition of Expenditure

**Chart 1.10** presents the trends in total expenditure over a period of five years (2009-10 to 2013-14) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Tables 1.15** and **1.16** respectively.



The total expenditure during 2013-14 increased by 7.38 per cent over the previous year due to 8.04 per cent increase in revenue expenditure and 6.83 per cent in capital expenditure. The revenue expenditure stood at 76 per cent of the total expenditure, of which 68 per cent was the Non-Plan component.

During 2013-14, the plan revenue expenditure grew at 6.13 per cent while the non plan revenue expenditure grew at 8.95 per cent.

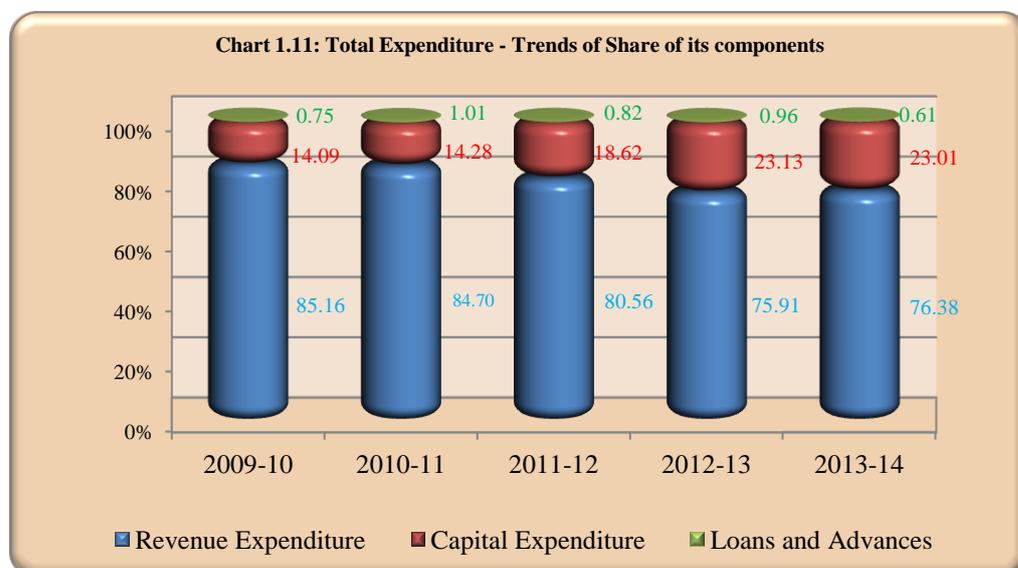
Table 1.15: Total Expenditure- Trends of Share of its components

(Figures in per cent)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Expenditure	85.16	84.70	80.56	75.91	76.38
Capital Expenditure	14.09	14.28	18.62	23.13	23.01
Loans and Advances	0.75	1.01	0.82	0.96	0.61

Source: Finance Accounts of the respective years

Chart 1.11 presents composition of total expenditure over a period of five years (2009-10 to 2013-14).



The share of revenue expenditure in total expenditure declined from 85.16 per cent in 2009-10 to 76.38 per cent in 2013-14 mainly on account of high growth rate attained by capital expenditure during this period except 2013-14.

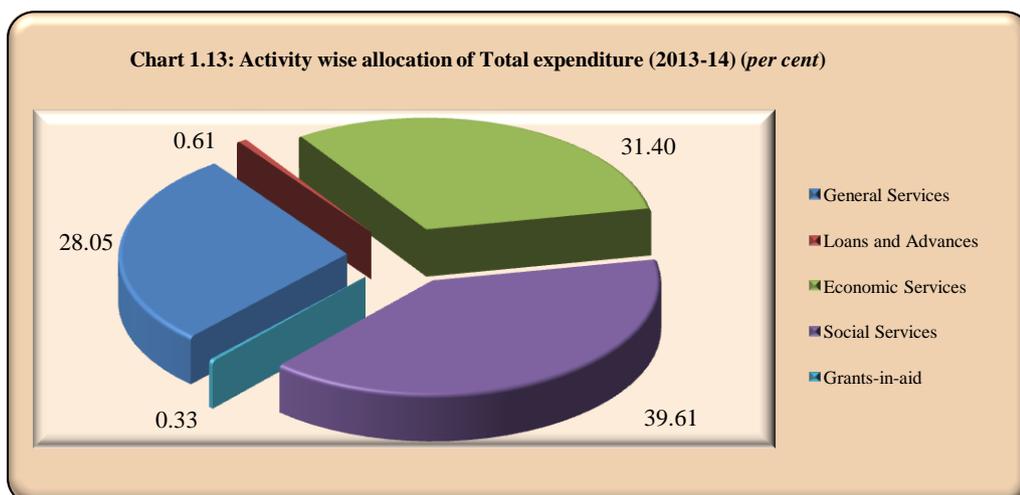
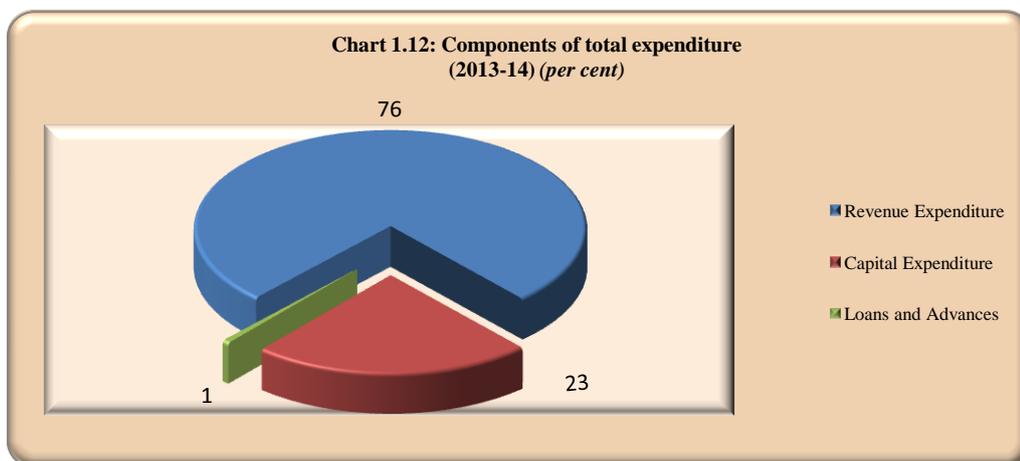
**Table: 1.16: Total Expenditure- Trends by activities** *(Share in per cent)*

	2009-10	2010-11	2011-12	2012-13	2013-14
General Services	29.98	29.62	29.72	27.07	28.05
Social Services	37.90	38.91	37.56	38.81	39.61
Economic Services	31.19	30.19	31.64	32.98	31.40
Loans and Advances	0.75	1.01	0.82	0.96	0.61
Grants-in-aid	0.18	0.27	0.26	0.18	0.33

Source: Finance Accounts of the respective years

The movement of relative share of these components indicates that the share of General Services remained static from 2009-10 to 2011-12 and decreased during 2012-13. The increase in share of General Services in 2013-14 resulted in decrease in share of development expenditure. The share of social services has shown an increasing trend as to percentage of total expenditure at 39.61 per cent during 2013-14.

**Chart 1.12** and **Chart 1.13** present components to total expenditure (in per cent) and activity wise allocation of total expenditure (in per cent) for the year 2013-14.



### 1.6.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services. The overall revenue expenditure, its rate of growth and ratio of revenue expenditure to GSDP are indicated in **Table 1.17**.

**Table 1.17: Trends of Revenue Expenditure relative to GSDP**

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue Receipts (RR)</b> (₹ in crore)	<b>41,672</b>	<b>52,364</b>	<b>62,959</b>	<b>75,229</b>	<b>79,976</b>
Rate of growth of RR ( <i>per cent</i> )	7.75	25.66	20.23	19.49	6.31
<b>Revenue Expenditure (RE)</b> (₹ in crore)	<b>48,638</b>	<b>57,440</b>	<b>59,744</b>	<b>69,659</b>	<b>75,259</b>
Rate of growth of RE ( <i>per cent</i> )	25.55	18.10	4.01	16.59	8.04
RE/ GSDP Ratio ( <i>per cent</i> )	11.28	11.01	10.05	10.40	9.72

Source: Finance Accounts of the respective years

Revenue expenditure continuously increased from ₹ 48,638 crore in 2009-10 to ₹ 75,259 crore in 2013-14. However, the growth rate fluctuated widely from 25.55 *per cent* in 2009-10 to 4.01 *per cent* in 2011-12 to 8.04 *per cent* in 2013-14. The revenue receipts grew at 6.31 *per cent* in 2013-14 while the revenue expenditure grew at 8.04 *per cent*. Revenue expenditure as a *per cent* of GSDP decreased from a high of 11.28 *per cent* in 2009-10 to 9.72 *per cent* in 2013-14.

The increase in revenue expenditure during 2013-14 was mainly due to more expenditure on General Education (₹ 1,357 crore), Interest Payments (₹ 1,171 crore), Pension and Other Retirement Benefits (₹ 1,072 crore) and Housing (₹ 719 crore). Revenue expenditure during 2013-14 decreased for Rural Employment (₹ 197 crore), Power (₹ 182 crore), Roads & Bridges (₹ 72 crore) and Urban Development (₹ 147 crore). However, there was an overall increase of ₹ 5,600 crore in 2013-14 over the last year.

### 1.6.3 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.18** and **Chart 1.14** present the trends in the expenditure on these components during 2009-2014.

**Table 1.18: Components of Committed Expenditure**

Components of Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actuals
<b>Salaries, of which</b>	<b>4,760</b>	<b>5,555</b>	<b>6,216</b>	<b>6,707</b>	<b>7,220</b>	<b>7,209</b>
	(11.42)	(10.61)	(9.87)	(8.92)	(8.42)	(9.01)
Non-Plan Head	4,014	4,563	4,900	5,174	@	5,497
Plan Head*	746	992	1,316	1,533		1,712
<b>Interest Payments</b>	<b>8,590</b>	<b>9,627</b>	<b>10,934</b>	<b>12,161</b>	<b>13,659</b>	<b>13,332</b>
	(20.61)	(18.38)	(17.37)	(16.17)	(15.93)	(16.67)
<b>Expenditure on Pensions</b>	<b>4,513</b>	<b>5,779</b>	<b>6,145</b>	<b>7,198</b>	<b>7,270</b>	<b>8,270</b>
	(10.83)	(11.04)	(9.76)	(9.57)	(8.48)	(10.34)

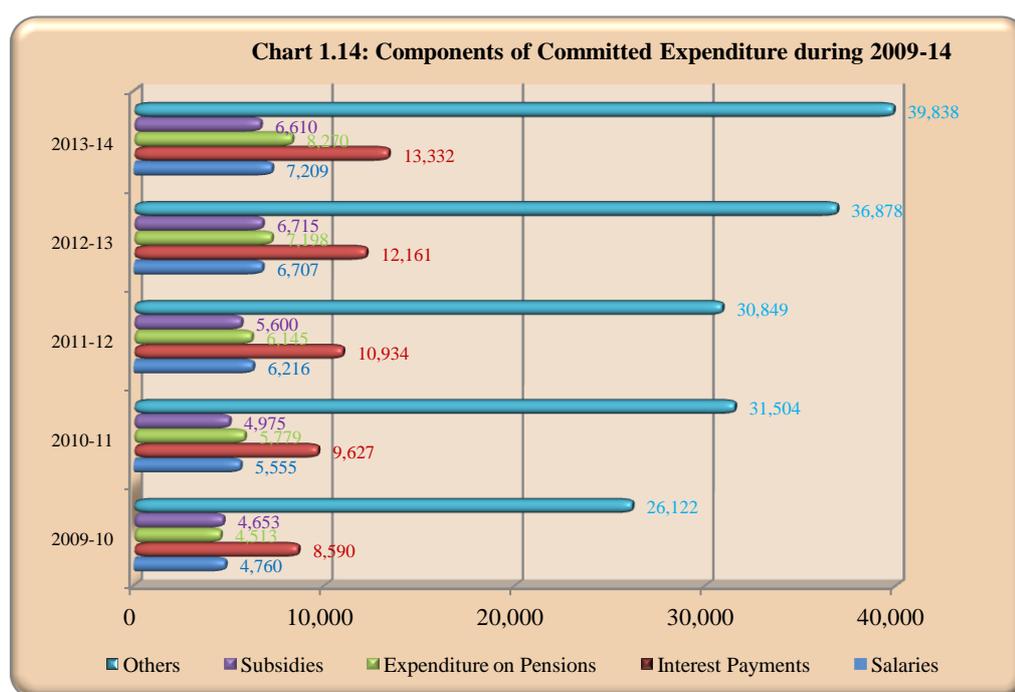
Components of Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actuals
Subsidies	4,653 (11.17)	4,975 (9.50)	5,600 (8.89)	6,715 (8.93)	4,311 (5.03)	6,610 (8.26)
Total expenditure on Salaries, Interest Payments, Pensions and Subsidies	22,516 (54.03)	25,936 (49.53)	28,895 (45.89)	32,781 (43.57)	32,460 (37.85)	35,421 (44.29)
Other components	26,122 (62.68)	31,504 (60.16)	30,849 (49.00)	36,878 (49.02)	48,690 (56.78)	39,838 (49.81)
Total Revenue Expenditure	48,638	57,440	59,744	69,659	81,150	75,259
Total Revenue Receipts	41,672	52,364	62,959	75,229	85,752	79,976

\*Plan head includes Salaries and Wages under Centrally Sponsored Schemes.

@ The bifurcation in Non-Plan and Plan is not available for BE.

Figures in parentheses indicate percentage of Revenue Receipts.

Source: Finance Accounts of the respective years



### 1.6.3.1 Expenditure on Salaries

In 2013-14, the expenditure on salaries increased by 7.48 per cent over the previous year. As a percentage of the revenue receipts, the expenditure on salaries increased from 8.92 per cent in 2012-13 to 9.01 per cent in 2013-14. The expenditure on salaries under the Non-Plan head increased from ₹ 4,014 crore in 2009-10 to ₹ 5,497 crore in 2013-14 mainly due to implementation of the recommendations of the Sixth Pay Commission.

### 1.6.3.2 Interest Payments

Interest payments increased steadily from ₹ 8,590 crore in 2009-10 to ₹ 13,332 crore in 2013-14. Interest payments, however, increased by 9.63 per cent over the previous year. The increase was mainly due to more payment of interest on market loans (₹ 934 crore) than that in the previous year. The share

of interest payment on market borrowings and special securities issued to NSSF was 47 *per cent* and 35 *per cent* respectively. However, interest payments as a percentage of revenue receipts declined from 20.61 *per cent* to 16.67 *per cent* during 2009-10 to 2013-14 respectively.

### ***1.6.3.3 Pension Payments***

The actual expenditure on pension was 13.76 *per cent* higher than the budget estimates of the Government. The estimated yearly pension liabilities were prepared on the basis of trend growth rates instead of actuarial basis. The expenditure on Pension during current year increased by ₹ 1,072 crore (14.89 *per cent*) over previous year, mainly on account of increase in payment of family pensions along with gratuities.

In its disclosure in compliance of Gujarat Fiscal Responsibility Act, 2005 the Government estimated the pension payment as percentage of Revenue Receipts to 7.93 *per cent*, however, it stood much higher at 10.34 *per cent*.

### ***1.6.3.4 Migration to New Pension Scheme***

The State Government has introduced the New Defined Contribution Pension Scheme (NPS) with effect from 1 April 2005. The State Government signed (January 2009) agreements with the NPS trust for the fund management of the Scheme and adopted (May 2009) the central architecture designed for this scheme. The Government contributed ₹ 206.45 crore as matching contribution in 2013-14 as compared to ₹ 152.50 crore in 2012-13.

### ***1.6.3.5 Expenditure on Subsidies***

The expenditure on subsidies increased by 42.06 *per cent* from ₹ 4,653 crore in 2009-10 to ₹ 6,610 crore in 2013-14. The expenditure on subsidies decreased during the current year by 1.56 *per cent* over the previous year though was much higher when compared to the Budget estimates for 2013-14. The subsidy in the Power Sector decreased to ₹ 3,611 crore in the current year when compared to ₹ 3,820 crore in the previous year, registering a decline of 5.47 *per cent*. The subsidy for the Power Sector against total subsidy was 54.62 *per cent* in the current year. The food and related subsidy decreased by 8.53 *per cent* from ₹ 211 crore (2012-13) to ₹ 193 crore (2013-14).

### ***1.6.4 Financial Assistance by the State Government to local bodies and other institutions***

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.19**.

**Table 1.19: Financial Assistance to Local Bodies etc.**

	(₹ in crore)				
Financial Assistance to Institutions	2009-10	2010-11	2011-12	2012-13	2013-14
Panchayati Raj Institutions ( PRIs)	8,526.14	7,039.32	13,087.87	14,464.38	17,295.00
Urban Local Bodies	4,000.48	10,258.27	3,619.49	3,100.74	2,914.06
Public sector Undertakings	638.11	-----	119.69	4.05	27.55
Autonomous Bodies	5,410.85	8,574.68	1,626.18	644.45	650.77
Others	1,849.81	----	9,489.01	12,910.99	15,273.20
<b>Total</b>	<b>20,425.39</b>	<b>25,872.27</b>	<b>27,942.24</b>	<b>31,124.61</b>	<b>36,160.58</b>
Assistance as percentage of Revenue Expenditure	41.99	45.04	46.77	44.68	48.05

Source: Finance Accounts of the respective years

Financial assistance to local bodies and other institutions increased from ₹ 20,425 crore in 2009-10 to ₹ 36,161 crore in 2013-14 which included payment of grants-in-aid to Municipal Corporations/Municipalities on account of abolition of octroi in November 2006. As a percentage of the revenue expenditure, it increased from 41.99 *per cent* in 2009-10 to 48.05 *per cent* in 2013-14.

## 1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, *viz.* adequacy of the expenditure, efficiency of expenditure use and its effectiveness.

### 1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.20** depicts the trend in revenue expenditure indicating the percentage of expenditure on developmental and non-developmental activities and **Table 1.21** depicts Share of Revenue and Capital Expenditure in Plan and Non Plan Expenditure during 2009-10 to 2013-14.

**Table 1.20: Percentage of expenditure on Developmental and Non-developmental activities**

	(₹ in crore)				
Components of Revenue Expenditure (RE)	2009-10	2010-11	2011-12	2012-13	2013-14
<sup>6</sup> Development Revenue Expenditure (DRE) (₹ in crore)	31,598	37,414	38,064	45,368	48,113
Share of DRE in RE ( <i>per cent</i> )	64.97	65.14	63.71	65.13	63.93

<sup>6</sup> Development revenue expenditure represents revenue expenditure on social and economic services.

Components of Revenue Expenditure (RE)	2009-10	2010-11	2011-12	2012-13	2013-14
<sup>7</sup> Non-Development Revenue Expenditure (NDRE) (₹ in crore)	17,040	20,026	21,680	24,291	27,146
Share of NDRE in RE ( <i>per cent</i> )	35.03	34.86	36.29	34.87	36.07
Total Revenue Expenditure (₹ in crore)	48,638	57,440	59,744	69,659	75,259

Source: Finance Accounts of the respective years

**Table 1.21: Share of Revenue and Capital expenditure in Plan and Non-plan expenditure (₹ in crore)**

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue Expenditure</b>	<b>48,638</b>	<b>57,440</b>	<b>59,744</b>	<b>69,659</b>	<b>75,259</b>
Plan Revenue Expenditure	14,331	17,553	16,690	22,513	23,894
Non-Plan Revenue Expenditure	34,307	39,887	43,054	47,146	51,365
<b>Capital Expenditure</b>	<b>8,047</b>	<b>9,684</b>	<b>13,812</b>	<b>21,227</b>	<b>22,677</b>
Plan Capital Expenditure	8,026	9,662	13,608	21,151	22,511
Non-Plan Capital Expenditure	21	22	204	76	166
<b>Total Expenditure<sup>#</sup></b>	<b>57,112</b>	<b>67,812</b>	<b>74,161</b>	<b>91,768</b>	<b>98,539</b>
<b>Percentage of Total Expenditure</b>					
Plan Revenue Expenditure	25.09	25.88	22.51	24.53	24.25
Non-Plan Revenue Expenditure	60.07	58.82	58.05	51.37	52.13
Capital Expenditure (Plan and Non-Plan)	14.09	14.28	18.62	23.13	23.01

Source: Finance Accounts of the respective years

<sup>#</sup>Includes Loans and Advances

The Plan Revenue Expenditure (PRE) has shown consistent increase over the period 2009-10 to 2013-14 except for a decrease during 2011-12. The Non Plan Revenue Expenditure (NPRE) has also shown consistent increase over the period 2009-10 to 2013-14. The Plan Capital Expenditure has also shown consistent increase over the period 2009-10 to 2013-14.

The increase in PRE during 2013-14 over previous year was mainly due to increased expenditure on Housing (₹ 713 crore) and Rural Development (₹ 241 crore) over the previous year. The increase in NPRE during 2013-14 was mainly due to increased expenditure on General Education (₹ 1,116 crore), Pension and other Retirement benefits (₹ 1,072 crore) and Interest payments (₹ 934 crore). The increase in Plan Capital Expenditure during 2013-14 over the previous year was mainly due to increased expenditure on Major Irrigation (₹ 1,836 crore), Water Supply and Sanitation (₹ 812 crore) and Urban Development (₹ 666 crore).

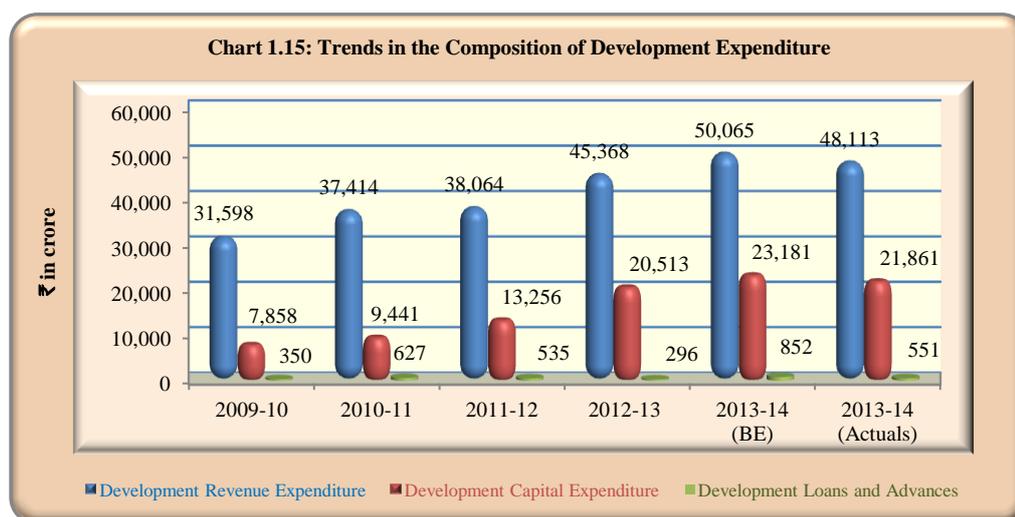
### 1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods<sup>8</sup>. Apart from

<sup>7</sup> Non Development revenue expenditure represents revenue expenditure on general services and grants-in-aid and contributions.

<sup>8</sup> See glossary

improving the allocation towards development expenditure<sup>9</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure on operation and maintenance of the existing social and economic services. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would be the quality of expenditure. **Chart 1.15** presents the trends in development expenditure relative to the aggregate expenditure *vis-à-vis* budget estimates during the current year i.e. 2013-14. **Table 1.22** provides the details of capital expenditure and the components of revenue expenditure under selected social and economic services.



Development expenditure of the State comprises revenue and capital expenditure including loans and advances on socio-economic services. The development expenditure increased from ₹ 39,806 crore in 2009-10 to ₹ 70,525 crore in 2013-14. As a percentage of the total expenditure, the total development expenditure of the State increased from 69.70 per cent in 2009-10 to 71.57 per cent in 2013-14. The capital expenditure component increased from ₹ 7,858 crore in 2009-10 to ₹ 21,861 crore in 2013-14. The percentage of development capital expenditure to the aggregate expenditure during the current year was 22.19 per cent whereas the revenue expenditure component was 48.83 per cent. The percentage of Development Loans and Advances to aggregate expenditure decreased from 0.61 per cent in 2009-10 to 0.56 per cent in 2013-14.

<sup>9</sup> The aggregate expenditure data segregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the expenditure on social and economic services constitutes development expenditure, while expenditure on general services is treated as non-development expenditure.

Table 1.22: Efficiency of Expenditure under selected Social and Economic Services

(figures in per cent)

Social/Economic Infrastructure	2012-13		2013-14	
	Share of Capital Expenditure to Total Expenditure	In Revenue Expenditure, the share of Salaries	Share of Capital Expenditure to Total Expenditure	In Revenue Expenditure, the share of Salaries
<b>Social Services (SS) (absolute figures- ₹ in crore)</b>	<b>6,083</b>	<b>-</b>	<b>6,650</b>	<b>-</b>
Education	6.72	4.64	7.53	4.45
Health and Family Welfare	27.21	31.65	32.01	33.54
Water Supply, Sanitation, Housing and Urban Development	28.66	0.62	26.62	0.61
<b>Total (SS)</b>	<b>17.08</b>	<b>7.50</b>	<b>17.03</b>	<b>7.36</b>
<b>Economic Services (ES) (absolute figures- ₹ in crore)</b>	<b>14,430</b>	<b>-</b>	<b>15,211</b>	<b>-</b>
Agriculture & Allied Activities	14.98	12.85	17.76	13.12
Irrigation and Flood Control	86.97	28.13	87.36	30.35
Power & Energy	25.48	1.03	33.64	0.52
Transport	41.74	1.02	47.32	1.11
<b>Total (ES)</b>	<b>47.67</b>	<b>6.62</b>	<b>49.15</b>	<b>6.70</b>
<b>Total (SS+ES)</b>	<b>31.14</b>	<b>7.19</b>	<b>31.24</b>	<b>7.15</b>

Source: Finance Accounts of the respective years

### *Expenditure on Social Services*

Capital expenditure on the Social Services increased by 9.32 per cent in absolute terms from ₹ 6,083 crore in 2012-13 to ₹ 6,650 crore in 2013-14. The share of Capital expenditure to the total expenditure under Social Services decreased from 17.08 per cent to 17.03 per cent.

In education, the capital expenditure increased mainly due to expenditure on elementary education and tribal area sub plan. In Health and Family Welfare, the capital expenditure increased mainly on construction of medical colleges and general nursing schools at various places. In Water Supply, Sanitation, Housing and Urban Development, the Capital expenditure decreased on account of less investment in housing boards and rural water supply.

The share of salaries in revenue expenditure under Social Services decreased from 7.50 per cent in 2012-13 to 7.36 per cent in 2013-14.

### *Expenditure on Economic Services*

Capital expenditure on Economic Services increased from ₹ 14,430 crore in 2012-13 to ₹ 15,211 crore in 2013-14, registering a growth of 5.41 per cent. The share of capital expenditure to total expenditure under Economic Services increased from 47.67 per cent in 2012-13 to 49.15 per cent in 2013-14. In Agriculture and Allied activities, the capital expenditure during current year increased mainly due to increase in expenditure on forest and wildlife alongwith animal husbandry. Capital expenditure on Irrigation and Flood Control increased mainly due to more expenditure on medium and minor

irrigation projects. In power and energy, capital expenditure increased mainly due to investment in Gujarat Urja Vikas Nigam Limited and Gujarat Power Corporation Limited.

The share of salaries in revenue expenditure under Economic Services increased from 6.62 *per cent* to 6.70 *per cent*, mainly on account of increase in the share of salaries under Irrigation and Flood Control (28.13 *per cent* to 30.35 *per cent*) and under Agricultural and Allied activities (12.85 *per cent* to 13.12 *per cent*).

## 1.8 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market-based resources, the State Government needs to initiate measures to earn adequate returns on its investments, recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies and take requisite steps to infuse transparency in financial operations. This section presents a broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* the previous year.

### 1.8.1 Financial Results of Irrigation Projects

At the end of March 2014, ₹ 2,286.16 crore was spent on 33 Major and Medium Irrigation Projects which were treated as completed. The revenue realized from these irrigation projects during the year was ₹ 546.87 crore, against which the maintenance expenditure was ₹ 130.19 crore, indicating a revenue surplus of ₹ 416.68 crore. When compared with the investment on these projects, the return was 18.22 *per cent*.

### 1.8.2 Incomplete projects

At the end of March 2014, there were 75 incomplete capital works involving ₹ 1,204.34 crore. The Department-wise details of incomplete works (each costing ₹ 10 crore or more) are given in **Table 1.23**.

**Table 1.23: Department-wise Profile of Incomplete Works**

Department	Number of incomplete works	Initial Budgeted Cost	(₹ in crore)	
			Cumulative expenditure as on 31 March 2014	actual as on 31 March 2014
Road and Buildings	68	1,710.27		1,076.94
Narmada, Water Resources, Water Supply and Kalpsar	7	536.57		127.40
<b>Total</b>	<b>75</b>	<b>2,246.84</b>		<b>1,204.34</b>

Source: Finance Accounts of the year 2013-14

It can be seen from the **Table 1.23** that Road and Buildings Department could incur expenditure to the extent of 63 *per cent* on the 68 incomplete projects when compared to the initial budgeted cost. In Narmada Water Resources,

Water Supply and Kalpsar Department seven projects remained incomplete incurring expenditure to the extent of 24 *per cent* only of the initial budgeted cost.

### **1.8.3 Investment and returns**

As of 31 March 2014, Government had invested ₹ 55,058 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies, Co-operative Institutions and Local Bodies (**Table 1.24**). The average return on the investments was 0.31 *per cent* in the last five years while the Government paid an average 7.62 *per cent* as interest on its borrowings during 2009-10 to 2013-14. Forty two PSUs earned a net profit of ₹ 4,468 crore in financial year 2012-13. However, the State Government received only ₹ 273 crore as dividend from PSUs in financial year 2013-14. In view of negligible return from PSUs, the State Government may consider formulation of suitable dividend policy.

Although average return on investment increased and payment of interest on borrowings has decreased during 2013-14, continued use of borrowed funds to fund investments which do not have sufficient returns will lead to an unsustainable financial position. The Government may ensure proper justification for investment in high cost funds.

**Table 1.24: Return on Investment**

Investment/Return/Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year <sup>10</sup> (₹ in crore)	31,051	34,496	39,179	47,171	55,058
Return (₹ in crore)	76.72	114.43	128.93	54.31	277.44
Return ( <i>per cent</i> )	0.25	0.33	0.33	0.12	0.50
Average rate of interest on Government borrowings ( <i>per cent</i> )	7.64	7.56	7.63	7.66	7.62
Difference between average interest rate on Government borrowings and rate of return ( <i>per cent</i> )	7.39	7.23	7.30	7.54	7.12

Source: Finance Accounts of the respective years

During the period of last five years, 2009-10 to 2013-14, the State Government's Investments had increased by ₹ 24,007 crore. During 2013-14, Government invested ₹ 603 crore in Statutory Corporations, ₹ 7,188 crore in Government Companies and ₹ 96 crore in Co-operative institutions etc. Out of ₹ 7,887 crore invested during 2013-14, 50 *per cent* (₹ 3,921 crore) was invested this year also in the Sardar Sarovar Narmada Nigam Limited, a State-owned Company, which is executing the multi-purpose Narmada Project.

The Finance Department (FD) stated (December 2014) that the appropriate measures of returns in such investments may not be the monetary returns in the form of dividend to Government, rather, the socio-economic benefits and upliftment of the disadvantaged sections of society should be taken into consideration.

While acknowledging the efforts of the Government for socio-economic benefits, the Audit intended to flag the aspect of poor returns from profit making PSUs.

<sup>10</sup> Includes all investments to Government companies, Statutory Corporations, Rural Banks, Joint Stock Companies, Co-operatives Institutions and Local Bodies

### Investment in PPP projects

Public Private Partnership (PPP) is formed by the government agencies and bodies usually to promote and develop infrastructure facilities.

The status of Public Private Partnership (PPP) projects in infrastructure sector at various stages is presented in **Table 1.25** below:

**Table 1.25: Status of Public Private Partnership (PPP) projects in infrastructure sector**  
(As on 31 March, 2014) (₹ in crore)

Sl. No.	Sector /Project Name	Projects completed		Projects under Implementation		Projects in Pipeline	
		No.	Estimated Cost	No.	Estimated Cost	No.	Estimated Cost
1	Road Sector	18	2,081.10	06	2,925.10	08	2,900.09
2	Urban Infrastructure	96	1,993.53	10	815.30	29	2,938.75
3	Water Sector	01	53.83	-	-	06	5,853.00
4	Power Sector	04	7,600.00	-	-	11	22,245.00
5	Ports	34	21,977.00	25	8,886.00	28	8,069.00
6	Any Other Sector	31	3,037.72	03	1,262.25	21	17,110.73
	<b>Total</b>	<b>184</b>	<b>36,743.18</b>	<b>44</b>	<b>13,888.65</b>	<b>103</b>	<b>59,116.57</b>

Source: Gujarat Industries Development Board

The **Table 1.25** shows that out of 331 PPP projects of ₹ 1,09,748 crore in infrastructure sector in Gujarat, 184 projects of ₹ 36,743 crore were completed at the end of 2013-14. The maximum number of projects and investment was in Ports sector.

### 1.8.4 Loans and Advances by State Government

In addition to investments in Co-operative institutions, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. **Table 1.26** presents the position of loans and advances and interest receipts *vis-à-vis* interest payments during the last three years.

**Table 1.26: Average Interest received on Loans and Advances given by the State Government**  
(₹ in crore)

Quantum of Loans and Advances /Interest Receipts/ Cost of Borrowings	2011-12	2012-13	2013-14
Opening Balance	5,310	5,750	6,585
Amount advanced during the year	605	882	603
Amount repaid during the year	165	47	141
<b>Closing Balance</b>	<b>5,750</b>	<b>6,585</b>	<b>7,048</b>
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	5,599	6,585 <sup>11</sup>	6,536
Net addition	440	835	463
Interest Receipts	192	26	100
Interest receipts as percentage of outstanding Loans and Advances	3.34	0.39	1.42
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.25	7.30	7.28
<b>Difference between interest receipts and interest payments (per cent)</b>	<b>(-) 3.91</b>	<b>(-) 6.91</b>	<b>(-)5.86</b>

Source: Finance Accounts of the respective years

<sup>11</sup> This does not include loans of ₹ 35 lakh given to Gujarat Industrial Investment Corporation Limited and ₹ 10 lakh to Gujarat Small Industries Corporation Limited

The total amount of outstanding loans and advances increased from ₹ 5,750 crore in 2011-12 to ₹ 7,048 crore in 2013-14. The loans advanced during the year decreased by ₹ 279 crore over the previous year. Out of the loans advanced and disbursed during the year, ₹ 20 crore was under Social Services, ₹ 531 crore under Economic Services and ₹ 52 crore as personal advances to Government and local self-government employees. The loans advanced under Social Services were used for the welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes. Major portion of the loan advanced for Economic Services went to engineering industries (48 per cent) and road transport (47 per cent).

### **1.8.5 Cash Balances and Investment of Cash Balances**

Details of cash balances and investments made by the State Government during the year are shown in **Table 1.27**.

**Table 1.27: Cash Balances and Investment of Cash Balances**

Cash Balances and Investment of Cash balances	Opening balance on 1/4/2013	Closing balance on 31/3/2014
(₹ in crore)		
<b>(a) General Cash Balance -</b>		
Cash in Treasuries	0.00 <sup>12</sup>	0.00 <sup>12</sup>
Deposits with Reserve Bank <sup>13</sup>	-286.17	-1,735.22
Remittances in transit - Local	4.19	4.19
Investments held in Cash Balance investment account	13,357.65	11,923.20
<b>Total (a)</b>	<b>13,075.67</b>	<b>10,192.17</b>
<b>(b) Other Cash Balances and Investments</b>		
Cash with departmental officers viz Public Works Department Officers, Forest Department Officers, District Collectors	26.45	25.02
Permanent advances for contingent expenditure with departmental officers	0.27	0.27
Investment of earmarked funds	5,587.50	5,169.02
<b>Total (b)</b>	<b>5,614.22</b>	<b>5,194.31</b>
<b>Grand total (a)+ (b)</b>	<b>18,689.89</b>	<b>15,386.48</b>

Source: Finance Accounts of the respective years

Due to large surplus cash balance, during 2013-14, the State Government did not avail of any Ways and Means Advance from the RBI for maintenance of its minimum cash balance.

### ***Outstanding balances under the head 'Cheques and Bills'***

The Major Head '8670 – Cheques and Bills' is an intermediary account head for initial record of transactions which are to be cleared eventually. The outstanding balance under the Major Head '8670 –Cheques and Bills' represents the amount of unencashed cheques. Cheques amounting to ₹ 1,817.10 crore remained unencashed as on 31 March, 2014.

<sup>12</sup> ₹ 48,000

<sup>13</sup> The balance under the head 'Deposits with Reserve Bank' is arrived at after taking into account the Inter-Government monetary settlements pertaining to transactions of the Financial Year 2013-14 advised to the RBI till 15 April-2014.

### ***Fresh borrowings by State with large cash balance***

The ThFC has also suggested that there should be a directed effort by States with large balances towards utilising their existing cash balances before resorting to fresh borrowings. Further, it has suggested to consider utilising their surplus cash balances for lumpsum repayment of market borrowings raised for debt swap during the period 2002-05, which was likely to become due during the next few years. The Reserve Bank of India also has reiterated the fact and advised the States to manage their cash balance more efficiently. The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹ 13,358 crore and ₹ 11,923 crore at the end of 2012-13 and 2013-14 respectively. The high level of investment held in 'Cash Balance Investment Account' at the end of these financial years indicates that there is need for better cash management. The State Government should adopt the policy of need based borrowing and maintain minimum surplus cash balance.

## **1.9 Assets and Liabilities**

### ***1.9.1 Growth and composition of Assets and Liabilities***

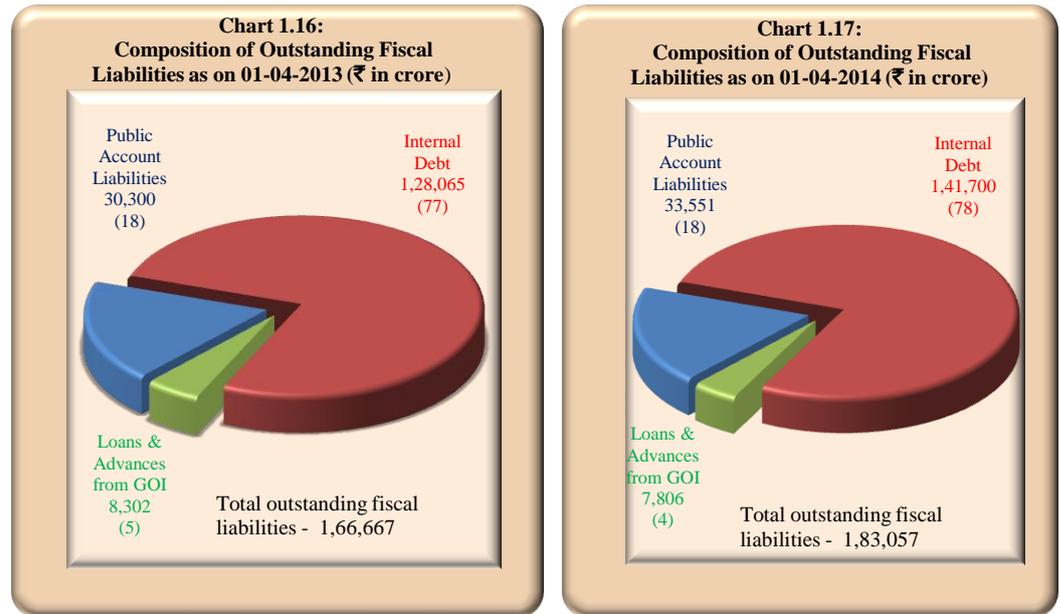
In the existing Government accounting system, comprehensive accounting of the fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and the assets as on 31 March 2014 compared with the corresponding position on 31 March 2013. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

As per the Statement under the Gujarat Fiscal Responsibility Act, 2005 the State Government liabilities comprise the following components –

- (i) Special Securities issued to the National Small Savings Fund
- (ii) Loans and Advances from Central Government
- (iii) Market Loans
- (iv) Loans from Financial Institutions/Banks
- (v) Ways and Means Advances/Overdraft from RBI
- (vi) Small Savings, Provident Fund of Government Employees etc.
- (vii) Pension Liabilities
- (viii) Reserve Fund/Deposits & Provident Fund of other employees
- (ix) Other Liabilities.

### ***1.9.2 Fiscal Liabilities***

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is as presented in the **Charts 1.16** and **1.17** below:



Figures in parenthesis indicates percentage share

The outstanding fiscal liabilities have shown a steady increase over the years from ₹ 1,19,117 crore at the end of 2009-10 to ₹ 1,83,057 crore as at the end of 2013-14. The fiscal liabilities comprised internal debt of ₹ 1,41,700 crore (78 per cent), public account of ₹ 33,551 crore (18 per cent) and loans and advances from GoI of ₹ 7,806 crore (4 per cent) as at the end of 2013-14. The internal debt comprised mainly of market loans (₹ 87,347 crore) and special securities issued to National Small Savings Fund (₹ 47,841 crore). The fiscal liabilities increased by 9.83 per cent in 2013-14 over the previous year mainly due to increase of Internal Debt and Public Account Liabilities. The fiscal liabilities at the end of 2009-10 represented 286 per cent of the revenue receipts during the year 2009-10, which reduced to 229 per cent at the end of 2013-14. The outstanding debt to GSDP ratio at 23.65 per cent in the current year was in line with the projected ratio of 27.60 per cent in the fiscal consolidation roadmap of ThFC.

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**.

### 1.9.3 Transactions under Reserve fund

There were 16 Reserve Funds earmarked for specific purposes, out of which six funds were inoperative. The total accumulated balance as on 31 March 2014 in these funds was ₹ 8,990.38 crore (₹ 8,838.83 crore in operational funds and ₹ 151.55 crore in non-operational funds). However, the investment out of these funds was only ₹ 5,168.68 crore.

### 1.9.4 Contingent liabilities

#### Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of defaults by borrowers for whom the guarantees have been extended.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years is given in **Table 1.28**.

**Table 1.28: Guarantees given by the Government of Gujarat**

(₹ in crore)

Guarantees	2009-10	2010-11	2011-12	2012-13	2013-14
Ceiling limit on Government guarantees under Gujarat State Guarantees Act 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	10,202	10,382	10,387	10,525	11,175
Outstanding amount of guarantees	9,667	8,661	7,449	6,195	6,549
Percentage of outstanding amount of guarantees to total revenue receipts	23.20	16.54	11.83	8.23	8.19

Source: Finance Accounts of the respective years

The Gujarat Fiscal Responsibility Act, 2005 prescribed to capping of outstanding guarantees within the limit (₹ 20,000 crore) as prescribed in the Gujarat State Guarantees Act, 1963. During the year, the State Government extended guarantees of ₹ 650 crore, ₹ 89 crore and ₹ 60 crore to Gujarat Water Infrastructure Limited (GWIL), Cooperative Banks and Gujarat Tribal Development Corporation. Out of total outstanding guarantees of ₹ 6,549 crore, 37 per cent (₹ 2,391 crore) were towards Sardar Sarovar Narmada Nigam Limited and nearly 19 per cent (₹ 1,226 crore) were towards Gujarat UrjaVikas Nigam Limited. The outstanding guarantees (₹ 6,549 crore) accounted for 8.19 per cent of the revenue receipts (₹ 79,976 crore) of the State Government and were well within the ceiling limit prescribed under the Fiscal Responsibility Act.

The Gujarat State Guarantees Redemption Fund set up in February 2006 to take care of any contingent liabilities arising out of State Government Guarantees, had a balance of ₹ 1,321 crore at the end of 2013-14. During the year the Government did not contribute any amount towards the Guarantee Redemption Fund. During the year, the Government received ₹ 27 crore as guarantee fees against ₹ 33 crore received in the previous year.

## 1.10 Debt Management

### Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse the various indicators that determine the debt sustainability<sup>14</sup> of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation<sup>15</sup>; sufficiency of non-debt receipts<sup>16</sup>; net availability of borrowed funds<sup>17</sup> and burden of interest payments (measured by interest payments to revenue receipts ratio). **Table 1.29** analyses the debt sustainability of the State according to these indicators for the period from 2009-10 to 2013-14.

<sup>14</sup> See Glossary

<sup>15</sup> See Glossary

<sup>16</sup> See Glossary

<sup>17</sup> See Glossary

Table 1.29: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Debt Stabilisation (Quantum Spread <sup>18</sup> +/- Primary Deficit/Surplus)	3,555	10,482	8,556	3,251	8,070
Sufficiency of Non-debt Receipts (Resource Gap)	(-)4,716	80	4,047	(-)5,465	(-)1,930
Net Availability of Borrowed Funds	4,874	6,912	3,921	3,722	3,058
Burden of Interest Payments (IP/RR Ratio)	0.21	0.18	0.17	0.16	0.17

Source: Finance Accounts of the respective years

The quantum spread together with primary deficit has been positive from 2009-10 to 2013-14, which indicates that the debt was sustainable. The persistent negative resource gap is indicative of the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. The positive resource gap for two consecutive years turned into negative in 2012-13 and continued in 2013-14. It happened mainly on account of 7.03 per cent increase in primary expenditure against only 6.43 per cent increase in non-debt receipts during current year. The net funds available from borrowed fund after providing for the interest and repayment declined from ₹ 6,912 crore in 2010-11 to ₹ 3,058 crore in 2013-14.

As per TwFC recommendations, the ratio of interest payments to revenue receipts should decline by 2009-10 to 15 per cent. The percentage gross interest payments on the total liabilities to the revenue receipts of the State for the period 2009-10 to 2013-14 had declined from 21 per cent to 17 per cent but still could not reach 15 per cent as targeted.

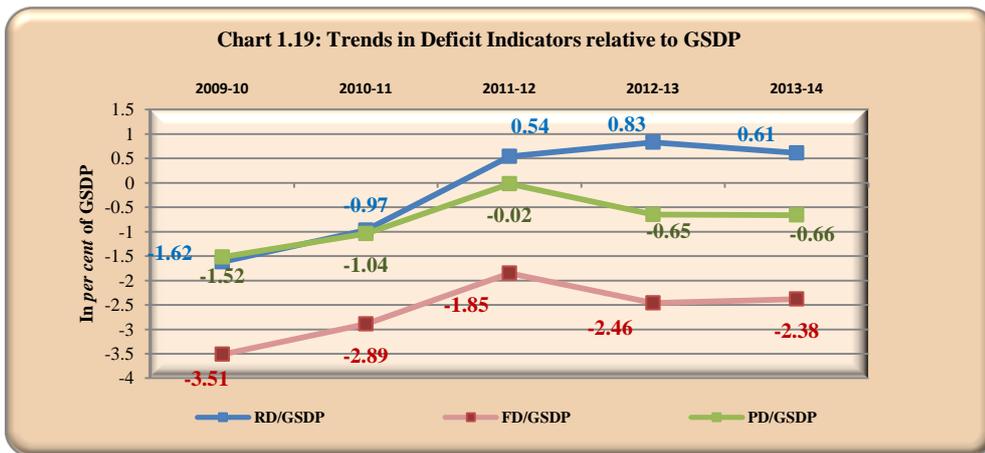
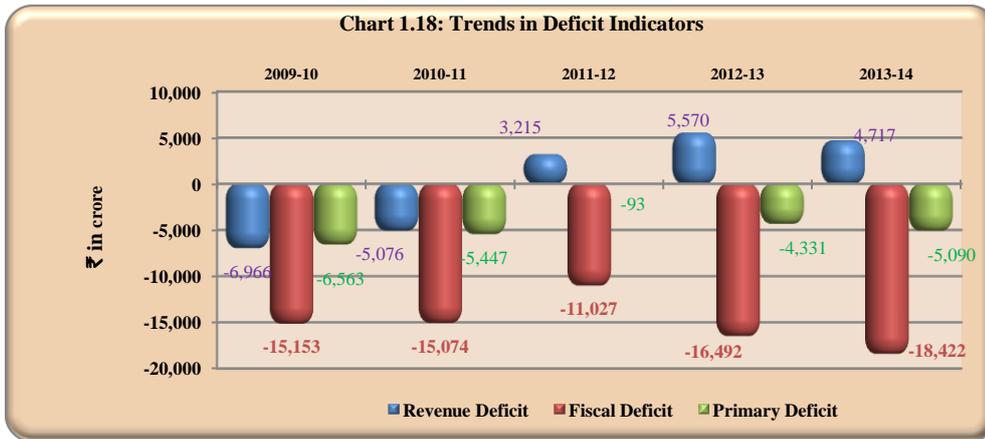
## 1.11 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficits are financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* the targets set under the FRBM Act/Rules for the financial year 2013-14.

### 1.11.1 Trends in Deficits

Charts 1.18 and 1.19 present the trends in deficit indicators over the period 2009-10 to 2013-14.

<sup>18</sup> Debt Stock × Interest Spread  
(Interest Spread = GSDP Growth Rate - Average Interest Rate)



The revenue deficit of ₹ 6,966 crore in 2009-10 turned into revenue surplus of ₹ 3,215 crore in 2011-12 and stood at ₹ 4,717 crore in 2013-14. The decrease in the revenue surplus during the current year was mainly on account of an increase of only ₹ 4,747 crore (6.31 per cent) in revenue receipts against an increase of ₹ 5,600 crore (8.04 per cent) in revenue expenditure over the previous year.

The fiscal deficit increased from ₹ 15,153 crore in 2009-10 to ₹ 18,422 crore in 2013-14. The increase in fiscal deficit during current year was mainly on account of increase of ₹ 1,450 crore (6.83 per cent) in capital expenditure. An increase of ₹ 1,930 crore in fiscal deficit together with an increase of ₹ 1,171 crore in interest payment resulted in increase in primary deficit from ₹ 4,331 crore in 2012-13 to ₹ 5,090 crore in 2013-14. The fiscal deficit still remained with targeted level of three per cent of GSDP as set under the Gujarat Fiscal Responsibility Act.

### 1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.30**.

**Table 1.30: Components of Fiscal Deficit and its Financing Pattern**

		(₹ in crore)				
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	
<b>Decomposition of Fiscal Deficit</b>		<b>15,153</b>	<b>15,074</b>	<b>11,027</b>	<b>16,492</b>	<b>18,422</b>
1	Revenue Deficit (-)/(+) Surplus	(-)6,966	(-)5,076	(+3,215	(+ 5,570	(+4,717
2	Net Capital Expenditure	7,910	9,593	13,802	21,227	22,677
3	Net Loans and Advances	277	405	440	835	462
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	8,404	10,725	15,083	12,846	13,047
2	Loans from GOI	(-)478	(-)464	(-)932	(-) 150	(-)495
3	Special Securities issued to NSSF	3,099	2,628	(-)1,864	(-) 561	(-)353
4	Loans from Financial Institutions	(-)26	(-)25	(-)28	826	940
5	Small Savings, PF etc	1,018	705	558	589	507
6	Deposits and Advances	1,178	2,533	1,358	1844	2,242
7	Suspense and Miscellaneous	(-)582	1,311	(-)56	656	(-)1,033
8	Remittances	190	78	(-)47	(-) 69	181
9	Reserve Fund	768	998	680	488	84
10	Contingency Fund	(-)13	47	(-) 80	81	0
	<b>Total</b>	<b>13,558</b>	<b>18,536</b>	<b>14,672</b>	<b>16,550</b>	<b>15,119</b>
	Increase/Decrease(-) in Cash Balance	(-)1595	(+3,462	(+3,645	(+ 58	(-)3,303

\*All these figures are net of disbursements/outflows during the year  
Source: Finance Accounts of the respective years

The revenue surplus of ₹ 5,570 crore of 2012-13 decreased to ₹ 4,717 crore in 2013-14. The decrease in revenue surplus in 2013-14 contributed for increase in fiscal deficit. Other major contributors during 2013-14 were loan from financial institutions and deposits and advances. The fiscal deficit of ₹ 18,422 crore in 2013-14 was mainly met out from net borrowing of ₹ 13,047 crore.

### **1.11.3 Quality of Deficit/Surplus**

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratios of revenue deficit to fiscal deficit indicate the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicate that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup. The bifurcation of the primary deficit (**Table 1.31**) would indicate the extent to which the deficit had been on account of increase in capital expenditure, which may have been desirable to improve the productive capacity of the State's economy.

Table 1.31: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure <sup>19</sup>	Primary Revenue Deficit(-) /surplus (+)	Primary Deficit (-) /Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2009-10	41,959	40,048	8,047	427	48,522	(+)1,911	(-)6,563
2010-11	52,738	47,813	9,684	688	58,185	(+)4,925	(-)5,447
2011-12	63,134	48,810	13,812	605	63,227	(+)14,324	(-)93
2012-13	75,276	57,498	21,227	882	79,607	(+) 17,778	(-) 4,331
2013-14	80,117	61,927	22,677	603	85,207	(+)18,190	(-)5,090

Source: Finance Accounts of the respective years

During the period 2009-10 to 2013-14, primary expenditure increased from ₹ 48,522 crore to ₹ 85,207 crore (76 per cent) against the increase of non-debt receipt from ₹ 41,959 crore to ₹ 80,117 crore (91 per cent). During the period 2009-10 to 2013-14, the non-debt receipts did not cover the primary expenditure resulting in primary deficit in each year. In 2013-14, primary revenue expenditure and capital expenditure increased over the previous year without commensurate increase in non-debt receipts resulting in increase in primary deficit from ₹ 4,331 crore to ₹ 5,090 crore.

## 1.12 Conclusion and Recommendations

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as the State reached a revenue surplus of ₹ 3,215 crore in that year. The revenue surplus stood at ₹ 4,717 crore in 2013-14 against the projection in MTFPS of ₹ 4,602 crore. At the end of 2013-14, the fiscal deficit as percentage to GSDP was 2.38, which was well within the limit of three per cent. The State's total outstanding debt as percentage of GSDP was 23.65 per cent in 2013-14 which was also within the target of 27.6 per cent fixed by the ThFC. The share of social services expenditure as a percentage of total expenditure increased from 37.90 to 39.61 during last five years. However, some of the concerns relating to State's finances are given below.

Though, revenue receipts of the State increased steadily from ₹ 41,672 crore in 2009-10 to ₹ 79,976 crore in 2013-14, share of non-tax revenue declined from 13 per cent in 2009-10 to nine per cent in 2013-14. The growth in revenue receipts during the year 2013-14 was only 6.31 per cent as compared to 25.66 per cent, 20.23 per cent and 19.49 per cent during 2010-11, 2011-12 and 2012-13 respectively. This was mainly on account of 4.59 per cent growth of own tax revenue in 2013-14 as compared to 21.79 per cent in previous year. The State's own tax buoyancy in 2013-14 declined sharply to 0.30 from an average of 1.44 during the period from 2009-10 to 2012-13.

The tax revenue of the State in 2013-14 could not achieve the target of budget estimates and MTFPS projection and was lower by ₹ 3,836 crore (6.37 per cent).

<sup>19</sup> Primary Expenditure is total expenditure except interest payments of the concerned year.

As per the ThFC award, the State was entitled to receive ₹ 2,312.87 crore as grants-in-aid from GoI during 2013-14 against which it received ₹ 1,741.25 crore as the State did not comply with laid down conditions.

***The State Government may explore mobilizing additional resources through tax and non-tax sources by ensuring better tax compliance and rationalising the user charges/fees respectively. The State Government may ensure compliance of conditions stipulated in sanction orders so as to avail maximum amount during the remaining award period of ThFC.***

While revenue expenditure of the State increased by 54.73 per cent from ₹ 48,638 crore in 2009-10 to ₹ 75,259 crore in 2013-14, its share in total expenditure declined from 85.16 per cent to 76.38 per cent during the same period indicating improvement in expenditure on Capital outlay. However, the Non Plan Revenue Expenditure (NPRE) has also shown consistent increase over the period from ₹ 34,307 crore in 2009-10 to ₹ 51,365 crore in 2013-14 and stood at 68.25 per cent of revenue expenditure. The expenditure on salaries, interest payments, pensions and subsidies increased from ₹ 22,516 crore in 2009-10 to ₹ 35,421 crore in 2013-14.

***Whereas major chunk of the non plan revenue expenditure is on salaries, pension and interest payments which is largely uncontrollable, the State Government may explore suitable measures for containing the other components of non plan revenue expenditure so that revenue surplus could be maintained for allowing scope for assets creation and sustainable development of the State.***

During 2013-14, Government invested ₹ 603 crore in Statutory Corporations, ₹ 7,188 crore in Government Companies and ₹ 96 crore in Co-operative institutions, etc. Though during the last five years, the State Government invested ₹ 24,007 crore, the average return by way of dividend on the investments in Government companies and Statutory Corporation etc. was 0.31 per cent. On the other hand, the Government paid 7.62 per cent interest on an average on its borrowings during 2009-10 to 2013-14. Further, 42 PSUs earned a net profit of ₹ 4,468 crore in financial year 2012-13 and paid dividend of ₹ 273 crore only to the State Government during 2013-14.

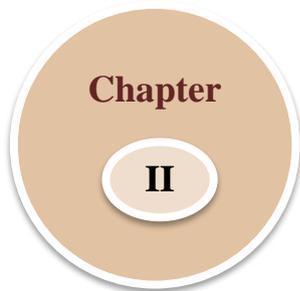
***The State Government may consider formulation of a dividend policy regarding payment of reasonable return from the profit earning PSUs on paid up share capital contributed by the State Government.***

The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹ 13,358 crore and ₹ 11,923 crore at the end of 2012-13 and 2013-14 respectively. Keeping the huge amount in the Cash Balance Investment Account at lower rate of interest while borrowing at higher rate has financial implications. The high level of investment held in 'Cash Balance Investment Account' at the end of these financial years indicates that there is need for better cash management.

The outstanding fiscal liabilities have shown a steady increase over the years, from ₹ 1,19,117 crore at the end of 2009-10 to ₹ 1,83,057 crore at the end of

2013-14, though it remained within the target of 27.6 *per cent* fixed by the ThFC. The growing volume of debt has resulted in increasing liability for servicing the debt.

***The State Government may consider need-based borrowings and utilising the existing cash balances before resorting to fresh borrowing.***



# Financial Management and Budgetary Control

## 2.1 Introduction

**2.1.1** Appropriation Accounts are the accounts of expenditure of the Government for each financial year, compared with the amounts of the grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act. These accounts depict distinctly the original budget estimates, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation Accounts thus facilitate understanding of utilisation of funds and monitoring of budgetary provisions and are therefore, complementary to the Finance Accounts.

**2.1.2** Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

**2.1.3** As per the Gujarat Budget Manual, it is the responsibility of the Finance Department to prepare the annual statement of estimated receipts and expenditure and the supplementary estimates of expenditure for presentation to the Legislature. For the purpose of such preparation, the Finance Department shall obtain from the administrative department concerned the material on which to base the estimates. The heads of the departments, on the basis of material furnished by their subordinate officers, prepare the estimates for which they are concerned and forward to the appropriate administrative department of the Secretariat on prescribed dates. The Finance Department consolidates the estimates approved by Government. The exercise requires utmost foresight both in estimating revenue and anticipating expenditure. The estimation should be as close and accurate as possible. The provision to be included in respect of each item should be based upon what is expected to be actually paid or spent under proper sanction during the year, including arrears of the previous year and should not merely be confined to the liabilities pertaining to the year.

## 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2013-14 against 108 grants/appropriations is as given in **Table 2.1**.

**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provisions**

		(₹ in crore)				
Nature of expenditure		Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual Expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	68,781.56	2,353.96	71,135.52	62,631.10	(-)8,504.42
	II Capital	24,734.96	1,614.42	26,349.38	22,849.22	(-)3,500.16
	III Loans and Advances	921.40	0.00	921.40	603.22	(-)318.18
	<b>Total Voted</b>	<b>94,437.92</b>	<b>3,968.38</b>	<b>98,406.30</b>	<b>86,083.54</b>	<b>(-)12,322.76</b>
Charged	IV Revenue	13,789.73	101.18	13,890.91	13,453.36	(-)437.55
	V Capital	4.92	17.06	21.98	53.65	(+)31.67
	VI Public Debt- Repayment	6,217.84	0.00	6,217.84	6,203.91	(-)13.93
	<b>Total Charged</b>	<b>20,012.49</b>	<b>118.24</b>	<b>20,130.73</b>	<b>19,710.92</b>	<b>(-)419.81</b>
<b>Grand Total</b>		<b>1,14,450.41</b>	<b>4,086.62</b>	<b>1,18,537.03</b>	<b>1,05,794.46</b>	<b>(-)12,742.57</b>

Source : Appropriation Accounts and Appropriation Act of the State Government

Overall savings of ₹ 12,742.57 crore was the result of savings of ₹ 13,768.92 crore in 90 grants and 25 appropriations under the Revenue Section and 49 grants and six appropriations under the Capital Section offset by excess of ₹ 1,026.35 crore in three grants and two appropriation under the Revenue Section and two grants and one appropriation under the Capital Section.

It can be seen from the above table that against the original estimate of ₹ 1,14,450.41 crore, the actual expenditure incurred was of ₹ 1,05,794.46 crore. This indicates that seeking supplementary grant was avoidable as the expenditure did not even reach the level of original estimate.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

Audit of the Appropriation Accounts revealed that in 115 cases, savings exceeded ₹ 10 crore in each case or by more than 20 per cent of the total provision (**Appendix 2.1**). Summarised position of savings is indicated in **Table 2.2**.

**Table 2.2: Summarised position of Savings**

Sl. No.	Range of Saving	Number of Cases	Total Grant (₹ in crore)	Saving (₹ in crore)	Percentage
1	Up to ₹ 5 crore	48	155.81	55.81	35.82
2	More than ₹ 5 crore and up to ₹ 10 crore	3	44.52	22.50	50.54
3	More than ₹ 10 crore and up to ₹ 25 crore	18	10,010.70	305.18	3.05
4	Above ₹ 25 crore	46	73,164.48	13,291.57	18.17
<b>Total</b>		<b>115</b>	<b>83,375.51</b>	<b>13,675.06</b>	<b>16.40</b>

Source: Appropriation Accounts of the State Government

The departments that had major savings were Finance, Narmada, Water Resources, Water Supply and Kalpsar, Roads and Buildings and Industries and Mines. Reasons furnished by the departments for the major savings, as reported in the Appropriation Accounts are given below:

***Finance Department***

- Grant No. 19 (Other Expenditure pertaining to Finance Department)- Savings of entire budget provision of ₹ 3,000 crore under major head '2075 Miscellaneous General Services' was due to payment of dearness allowances under the various sub-heads instead of this head. Initially the provision was made to indicate the liability of the GoG.
- Grant No. 19 (Other Expenditure pertaining to Finance Department)- Savings of entire budget provision of ₹ 1,000 crore under major head '2048- Appropriation for reduction or avoidance of Debt' was due to decision of Government not to transfer any amount to Sinking Fund.
- Grant No. 18 (Pensions and other retirement benefits)- Reasons for savings of ₹ 1,180.28 crore under major head '2048- Appropriation for reduction or avoidance of Debt' were not on record.

***Narmada, Water Resources, Water Supply and Kalpsar Department***

Grant No. 65 (Narmada Development Scheme)- Reasons for final savings of ₹ 835 crore under the major head '4700- Capital Outlay on Major Irrigation' were not furnished by the Department.

***Industries and Mines Department***

Grant No. 49 (Industries)- Savings of ₹ 500 crore under the major head '4852- Capital Outlay on Iron and Steel Industries' were due to non-receipt of (i) proposals under the scheme of Gujarat Industrial Corridor Corporation Limited and (ii) Environmental clearance for Rail Project.

***Roads and Buildings Department***

Grant No. 84 (Non-Residential Buildings)- Saving of ₹ 326.13 crore under the major head '4059- Capital Outlay on Public Works', savings of ₹ 156.57 crore under the major head '4202- Capital Outlay on Education, Sports, Arts and Culture' and savings of ₹ 116.59 crore under the major head '4250- Capital Outlay on Other Social Services' were due to excessive original provision made for new works and more time taken for completing procedures like Land allotment, Drawings, Administrative Approval, Tender process, etc.

***2.3.2 Persistent Savings***

In 13 cases during the last five years, there were persistent savings of more than ₹ 10 crore in each case. The details are given in **Table 2.3** below:

**Table 2.3: List of grants indicating persistent savings during 2009-10 to 2013-14**  
(₹ in crore)

Sl. No.	No. and name of the grant	Amount of savings				
		2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue- Voted</b>						
1	19- Other Expenditure pertaining to Finance Department	1,491.49	951.78	2,224.81	3,535.42	4,027.49
2	49-Industries	13.77	117.65	46.64	110.35	188.46
3	60 –Administration of Justice	18.80	315.77	160.50	175.16	315.72
4	71 – Rural Housing and Rural Development	29.48	142.25	116.08	191.81	460.29
5	74- Transport	44.06	69.18	60.86	41.45	58.55
6	79-Relief on account of Natural Calamities	272.06	89.29	351.90	361.27	160.80
7	85 - Residential Buildings	24.77	21.02	28.46	30.90	30.41
8	95-Special Component Plan For Scheduled Castes	148.10	88.72	50.72	143.72	286.06
9	98 -Youth Services and Cultural Activities	37.53	22.21	14.50	29.03	49.00
<b>Capital- Voted</b>						
1	46-Other Expenditure pertaining to Home Department	19.45	120.22	19.96	26.03	73.13
2	84-Non-Residential Buildings	249.33	295.22	501.70	294.39	677.53
3	95 - Special Component Plan For Scheduled Castes	23.52	32.94	266.60	153.07	108.36
4	96 -Tribal Area Sub-Plan	85.95	199.92	31.78	19.07	105.50

Source : Appropriation Accounts of the State Government

Persistent savings during the last five years indicate a need to review the formulation of budget estimates and provisions in these grants. On test check of grant files, Audit further observed that there were savings of more than ₹ ten crore consistently for the last three years in respect of 42 schemes under 21 grants (**Appendix 2.2**) indicating that either the provisions were excessive or the executives were not successful in implementing the legislative aspirations. Some cases of the savings under different schemes/purposes are briefly discussed below:

- Under the provision for ‘R&B Office building’ for Road and Building Department, ₹ 1,504.38 crore were provided but ₹ 717.41 crore could be spent. Reasons for savings of ₹ 786.97 crore were attributed by the department to high provision for new works and slow progress of construction works during 2011-14.
- Under the provision for ‘District Police Proper’ for the Home Department, ₹ 4,069.29 crore was provided but ₹ 3,726.40 crore could be spent. Savings of ₹ 342.89 crore were due to vacant posts, non-purchase of vehicles and equipment for Quick Response Team and Bomb Squad, less expenditure for adhoc financial assistance for the families of late employees and less expenditure on new items during 2011-14.
- Under the provision for ‘Civil Judge (Special Court)’ for the Legal Department, ₹ 789.75 crore were provided but ₹ 488.09 crore could be

spent. Savings of ₹ 301.66 crore were due to functioning of less number of courts, non-fixation of pay of the staff members and non-filling up of vacant posts during 2011-14.

### **2.3.3 Expenditure without Provision**

Article 266 (3) of the Constitution of India prohibits withdrawal of money from the Consolidated Fund of the State unless relevant Appropriation Acts under Articles 204 and 205 of the Constitution of India are passed by the Legislature. As per Paragraph 125(5) of the Gujarat Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 14.70 crore were incurred during 2013-14 in five cases under three grants without any provision in the original estimates/supplementary demand as detailed in **Appendix 2.3**.

### **2.3.4 Excess expenditure relating to previous years not regularised**

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However excess expenditure amounting to ₹ 8,373.89 crore for the years 2003-04 to 2012-13 was yet to be regularised, as detailed in **Appendix 2.4**.

### **2.3.5 Excess expenditure over provisions during 2013-14**

**Table 2.4** contains the summary of total excess over provision of funds in respect of seven grants/appropriations amounting to ₹ 1,026.35 crore during 2013-14 requiring regularisation under Article 205 of the Constitution.

**Table 2.4: Excess over provisions requiring regularisation during 2013-14**

(₹ in crore)

Sl. No	Number and Title of Grants		Total grant	Expenditure	Excess
1	9	Education - Revenue Voted	15,978.21	16,762.71	784.50
2	26	Forest – Revenue Charged	0.24	0.49	0.25
3	26	Forest – Capital Voted	301.88	403.06	101.18
4	66	Irrigation and Soil Conservation- Capital Charged	2.00	47.72	45.72
5	68	Other Expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department- Revenue Charged	30.00	88.69	58.69
6	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department – Revenue Voted	642.11	666.80	24.69
7	87	Gujarat Capital Construction Scheme - Capital Voted	259.20	270.45	11.25
8	88	Other Expenditure pertaining to Roads and Buildings Department-Revenue Voted	18.00	18.07	0.07
<b>Total</b>			<b>17,231.64</b>	<b>18,257.99</b>	<b>1,026.35</b>

Source : Appropriation Accounts of the State Government

In Grant No.9 (Revenue Voted), excess was mainly on account of payment of arrears and retirement benefits, increase in Dearness Allowance, Leave Travel Concession claims and filling up of the vacant posts.

In Grant No.26 (Capital voted), excess was due to carrying out more plantation, clearing of pending bills of Consultancy Agency, etc.

In Grant No.87 (Capital Voted), excess was due to good progress of works carried out by the Road and Buildings Department.

Reasons for excess incurred in the grant/appropriation were not intimated in Case of Grant No.26 (Revenue Charged), Grant No.66 (Capital Charged), Grant No.68 (Revenue Charged), Grant No.73 (Revenue Voted) and Grant No.88 (Revenue Voted).

In response to paragraphs 2.3.4 and 2.3.5, the FD stated (December 2014) that the State Government will initiate action for regularisation of excess expenditure from the year 2003-04 and onwards immediately on receipt of the Report of Public Accounts Committee.

### **2.3.6 Persistent Excesses**

On the test check of grant files, Audit further observed that there was excess expenditure over provision of more than ₹ two crore consistently for the last three years in respect of 22 schemes under 10 different grants (**Appendix 2.5**) indicating that budgetary estimates were not reviewed properly as the provisions being insufficient. Some cases of excess expenditure under various schemes/purposes are discussed below:

- Out of the provision of ₹ 2,013.83 crore towards superannuation and retirement allowances to primary panchayat teachers in the Education Department, ₹ 3,473.09 crore was spent during the period 2011-14.
- A sum of ₹ 1,684.29 crore was spent during 2011-14 against the provision of ₹ 740.62 crore for Roads and Bridges under R&B Department.
- Similarly, a sum of ₹ 4,269.64 crore was spent during 2011-14 against the provision of ₹ 3,752.54 crore for Original Works under R&B Department. Reasons for excess expenditure of ₹ 517.10 crore were attributed to good progress of works and completion of works before the target date.
- In scheme of Repairs/restoration to other public properties for Revenue Department, ₹ 150.00 crore was provided for but ₹ 452.55 crore was spent during 2011-14. Reasons for excess expenditure of ₹ 302.55 crore were attributed to surfacing of roads and nalas due to heavy rain.
- Under the scheme of Other expenditure for Narmada, Water Resources, Water Supply and Kalpsar Department, ₹ 767.81 crore were provided but ₹ 1,000.80 crore was spent during 2011-14. Reasons for excess expenditure of ₹ 232.99 crore during 2011-14 were attributed to good progress of works/ clearance of pending bills of Narmada Main Canal.

### **2.3.7 Supplementary provision**

A supplementary provision is an addition to the total original authorised provision and is obtained in the same manner in which the original provision is obtained.

#### **2.3.7.1 Unnecessary supplementary provision**

Supplementary provisions (₹ two crore or more in each case) aggregating to ₹ 246.13 crore were made and obtained in 18 cases during the year on the basis of eight months actual expenditure which proved unnecessary. The expenditure incurred did not come up even to the levels of the original provision as detailed in **Appendix 2.6**. Some cases are briefly discussed below:

- Under Education Department, the supplementary provision of ₹ 34.18 crore under Grant No-9 –Education (Revenue Voted) was made for construction of 85 Girls’ hostels under Centrally Sponsored Scheme in backward tribal areas. However, at the end of the year, the expenditure fell short of the original provision of ₹ 811.83 crore by ₹ 99.04 crore.
- In Health and Family Welfare Department, the supplementary provision of ₹ 28.11 crore under Grant No-39 –Medical and Public Health (Revenue Voted) was made due to increase in dearness allowance, increase in travelling expenses/office expenses and grant of House Rent Allowance and other allowances to Government Employees. However, at the end of the year, there were savings of ₹ 170.85 crore from the original provision of ₹ 2,627.87 crore.
- In respect of the Ports and Transport Department, the supplementary provision of ₹ 50.75 crore under Grant No-74 –Transport (Revenue Voted) was made. The supplementary provision was to be spent on account of inauguration programme at Surat Regional Transport Office and subsidy to the Gujarat State Road Transport Corporation. However, at the end of the year, there was saving of ₹ 7.79 crore from the original provision of ₹ 704.36 crore.
- In case of the Social Justice and Empowerment Department, the supplementary provision of ₹ 45.43 crore under Grant No-96 –Tribal Area Sub-Plan (Capital Voted) was made. The supplementary provision was to be spent for construction of Staff quarters for primary teachers, compound wall, class rooms and computerisation project under this head. However, at the end of the year, there was saving of ₹ 60.07 crore from original provision of ₹ 2,827.38 crore.

It can be observed from the above cases that the estimation of requirement of funds by the Departments needs to be strengthened and the basis for supplementary provisions needs to be reviewed.

### 2.3.7.2 Inadequate supplementary provision

In four cases, supplementary provisions of ₹ 1,273.04 crore proved insufficient, leaving an aggregate uncovered excess expenditure of ₹ 921.62 crore as given in **Table 2.5**.

**Table 2.5: Grants/Appropriations where supplementary provision proved insufficient**  
(₹ in crore)

Sl. No.	Grant No.	Name of the Grant /Appropriation	Original Provision	Supplement-ary Provision	Total Provision	Expend-iture	Excess
1	9	Education - Revenue Voted	14,891.38	1,086.84	15,978.21	16,762.72	784.50
2	26	Forest – Capital Voted	297.55	4.33	301.88	403.06	101.18
3	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department - Revenue Voted	500.23	141.87	642.11	666.80	24.69
4	87	Gujarat Capital Construction Scheme- Capital Voted	219.20	40.00	259.20	270.45	11.25
<b>Total</b>			<b>15,908.36</b>	<b>1,273.04</b>	<b>17,181.40</b>	<b>18,103.03</b>	<b>921.62</b>

Source : Appropriation Accounts of the State Government

### 2.3.8 Insufficient /unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation of funds proved injudicious in many cases in view of final excesses and savings over the grants. Instances of re-appropriation of more than ₹ five crore in each case proving excessive or insufficient are detailed in **Appendix 2.7**.

### 2.3.9 Surrender of unspent provisions

As per Paragraph 103 of the Gujarat Budget Manual, spending Departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Sums surrendered by Administrative Departments after the 15<sup>th</sup> of March are not to be accepted, except in the case of Supplementary grants obtained after 15<sup>th</sup> March.

#### 2.3.9.1 Substantial surrenders

Substantial surrenders (more than 50 *per cent* of the total provision or more than ₹ one crore) were made in respect of 924 sub-heads under 96 grants mainly on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 36,177.23 crore in these sub-heads, ₹ 12,846.30 crore (35.51 *per cent*) was surrendered, which included *cent per cent* surrender in 264 cases (₹ 4,823.11 crore). The details of top 21 cases, having *cent per cent* surrenders, are given in **Appendix 2.8**.

### 2.3.9.2 Surrender in excess of actual saving

In 27 cases, the amounts surrendered (₹ one crore or more in each case) were in excess of the actual savings, indicating inadequate budgetary control in these Departments. As against savings of ₹ 5,824.23 crore, the amount surrendered was ₹ 6,057.96 crore, resulting in excess surrender of ₹ 233.73 crore. Details are given in **Appendix 2.9**. Some cases are briefly discussed below:

- In Grant No 39, ₹ 268.20 crore was surrendered. However, savings of ₹ 198.97 crore were effected resulting in excess surrender of ₹ 69.23 crore.
- In Grant No 46, ₹ 145.89 crore was surrendered. However, savings of ₹ 73.13 crore were effected resulting in excess surrender of ₹ 72.76 crore.
- In Grant No 66, ₹ 55.49 crore were surrendered. However, savings of ₹ 21.44 crore were effected resulting in excess surrender of ₹ 34.05 crore.

### 2.3.9.3 Savings not surrendered/ partly surrendered

At the close of the year 2013-14, there were three grants/appropriations under which savings exceeded 10 *per cent* of the total provision but the same had not been surrendered by the concerned Departments. The total amount involved in these cases was ₹ 49.55 crore as shown in **Table 2.6**.

**Table 2.6: Grants/Appropriations in which savings occurred but were not surrendered (more than 10 *per cent* of total provision)**

(₹ in crore)					
Sl. No.	Grant No.	Name of Grant/Appropriation	Total provision	Saving	Percentage
1	57	Labour and Employment – Capital Voted	106.11	36.97	34.84
2	84	Non Residential buildings - Revenue Charged	0.76	0.25	32.89
3	87	Gujarat Capital Construction Scheme- Capital Charged	12.33	12.33	100
<b>TOTAL</b>			<b>119.20</b>	<b>49.55</b>	<b>41.57</b>

Source: Appropriation Accounts of the State Government

In 20 grants/appropriations, total savings of ₹ 2,291.87 crore was noticed, however, only ₹ 804.26 crore were surrendered leaving ₹ 1,487.61 crore<sup>1</sup> un-surrendered as shown in **Appendix 2.10**.

### 2.3.10 Rush of expenditure

According to paragraph 109 of the Gujarat Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 17 Major Heads listed in **Table 2.7** expenditure exceeded ₹ 10 crore and more than 50 *per cent* expenditure was incurred either during the last quarter or during the last month of the financial year.

<sup>1</sup> 10 *per cent* saving with minimum amount of ₹ one crore not surrendered

**Table 2.7: Cases of Rush of Expenditure towards the end of the financial year 2013-14**  
(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of 2014		Expenditure during March 2014	
			Amount	Percentage of Total Expenditure	Amount	Percentage of Total Expenditure
1	2056	114.20	59.84	52.40	31.45	27.54
2	2205	91.44	52.01	56.88	25.89	28.31
3	2220	138.87	76.39	55.01	51.40	37.01
4	3604	325.67	220.74	67.78	86.68	26.62
5	4055	335.49	185.27	55.22	146.47	43.66
6	4075	27.65	25.45	92.06	25.13	90.88
7	4225	240.77	170.13	70.66	104.51	43.41
8	4236	206.28	130.81	63.42	103.66	50.25
9	4401	15.62	10.61	67.93	8.60	55.02
10	4575	26.98	16.23	60.16	12.81	47.49
11	4701	1,443.39	810.18	56.13	540.81	37.47
12	4711	142.83	92.60	64.83	52.43	36.71
13	4801	1,925.84	1,114.20	57.86	982.70	51.03
14	4852	25.00	25.00	100.00	25.00	100.00
15	4856	750.00	712.50	95.00	712.50	95.00
16	5055	600.00	600.00	100.00	600.00	100.00
17	7055	250.00	135.51	54.20	14.24	5.70
<b>Total</b>		<b>6,666.03</b>	<b>4,437.47</b>	<b>66.63</b>	<b>3,524.28</b>	<b>52.92</b>

Source: Information compiled by Accountant General (A&E), Gujarat, Rajkot

A test check of vouchers from monthly accounts of seven Public Works Divisions revealed that ₹ 124.53 crore was booked under five Major Heads<sup>2</sup> in respect of advance payments of ₹ one crore and above made through Form 28 hand receipts during the month of March 2014 for Deposit Works. The details are in **Appendix 2.11**. These divisions had spent more than 30 per cent of their annual total expenditure during the month of March 2014. The payments through hand receipts were made for carrying out purchase of asphalt, shifting of power lines, maintenance and repair, lift irrigation schemes etc. This shows that the Divisions were incurring huge expenditure through hand receipts at the end of the financial year. Though considered to be a normal practice in Public Works Department, it could be used as an instrument for avoiding lapse of unutilised funds at the fag end of the financial year.

## 2.4 Review of Budget Control Mechanism

The Gujarat Budget Manual (manual) provides that the authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing the estimates timely and accurately and also to ensure that the grant placed at their disposal is spent only on the objects for which it has been provided and to surrender savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, Audit test checked records of the administrative department/controlling officers relating to Grant No. 13 (Energy and Petrochemicals) and

<sup>2</sup> 2702, 3054, 4701, 4702, 5054

Grant No. 106 (Women and Child Development). The observations thereof are as follows:

**2.4.1 Submission of Budget estimates**

As per the manual<sup>3</sup> no expenditure can be incurred by the Government from the Consolidated Fund unless the State Legislature approves the amount to be spent under different demands for grants during the year beginning from 1<sup>st</sup> April to 31<sup>st</sup> March. This approval takes the form of a grant.

As per the schedule fixed by the Finance Department of the State Government, the controlling officer (COs) should submit the budget estimates to their Administrative Department by 30 September and the Administrative Department should submit their budget estimate to the Finance Department by 15 October every year.

Audit observed that the time schedule was not adhered to either by the COs or by the Administrative Departments. The delays in submission of the budget estimates for the year 2013-14 are shown in **Table 2.8**.

**Table 2.8: Delay in submission of budget estimates**

Sl. No.	Name of Controlling Officer	Date on which budget estimate were sent to Administrative Department by Controlling officers		Date on which budget estimate were sent to Finance Department by Administrative Department		No of days delay in submission by			
		Plan expenditure	Non plan expenditure	Plan expenditure	Non plan expenditure	Controlling Officer		Administrative Department	
						Plan expenditure	Non plan expenditure	Plan expenditure	Non plan expenditure
<b>Energy and Petrochemicals Department</b>									
1	2 Head of Departments <sup>4</sup>	30/11/2012	03/12/2012	03/12/2012	03/12/2012	61	64	49	49
		to 30/01/2013	to 20/12/2012	to 30/01/2013	to 20/12/2012	to 122	to 81	to 107	to 66
<b>Women and Child Development Department</b>									
2	5 Head of Departments <sup>5</sup>	05/11/2012	08/10/2012	05/12/2012	05/12/2012	35	07	50	50
		to 28/01/2013	to 28/01/2013	to 16/02/2013	to 16/02/2013	to 118	to 118	to 123	to 123

Source: Energy and Petrochemicals Department, Women and Child Development Department of the State Government

The Energy and Petrochemicals Department (the Department) stated (July 2014) that as the budget estimates were not received within stipulated time limit from the concerned offices, there was delay in submission of budget estimates. Women and Child Development Department stated that as the files were moving among financial consultants, FD and concerned minister for clarification and additional information and as the online submission of estimates depended upon availability of network there was delay in submission of budget estimates.

<sup>3</sup> Chapter XI, Paragraph 93

<sup>4</sup> Chief Electrical Inspector and Collector of electricity Duty, Directorate of Petroleum

<sup>5</sup> Integrated Child Development Scheme, Social Defence, Women Wing, Gujarat Women Economic Development Corporation, Gujarat State Women Commission

#### **2.4.2 Review of Grant-13 Energy Projects (Energy and Petrochemicals Department)**

The Energy and Petrochemicals Department, Government of Gujarat (GoG) deals with the regulation of oil and natural gas fields, taxes on mineral rights of the crude oil fields and natural gas fields besides enforcement of Acts relating to generation, distribution and transmission of electricity in order to provide quality and un-interrupted reliable power at sustainable and economical rates to the people of Gujarat. This is attempted through increased generation, efficient transmission and distribution system, public participation, energy conservation, and use of alternative sources. The Department is headed by Additional Chief Secretary.

##### ***Rush of expenditure at the fag end of the year***

As per provision contained in paragraph 109 of the Gujarat Budget Manual, rush of expenditure in the closing month of the financial year should be avoided.

In order to provide uninterrupted and quality power supply with proper voltage to agriculturists in Gujarat, GoG introduced Kisan Heet Urja Shakti Yojna (KHUSHY). Under this scheme, low voltage distribution system is to be converted into high voltage distribution system. For implementation of the scheme a provision of ₹ 150 crore was made (20 April 2013) for the year 2013-14 as share capital contribution under the head of account 4801:05:190:07.

During Audit scrutiny of the scheme file/records, it was noticed that ₹ 150 crore was released out of which only ₹ 44.63 crore were spent up to the end of January 2014 and an amount of ₹ 105.86 crore was spent during the last two months i.e. February and March 2014 which is 70.34 *per cent*<sup>6</sup> of the total grant<sup>6</sup>. This indicates rush of expenditure at the fag end of the financial year due to lack of proper planning and lack of proper monitoring to watch the progress of the scheme. No financial or physical targets were given in the grant resolution(s) in order to curb the practice of rush of expenditure at the fag end of the year.

On this being pointed out the Department replied (September 2014) that the grant was released only on obtaining an assurance from the GUVNL about the full utilisation thereof before the year end as the scheme was ongoing and continuous.

The reply should be viewed in the light of instructions to avoid rush of expenditure.

##### ***Outstanding subsidy claims***

The GoG was giving various subsidies to GUVNL for different purposes. During the course of audit it was noticed that claims of subsidies were

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<sup>6</sup> Actual expenditure was ₹ 150.49 crore during the year 2013-14

outstanding from the GoG. The position in this regard as on 31 March 2014 is detailed in **Table 2.9**.

**Table 2.9: Outstanding subsidy claim as on 31 March 2014**

(₹ in crore)				
Sl. No.	Name of the project/scheme	Budget classification	Total subsidy provided and disbursed (As per budget 2013-14)	Outstanding subsidy claim as on 31 March 2014
1	Supply of free electricity to water works of villages/panchayats/voluntary organisations	2801:80:101:04:00:3355	200.00	567.39
2	Compensation in GERC tariff	2801:80:800:15:00:3355	800.00	558.84
3	Subsidy for 50 per cent relief to Agriculture consumers	--	--	396.07
4	Fuel price and power purchase adjustment charges	2801:80:800:23:00:3355	1,300.00	1,791.12

Source: Energy and Petrochemicals Department of the State Government

It emerges from the table above that the total outstanding claims of power subsidies from GUVNL were to the extent of ₹ 3,313 crores. It was noticed that every year, there was increase in the amount of claim of subsidies over the previous year. However, the Government had sanctioned lesser amount against the claims resulting in outstanding subsidy claims which keep on increasing Government liability. This has the potential to bring down the surplus in the state finances when paid.

The Department stated (July 2014) that the differential amount of subsidy would be released by the State Government after verification of the data of actual subsidies passed on by the DISCOMs to the consumers. Further, it was also stated that as the subsidies were paid for welfare of rural areas, it could not be inferred that such subsidies were increasing the liability of the Government.

The reply should be viewed in the light of the fact that the delay in sanctioning of claims adds to the burden of the Government on account of accumulating unpaid subsidy claims. It also affects the financial liquidity of power sector companies supplying power at the subsidised rate to the rural areas.

### ***Blocking of funds***

As per Paragraph 103 of the Gujarat Budget Manual, spending departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated.

The GoG accorded administrative approval of ₹ five crore to GUVNL for the Smart Village Distributed Renewable Energy Generation with Smart Grid concept project for the year 2013-14. The project was envisaged for satisfying the load demand of rural areas by utilising pollution free non conventional/renewable energy sources, to reduce reliance on the grid power supply, to reduce the distribution losses, and to provide reliable and quality power supply.

Audit scrutiny revealed that expenditure of only ₹ 2.07 lakh (0.41 per cent) was incurred by GUVNL during 2013-14. This resulted in blocking of funds of ₹ 4.98 crore which was not in consonance with prevailing rules and regulations.

After this being pointed out in audit, GUVNL replied (August 2014) that the project was altogether a new concept and initially it was to be implemented by Gujarat Power Corporation Limited (GPCL) and the decision to execute the project through GUVNL was taken later on. It was further stated that majority of grant was released only in last month of 2013-14.

***Non surrender of unspent balances at the end of the year***

The Government Resolution releasing the grant stipulates for the surrender of grant or portions thereof by the grantee to the Government as and when savings are anticipated. During Audit of grant records maintained in GUVNL and GPCL for the year 2013-14, it was observed that there were huge unspent balances in respect of certain grants at the end of 2013-14. However, the same was not surrendered till the date of audit (August 2014) the details of which are as given in the **Table 2.10**.

**Table 2.10: Non surrender of unspent balances**

Sl. No.	Grant	Budget Head	Actual Amount Released	Actual expenditure	₹ in crore)
					Savings
<b>GUVNL</b>					
1	Electrification of hutments	2801:80:800:06:00:3355	60.00	40.86	19.14
2	Smart Village Distributed renewable energy generation with smart grid concept	2801:80:800:31:00:3355	5.00	0.02	4.98
<b>GPCL</b>					
1	Assistance to GPCL for solar energy research and development	2801:80:800:29:00:3355	10.00	0.00	10.00
2	Assistance to GPCL for geothermal pilot project and tidal energy project	2801:80:800:30:00:3355	10.00	0.13	9.87
3	Assistance to GPCL for establishing energy fuel security through acquiring coal and gas assets abroad	2801:80:800:32:00:3355	10.00	1.84	8.16
4	Assistance to GPCL for energy Conservation	2801:80:800:16:00:3355	5.00	2.11	2.89

Source: GUVNL and GPCL

On this being pointed out in audit, GUVNL replied (August 2014) that electrification of hutments was a continuous scheme and released amount might not have been spent due to non-submission of list of beneficiaries by various offices.

The reply notwithstanding, non-surrender of unspent balances is in violation of provisions of Gujarat Budget Manual.

### **2.4.3 Review of Grant-106 Other Expenditure Pertaining to Women and Child Development Department**

The main functions of Women and Child Development Department (the Department) are to improve health and nutrition, physical, psychological and social development of women and children, change the existing mindset about women in the society, protect rights of women, empower women of backward classes of society in the state, etc.

The Secretary of the Department is assisted by the five heads of Department (HOD) viz. Director, Integrated Child Development Scheme, Director, Social Defence, Joint Commissioner, Women Wing, Managing Director, Gujarat Women Economic Development Corporation and Member Secretary, Gujarat State Women Commission.

The budgetary procedures followed and the expenditure controls exercised during the year 2011-14 by the Department in respect of the Women and Child Development Department were reviewed.

#### ***Deviation from the Budget***

The breakup of provision/expenditure for Revenue and Capital heads during 2011-14 are given in **Table 2.11** and **Table 2.12**

**Table 2.11: Deviation from the Budget for Revenue Expenditure**

Year	Budget (including supplementary)		Expenditure		Unutilised provision		Deviation Percentage	
	Non Plan	Plan	Non Plan	Plan	Non Plan	Plan	Non plan	Plan
	(₹ in crore)							
2011-12	137.69	876.40	137.43	875.54	0.26	0.86	0.19	0.10
2012-13	533.44	552.22	454.44	576.18	79.00	-23.96	14.80	-4.33
2013-14	737.87	921.44	687.25	755.24	50.62	166.20	6.86	18.04

Source: Appropriation Accounts of the State Government

The percentage of deviation (unutilised provision) in case of Non Plan Revenue expenditure was 0.19 *per cent* in 2011-12 which was increased to 14.80 *per cent* in 2012-13. In case of Plan Revenue expenditure, the unutilised provision increased from 0.1 *per cent* in 2011-12 to 18.04 *per cent* during 2013-14. However, during 2012-13, there was excess utilisation of provision of 4.33 *per cent*.

The percentage of deviation (unutilised provision) in case of Non Plan Capital expenditure was 10.09 *per cent* during 2013-14. In case of Plan Capital expenditure, it was 7.47 *per cent* during 2013-14 as detailed in **Table 2.12** below.

Table 2.12: Deviation from the Budget for Capital Expenditure

Year	Budget (including supplementary)		Expenditure		Unutilised provision		Deviation Percentage	
	Non Plan	Plan	Non Plan	Plan	Non Plan	Plan	Non plan	Plan
	2011-12	0.00	110.00	0.00	110.00	0.00	0.00	0.00
2012-13	0.09	568.64	0.00	568.64	0.09	0.00	100	0.02
2013-14	94.75	130.87	85.19	121.09	9.56	9.78	10.09	7.47

Source: Appropriation Accounts of the State Government

### Loss of interest

The Department released funds of ₹ 46.66 crore and ₹ 64.74 crore during 2012-13 and 2013-14 respectively to Integrated Child Development Services Society (ICDS Society) with the condition that funds should be deposited with Gujarat State Financial Services (GSFS) and interest earned on the deposit should be credited into Government Account. In violation of the condition, the ICDS Society deposited funds received during 2012-13 and 2013-14 with the Bank of Baroda (BOB) initially instead of GSFS. As the rate of interest on the deposits in case of GSFS was more than BOB, delay in depositing funds with GSFS resulted in loss of interest of ₹ 27.66 lakh as given in **Table 2.13**.

Table 2.13: Loss of interest due to lack of financial management

Year	Period of deposit with BOB	Amount deposited	Interest earned from BOB (4 per cent)	Interest would have been earned from GSFS (6 per cent up to 31-8-2013/ 7 per cent 1-9-2013 onwards)	Difference (Loss of interest)
					(₹ in lakh)
2012-13	8-3-2013 to 8-4-2013	1,995.22 to 4,665.72	10.23	15.34	5.11
	9-4-2013 to 23-4-2013	2,396.25 to 4,665.72	3.94	5.91	1.97
<b>Total for grants received in 2012-13</b>			<b>14.17</b>	<b>21.25</b>	<b>7.08</b>
2013-14	31-3-2014 to 27-5-2014	3,269.46 to 4,393.94	27.45	48.03	13.72
<b>Total for grants received in 2013-14</b>			<b>27.45</b>	<b>48.03</b>	<b>20.58</b>
<b>Grand Total</b>			<b>41.62</b>	<b>69.28</b>	<b>27.66</b>

Source: Women and Child Development Department of the State Government

The Department stated (August 2014) that the fund was deposited late in GSFS due to various reasons viz., code of conduct was in force in election time, Member Secretary was on election duty in Orissa, heavy work load of March ending and in the initial days of April, officers being on tour for supportive supervision of Anganwadis in April and May 2014 etc.

Thus due to lack of proper financial management, the Society suffered loss of interest of ₹ 27.66 lakh on parking of funds.

Further Audit scrutiny of records revealed that the State ICDS Society earned interest of ₹ 1.57 crore on the deposits with GSFS during 2013-14. However, in violation of the condition imposed by the Department at the time of release of funds, the State ICDS Society has not credited the interest into Government Account.

On this being pointed out, the Member Secretary, State ICDS Society replied (August 2014) that interest earned from GSFS under liquid deposit scheme would be credited to the Government Account after receiving necessary approval from competent authorities.

The fact remained that the condition of release of funds provides for deposit of interest earned into Government Account.

***Substantial Surrenders***

The following major heads and sub heads saw substantial surrenders during the year 2013-14 as shown in **Table 2.14**.

**Table: 2.14 Substantial Surrenders**

Sl. No.	Major Head/Sub Head/Minor Head	Sanctioned grant	Amount of surrender	Final grant after surrender of saving
1	2235-02-001-02 WCD-1 Commissionerate of Women and Child Development	6.01	4.37	1.64
2	2235-02-103-16 WCD-2 Mahila Marg Darshan Kendras	6.26	1.41	4.85

Source: Re appropriation/ Surrender orders by Women and Child Development Department

When pointed out in audit, the Commissioner Women and Child Development stated (July 2014) that in case of the first item, the sanctioned grant included budget provision of ₹ 3.36 crore as a new item for merger of women related subjects from the office of Director, Social Defence into the office of Joint Commissioner, Women Wing for the financial year 2013-14. Though the provision was available during the financial year 2013-14, the newly merged directorate had not started as the sanction order was issued very late (February 2014). As a result, the total amount could not be utilised. This reflects improper planning on the part of Department.

Regarding the second item, the Commissioner replied that the amount of ₹ 1.41 crore could not be utilised due to late opening (February 2014) of 22 centres for women welfare schemes and rejection of expenditure of NGOs by Extension Officers.

***Non-utilisation of provision***

Scrutiny of Appropriation Accounts revealed persistent non-utilisation under social security and welfare during the period 2012-13 and 2013-14.

The Ministry of Women and Child Development, Government of India circulated the revised scheme guidelines of ‘Swadhar Greh’ for women in difficult circumstances after merger of ‘Swadhar’ and ‘short stay home’ schemes in October 2011. It was stipulated that 25 per cent of the cost towards running of Swadhar Greh shall be borne by the respective State Governments. The scheme envisioned a supportive institutional framework for women victims of difficult circumstances so that they can lead their life with dignity and conviction. It was envisaged that shelter, food, clothing and health as well as economic and social security are assured for such women.

Audit scrutiny revealed that GoG provided ₹ 0.85 crore for this scheme in the budget estimate of 2012-13. However, the entire amount was surrendered due to procedural delays and non-receipt of proposals from districts.

In 2013-14, ₹ 0.85 crore was again provided for the same scheme. Proposals were received from Ahmedabad, Surat, Kheda, Dahod and Sabarkantha districts but they were not in proper order so District Women Welfare Committee did not recommend them. Thus total amount of ₹ 0.85 crore was surrendered.

The Department stated (August 2014) that they had sent Government of India's Swadhar Greh Scheme's resolution and guidelines to all Collectors, DDOs, DSPs, District Social Defence Officers and Municipal Commissioners.

Thus, improper planning and lack of monitoring resulted in persistent non utilisation of provision and beneficiaries were deprived of the benefit of this scheme.

### ***Non fulfilment of Budget Targets***

During the budget speech for the year 2013-14, a commitment was made to provide funds for various schemes which remained unfulfilled at the end of the year as indicated below:

- A provision of ₹ one crore for logo to Anganwadi Centres for recognition and ₹ 20 crore to provide Learning Capacity Enhancement Device to the Anganwadis for the children of age group between 3-6 year for early childhood education under ICDS was made. Scrutiny of the grant record revealed that the entire amount of ₹ 21 crore was surrendered.

When pointed out in audit, the Commissioner Women and Child Development stated (August 2014) that in case of Learning Capacity Enhancement Device due to technical reasons, it was decided to cancel the tendered items and so the grant was surrendered.

In case of logo to Anganwadi centres, the Commissioner stated (August 2014) that the procedures to finalise the design of logo for Anganwadis was on hand but due to model code of conduct for Lok Sabha elections, a proposal for keeping the grant of ₹ one crore with state ICDS Society was submitted to Government. However, the proposal was rejected by the Government and the amount of ₹ one crore surrendered to the Government.

- A provision of ₹ 5.10 crore for purchase of Mobile Vans for introducing Mobile Anganwadis cum crèche in the tribal and interior areas of six Municipal Corporations was made in the budget 2013-14. During Audit scrutiny of the records it was noticed that entire amount of ₹ 5.10 crore was surrendered.

The Commissioner stated (August 2014) that tender process was started in December 2013 but due to the technical nature and Lok Sabha elections, it

was evident that the process would not be completed by March 2014 and hence the purchase was not made.

- A budgetary provision of ₹ 0.26 crore for Anganwadi centres *cum* crèches was made. However, it was observed that the entire amount of ₹ 0.26 crore was surrendered during 2013-14.

The Commissioner stated (August 2014) that the training programme to the staff for Anganwadi started very late (i.e. July 2014) while the work of fixing the location of Anganwadi centres *cum* crèche was in process. As a result, this activity was not commenced and the entire amount was surrendered.

Thus lack of preparedness on the part of the Department led to surrender of the grant.

- Out of budgetary provision of ₹ 78.30 crore for providing additional supplementary nutrition to the underweight children of 3-6 year age group under ICDS scheme, an amount of ₹ 39.15 crore was surrendered.
- For providing supplementary nutrition food to children of 6 month to 3 years age group with appropriate recipe (raab or laddu) from the share of Bal Bhog in the Anganwadi center under 'Take Home Ration' strategy under ICDS for five day a week, an amount of ₹ 13.56 crore was provided out of which amount of ₹ 6.78 crore was surrendered at the end of the year.
- For celebrating Vatsalya Divas/ Sneh Divas and ECCE Divas in cluster camps, an amount of ₹ 21.36 crore was provided out of which amount of ₹ 10.70 crore was surrendered at the end of the year.

The Department stated (August 2014) that these all were new items which required administrative procedures and needed to inform the staff. Hence, these three schemes have not been started properly and surrenders have been made.

The reply indicates that with proper planning, large surrenders could have been avoided.

### ***Blocking of Fund***

The Department sanctioned (14 March 2014) ₹ 5.14 crore for providing medical kits to Anganwadis and permitted parking of funds with the State ICDS Society with the condition that the fund would be utilised until 31 July 2014 and unutilised balance should be refunded to the Government. Scrutiny of records revealed that funds of ₹ 5.14 crore were not yet utilised (August 2014).

The Department stated (August 2014) that advance of ₹ 2.53 crore was paid (April 2014) to Gujarat Medical Service Corporation Limited for providing

medical kits and a proposal for extension of time limit upto 31 December 2014 was also submitted (July 2014) to the Government of India.

The fact remains that no expenditure was incurred till August 2014 even after lapse of the stipulated time resulting in blocking of fund of ₹ 5.14 crore with ICDS Society.

## **2.5 Advances from Contingency Fund**

The Contingency Fund of the State had been constituted under the Gujarat Contingency Fund Act, 1960 in terms of the provisions of Articles 267(2) and 283(2) of the Constitution of India. The fund is in the nature of an imprest and its corpus is ₹ 200 crore. During the year, ₹ 0.11 crore under Grant No-57 in Labour and Employment Department (Major Head-2230) were spent out of the Contingency Fund which was not recouped during the year.

## **2.6 Budget control mechanism including budgetary process in Finance Department**

The Finance Department prepares the annual statement of estimated receipts and expenditure known as the “Annual Financial Statement” and the supplementary estimates of expenditure for presentation to Legislature and for this purpose obtains from the administrative departments concerned, the material on which to base the estimates. The estimates are first examined by the concerned administrative department and then by the Finance Department. The departmental estimates take cognizance of standing sanctions of revenue based on existing law, rule or order and all expenditures incurred by virtue of existing rules and orders. Proposals involving reduction or increase of revenue otherwise than in pursuance of authorised codes, manuals, or rules and proposal for new expenditure are not taken into account in preparing departmental estimates but are submitted to the Government for consideration separately. Such new items are examined with reference to availability of resources and comparative urgency of proposals by the Expenditure Division. The proposals accepted by the Government are included in the budget.

The rules for preparing the budget are laid down in the Gujarat Budget Manual, 1983 which stipulates that utmost foresight both in estimating revenue and anticipating expenditure is to be exercised. The estimates should, therefore, be framed after a careful and thorough consideration of all items of expenditure and of all sources of income so that they are neither inflated nor under pitched.

### ***Budget Control Mechanism including Budgetary Process***

Test check of records of the Finance Department for the year 2013-14 was undertaken with the objective of verifying compliance with the applicable manuals and rules in the preparation of budget, adherence to time schedule in preparation of budget estimates, accuracy of estimates and resource management.

### **2.6.1 Inaccuracy in estimation of public debt requirement**

It was observed that in the original approved budget estimates for the year 2013-14, public debt to be raised was estimated at ₹ 26,010 crore, which consisted of market loans at ₹ 22,500 crore. In the revised estimate, the requirement of raising loans was reduced to ₹ 19,989 crore which included market loan of ₹ 15,500 crore.

However, at the end of March 2014, the actual loan raised during the year stood at ₹ 19,343.04 crore including market loans of ₹ 15,492.55 crore. The variation in the estimation between the original estimates and actual aggregate loans obtained was to the extent of 26 *per cent* and in relation to loans from market by 31 *per cent*. Thus, there is wide variation between original estimates and actuals indicating that the loan requirement was inflated.

### **2.6.2 Duplication of estimation for Dearness Allowance**

As per Rule 30 of the Gujarat Budget Manual, the estimation should be as close and accurate as possible and the provisions included in respect of each item should be based on what is expected to be actually paid or spent under proper sanction during the year, including arrears of past year. Further, Rule 38 stipulates that provisions of dearness allowance are required to be made by the concerned department in their budget estimates.

It was noticed that the FD surrendered (March 2014) ₹ 2,997 crore out of ₹ 3,000 crore provided to meet liability on account of increased rates of dearness allowance (DA). On verification of the original approved budget estimates for the year 2013-14 it was observed that the provisions for DA aggregating to ₹ 3,080 crore was already made under the object head 0103 of respective departments. Therefore, the provision for dearness allowance of ₹ 3,000 crore led to duplication of the estimates.

On this being pointed out in audit, it was stated that provision of ₹ 3,000 crore was made to accommodate additional DA to be declared in September 2013.

The reply is not acceptable as the lump sum provision made was not required at all as entire provision was made in the budget of the respective departments.

### **2.6.3 Budget estimates and transfer to Consolidated Sinking Fund**

Rule 30 of the Gujarat Budget Manual stipulates that the provisions included in respect of each item of the estimates should be based on what is expected to be actually paid or spent under proper sanction during the year. Details of budget estimates and actual transfer to the Consolidated Sinking Fund (CSF) during 2011-12 to 2013-14 are as shown in **Table 2.15**.

**Table 2.15: Budget estimate and actual transfer to consolidated sinking funds**

Particulars	2011-12	2012-13	2013-14
Budget estimate	1,000	1,000	1,000
Revised Estimate	300	1,000	50
Actual fund transferred	300	0	0

Source: Finance Department of the State

It can be observed from the table that during 2011-12 to 2013-14, though the provision of ₹ 1,000 crore was made in the original estimates of each year towards CSF, only ₹ 300 crore was transferred to the CSF during 2011-12 and no amount was transferred to CSF in the subsequent two years. Further, it was observed that in March 2013, the Committee for Liquidity Management decided not to transfer any amount to CSF. Despite this, a provision of ₹ 1,000 crore was made towards CSF in the ensuing budget estimates for the financial year 2013-14. Thus, provisions were made in three years for transfer of funds though it was not actually expected to be paid into CSF.

#### **2.6.4 Budget estimates and transfer to Guarantee Redemption Fund**

The Guarantee Redemption Fund (GRF) was established to cover contingent liabilities of the State Government in terms of outstanding guarantees.

Details of budget estimate and actual transfer to GRF during 2011-12 to 2013-14 are as shown in **Table 2.16**.

**Table 2.16: budget estimate and actual transfer to GRF**

Particulars	₹ in crore)		
	2011-12	2012-13	2013-14
Budget estimate	50	40	30
Revised Estimate	50	40	30
Actual fund transferred	0	0	0

Source: Finance Department of the State

On scrutiny of the budget estimates, revised estimates and actual expenditure incurred for GRF, it was observed that for the financial year 2013-14, ₹ 30 crore had been provided in the original budget estimate but ultimately no amount was transferred to the Fund. This provision of ₹ 30 crore was made despite the decision (March 2013) by the Committee for Liquidity Management not to transfer any amount to the Fund.

Thus, the provisions of ₹ 120 crore towards GRF were made during 2011-14, though no amount was actually transferred to GRF during the three years ending 2013-14.

#### **2.6.5 Non recovery of undisputed tax arrears**

Rule 30 of the Gujarat Budget Manual stipulates that the budget estimates should indicate only the amount actually expected to be received during the budget year. The arrears, if any, outstanding from previous years for collection should be included, if it is reasonably certain that the same would be realised within that year.

Scrutiny of records of the FD revealed that as on 31<sup>st</sup> March 2013 out of total tax arrears of ₹ 29,462 crore, ₹ 10,950 crore (37 per cent) were not under dispute. Out of the undisputed amount, ₹ 9,010.40 crore (82.29 per cent) are in arrears for more than two years. An amount of ₹ 2,466 crore (22.52 per cent) remained in arrears for more than 10 years. Recovery of the taxes and duties assessed is an important factor in determining the financial situation of the State. Non recovery of taxes in time obstructs preparation of proper estimates

of receipts and expenditure of the Government. The position as on 31 March 2014, though called for, was not made available by the Department.

The FD stated (December 2014) that the concerned HODs of the Administrative departments have been instructed to expedite efforts to recover due arrears of tax revenue.

## **2.7 Misclassification treating ‘Grants-in-aid’ and ‘Subsidies’ as Capital Expenditure**

Indian Government Accounting Standard (IGAS)-2 regarding Accounting and Classification of Grants-in-aid prescribes that the Grants-in-aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. Only in cases specifically authorised by the President of India on the advice of the Comptroller and Auditor General of India, can these be debited to a capital head of account in the Financial Statements of the Government. Further, Rule 30 (1) of Government Accounting Rule, 1990 states that the expenditure of a capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character. Also the assumptions underlying the Fiscal Indicators for the Gujarat Fiscal Responsibility Rules, 2006 stipulate inclusion of “Major Subsidies” as expenditure on revenue account.

During the year 2013-14, amounts of ₹ 1,462.75 crore and ₹ 170.75 crore were disbursed as Grants-in-aid and subsidy respectively under the following capital major heads of expenditure against approved budgetary provision in violation of IGAS-2 as detailed in **Table 2.17**.

**Table 2.17: Misclassification of grants-in-aid and subsidy under capital Major Heads**

(₹ in crore)			
Sl. No.	Classification-Major Head	Grants-in-aid	Subsidy
1	4202- Capital Outlay on Education, Sports, Arts and Culture	422.81	--
2	4210- Capital Outlay on Medical and Public Health	44.05	--
3	4217- Capital Outlay on Urban development	466.00	--
4	4225- Capital Outlay on Welfare of Scheduled Caste, Scheduled Tribes, Other Backward Classes and Minorities	4.81	81.14
5	4236- Capital Outlay on Nutrition	122.56	--
6	4401- Capital Outlay on Crop Husbandry	5.00	--
7	4402-Capital Outlay on Soil and Water Conservation	9.36	--
8	4435- Capital Outlay on Other Agriculture Programmes	0.02	13.79
9	4515- Capital Outlay on Other Rural Development Programmes	94.90	--
10	4801- Capital Outlay on Power Projects	210.21	45.00
11	4851- Capital Outlay on Village and Small Industries	0.79	3.03
12	4852- Capital Outlay on Iron and Steel Industries	--	25.00
13	5452-Capital Outlay on Tourism	81.94	--
14	6225- Loans for Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.30	2.79
<b>Total</b>		<b>1,462.75</b>	<b>170.75</b>

Source: Finance Accounts of the State Government

The expenditure on 'Grants-in-aid' and 'Subsidies' should be booked under revenue expenditure. However, the expenditure of ₹ 1,633.50 crore in respect of 'Grants-in-aid' and Subsidies' were booked in Capital Section. This resulted in understatement of revenue expenditure and also consequential overstatement of the revenue surplus to that extent.

Also in 2012-13, amounts of ₹ 881.30 crore and ₹ 207.27 crore were disbursed as Grants-in-aid and subsidy respectively under various capital major heads of expenditure, and this was reported in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31 March 2013.

The FD, while accepting the facts, stated (December 2014) that all the administrative departments of GoG have been instructed to follow IGAS-2 in preparing Budget Estimates for expenditure incurred on GIA projects/schemes.

## **2.8 Conclusion and Recommendations**

During 2013-14, ₹ 1,05,794.46 crore was incurred against total grants and appropriations of ₹ 1,18,537.03 crore resulting in savings of ₹ 12,742.57 crore. The overall savings of ₹ 12,742.57 crore was the result of savings of ₹ 13,768.92 crore, offset by excess of ₹ 1,026.35 crore.

***This excess requires regularisation under Article 205 of the Constitution of India.***

In thirteen cases, there were persistent saving of more than ₹ 10 crore in each case during the last five years in respect of grants pertaining to Finance Department, Ports and Transport Department, Social Justice and Empowerment Department and Road and Building Department indicating that either the provisions were excessive or the executive was not successful in implementing the legislative aspirations.

There were also excess expenditure over provision of more than ₹ two crore consistently for last three years in respect of 22 schemes under 10 different grants pertaining to Education Department, Narmada, Water Resources, Water Supply and Kalpsar Department, Revenue Department and Road and Buildings Department.

***The Controlling/ Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to avoid saving/ excess especially in departments where persistent saving/ excess were noticed. They may also specifically strengthen monthly expenditure control and monitoring mechanism.***

The outstanding claims of power subsidies from GUVNL were to the extent of ₹ 3,313 crore and has the potential to bring down the surplus in the state finances when paid. The non payment of subsidy is also affecting the liquidity of the power sector companies.

***The Government may fix timelines for verification and payment of power subsidy claims to avoid further accumulation of financial liability in this regard.***

During the year 2013-14, amounts of ₹ 1,462.75 crore and ₹ 170.75 crore were disbursed as Grants-in-aid and subsidy respectively under various capital major heads of expenditure in violation of Indian Government Accounting Standard (IGAS)-2 and assumptions underlying the Fiscal Indicators stipulated in the Gujarat Fiscal Responsibility Rules, 2006. This has resulted in understatement of revenue expenditure and also consequential overstatement of the revenue surplus to that extent. Also in 2012-13, amounts of ₹ 881.30 crore and ₹ 207.27 crore were disbursed as Grants-in-aid and subsidy respectively under various capital major heads of expenditure, and this was reported in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31 March 2013.

***The Government may ensure compliance to IGAS in budget formulation so that the said expenditure is accounted for as revenue expenditure in the Government Accounts.***

Sound internal controls and compliance with rules and procedures contribute significantly to good governance. They also ensure relevant, reliable and timely financial reporting and assist the State Government in meeting its basic stewardship responsibilities, in strategic planning and appropriate decision making. This Chapter provides an overview of the State Government’s compliance with various financial rules, procedures and directives during the year 2013-14.

### 3.1 Delay in furnishing Utilisation Certificates

The Gujarat Financial Rules<sup>1</sup> provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be submitted within twelve months of the closure of the financial year by the institution or organisation concerned to the Head of Department concerned and after verification, these should be forwarded to the Accountant General. However, 12,603 UCs aggregating to ₹ 7,420.40 crore due in respect of grants paid during the period 2001-02 to 2013-14 were outstanding as on 31 March 2014. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise position of delays in submission of UCs is summarised in **Table 3.1**.

**Table 3.1: Age-wise arrears of Utilisation Certificates**

(₹ in crore)

Sl. No.	Range of Delay in Number of Years	Utilisation Certificates Outstanding	
		Number	Amount
1	Upto one year*	3,231	4,810.84
2	1-3	1,261	1,067.09
3	3-5	1,030	738.58
4	5-7	669	303.21
5	7-9	1,114	258.83
6	9 and above	5,298	241.85
	<b>Total</b>	<b>12,603</b>	<b>7,420.40</b>

Source: Information compiled by Accountant General (A&E), Gujarat

\* For the Grants paid during 2013-14, the Utilisation Certificates will become due only during 2014-15.

Almost 27 per cent of the outstanding UCs of ₹ 1,974.39 crore pertained to the Social Justice and Empowerment Department. The Narmada, Water Resources, Water Supply and Kalpsar Department and Urban Development and Urban Housing Department had yet to furnish UCs of ₹ 1,286.36 crore and ₹ 1,251.16 crore of UCs respectively.

<sup>1</sup>Rule 154 and 155 of the Gujarat Financial Rules, 1971

The FD stated (December 2014) that all the departments of GoG have been instructed to take appropriate action for submission of pending UCs.

### 3.1.1 Review of utilisation certificates in selected departments

As per the Gujarat Financial Rules, 1971 (GFR) administrative departments may sanction grants-in-aid (GIA) to an institution or body, subject to the condition that the sanction is in accordance with the Rules or principles prescribed in these Rules or prescribed with the previous consent of the Finance Department (FD). With a view to ascertain how far the authorities were adhering to these Rules relating to GIA, Audit test checked the records of the administrative department/ controlling officers of the Urban Development and Urban Housing Department (UD & UHD) and Narmada, Water Resources, Water Supply and Kalpsar Department (NWRWS &KD) along with these units. The findings in this regard are classified under three broad categories based on the release of grant by the GoG, the 13<sup>th</sup> Finance Commission and the GoI and are discussed below:

#### 3.1.1.1 UCs in respect of grant received from GoG

##### *Non-receipt of UC by Gujarat Municipal Finance Board*

As per Rule 155 of Gujarat Financial Rules, 1971 and note below “UC of grant should be furnished in every case of grant paid for specific purpose even if no conditions are specifically attached to the grant.” In this regard, Audit scrutiny revealed the following:

- *Jilla Sadbhavana Mission Karyakram and Anushangik Kamgiri works*

The Gujarat Municipal Finance Board (GMFB) received (11 March 2013) grant for Jilla Sadbhavana Mission Karyakram 2011-12 Anushangik Kamgiri (District Harmony Mission Programme 2011-12 related works) vide GoG Resolution dated 11 March 2013 during the year 2012-13. The grant of ₹ 1.10 crore was placed at the disposal (March 2013) of four Municipal Corporations (MCs) as given in **Table 3.2** below:

**Table 3.2: Details of Grants placed at the disposal of Municipal Corporations**

Sl. No.	Name of Municipal Corporation	Grant Amount (₹ in lakh)
1	Surat	27.00
2	Vadodara	54.47
3	Rajkot	20.00
4	Jamnagar	8.50
	<b>Total</b>	<b>109.97</b>

Source: Urban Development and Urban Housing Department of the State

The MCs were required to utilise the grant for specified purposes and furnish the UCs at the end of the Financial Year 2012-13. The unutilised grant amount was to be surrendered to the Government. The MCs did not furnish the UCs within the stipulated time. After issuance of reminders issued by GMFB on 09 August 2013 to all MCs, the Vadodara Municipal Corporation (VMC) and Jamnagar Municipal Corporation furnished UCs

for ₹ 54.47 lakh and ₹ 8.50 lakh on 19 August 2013 and 21 October 2013 respectively. However, UC furnished by the VMC was incomplete as the details of expenditure and item wise break up of expenditure were not furnished. Further, no UCs were received from Rajkot Municipal Corporation and Surat Municipal Corporation (July 2014). As a result of non-receipt of UCs or incomplete UCs, it was not clear as to how GMFB satisfied itself of the authenticity and correctness of expenditure incurred.

GMFB replied (July 2014) that UCs would be called for from the MCs and would accordingly be intimated to audit.

- ***Celebration of 150<sup>th</sup> Janma Jayanti of Swami Vivekanand***

The GoG placed (17 August 2012) grant of ₹ 10.00 crore at the disposal of GMFB to make physical fitness equipment available to MCs on account of celebration of 150<sup>th</sup> Janma Jayanti of Swami Vivekanand. GMFB disbursed (9 January 2013) this grant to eight MCs with the condition that the amount was to be used for purchase of physical fitness equipments in gardens and public places during the year 2012-13. The MCs were required to furnish UCs at the end of financial year 2012-13.

**Table 3.3: Details of Grants placed at the disposal of Municipal Corporations**

Sl. No.	Name of Municipal Corporation	Grant Amount ₹ in lakh
1	Ahmedabad	400.00
2	Surat	257.00
3	Vadodara	126.00
4	Rajkot	86.00
5	Bhavnagar	45.56
6	Jamnagar	43.00
7	Junagadh	23.71
8	Gandhinagar	18.73
<b>Total</b>		<b>1,000.00</b>

Source: Urban Development and Urban Housing Department of the State

Audit scrutiny revealed that UCs were not received (June 2014) from any of the MCs.

On this being pointed out in audit, the GMFB issued reminders to all the eight MCs to submit UCs immediately.

***Non submission of UC by Gujarat Water Supply and Sewerage Board***

On scrutiny of records of Gujarat Water Supply and Sewerage Board (GWSSB) it was observed that the practice of furnishing UCs was not followed by GWSSB though there was condition of submission of UC in each grant releasing order issued by the Narmada, Water Resources, Water Supply and Kalpsar Department (NWRWS &KD). Details of grants received by GWSSB during 2011-12 to 2013-14 are given in **Table 3.4** below.

Table 3.4: Details of Grants received by GWSSB

State -Non Plan (₹ in lakh)

Sl. No.	Demand/MH	Nomenclature	Grant amount
<b>2011-12</b>			
1	67/2215	Direction and Administration	2,500.00
2	67/2215	Survey & investigation	20.00
3	67/2215	Machinery & Equipment	20.00
<b>2012-13</b>			
1	67/2215	Direction and Administration	2,200.00
2	67/2215	Survey & investigation	22.00
3	67/2215	Machinery & Equipment	22.00
<b>2013-14</b>			
1	67/2215	Direction and Administration	3,000.00
2	67/2215	Survey and investigation	22.00
3	67/2215	Machinery and Equipment	22.00

State Plan (₹ in lakh)

Sl. No.	Year	Demand/MH	Nomenclature	Grant Received
1	2011-12	95/2215	Special Component Sub Plan	13,200
2	2012-13	-----do---	-----do---	5,750
3	2013-14	-----do---	-----do---	5,400

Source: Narmada, Water Resources, Water Supply and Kalpsar Department of the State

The scrutiny of records of GWSSB revealed that GWSSB had not submitted UCs for the GIA drawn and expenditure incurred during the period 2011-12 to 2013-14.

The department, while accepting the fact, stated (January 2015) that it has obtained UCs from GWSSB for the GIA paid during 2011-12 to 2013-14 and would follow the same practice in future.

### ***Non utilisation of GIA***

As per Rule 154(5) of Gujarat Financial Rules, 1971 read with note 2 below “the grant will be spent upon the specific object within a reasonable time, which would normally be a period of one year from the date of issue of the sanction of grant. Any unspent balance lying with the grantee on the expiry of one year from the date of sanction should be surrendered forthwith to Government.” In this regard, we observed non utilisation of GIA, non-furnishing of UCs on the partially utilised GIA and non-surrender of GIA related to the following schemes.

#### **➤ *Publicity of the Scheme for Night shelters in Municipal Corporations***

The Urban Development and Urban Housing Department (UD & UHD), GoG placed (28 December 2012) grant of ₹ one crore at the disposal of GMFB for giving wide publicity to 101 night shelters built up by five MCs<sup>2</sup> under the Scheme of Night Shelter for Urban Shelterless. The MCs

<sup>2</sup> Ahmedabad, Surat, Vadodara, Rajkot & Bhavnagar

had to send proposals for expenditure to be incurred for night shelters advertisement as per the grant order. Based on proposals, grant was to be released by the GMFB. As per grant order, the expenditure was to be incurred for the object specified and at the end of the year if there was any unutilised balance of grant, it was to be surrendered to the Government.

Audit scrutiny revealed that as against the grant of ₹ one crore, various MCs could utilise the grant of ₹ 13.18 lakh only during 2012-13. It was further observed that though a reminder to all MCs to furnish UCs for expenditure incurred for the year 2012-13 was issued (9 August 2013) by GMFB, no UCs were received (July 2014).

Further, UD & UHD placed (24 July 2013 and 13 November 2013) further grant of ₹ one crore at the disposal of GMFB for advertisement of the Scheme for Night Shelters for the year 2013-14.

Audit scrutiny revealed that as against the grant of ₹ one crore, no expenditure was incurred by MCs from the grant of 2013-14 and the entire grant remained unutilised along with unutilised grant of ₹ 86.82 lakh of 2012-13. GMFB proposed (23 April 2014) to the UD & UHD to surrender the unutilised grant of ₹ 1.87 crore to the Government. The UD & UHD replied (September 2014) that necessary information in this regard was being called for from the concerned MCs.

#### ➤ *Drinking Water Infrastructure Protection Task Force*

During the year 2013-14, the GoG made a provision of ₹ five crore as a grant to Gujarat Water Infrastructure Limited, Gandhinagar (GWIL) for Drinking Water Infrastructure Protection Task Force and released (May 2013 to November 2013) ₹ 3.75 crore. Administrative approval for 70 posts of different cadres from State Reserve Police Force for creating a Drinking Water Infrastructure Protection Task Force was received from the Home Department only on 23 May 2014. No posting of staff was done till date (July 2014). Hence, the funds put at the disposal of GWIL remained unutilised.

The department stated (January 2015) that the Office of Director General of Police, Gandhinagar has initiated process of recruitment of staff for the task force from SRPF and for interim period temporary staff has since been deployed with effect from July 2014 for which bills were not raised by SRPF upto December 2014. Therefore, the amount would be utilised during 2014-15.

#### *Incomplete UCs*

GMFB receives grant under Suvarna Jayanti Mukhya Mantri Shaheri Vikas Yojna (SJMMSVY) from GoG for development works to be executed under the Scheme. GMFB places the grant at the disposal of District Urban Development Authority (DUDA) which releases grant to Municipalities. DUDA grants Administrative Approval to the development works proposed by the Municipalities. GMFB has prescribed the format of UCs and circulates

the same to all DUDA offices every year. As per procedure, Municipalities should submit UCs to DUDA in the prescribed format along with vouchers, cashbooks and other related records. DUDA has to check the UCs and forward the same to GMFB duly countersigned.

Audit observed that in contravention of the laid down procedures, the Municipalities sent UCs directly to GMFB without obtaining countersignature from the respective DUDA authorities. UCs received without countersignature of DUDA should be treated as incomplete as the guidelines provide for the countersignature. Further, the date of furnishing of UC was not mentioned in the UC furnished by the following Municipalities as per the details shown in **Table 3.5**.

**Table 3.5: Details of unspent balances**

(₹ in lakh)

Sl. No.	Name of Municipality	Year	Grant received	UC furnished
1	Vijapur Municipality	2010-12	73.54	71.65
2	Kheralu Municipality	2010-11	50.54	23.71
3	Devgadh Bariya Municipality	2010-13	253.12	160.89

Source: Urban Development and Urban Housing Department of the State

In the absence of date and countersignature of DUDA, the validity of the UCs could not be verified.

When the reasons for accepting incomplete UCs were called for, it was replied (July 2014) that all DUDAs and Municipalities were being regularly reminded to furnish complete UCs in the prescribed *pro forma* duly countersigned by DUDA. The reply is not acceptable as there was inadequate follow-up by GMFB in obtaining the UCs as per the prescribed format from the Municipalities through DUDAs.

#### ***UCs submitted for the grant not actually utilised***

For construction of Railway over bridge/ under bridge, UD & UHD releases grant to Municipalities. 50 per cent GIA is given by GoG and Railways has to bear 50 per cent share of the project cost. For this project, Gujarat Urban Development Company Ltd. (GUDC) is the nodal agency.

The GoG placed (18 February 2011) grant of ₹ 20 crore at the disposal of GUDC in 2010-11. GUDC released (28 March 2011) grant to four Municipalities as given in **Table 3.6** below:

**Table 3.6: Details of Utilisation of Grants**

(₹ in crore)

Sl. No.	Name of Municipalities	Grant released	Grant utilised	Per cent
1	Unjha	4.73	4.73	100
2	Siddhpur	3.72	0.82	22
3	Himmatnagar	7.55	0.13	1.72
4	Bavla	4.00	0.00	00
<b>Total</b>		<b>20.00</b>	<b>5.68</b>	

Source: Urban Development and Urban Housing Department of the State

The Municipalities were directed to submit monthly physical/financial report to GUDC. Audit scrutiny revealed (June 2014) that out of total grant of ₹ 20 crore, only ₹ 5.68 crore were utilised. However, GUDC furnished UC to GoG for the entire grant of ₹ 20 crore.

On this being pointed out in audit, it was replied (July 2014) that detailed information regarding slow progress of work was called for from concerned Municipalities. The reply is not acceptable as GUDC at the first instance, failed to obtain monthly progress reports from the Municipalities and also furnished the UCs for the entire grant amount without proper basis.

### 3.1.1.2 UCs under ThFC

#### *Slow progress in receipt of UCs*

The GoI, in pursuance to the recommendations of ThFC, issued (September 2010) guidelines for utilisation of grant for Rural and Urban Local Bodies. In turn, the UD & UHD, GoG issued (December 2010) a resolution in this regard. The guidelines provide for release of any installment subject to receipt of UCs for the previous installment drawn. For this purpose, GMFB prescribed a format of UCs for all Municipalities. The position of grant received, UCs furnished and unspent grant with the GMFB under ThFC is given in **Table 3.7** below.

**Table 3.7: Slow progress in receipt of UCs**

Sl. No.	Grant Year	Grant received	UCs furnished	(₹ in crore)
				Unspent grant
1	2011-12	154.61	27.08	127.53
2	2012-13	181.95	7.60	174.35
3	2013-14	201.54	13.49	188.05

Source: Urban Development and Urban Housing Department of the State

Thus, there were huge unspent balances with respect to the ThFC Grant.

GMFB replied (July 2014) that the slow progress of the work was due to ground level difficulties leading to the huge unspent balances. Regarding the position of pending UCs, it was stated that GMFB would review the position. Timely collection of UCs may be ensured by GMFB for effective utilisation of fund.

#### *Submission of incomplete UCs*

The format of UCs prescribed by GMFB and circulated to all Municipalities contains two statements. The first statement shows the details of number of works executed and expenditure incurred year wise. The second statement shows the details of year wise grant released, works executed and expenditure incurred.

During audit test check, it was observed that the UCs furnished by Kutiyana Nagarpalika and Vijapur Nagarpalika were incomplete as only the first statement of UC was produced. The particulars of incomplete UCs over three

years are given in **Table 3.8** below:

**Table 3.8: Incomplete UCs submitted under ThFC Grant**

(₹ in lakh)			
Sl. No.	Name of Municipality	Grant Year	UCs received
1	Kutiyana Nagarpalika	2011-12	68.15
		2012-13	54.94
		2013-14	62.92
2	Vijapur Nagarpalika	2011-12	48.98
		2012-13	115.69
		2013-14	28.86

Source: Urban Development and Urban Housing Department of the State

GMFB replied (July 2014) that fully explanatory UCs have been called for from both the municipalities.

### ***Incorrect UCs***

The ThFC recommended payment of ₹ 200 crore to GoG to meet the state specific need viz., recharging ground water during its award period (2010-15).

During the scrutiny of records of NWRWS &KD relating to Ground Water Recharge Scheme under ThFC, it was observed that the Superintending Engineer (SE), Sujlam Suflam Circle -1 Gandhinagar had allotted (December 2012) ₹ 1.08 crore for executing works of ground water recharging to the Executive Engineer, Public Health (PH) Division, Gandhinagar. The records of the PH Division showed (June 2014) that the Division had incurred expenditure of ₹ 59.73 lakh only. However, the NWRWS &KD furnished (July 2014) UC to the GoI for the full amount. No specific reply was received from GWSSB in this regard.

Similarly, works of Ground Water Recharge were entrusted to Gujarat Water Resource Development Corporation Limited, (GWRDC) Gandhinagar by SE, Sujlam Suflam Circle No.1 Gandhinagar. The SE allotted fund of ₹ 1.65 crore for this purpose, out of which only ₹ 1.10 crore was spent. The SE, Ahmedabad Irrigation Project Circle, Ahmedabad also allotted fund of ₹ 1.86 crore to GWRDC out of which ₹ 1.05 crore was spent up to 31 March 2014. However, NWRWS &KD had shown full amount of grant as expenditure in the UCs submitted (July 2014) to GoI. Thus, UCs submitted by the GoG were incorrect and did not reflect the actual expenditure. This seems to indicate that UCs are being given as a matter of routine and the amount received during the year is being shown as expended.

### ***Diversion of funds under ThFC***

During test check of UCs received for grants under ThFC, Audit observed various cases of diversion of funds by Municipalities as given in **Table 3.9** below:

Table 3.9: Diversion of fund under ThFC Grant

(₹ in lakh)

Sl. No.	Name of Municipality	Grant Year	Grant received	Amount diverted	Purpose for which the amount was diverted
1	Wankaner Nagarpalika	2010-11	67.68	67.68	Construction of bridge under GoG Scheme SJMMSVY <sup>3</sup>
2	Upleta Nagarpalika	2012-13 2013-14	39.44 92.39	37.42 85.42	Payment of pay and allowances of regular staff of Nagarpalika
3	Amreli Nagarpalika	2012-13	70.68	26.31	Works related to Entertainment park in Gandhibagh under GoG Scheme SJMMSVY
4	Sikka Nagarpalika	2012-13	52.92	23.22	Payment of water charges, electricity dues, accident claim, colour etc.
5	Himmatnagar Nagarpalika	2012-13	40.16	40.16	Construction of commercial complex under the Canal beautification project.
6	Una Nagarpalika	2010-11 2011-12 2012-13 2013-14	57.51 73.34 57.51 83.34	57.51 73.34 57.51 56.88	Payment of pay and allowances of regular staff of Nagarpalika.
7	Bilimora Nagarpalika	2011-12 2012-13 2013-14	73.85 40.84 45.14	35.00 36.43 19.87	Payment of pay and allowances of regular staff of Nagarpalika.
8	Navsari Nagarpalika	2010-11 2011-12	42.28 109.16	35.33 106.62	Payment of arrears of pay to the regular staff of Nagarpalika as per Sixth Pay Commission award.

Source: Urban Development and Urban Housing Department of the State

When pointed out in audit, it was replied (July 2014) that GMFB would try to ascertain reasons for the diversion of funds from the concerned Municipalities.

### 3.1.1.3 UCs under grant received from GoI

#### Slow progress in implementation of Scheme

The GMFB places the grant received from GoI /GoG at the disposal of Municipal Corporations/DUDA for implementation of works under the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The details of grants received from GoI, expenditure incurred and UCs issued for the last three years are given in **Table 3.10** below:

Table 3.10: Slow progress in implementation of Scheme

(₹ in crore)

Year	Opening Balance	Actual Grant received	Expenditure incurred	UC submitted	Unspent balances
2011-12	5.99	38.43	32.64	32.64	11.78
2012-13	11.78	48.55	41.95	41.95	18.38
2013-14	18.38	52.23	53.31	Not due	17.30

Source: Urban Development and Urban Housing Department of the State

As of March 2014, unspent grant of ₹ 17.30 crore was lying with the implementing agencies (Municipal Corporations/DUDA) against grant released. Thus, there was slow progress in implementation of the Scheme.

<sup>3</sup> Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana

GMFB replied (July 2014) that all DUDAs/Municipal Corporations were being asked to furnish the reasons for slow progress.

### ***Non utilisation of GIA***

During test check of UCs by Audit, it was observed that funds were lying unspent under various components of the scheme SJSRY. Some instances of non-utilisation of funds are as follows:

- On scrutiny of UCs furnished by Municipal Corporations/DUDAs with respect to the Urban Women Self-help Programme (UWSP) component under SJSRY scheme, it was observed that amount available with five<sup>4</sup> Municipal Corporations and 10<sup>5</sup> DUDAs during the year 2011-12 was ₹ 3.70 crore and ₹ 2.50 crore respectively. Similarly, amount available with three<sup>6</sup> Municipal Corporations and eight<sup>7</sup> DUDAs during the year 2012-13 was ₹ 3.41 crore and ₹ 3.03 crore respectively. However, no expenditure was incurred out of it.
- An amount of ₹ 19.13 lakh was lying unutilised under Urban Self Employment Programme (USEP) component under SJSRY Scheme in DUDA, Kheda-Nadiad and a fresh grant of ₹ 34.89 lakh was sanctioned during 2011-12. Out of total available amount of ₹ 54.02 lakh, no expenditure was incurred.
- Grant of ₹ 81.59 lakh was lying unutilised under Umeed Yojna of SJSRY Scheme from the year 2010-11 in Rajkot Municipal Corporation (RMC). The RMC did not incur any expenditure under the Scheme and the same was also not surrendered to GMFB.

GMFB replied (July 2014)) that the reasons for the non utilisation of the funds available were being called for from the DUDA, Kheda-Nadiad and RMC.

### ***Parking of funds due to non utilisation of Central Funds***

The GoG received grant of ₹ 9.21 crore under Centrally Sponsored Scheme (CSS) for Modernisation of Fire services for the year 2012-13. The UD & UHD, GoG placed (March 2013) this grant at the disposal of GMFB. It was also stipulated that the grant was to be kept in Gujarat State Financial Service (GSFS) by GMFB as per instructions of Finance Department (FD) and on receipt of disbursement order from FD, the grant was to be disbursed to Municipalities. GMFB requested (March/August/ December 2013) the UD & UHD for getting the disbursement order from FD so as to release the grant to Municipalities. No response was received from UD & UHD till date (July 2014). This resulted in non-utilisation of Central Assistance and parking of Fund of ₹ 9.21 crore in GSFS till July 2014.

The UD & UHD replied (August 2014) that the matter would be taken up with the GMFB for the disbursement of the grant.

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<sup>4</sup> Rajkot, Jamnagar, Vadodara, Ahmedabad, Junagadh

<sup>5</sup> Ahmedabad, Gandhinagar, Mehsana, S.K. Himmatnagar, Rajkot, Kutch-Bhuj, Vadodara, Panchmahal, Bharuch, Navsari

<sup>6</sup> Vadodara, Junagadh, Rajkot

<sup>7</sup> Palanpur, Valsad, Gandhinagar, Vadodara, Navsari, Mehsana, Ahmedabad, Narmada-Rajpipla

### 3.2 Non-receipt of information pertaining to bodies/authorities substantially financed by the Government

In order to identify the institutions which attract Audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of Department (HoD) are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purposes for which assistance was given, and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that the Governments and HoD which sanction grants and/or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

On taking up the issue with various Departments, only six out of 26 Departments furnished the details of GIA given to various bodies and authorities during 2013-14. Based on this, 21 new bodies/authorities under the Education Department, Health and Family Welfare Department, Information and Broadcasting Department, Urban Development Department, Home Department and Labour & Employment Department have been identified for Audit. In the absence of complete information on the financial assistance given, reasonable assurance could not be provided to the Legislature/Government about the manner in which the grants sanctioned/paid by them had been utilised. This dilutes the legislative control over the government expenditure systems.

The FD stated (December 2014) that necessary instructions were issued in September 2013 to all the departments to furnish details by July of respective year. However, the requisite information for the year 2013-14 was awaited till September 2014 from 20, out of 26 departments.

### 3.3 Non-submission/delay in submission of accounts by Autonomous Bodies/Authorities

There are 207 autonomous bodies/ authorities covered by Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 identified for audit by the Comptroller and Auditor General of India. These are audited with regard to their transactions, operational activities and accounts, review of systems/procedures, internal controls, etc.

A total of 128 accounts (including accounts of earlier years) relating to 72 bodies/authorities were audited during the year 2013-14. However, 506 annual accounts of 126 autonomous bodies/ authorities due up to 2013-14 were not received for audit as on 31 October 2014 by the Accountant General (Economic and Revenue Sector Audit) and the Accountant General (General and Social Sector Audit). The details of such accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.11**.

**Table 3.11: Age-wise arrears of Annual Accounts due from Government Bodies**

Sl. No.	Pendency in number of years	No. of the Bodies/Authorities
1	Less than one year	29
2	1-3	38
3	3-5	12
4	5-10	46
5	Above 10	1
<b>Total</b>		<b>126</b>

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

It can be seen from the above table that in respect of 47 autonomous bodies/authorities, accounts were in arrears for more than five years. Of these, the accounts were in arrears in respect of Gujarat University, Ahmedabad since 1999-2000, Akshar Purushottam Arogya Mandir (Muni Seva Ashram), Vaghodia, Goraj-Vadodara and Institute of Kidney Diseases & Research Centre (IKDRC), Ahmedabad since 2004-05 and K J Mehta TB Hospital, Songadh, Amargadh, Bhavnagar; Sheth Vadilal Sarabhai General Hospital and Sheth Chinai Maternity Hospital, Ahmedabad; Self Employed Women's Association(SEWA), Electronic Quality Development Centre; Ahmedabad and Forest Development Agency, Chhota Udepur since 2005-06. In the absence of annual accounts, the accounting/utilisation of the grants and loans disbursed to these bodies/authorities could not be verified by Audit.

### 3.4 Submission of Accounts/Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the fields of development, housing, etc. These autonomous bodies attract audit under Section 19(2), 19(3) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. These are audited with regard to their transactions, operational activities and accounts, review of systems and procedures, internal management and financial controls, etc. The separate audit report (SAR) in relation to each account is submitted to the Government. The accounts of 31 such autonomous bodies in the State are audited by the C&AG of India. However, only one<sup>8</sup> body has rendered accounts in time. For the remaining 30, the periods of delay are given in **Appendix 3.3**.

The particulars of delays in submission of accounts to the Audit and placement of SARs in the Legislature after the entrustment of Audit to the C&AG is summarised in **Table 3.12**.

**Table 3.12: Delays in Submission of Accounts and tabling of Separate Audit Reports**

Delays in submission of Accounts to Audit (in Months)	Number of Autonomous Bodies	Delays in submission of SARs in Legislature (in Years)	Number of Autonomous Bodies
0-12	4	Upto 2	9
12-24	11	2-4	2
Above 24	15	Above 4	1
<b>Total</b>	<b>30</b>		<b>12</b>

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

<sup>8</sup> Gujarat Municipal Finance Board, Gandhinagar

In response to paragraphs 3.3 and 3.4, the FD stated (December 2014) that all the departments of GoG have been instructed to take appropriate action for pending Annual Accounts and Audit reports of all Autonomous Bodies/Authorities.

### 3.5 Departmental commercial undertakings

The Departmental Undertakings of certain Government Departments performing activities of commercial and quasi-commercial nature are required to prepare *pro forma* accounts in the prescribed format annually, showing the working results of financial operations, so that the Government can assess their working. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conduct of business. In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood also opens the system to the risk of fraud and leakage of public money.

The HoDs in the Government are to ensure that the undertakings prepare and submit such accounts to the Accountant General for audit within a specified time frame.

One undertaking under the FD i.e. Directorate of Insurance, Gandhinagar, which deals with General insurance activities for the State Government has submitted accounts for the period till 2012-13 which have been duly audited. The accounts for the period 2013-14 are due for submission for audit (September 2014).

The FD stated (December 2014) that the accounts for the year 2013-14 have been marginally delayed due to reconciliation issues with GIC and other co-insurance companies, priority assigned to claim payments, etc. The department assured that accounts for the year 2014-15 would be submitted in time.

### 3.6 Failure to account for amount drawn on Abstract Contingent Bills

As per Rule 211 of Gujarat Treasury Rules, 2000, the drawing officers are required to furnish the detailed Contingent Bills in respect of all Abstract Contingent Bills within three months from the date of drawal of Abstract Contingent Bills to Accountant General (A&E).

However, 8,708 AC bills amounting to ₹ 281.53 crore were drawn up to March 2014 by 21 Departments for which DC bills were not furnished (March 2014). Year-wise details of outstanding AC bills are given in **Table 3.13**.

Table 3.13: Pendency in submission of Detailed Contingent Bills

(₹ in crore)

Year	Outstanding AC bills	Amount of AC bills
Upto 2006-07	1,903	26.22
2007-08	245	4.79
2008-09	183	1.98
2009-10	175	4.42
2010-11	365	9.36
2011-12	495	15.11
2012-13	531	17.55
2013-14	4,811*	202.10
<b>Total</b>	<b>8,708</b>	<b>281.53</b>

Source: Information compiled by Accountant General (A&amp;E), Gujarat

\* Out of this 3955 bills amounting to ₹ 182.84 crore were not due for submission during 2013-14.

Department-wise details of pending DC bills for the years up to 2013-14 are given in **Appendix 3.4**. The Education Department had a pendency of 3,708 bills of ₹ 123.02 crore and the Home Department had 1,197 bills pending of ₹ 84.21 crore.

A rigorous monitoring mechanism should be put in place in the Departments to ensure adjustment of the advances drawn in Abstract Contingent bills, as required under the extant Rules.

The FD stated (December 2014) that all departments have been instructed to seriously tackle the issue and nominate a nodal officer in each department to monitor and review the pendency of detailed bills.

### 3.7 Personal Deposit Accounts

The Government is authorised to open Personal Deposit Accounts (PD Accounts) in order to deposit (Public Account) money by transferring funds from the Consolidated Funds to Public Accounts for specific purposes. Generally, the designated Administrators are required to transfer the unspent balances back to Government Accounts (Consolidated Funds) and to close such accounts on the last working day of the financial year. These transfers between Consolidated Fund and Public Accounts are in the nature of book transfer without any actual cash flow.

There were 495 PD Accounts in District Treasuries in operation as on 31 March 2014 having an amount of ₹ 283.72 crore. During 2013-14, ₹ 1,147.56 crore was credited to PD Accounts from Consolidated Fund of the State and expenditure of ₹ 1,247.26 crore was incurred therefrom. Out of 26 treasuries, 19 treasuries in the State informed the Accountant General that all PD Accounts were reconciled by the Administrators with the treasuries. Reconciliation of the remaining seven treasuries was done partially.

The PD account of the Second Additional Special Land Acquisition Officer (II<sup>nd</sup> ASLAQ), Ahmedabad was test checked during June and July 2014 and audit findings are discussed below:

No PD account can be operated without authorisation by the Accountant General (A&E) and the operation of the PD account should be as per the conditions mentioned in the authorisation letter. In the II<sup>nd</sup> ASLAQ's office, authorisation letters were not made available to Audit. Therefore, Audit could

not verify whether the operation of the PD account had been as per the conditions of authorisation.

Rule 398 of Gujarat Treasury Rules stipulates that the administrator of the PD accounts should carry out the reconciliation of their balances for the preceding financial year with Treasury Office concerned by 30<sup>th</sup> June of the following financial year. Scrutiny of records of the Office of II<sup>nd</sup> ASLAQ revealed that the reconciliation for 2012-13 was carried out during December 2013 on request from Treasury Office. However, reconciliation for the 2013-14 which was due by 30 June 2014, was not carried out till date (October 2014).

It was further observed that the Cash Book was not being closed on monthly basis in the Office of II<sup>nd</sup> ASLAQ. The account for 2010-11 was closed on 31 January 2011 instead of 31 March 2011. Further, there were instances<sup>9</sup> of non-recording of receipts in the Cash Book based on the original challans received from the payees. The II<sup>nd</sup> ASLAQ has not given any reply (October 2014) to audit despite reminders.

### 3.8 Misappropriations, losses, defalcations, etc.

The State Government reported 170 cases of misappropriation, defalcation, etc, involving government money of ₹ 8.85 crore (up to March 2014) on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6**. The age-profile of the pending cases and the number of cases pending in each category i.e. theft and misappropriation/loss as emerged from these appendices are summarised in **Table 3.14**.

**Table 3.14: Age-Profile of Misappropriations, losses, defalcations, etc.**

(₹ in crore)

Age-Profile of the Pending Cases		
Range in Years	Number of Cases	Amount Involved
Upto 5	17	0.53
5 – 10	28	1.85
10 – 15	22	5.65
15 – 20	17	0.13
20 – 25	30	0.36
25 and above	56	0.33
<b>Total</b>	<b>170</b>	<b>8.85</b>

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

Reasons for which these cases are outstanding are given in **Table 3.15**.

**Table 3.15: Reasons for pendency of Misappropriations, losses, defalcations cases**

Reasons for the Delay/Outstanding Pending Cases	Number of Cases	Amount (₹ in crore)
i) Awaiting departmental and criminal investigation	36	3.08
ii) Departmental action initiated but not finalised	47	0.54
iii) Criminal proceedings finalised but execution of certificate for the recovery of the amount pending	15	0.04
iv) Awaiting orders for recovery or write off	18	0.12
v) Pending in the courts of law	52	5.02
vi) Others	2	0.05
<b>Total</b>	<b>170</b>	<b>8.85</b>

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

<sup>9</sup> 0.4.12.2013 LAQ no 21/2010 - ₹ 6.12 lakh and 28.2.12.2014 LAQ no 21/2010 - ₹ 2.62 lakh

Out of the total 170 cases involving ₹ 8.85 crore outstanding, 36 cases involving ₹ 3.08 crore were awaiting departmental action/criminal investigation which needs to be speeded up. In 52 cases pending with the courts of law involving ₹ 5.02 crore, a case of ₹ 3.43 crore pertaining to the Roads and Buildings Department was outstanding since 2003-04. Narmada, Water Resources, Water Supply and Kalpsar Department had 22 cases and Land Revenue Department had 19 cases which are pending for more than 25 years. The internal controls in all the organisations may be strengthened to prevent recurrence of such cases.

### **3.9 Operation of omnibus Minor Head 800**

During the past two decades, the range and diversity of Government activity has increased manifold, outpacing the number of available programme minor heads. The omnibus Minor Head 800 –accommodates the expenditure which could not be classified under the available programme minor heads.

During 2013-14, expenditure aggregating ₹ 12,302.14 crore, constituting 12.56 *per cent* of the total expenditure was classified under Minor Head 800-Other Expenditure against 75 Major Heads under Revenue and Capital Sections. Entire expenditure on Capital outlay on Other General Economic Services (Major Head 5475), Capital outlay on miscellaneous general service (Major Head 4075), Capital outlay on iron and steel industries (Major Head 4852), Capital outlay on nutrition (Major Head 4236), Ports and Light Houses (Major Head 3051) and Capital Outlay on Crop Husbandry (Major Head 4401) were classified under omnibus Minor Head – 800 instead of depicting distinctly. Also, 60.96 *per cent* expenditure of Power (Major Head 2801) was classified under Minor Head 800.

Similarly, revenue receipts aggregating ₹ 3,372.11 crore constituting 4.22 *per cent* of total receipts were classified under omnibus Minor Head ‘800-Other Receipts’ under 56 Major Heads under Revenue and Capital Sections. Entire receipts of Other Special Areas Programmes (Major Head 0575), Food Storages and Warehousing (Major Head 0408), Power (Major Head 0801) and 98.33 *per cent* receipt of Medium Irrigation (Major Head 0701) and 43.95 *per cent* of Major Irrigation (Major Head 0700) were classified under omnibus Minor Head – 800 instead of depicting distinctly.

Budgeting of large amounts under the omnibus Minor Head 800 – Other Expenditure/Receipts affects the transparency in financial reporting, as it fails to indicate disaggregated information on different activities of the Government separately in the accounts. This shows that the existing practice of the budget formulation and implementation by the Government does not truly reflect the current activities of the Government in these Departments and is required to be updated/ modified.

In order to ensure greater transparency in financial reporting, large amounts received or expended under various programmes should be depicted in Accounts distinctly, instead of clubbing the same under the Minor Head ‘800-Other expenditure’ and ‘800-Other receipts’.

The FD, while accepting the fact, stated (December 2014) that all administrative departments of GoG have been advised to restrict use of Minor Head: "800- Other Expenditure".

### 3.10 Comments on Accounts

#### 3.10.1 Transparency in accounts

To bring out greater transparency and to enable informed decision making in Government Accounts, the TwFC had recommended inclusion of certain statements/appendices in the Finance Accounts which would give details of subsidies given, both explicit and implicit, expenditure on salaries by various departments/units, detailed information on pensioners and expenditure on government pensions, data on committed liabilities in the future, statement on debt and other liabilities as well as repayment schedule, accretion to or erosion in financial assets held by the Government including those arising out of changes in the manner of spending by the Government, implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows and statement on maintenance expenditure with segregation of salary and non-salary portions.

Presently, in the Finance Accounts of the State, the appendix on subsidy does not provide information regarding implicit subsidies. Regarding details of salary, the data captured in accounts is related to State sector only. Details of salary in case of aided institutions are included under the grants released to them. Accounting reforms are required to be undertaken to bring the data available into the Finance Accounts to make it more transparent.

#### 3.10.2 Important factors affecting accuracy of accounts

The accounts of the Government are kept on cash basis. Certain transactions that arise in Government Account, the receipts and payments of which cannot at once be taken to a final head of receipt or expenditure owing to lack of information as to the nature or for any other reasons, are to be booked temporarily under the 'Suspense Head'. On the receipt of relevant details/information, these heads of accounts are finally cleared by minus debit or minus credit when the amounts under them are booked to their respective final heads of accounts. If these amounts remain uncleared, the balances under the suspense heads would accumulate and would not reflect Government's receipts and expenditure accurately. Debt, Deposit and Remittances heads account for such transactions where the Government, as a custodian of public money, receives and holds such money in trust.

The accuracy of the Finance Accounts 2013-14 of the state has been adversely affected by large number of transactions under suspense heads awaiting final classification. A general review of the transactions showed the following:

- ***Outstanding balances under major suspense accounts***

The balances under certain major suspense heads of accounts, as recorded in the ledger maintained by Accountant General (Accounts and Entitlement), are indicated in **Table 3.16**.

Table 3.16: Suspense Head (8658 – Suspense Accounts)

Name of Minor Head	2011-12		2012-13		2013-14	
	Dr	Cr	Dr	Cr	Dr	Cr
101- Pay and Accounts office Suspense	73.75	4.02	111.78	2.18	117.27	0.87
	Net Dr 69.73		Net Dr. 109.60		Net Dr.116.40	
102- Suspense Accounts (Civil)	25.54	-6.99	109.61	50.52	109.49	50.35
	Net Dr. 32.53		Net Dr. 59.09		Net Dr. 59.14	
110- Reserve Bank suspense Central Accounts Office	293.36	4.43	148.40	-95.82	152.85	-91.44
	Net Dr. 288.93		Net Dr. 244.22		Net Dr. 244.29	

Source: Finance Accounts

The Finance Accounts reflect the net balances under these heads. The outstanding balances are worked out by aggregating the outstanding debit and credit separately. The implications of the balances under these heads are discussed in the succeeding paragraphs.

### *Pay and Accounts Office (PAO) Suspense*

This minor head is operated for the settlement of inter-departmental and intergovernmental transactions arising in the books of PAOs and the Accountant General. Transactions under this minor head represent either recoveries effected or payments made by an Accounts Officer on behalf of another Accounts Officer, against whom the minor head “PAO Suspense” has been operated. Credit under the head is cleared by ‘minus credit’ when cheque is issued by the Accounts Officer in whose books initial recovery was accounted for. Debit under ‘PAO Suspense’ is cleared by ‘minus debit’ on receipt and realisation of cheque from the Accounts Officer on whose behalf payment was made.

Outstanding debit balance under this head would mean that payments have been made by the Accountant General on behalf of a PAO, which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the Accountant General on behalf of a PAO, which are yet to be paid. The net debit balance under this head has increased continuously during 2011-12 to 2013-14. On clearance/settlement of this, the cash balance of the State Government will increase.

### *Suspense Account (Civil)*

This transitory minor head is operated for accounting of the transactions, which for want of certain information/documents viz., vouchers, challans, etc., cannot be taken to the final head of expenditure or receipt. This minor head is credited for recording receipts and debited for expenditure incurred. On receipt of the requisite information/documents etc., the minor head is cleared by minus debit or minus credit by per contra debit or credit to the concerned major/sub-major/minor heads of accounts.

Outstanding debit balance under this head would mean payments were made which could not be debited to final expenditure head for want of details like vouchers etc. Outstanding credit balance would mean amounts were received which could not be credited to the final receipt head for want of details. The net debit balance under this head has increased continuously during 2011-12 to 2013-14 indicating that necessary details

for classification of final expenditure head were not available. Steps need to be taken for obtaining the requisite details.

### 3.11 Conclusion and Recommendations

Non-submission of utilisation certificates of ₹ 7,420.40 crore indicated lack of proper monitoring by the Departments in utilisation of grants given for specific purposes. We noticed instances of non-submission/ incomplete submission of utilisation certificates without actual expenditure in our detailed scrutiny of Urban Development and Urban Housing Department and Narmada, Water Resources, Water Supply and Kalpsar Department.

*The sanctioning authority/ concerned department may evolve a mechanism (IT platform) to gather UCs promptly, verify their genuineness, including by way of sample inspection, and look into the delays in submission to identify the bottlenecks and address them.*

There has been non-submission/ delay in submission of accounts of autonomous bodies/authorities. In respect of 47 autonomous bodies/ authorities auditable under section 14 of C&AG's (DPC) Act, 1971, accounts were in arrear for more than five years. Only one out of 31 autonomous bodies auditable under section 19(2), 19(3) and 20(1) submitted its accounts in time.

*The Controlling Departments may identify the reasons for delay in finalisation of pending accounts of autonomous bodies/ authorities for suitable remedial measures so that backlog of arrears in accounts is cleared in a time bound manner.*



(Y. N. THAKARE)  
Accountant General

Ahmedabad  
The

(Economic & Revenue Sector Audit) Gujarat

Countersigned



(SHASHI KANT SHARMA)

New Delhi  
The

Comptroller and Auditor General of India

**APPENDIX 1.1**  
**PART-A State Profile**  
**(Reference: Paragraphs- Profile of Gujarat and 1.1; Page 1)**

<b>A. General Data</b>						
<b>Sr. No.</b>	<b>Particulars</b>			<b>Figures</b>		
1	Area			1,96,024 sq. km.		
Population						
2	a.	As per 2001 Census		5.07 crore		
	b.	As per 2011 Census		6.04 crore		
3	a.	Density of population (as per 2001 census) (All India Density = 325 persons per sq. km)		258 persons per sq. km.		
	b.	Density of population (as per 2011 census) (All India Density = 382 persons per sq. km )		308 persons per sq. km		
4	* Population Below Poverty Line (BPL) (All India Average = 21.92 per cent)			16.63 per cent		
5	a	Literacy rate (as per 2001 census) (All India Average = 64.8 per cent)		69.14 per cent		
	b	Literacy rate (as per 2011 census) (All India Average = 74.04 per cent)		79.31 per cent		
6	Life Expectancy at birth** (2001 census)		(All India Average = 65.8 years)		64.1 years	
7	Infant Mortality Rate*** (per 1000 live births) (All India Average = 40 per 1000 live births)			36		
Gini –Coefficient****						
8	a.	Rural (All India = 0.29 )		0.25		
	b.	Urban (All India = 0.38)		0.32		
9	Gross State Domestic Product (GSDP) 2013-2014 at current prices			₹ 7,73,990(A) crore		
10	Per capita GSDP CAGR* (2004-05 to 2013-14)		Gujarat	14.41 per cent		
			General Category States*****	14.88 per cent		
11	GSDP CAGR (2004-05 to 2013-14)		Gujarat	16.01 per cent		
			General Category States	15.49 per cent		
12	Population Growth***** Rate (2004-05 to 2013-14)		Gujarat	13.28 per cent		
			General Category States	12.94 per cent		
<b>B. Financial Data</b>						
<b>Sr. No.</b>	<b>Particulars</b>			<b>Figures (in per cent)</b>		
<b>1</b>	<b>CAGR</b>			<b>2004-05 to 2012-13</b>		<b>2004-05 to 2013-14</b>
				<b>General Category States</b>	<b>Gujarat</b>	
	a.	Revenue Receipts		16.93	17.82	16.48
	b.	Own Tax Revenue		16.42	19.50	17.75
	c.	Non Tax Revenue		12.49	8.69	9.54
	d.	Total Expenditure		15.37	15.42	14.50
	e.	Capital Expenditure		17.01	22.82	20.93
	f.	Revenue Expenditure on Education		17.44	16.00	15.40
	g.	Revenue Expenditure on Health		16.50	17.22	15.50
	h.	Salary and Wages		14.73	8.55	8.45
	i.	Pension		18.34	18.18	17.81

\* Source of General data - Press note July 2013 Planning Commission: BPL 2011-12 by Tendulkar methodology.  
 \*\* Life Expectancy at birth -Economic survey indicators for 2010-11 as given in Economic Survey of 2012-13;  
 \*\*\* Infant Mortality Rate (SRS Bulletin September 2014);  
 \*\*\*\* Gini-Coefficient (Planning Commission data for 2009-10)  
 \*\*\*\*\* Excluding the Goa State  
 \*\*\*\*\* projected total population 2001-2026 by Census India  
 Financial data is based on Finance Accounts of the State Government.

## Part B: Structure and Form of Government Accounts

**Structure of Government Accounts:** The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

**Part I: Consolidated Fund :** All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

**Part II: Contingency Fund:** Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature.

## PART C: Layout of Finance Accounts

Statement	Layout
Statement No.1	Statement of Financial Position: Cumulative figures of Assets and Liabilities of the Government as they stand at the end of the year.
Statement No.2	Statement of Receipts and Disbursements: Contains the summarized Statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government Accounts are kept.
Statement No.3	Statement of Receipts in Consolidated Fund: Contains revenue and capital receipts and receipts from borrowings of the Government consisting of loans from GOI, Market loans etc.
Statement No.4	Statement of Expenditure in Consolidated Fund-By function and nature: Gives expenditure by function and summarized expenditure by nature of activity.
Statement No. 5	Statement of Progressive Capital Expenditure.
Statement No.6	Statement of Borrowings and other Liabilities: Contains borrowings of the Government comprising Market Loans raised by it and loans and advances received from GOI along with other liabilities which are the balances under various sectors in the Public Account.
Statement No.7	Statement of Loans and Advances made by the Government.
Statement No.8	Statements of Grants-in-aid given by the Government.
Statement No.9	Statement of Guarantees given by the Government: Guarantees given by the State Government for repayment of loans etc. raised by Statutory Corporations, Government Companies, Local Bodies etc.
Statement No.10	Statement of Voted and Charged Expenditure.
Statement No.11	Detailed Statement of Revenue and Capital Receipts by minor heads.
Statement No.12	Detailed Statement of Revenue Expenditure by minor heads
Statement No.13	Detailed Statement of Capital Expenditure by minor heads: cumulative Capital Expenditure upto the end of the year is given.
Statement No.14	Detailed Statement of Investments of the Government
Statement No.15	Detailed Statement of Borrowings and other Liabilities
Statement No.16	Detailed Statement on Loans and Advances made by Government.
Statement No.17	Detailed Statement on Sources and Application of funds for expenditure other than on revenue account.
Statement No.18	Detailed Statement on Contingency Fund and Public Account transactions.
Statement No.19	Detailed Statement on Investment of earmarked funds.

## APPENDIX 1.2

### (Reference: Paragraph 1.1; Page 1)

#### Part A: Methodology adopted for the assessment of Fiscal Position

The norms/ceilings prescribed by the TwFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.2**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that the GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by the GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than the GSDP.

The trends in GSDP for the last five years are indicated below:

#### Trends in Gross State Domestic Product (GSDP)

	2009-10	2010-11	2011-12	2012-13	2013-14
Gross State Domestic Product at current prices (₹ in crore)	4,31,262	5,21,519(P)	5,94,563(P)	6,70,016(Q)	7,73,990(A)
Growth rate of GSDP ( <i>per cent</i> )	17.22	20.93	14.01	12.69	15.52

Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2013-14)

P= Provisional Estimates, Q= Quick Estimates, A= Advanced Estimates

Definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter /GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X) / Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP Growth Rate – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance}) / 2] * 100$
Revenue Deficit	Revenue Expenditure – Revenue Receipts
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <b>minus</b> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under Major Head 2048 – Appropriation for reduction or avoidance of debt
Primary Revenue Balance (Deficit or Surplus)	Excess of Revenue Receipts over Revenue Expenditures other than interest
Primary Revenue Expenditure	Total Revenue Expenditure <b>minus</b> Interest Payments

**PART B: Fiscal Responsibility Act**

**The Gujarat Fiscal Responsibility Act, 2005**

The State Government enacted the Gujarat Fiscal Responsibility Act, 2005 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. The State Government had enacted the amendments to give effect to various milestones of the fiscal consolidation roadmap as recommended by the Thirteenth Finance Commission (ThFC). To give effect to the fiscal management principles as laid down in the Act and/or the rules framed there under, the Government prescribed the following fiscal management targets:

- Eliminate the revenue deficit by 31<sup>st</sup> March 2012 and maintain it at that level or generate revenue surplus thereafter.
- Reduce fiscal deficit to not more than three *per cent* of GSDP beginning 1<sup>st</sup> April 2011.
- Cap the total public debt of the State Government from the level of 28.8 *per cent* in FY 2011-12 to 27.1 *per cent* at the end of FY 2014-15 of the estimated GSDP of respective year.
- Cap outstanding guarantees within the limit provided in the Gujarat State Guarantees Act, 1963.

As prescribed in the Act, the State Government was required to lay the following statements of Fiscal policy along with the budget before the Legislature:

- The Medium Term Fiscal Policy Statement (MTFPS)
- The Fiscal Policy Strategy Statement

Keeping in view the fiscal targets laid down in the Fiscal Responsibility Act and/or the rules made there under and the anticipated annual rate of reduction of fiscal deficit of the States worked out by the Government of India for the ThFC award period following its recommendation, the State Government has developed its own Fiscal Correction Path indicating the milestones of outcome indicators with target dates of implementation during the period from 2010-11 to 2013-14 as given below.

**Fiscal indicators of Medium Term Fiscal Policy Statement**

(₹ in crore)

Sr. No.	Item	Previous year		Current Year		Ensuing Year	Targets for next two years *	
		2010-11 (Actual)	2011-12 (Actual)	2012-13 (BE)	2012-13 (RE)	2013-14 (BE)	2014-15	2015-16
1	2	3	4	5	6	7	8	9
1	Revenue Deficit (-)/ Surplus (+) (₹ in crore)	(-)5,076	+3,215	+3,615	+3,897	+4,602	+4,700	+5,000
2	Fiscal Deficit(-) /Surplus(+) (₹ in crore)	(-)15,073	(-)11,027	(-)17,831	(-)18,191	(-)20,496	(-)25,140	(-)28,785
3	Public Debt	1,10,873	1,23,406	1,40,238	1,38,978	1,58,770	1,81,410	2,07,695
4	GSDP	5,30,430	6,11,767	6,76,895	6,97,298	7,98,406	9,14,175	10,46,730
5	Fiscal Deficit as percentage of GSDP	2.84	1.80	2.63	2.61	2.57	2.75	2.75
6	Public Debt as percentage of GSDP	20.90	20.17	20.72	19.93	19.89	19.84	19.84
7	Government guarantee outstanding (₹ in crore)	8,824	7,620	16,000*	7,234#	16,000*	16,000*	16,000*

Source: Budget Publication No. 30 (2013-14)

# Outstanding Guarantees as on 31/01/2013

\*The projections are subject to recommendations of the Thirteenth Finance Commission

▼ New guarantees will be given subject to vacation of guarantees and will be kept below ₹ 16,000 crore.

**APPENDIX 1.3**  
**(Reference: Paragraphs 1.1.1 and 1.9.1; Pages 2 and 30)**

(₹ in crore)

Part I: Abstract of Receipts and Disbursements for the year 2013-14											
Section-A: Revenue											
Receipts						Disbursements					
2012-13			2013-14	2012-13		Non-Plan	Plan	Total	2013-14		
75,228.53	I	Revenue Receipts	79,975.74	69,658.49	I	Revenue Expenditure	51,365.15	23,893.39	75,258.54	75,258.54	
53,896.69		Tax Revenue	56,372.37	24,128.27		General Services	25,707.44	1,112.93	26,820.37		
				29,528.97		Social Services	17,372.10	15,009.68	32,381.78		
6,016.99		Non-Tax Revenue	7,018.31	13,078.66		Education, Sports, Art and Culture	12,650.23	1,836.73	14,486.96		
				3,367.65		Health and Family Welfare	1,439.66	2,016.13	3,455.79		
8,869.05		State's share of Union Taxes	9,701.93	7,518.93		Water Supply, Sanitation, Housing and Urban Development	2,494.59	5,612.42	8,107.01		
				111.58		Information and Broadcasting	27.90	110.97	138.87		
1,230.30		Non-Plan grants	2,079.21	1,983.77		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	200.27	1,890.00	2,090.27		
3,466.74		Grants for State Plan Schemes	2,604.46	479.79		Labour and Labour Welfare	244.35	249.56	493.91		
				2,925.98		Social Welfare and Nutrition	262.70	3,288.57	3,551.27		
1,748.76		Grants for Central and Centrally sponsored Plan Schemes	2,199.46	62.61		Others	52.40	5.30	57.70		
				15,838.97		Economic Services	7,959.94	7,770.78	15,730.72		
				3,893.26		Agriculture and Allied Activities	1,108.24	2,849.66	3,957.90		
				1,373.83		Rural Development	454.01	1,247.19	1,701.20		
				58.63		Special Areas Programmes	49.49	14.45	63.94		
				1,054.94		Irrigation and Flood Control	587.22	394.13	981.35		
				3,978.15		Energy	3,402.65	395.62	3,798.27		
				1,031.37		Industry and Minerals	135.64	729.07	864.71		
				3,829.69		Transport	1,914.25	1,841.96	3,756.21		
				143.49		Science, Technology and Environment	1.10	170.54	171.64		
				475.61		General Economic Services	307.34	128.16	435.50		
				162.28		Grants-in-aid and Contributions	325.67	0.00	325.67		
	II	Revenue Deficit carried over to Section B	-	5,570.04	II	Revenue Surplus carried over to Section B	0.00	0.00	4717.20	4717.20	
75,228.53		Total	79,975.74	75,228.53		Total				79,975.74	

*Appendices*

Receipts				Disbursements						
2012-13		2013-14	2012-13		Non-plan	Plan	Total	2013-14		
<b>Section B : Others</b>										
18,631.81	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	18,689.89	-	III	Opening Overdraft from Reserve Bank of India	0.00	0.00	0.00	0.00
0.00	IV	Miscellaneous Capital receipts	0.00	21,226.52	IV	Capital Outlay	166.67	22,510.70	22,677.37	22,677.37
				713.79		General Services	110.44	706.06	816.50	
				6,082.95		Social Services	56.61	6,593.50	6,650.11	
				941.82		Education, Sports, Art and Culture	34.23	1,146.07	1,180.30	
				1,258.71		Health and Family Welfare	0.00	1,627.70	1,627.70	
				3,020.17		Water Supply, Sanitation, Housing and Urban Development	18.50	2,922.89	2,941.39	
				2.47		Information and Broadcasting	0.00	1.97	1.97	
				53.90		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3.88	236.89	240.77	
				570.95		Social Welfare and Nutrition	0.00	208.58	208.58	
				234.93		Others	0.00	449.40	449.40	
				14,429.78		Economic Services	(-0.38)	15,211.14	15,210.76	
				686.18		Agriculture and Allied Activities	0.09	854.64	854.73	
				974.94		Rural Development	(-0.71)	991.56	990.85	
				11.85		Special Areas Programmes	0.00	26.98	26.98	
				7,041.98		Irrigation and Flood Control	0.00	6,784.44	6,784.44	
				1,360.00		Energy	0.00	1,925.84	1,925.84	
				620.52		Industry and Minerals	0.16	795.18	795.34	
				2,743.81		Transport	0.00	3,374.51	3,374.51	
				30.00		Science, Technology and Environment	0.00	8.08	8.08	
				960.50		General Economic Services	0.08	449.91	449.99	
46.90	V	Recoveries of Loans and Advances	140.69	882.25	V	Loans and Advances disbursed	52.05	551.17	603.22	603.22
68.86		From Power Projects	57.05	-		For Power Projects	-	9.51		
(-76.02)		From Government Servants	40.65	-		To Government Servants	9.49	-		
54.06		From Others	42.99			To Others	42.56	541.66		
5,570.04	VI	Revenue Surplus brought down	4,717.20		VI	Revenue Deficit brought down				
19,497.19	VII	Public debt receipts	19,343.04	6,536.52	VII	Repayment of Public debt			6,203.91	6,203.91
18,905.54		Internal debt other than Ways and Means Advances and overdrafts	19,182.01	5,794.42		Internal debt other than Ways and Means Advances and Overdrafts			5,547.63	

Receipts				Disbursements							
2012-13				2013-14	2012-13	Non-plan			Plan	Total	2013-14
-		Net transactions under Ways and Means Advances		0.00			Net transactions under Ways and Means Advances			-	
-		Net transactions under overdraft		0.00	742.10*		Repayment of Loans and Advances to Central Government			656.28	
591.65		Loans and Advances from Central Government		161.03							
-	VIII	Appropriation to Contingency Fund		-	-	VIII	Appropriation to Contingency Fund			0.00	0.00
80.50	IX	Amount transferred to Contingency Fund		0.00	0.00	IX	Expenditure from Contingency Fund			0.11	0.11
50,046.35	X	Public Account receipts		52,019.52	46,537.61	X	Public Account disbursements			50,039.25	50,039.25
1,930.20		Small Savings and Provident Funds	2,053.73		1,340.69		Small Savings and Provident Funds			1,547.01	
768.42		Reserve Funds	733.81		280.14		Reserve Funds			650.24	
771.62		Suspense and Miscellaneous	(-)846.48		115.77		Suspense and Miscellaneous			186.25	
15,113.57		Remittance	15,568.31		15,182.75		Remittances			15,387.64	
31,462.54		Deposits and Advances	34,510.15		29,618.26		Deposits and Advances			32,268.11	
	XI	Closing Overdraft from Reserve Bank of India		0.00	18,689.89	XI	Cash Balance at end			15,386.48	15,386.48
					4.19		Cash in Treasuries and Local Remittances			4.19	
					(-)286.17		Deposits with Reserve Bank			(-)1,735.22	
					5,614.22		Departmental Cash Balance and investment including permanent Advances			5,194.31	
					13,357.65		Cash Balance Investment			11,923.20	
93,872.79		<b>Total</b>		<b>94,910.34</b>	<b>93,872.79</b>		<b>Total</b>				<b>94,910.34</b>

\*\* This includes write-off of Central Government Loans amounting to ₹ 114.41 crore waived by GoI on the recommendation of ThFC.

<b>Part II: Summarised financial position of the Government of Gujarat as on 31 March 2014</b>			
<b>As on 31.03.2013</b>	<b>Liabilities</b>		<b>As on 31.03.2014</b>
<b>1,28,065.19</b>	<b>Internal Debt -</b>		<b>1,41,699.57</b>
74,299.35	Market Loans bearing interest		87,346.45
0.92	Market Loans not bearing interest		0.60
-	Loans from Life Insurance Corporation of India		-
53,764.92	Loans from Other Institutions		54,354.52
-	Ways and Means Advances		-
-	Overdrafts from Reserve Bank of India		-
<b>8,301.84</b>	<b>Loans and Advances from Central Government -</b>		<b>7,806.59</b>
2.52	Pre 1984-85 Loans		2.52
50.53	Non-Plan Loans		46.80
8,248.61	Loans for State Plan Schemes		7,757.09
-	Loans for Central Plan Schemes		-
0.18	Loans for Centrally Sponsored Plan Schemes		0.18
<b>200.00</b>	<b>Contingency Fund</b>		<b>199.89</b>
<b>8,041.56</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>8,548.28</b>
<b>18,939.07</b>	<b>Deposits</b>		<b>21,181.11</b>
<b>8,906.81</b>	<b>Reserve Funds</b>		<b>8,990.38</b>
<b>1,538.81</b>	<b>Suspense and Miscellaneous Balances</b>		<b>506.27</b>
<b>308.43</b>	<b>Remittance Balances</b>		<b>489.10</b>
<b>1,74,301.71</b>	<b>Total</b>		<b>1,89,421.19</b>
<b>Assets</b>	<b>Assets</b>		
<b>1,17,385.53</b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>1,40,062.89</b>
47,171.49	Investments in shares of Companies, Corporations, etc.		55,058.43
70,214.04	Other Capital Outlay		85,004.46
<b>6,585.62</b>	<b>Loans and Advances -</b>		<b>7,048.16</b>
910.92	Loans for Power Projects		863.39
5,378.29	Other Development Loans		5,913.48
296.41	Loans to Government servants and Miscellaneous loans		271.29
<b>5,587.16</b>	<b>Reserve Fund Investments</b>		<b>5,168.68</b>
<b>0.77</b>	<b>Advances</b>		<b>0.77</b>
-	<b>Suspense and Miscellaneous Balances</b>		<b>0</b>
<b>13,102.38</b>	<b>Cash -</b>		<b>10,217.46</b>
4.19	Cash in Treasuries and Local Remittances		4.19
(-)286.17	Deposits with Reserve Bank		(-)1,735.22
26.71	Departmental Cash Balance including Permanent Advances		25.29
13,357.65	Cash Balance Investments		11,923.20
<b>31,640.25</b>	<b>Deficit on Government Account -</b>		<b>26,923.23</b>
(-)5,570.04	(i) Less Revenue Surplus /Add Revenue deficit of the current year		(-)4,717.20
-	(ii) Miscellaneous Deficit		-
-	(iii) Other adjustment		0.18
37,210.29	Accumulated deficit at the beginning of the year		31,640.25
<b>1,74,301.71</b>	<b>Total</b>		<b>1,89,421.19</b>

**APPENDIX 1.4**  
**Time series data on the State Government finances**  
**(Reference: Paragraph 1.3 and 1.9.2; Page 8 and 30)**

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Part A- Receipts</b>					
<b>1. Revenue Receipts</b>	<b>41,672</b>	<b>52,364</b>	<b>62,959</b>	<b>75,229</b>	<b>79,976</b>
<b>(i) Tax Revenue</b>	<b>26,740</b>	<b>36,339</b>	<b>44,252</b>	<b>53,897</b>	<b>56,373</b>
Taxes on Agricultural Income	-	-	---	-	-
Taxes on Sales, Trade, etc	18,200	24,893	31,202	39,465	40,976
State Excise	66	63	72	85	110
Taxes on Vehicles	1,543	2,004	2,251	2,276	2,283
Stamps and Registration fees	2,557	3,666	4,670	4,427	4,749
Land Revenue	1,161	1,789	1,477	2,208	1,727
Taxes on Goods and Passengers	7	6	208	211	834
Other Taxes	3,206	3,918	4,370	5,225	5,694
<b>(ii) Non Tax Revenue</b>	<b>5,452</b>	<b>4,915</b>	<b>5,277</b>	<b>6,017</b>	<b>7,018</b>
<b>(iii) State's share of Union taxes and duties</b>	<b>5,891</b>	<b>6,679</b>	<b>7,780</b>	<b>8,869</b>	<b>9,702</b>
<b>(iv) Grants in aid from Government of India</b>	<b>3,589</b>	<b>4,431</b>	<b>5,650</b>	<b>6,446</b>	<b>6,883</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>136</b>	<b>91</b>	<b>10</b>	<b>-</b>	<b>-</b>
<b>3. Recoveries of Loans and Advances</b>	<b>151</b>	<b>283</b>	<b>165</b>	<b>47</b>	<b>141</b>
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>41,959</b>	<b>52,738</b>	<b>63,134</b>	<b>75,276</b>	<b>80,117</b>
<b>5. Public Debt Receipts</b>	<b>14,245</b>	<b>16,681</b>	<b>17,535</b>	<b>19,497</b>	<b>19,343</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	14,159	16,522	17,347	18,905	19,182
Net transactions under Ways and Means Advances and Overdrafts	--	-	-	-	-
Loans and Advances from Government of India	86	159	188	592	161
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>56,204</b>	<b>69,419</b>	<b>80,669</b>	<b>94,773</b>	<b>99,460</b>
<b>7. Contingency Fund Receipts</b>	<b>34</b>	<b>47</b>	<b>1</b>	<b>81</b>	<b>0</b>
<b>8. Public Account Receipts</b>	<b>58,660</b>	<b>72,281</b>	<b>79,653</b>	<b>50,046</b>	<b>52,020</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>1,14,898</b>	<b>1,41,747</b>	<b>1,60,323</b>	<b>1,44,900</b>	<b>1,51,480</b>
<b>Part B- Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>48,638</b>	<b>57,440</b>	<b>59,744</b>	<b>69,659</b>	<b>75,259</b>
Plan	14,331	17,553	16,690	22,513	23,894
Non Plan	34,307	39,887	43,054	47,146	51,365
General Services (including interest payments)	16,934	19,840	21,481	24,128	26,820
Social Services	19,605	23,702	24,546	29,529	32,382
Economic Services	11,993	13,713	13,518	15,839	15,731
Grants-in-aid and contributions	106	185	200	163	326
<b>11. Capital Expenditure</b>	<b>8,047</b>	<b>9,684</b>	<b>13,812</b>	<b>21,227</b>	<b>22,677</b>
Plan	8,026	9,662	13,608	21,151	22,511
Non Plan	21	22	204	76	166
General Services	189	243	556	714	816
Social Services	2,038	2,682	3,306	6,083	6,650
Economic Services	5,820	6,759	9,950	14,430	15,211

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>12. Disbursement of Loans and Advances</b>	427	688	605	882	603
<b>13. Total Expenditure (10+11+12)</b>	57,112	67,812	74,161	91,768	98,539
<b>14. Repayments of Public Debt</b>	3,245	3,817	5,275	6,536	6,204
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,681	3,194	4,156	5,794	5,548
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	564	623	1,119	742	656
<b>15. Appropriation to Contingency Fund</b>	-	-	-	-	-
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	60,357	71,629	79,436	98,304	1,04,743
<b>17. Contingency Fund disbursements</b>	47	1	81	-	-
<b>18. Public Account disbursements</b>	56,088	67,216	77,161	46,538	50,039
<b>19. Total disbursement by the State (16+17+18)</b>	1,16,492	1,38,846	1,56,678	1,44,842	1,54,782
<b>Part C- Deficits</b>					
<b>20. Revenue Deficit(-) / Revenue Surplus (+) (1-10)</b>	(-6,966)	(-5,076)	(+3,215)	(+5,570)	(+4,717)
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	(-15,153)	(-15,074)	(-11,027)	(-16,492)	(-18,422)
<b>22. Primary Deficit(-)/Primary Surplus(+)(21+23)</b>	(-6,563)	(-5,447)	(-93)	(-4,331)	(-5,090)
<b>Part D- Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	8,590	9,627	10,934	12,161	13,332
<b>24. Financial Assistance to local bodies etc.</b>	20,425.39	25,872.27	27,942.24	31,125	36,161
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
<b>26. Interest on Ways and Means Advances/Overdraft</b>	-	-	-	-	-
<b>27. Gross State Domestic Product (GSDP)Φ</b>	4,31,262	5,21,519(P)	5,94,563(P)	6,70,016(Q)	7,73,990(A)
<b>28. Outstanding Fiscal liabilities (year end)</b>	1,19,117	1,35,656	1,50,785	1,66,667	1,83,057
<b>29. Outstanding guarantees (year end)</b>	9,667	8,661	7,449	6,195	6,549
<b>30. Maximum amount guaranteed (during the year)</b>	10,202	10,382	10,387	10,525	11,175
<b>Part E- Fiscal Health Indicators</b>					
<b>I. Resource Mobilization</b>					
Own Tax revenue/GSDP ( <i>per cent</i> )	6.20	6.97	7.44	8.04	7.28
Own Non-Tax Revenue/GSDP ( <i>per cent</i> )	1.26	0.94	0.89	0.90	0.91
Central Transfers/GSDP ( <i>per cent</i> )	2.20	2.13	2.26	2.29	2.14
<b>II. Expenditure Management</b>					
Total Expenditure/GSDP ( <i>per cent</i> )	13.24	13.00	12.47	13.70	12.73
Total Expenditure/Revenue Receipts	1.37	1.30	1.18	1.22	1.23
Revenue Expenditure/Total Expenditure	0.85	0.85	0.81	0.76	0.76
Expenditure on Social Services/Total Expenditure	0.38	0.39	0.38	0.39	0.40
Expenditure on Economic Services/Total Expenditure	0.32	0.31	0.32	0.33	0.31
Capital Expenditure/Total Expenditure	0.14	0.14	0.19	0.23	0.23

	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.14	0.15	0.18	0.22	0.22
<b>III. Management of Fiscal Imbalances</b>					
Revenue deficit or surplus/GSDP ( <i>per cent</i> )	(-)1.62	(-)0.97	(+)0.54	(+)0.83	(+)0.61
Fiscal deficit/GSDP ( <i>per cent</i> )	(-)3.51	(-)2.89	(-)1.85	(-)2.46	(-)2.38
Primary Deficit or Surplus/GSDP ( <i>per cent</i> )	(-)1.52	(-)1.04	(-)0.02	(-)0.65	(-)0.66
Revenue Deficit/Fiscal Deficit	(-)0.46	(-)0.34	(+)0.29	(+)0.34	(+)0.26
Primary Revenue Balance/GSDP ( <i>per cent</i> )	0.38	0.87	2.38	2.65	2.33
<b>IV. Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	0.28	0.26	0.25	0.25	0.24
Fiscal Liabilities/RR ( <i>per cent</i> )	286	259	239	222	229
Primary deficit vis-à-vis quantum spread ( <i>per cent</i> )	(-)64.87	(-)34.20	(-)1.08	(-)57.12	(-)38.68
Debt Redemption (Principal +Interest) / Total Debt Receipts	0.87	0.84	0.94	0.93	0.95
<b>V. Other Fiscal Health Indicators</b>					
Return on Investment	0.25	0.33	0.33	0.12	0.50
Balance from Current Revenue (₹ in crore)	5,173	9,610	16,022	22,867	23,807
Financial Assets/Liabilities	0.72	0.72	0.76	0.82	0.86

Φ Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2013-14)

P= Provisional Estimates, Q= Quick Estimates, A= Advanced Estimates

**APPENDIX 1.5**  
**Comparison of main components of Tax Revenue during**  
**2009-10 to 2013-14**  
**(Reference Paragraph 1.3.1, page 9)**

(₹ in crore)

Heads of Revenue	Year	Revenue collected	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage of cost of collection
Sales Tax/ Commercial Tax	2009-10	18,199.79	129.07	0.71	0.96
	2010-11	24,893.45	149.37	0.60	0.75
	2011-12	31,202.31	163.28	0.52	0.83
	2012-13	39,464.67	164.13	0.42	N.A.
	2013-14	40,976.06	227.22	0.55	N.A.
Taxes on vehicles and Taxes on goods and passengers	2009-10	1,549.55	54.79	3.54	3.07
	2010-11	2,010.07	76.17	3.79	3.71
	2011-12	2,459.37	66.02	2.68	2.96
	2012-13	2,486.84	83.44	3.36	N.A.
	2013-14	3,116.37	94.98	3.05	N.A.
Stamp duty and Registration fees	2009-10	2,556.72	53.38	2.09	2.47
	2010-11	3,666.24	62.73	1.71	1.60
	2011-12	4,670.28	70.68	1.51	1.89
	2012-13	4,426.93	70.13	1.58	N.A.
	2013-14	4,749.35	79.61	1.67	N.A.
State Excise	2009-10	65.94	9.26	14.04	3.64
	2010-11	62.97	10.09	16.02	3.05
	2011-12	72.11	10.73	14.88	2.98
	2012-13	84.91	11.38	13.40	N.A.
	2013-14	109.82	12.44	11.33	N.A.

**APPENDIX 2.1**  
**Statement of various grants/appropriations where savings were more than ₹ 10 crore each or more than 20 per cent of the total provision**  
**(Reference: Paragraph 2.3.1; Page 40)**

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	(₹ in crore)
					Percentage
1	1	Agriculture and Co-operation Department - Capital Voted	1.10	0.63	57.27
2	2	Agriculture - Capital Voted	14.41	9.41	65.30
3	2	Agriculture - Revenue Voted	2,432.54	275.99	11.35
4	4	Animal Husbandry and Dairy Development -Revenue Voted	422.33	133.08	31.51
5	5	Co-operation – Capital voted	21.80	5.22	23.94
6	5	Co-operation – Revenue voted	383.82	20.15	5.25
7	6	Fisheries - Revenue Voted	159.93	18.50	11.57
8	6	Fisheries - Capital Voted	33.99	26.28	77.32
9	7	Other Expenditure pertaining to Agriculture and Co-operation Department - Capital Voted	0.40	0.17	42.50
10	8	Education Department – Revenue voted	9.35	2.49	26.63
11	9	Education - Capital Voted	846.01	133.22	15.75
12	11	Energy and Petrochemicals Department - Revenue Voted	5.09	2.35	46.17
13	13	Energy Projects - Capital Voted	1,641.87	109.36	6.66
14	15	Finance Department- Revenue voted	19.77	4.44	22.46
15	16	Tax Collection Charges (Finance Department) - Revenue Voted	242.11	14.71	6.08
16	17	Treasury and Accounts Administration – Revenue voted	124.99	13.83	11.06
17	18	Pensions and Other Retirement Benefits - Revenue Charged	0.40	0.40	100.00
18	18	Pensions and Other Retirement Benefits - Revenue Voted	5,813.12	744.74	12.81
19	19	Other Expenditure pertaining to Finance Department - Capital Voted	1.21	0.68	56.20
20	19	Other Expenditure pertaining to Finance Department - Capital Charged	0.01	0.01	100.00
21	19	Other Expenditure pertaining to Finance Department - Revenue Voted	4,078.08	4,027.49	98.76
22	20	Repayment of debt pertaining to Finance Department and its Servicing - Capital Charged	6,217.83	13.92	0.22
23	20	Repayment of debt pertaining to Finance Department and its Servicing - Revenue Charged	1,3140.66	473.69	3.60
24	22	Civil Supplies - Revenue Charged	0.18	0.18	100.00
25	22	Civil Supplies - Revenue voted	262.24	31.12	11.87
26	23	Food – Capital Voted	26.60	16.51	62.07
27	23	Food - Revenue Voted	123.04	38.39	31.20
28	24	Other Expenditure pertaining to Food Civil Supplies and Consumer Affairs Department – Revenue Charged	0.12	0.11	91.67
29	24	Other Expenditure pertaining to Food	0.11	0.11	100.00

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Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
		Civil Supplies and Consumer Affairs Department - Capital Voted			
30	26	Forests - Revenue voted	331.56	22.98	6.93
31	28	Other Expenditure pertaining to Forest and Environment Department - Capital Voted	0.55	0.31	56.36
32	30	Council of Ministers - Revenue voted	3.91	1.10	28.13
33	31	Elections - Revenue voted	127.42	10.15	7.97
34	32	Public Service Commission – Revenue voted	6.83	3.67	53.73
35	33	General Administration Department - Revenue Voted	111.16	26.15	23.52
36	34	Economic Advice and Statistics – Revenue voted	68.16	30.85	45.26
37	35	Other expenditure pertaining to General Administration Department- Capital voted	827.96	40.33	4.87
38	36	State Legislature - Revenue Charged	0.28	0.09	32.14
39	37	Loans and Advances to Government Servants in Gujarat Legislature Secretariat - Capital Voted	0.34	0.29	85.29
40	38	Health and Family Welfare Department - Revenue Voted	11.44	2.81	24.56
41	39	Medical and Public Health - Capital Voted	1,372.58	113.24	8.25
42	39	Medical and Public Health - Revenue Voted	2,655.98	198.97	7.49
43	41	Other Expenditure pertaining to Health and Family Welfare Department - Capital Voted	0.55	0.42	76.36
44	43	Police - Revenue Charged	0.00 <sup>1</sup>	0.00 <sup>2</sup>	100
45	43	Police - Revenue Voted	2,918.76	286.51	9.82
46	46	Other Expenditure pertaining to Home Department - Capital Voted	507.57	73.13	14.41
47	49	Industries - Revenue Voted	891.96	188.46	21.13
48	49	Industries - Capital Voted	977.05	676.68	69.26
49	50	Mines and Minerals - Revenue voted	134.23	22.68	16.90
50	51	Tourism – Capital voted	475.94	26.50	5.57
51	52	Other expenditure pertaining to Industries and Mines Department – Revenue voted	52.81	13.25	25.09
52	53	Information and Broadcasting Department - Revenue Voted	2.11	0.74	35.07
53	55	Other Expenditure pertaining to Information, Broadcasting Department - Capital Voted	0.26	0.21	80.77
54	56	Labour and Employment Department - Revenue Voted	10.26	4.17	40.64
55	57	Labour and Employment – Capital voted	106.11	36.97	34.84

<sup>1</sup> ₹ 2000

<sup>2</sup> ₹ 2000

<b>Sl. No.</b>	<b>Grant No.</b>	<b>Name of the Grant/Appropriation</b>	<b>Total Grant/Appropriation</b>	<b>Saving</b>	<b>Percentage</b>
56	57	Labour and Employment – Revenue voted	456.35	59.57	13.05
57	58	Other Expenditure pertaining to Labour and Employment Department - Capital Voted	0.33	0.32	96.97
58	59	Legal Department - Revenue Voted	10.79	2.98	27.62
59	60	Administration of Justice - Revenue charged	82.17	11.70	14.24
60	60	Administration of Justice - Revenue voted	815.05	315.72	38.74
61	61	Other Expenditure pertaining to Legal Department - Capital Voted	1.77	1.53	86.44
62	62	Legislative and Parliamentary Affairs Department - Revenue Voted	7.93	3.65	46.03
63	63	Other Expenditure pertaining to Legislative and Parliamentary Affairs Department - Capital Voted	0.08	0.06	75.00
64	64	Narmada, Water Resources, Water Supply and Kalpsar Department - Revenue Voted	19.97	4.68	23.44
65	65	Narmada Development Scheme - Capital Voted	4,844.12	1,180.88	24.38
66	66	Irrigation and Soil Conservation - Revenue Charged	0.25	0.23	92.00
67	66	Irrigation and Soil Conservation - Revenue Voted	902.08	21.44	2.38
68	66	Irrigation and Soil Conservation - Capital Voted	2,763.54	250.32	9.06
69	68	Other Expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department - Capital Voted	1.10	0.77	70.00
70	70	Community Development - Revenue Voted	1,279.70	86.52	6.76
71	71	Rural Housing and Rural Development - Revenue Voted	1,166.95	460.29	39.44
72	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department - Capital Voted	6.48	3.82	58.95
73	74	Transport - Revenue Voted	755.12	58.55	7.75
74	75	Other Expenditure pertaining to Ports and Transport Department - Capital Voted	181.85	83.78	46.07
75	76	Revenue Department - Revenue Voted	37.06	15.42	41.61
76	77	Tax Collection Charges (Revenue Department) - Revenue Voted	352.63	139.99	39.70
77	78	District Administration - Revenue Voted	460.97	162.60	35.27
78	79	Relief On Account of Natural Calamities - Capital Voted	125.00	69.07	55.26
79	79	Relief On Account of Natural Calamities - Revenue Voted	1,168.95	160.80	13.76

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Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
80	81	Compensations and Assignments - Capital charged	0.02	0.01	50.00
81	81	Compensations and Assignments - Revenue Charged	0.18	0.09	50.00
82	81	Compensations and Assignments – Capital voted	0.11	0.11	100.00
83	82	Other Expenditure pertaining to Revenue Department - Revenue Voted	3.67	0.79	21.53
84	82	Other Expenditure pertaining to Revenue Department - Capital Voted	0.26	0.20	76.92
85	84	Non-Residential Buildings- Revenue Charged	0.76	0.25	32.89
86	84	Non-Residential Buildings – Revenue voted	617.86	10.88	1.76
87	84	Non-Residential Buildings-Capital Voted	1,614.32	677.53	41.97
88	85	Residential Buildings - Revenue Voted	166.63	30.41	18.25
89	85	Residential Buildings - Capital Voted	164.98	125.10	75.83
90	86	Roads and Bridges – Capital charged	2.97	0.93	31.31
91	86	Roads and Bridges - Revenue voted	2,643.27	107.23	4.06
92	87	Gujarat Capital Construction Scheme- Capital charged	12.33	12.33	100.00
93	88	Other Expenditure pertaining to Roads and Buildings Department - Capital Voted	6.38	4.97	77.90
94	90	Other Expenditure pertaining to Science and Technology Department - Revenue Voted	139.15	35.92	25.81
95	91	Social Justice and Empowerment Department –Revenue voted	5.84	1.53	26.20
96	92	Social Security and Welfare - Revenue Voted	948.09	53.54	5.65
97	93	Welfare of Scheduled Tribes - Capital Voted	8.31	7.87	94.71
98	93	Welfare of Scheduled Tribes – Revenue Voted	222.68	23.26	10.45
99	94	Other Expenditure pertaining to Social Justice & Empowerment Department - Capital Voted	0.21	0.15	71.43
100	95	Special Component Plan For Scheduled Castes - Capital Voted	779.98	108.36	13.89
101	95	Special Component Plan For Scheduled Castes - Revenue Voted	2,093.72	286.06	13.66
102	96	Tribal Area Sub-Plan - Capital charged	3.00	0.78	26.00
103	96	Tribal Area Sub-Plan - Capital Voted	2,872.81	105.50	3.67
104	96	Tribal Area Sub-Plan - Revenue Voted	4,937.49	617.92	12.51
105	98	Youth Services and Cultural Activities - Revenue Voted	252.92	49.00	19.37
106	99	Other Expenditure pertaining to Sports, Youth and Cultural Activities Department - Capital Voted	0.12	0.12	100.00
107	100	Urban Development and Urban Housing	5.20	1.35	25.96

<b>Sl. No.</b>	<b>Grant No.</b>	<b>Name of the Grant/Appropriation</b>	<b>Total Grant/Appropriation</b>	<b>Saving</b>	<b>Percentage</b>
		Department - Revenue Voted			
108	101	Urban Housing - Revenue voted	815.13	158.95	19.50
109	104	Other Expenditure pertaining to Urban Development and Urban Housing Department - Capital Voted	0.11	0.03	27.27
110	104	Other Expenditure pertaining to Urban Development and Urban Housing Department - Revenue Voted	0.38	0.13	34.21
111	105	Women and Child Development Department - Revenue Voted	2.81	0.77	27.40
112	106	Other Expenditure pertaining to Women and Child Development Department - Capital Voted	225.62	19.34	8.57
113	106	Other Expenditure pertaining to Women and Child Development Department - Revenue Voted	1,658.65	216.81	13.07
114	107	Climate change Department- Revenue voted	0.82	0.18	21.95
115	108	Other Expenditure pertaining to Climate Change Department - Revenue Voted	109.60	24.13	22.02
		<b>Total</b>	<b>83,375.51</b>	<b>13,675.06</b>	<b>16.40</b>

**APPENDIX 2.2**  
**Cases where persistent savings were noticed during 2011-14**  
**(Reference: Paragraph 2.3.2; Page 41)**

(₹ in crore)

Grant No.	Year	Provision	Expenditure	Savings	Reasons
<b>2401-00-108P 02 AGR-5 Intensive Cotton production programme (Technology mission for Cotton development) Partly Centrally Sponsored Scheme-Revenue voted</b>					
2	2011-12	17.61	2.22	15.39	Due to non-filling of vacant posts.
2	2012-13	19.64	2.02	17.62	Due to sanction of lesser amount by GOI.
2	2013-14	37.15	1.83	35.32	Due to sanction of lesser amount by GOI.
<b>2040-00-101 01 TDP-10 Commercial Tax Offices-Revenue Voted</b>					
16	2011-12	159.37	149.29	10.07	Saving is due to less expenditure
16	2012-13	194.81	149.14	45.67	Less expenditure incurred on computerisation under VAT and pay & allowances due to vacant posts.
16	2013-14	224.93	210.45	14.47	Less expenditure incurred on pay and allowances due to vacant posts.
<b>2048-00-101 01 Gujarat State Sinking Fund</b>					
19	2011-12	1,000.00	300.00	700.00	Saving was anticipated due to transfer of less amount to Gujarat State Sinking Fund.
19	2012-13	1,000.00	0.00	1,000.00	Government decided no amount is required to be transferred to Sinking Fund.
19	2013-14	1,000.00	0.00	1,000.00	Government decided no amount is required to be transferred to Sinking Fund.
<b>2075-00-800 01 Liability on account of increase in the rate of Dearness Allowance</b>					
19	2011-12	1,500.00	0.00	1,500.00	Due to revised estimates of Dearness Allowance.
19	2012-13	2,500.00	0.00	2,500.00	Due to revised estimates of Dearness Allowance.
19	2013-14	3,000.00	0.00	3,000.00	Due to revised estimates of Dearness Allowance.
<b>3454-02-800C 16 Unique Identification- Revenue Voted</b>					
34	2011-12	27.45	0.04	27.40	1. Due to vacant posts and less expenditure on pay and allowances. 2. UID enrolment was not started.
34	2012-13	18.38	1.54	16.83	Savings were due to vacant posts being filled by Fixed pay employees.
34	2013-14	18.26	0.12	18.15	Savings were due to vacant posts being filled by Fixed pay employees.
<b>2210-01-001 02 HLT-11 Directorate of Medical Education and research 13<sup>th</sup> Finance Commission NABH/NABL- Revenue Voted</b>					
39	2011-12	251.31	166.89	84.42	Due to vacant posts and less expenditure on medicine.
39	2012-13	323.32	286.47	36.85	Due to vacant posts
39	2013-14	326.97	270.06	56.91	Due to compulsory cut imposed by the FD in the revised estimates.
<b>2210-01-110 01 MLT-2 Civil Hospital Administration (Medical)-Revenue Voted</b>					
39	2011-12	236.89	202.45	34.44	Savings occurred in pay & allowances.
39	2012-13	238.19	211.69	26.50	Due to vacant posts in taluka medical institution.
39	2013-14	263.99	220.09	43.90	Due to compulsory cut imposed by the FD in the revised estimates.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
<b>2055-00-109 01 MEP-6 District Police Proper</b>					
43	2011-12	1,176.97	1,088.02	88.95	Due to vacant posts, non purchase of vehicles & equipment for Quick Response Team & Bomb Squad.
43	2012-13	1,408.04	1,297.03	111.01	Due to vacant posts and less expenditure for the adhoc financial assistance for the families of late employees.
43	2013-14	1,484.27	1,341.34	142.93	Due to vacant posts and less expenditure on new items.
<b>2055-00-115P 01 MEP-2 Police Proper (75% Centrally Sponsored scheme)</b>					
43	2011-12	85.00	69.19	15.81	Less sanction under the scheme by GOI.
43	2012-13	120.00	28.79	91.21	Due to non-receipt of administrative approval.
43	2013-14	70.00	12.67	57.33	Due to compulsory cut imposed by the FD in the revised estimates.
<b>2852-80-003 02 IDN-2 Assistance for Research and Technology Development</b>					
49	2011-12	35.00	1.38	33.62	Due to non-receipt of proposals.
49	2012-13	35.00	6.76	28.24	Due to non-receipt of sufficient proposals.
49	2013-14	20.00	7.00	13.00	Due to non-receipt of sufficient proposals.
<b>2230-03-101 01 EMP-I Craftman Training Scheme in Govt (ITI)</b>					
57	2011-12	224.92	208.38	16.54	Due to non- incurring of expenditure under payment for professional and special service stipend
57	2012-13	260.30	247.02	13.28	Due to vacant post.
57	2013-14	273.40	247.93	25.47	Due to compulsory cut imposed by the FD in the revised estimates.
<b>2014-00-105 02 Civil Judge (Special Court)</b>					
60	2011-12	207.13	147.35	59.78	Functioning of less number of courts.
60	2012-13	226.21	151.36	74.85	Due to non-fixation of pay of the staff members of the courts.
60	2013-14	356.41	189.39	167.03	Due to non filling up of posts.
<b>2014-00-105 08 Scheme for improvement on Justice Delivery under 13<sup>th</sup> Finance Commission</b>					
60	2011-12	59.95	5.53	54.42	The plan to appoint Court Manager for courts not executed for Evening/Morning Courts.
60	2012-13	59.95	6.65	53.30	The plan to appoint court manager, construction of new court building for Gujarat State Judicial Academy and training of judicial officers could not be executed due to paucity of time.
60	2013-14	59.95	7.43	52.52	Tender for construction could not be issued in time.
<b>4801-35-190 01 Share Capital contribution to Sardar Sarovar Narmada Nigam Ltd.</b>					
65	2011-12	93.84	40.00	53.84	Share of beneficiary states has not been received as per estimates.
65	2012-13	50.00	37.50	12.50	Share of beneficiary states has not been received as per estimates.
65	2013-14	237.69	129.18	108.51	Share of beneficiary states has not been received as per estimates.
<b>2700-80-005 11 IRG-47 Survey &amp; Investigation</b>					
66	2011-12	46.82	4.44	42.38	Non-receipt of Administrative Approval for model study of Bhadbhoot Barrage.
66	2012-13	27.79	15.35	12.44	Amount kept for the second instalment surrendered.
66	2013-14	37.12	3.24	33.88	Due to various reasons like delay in approval, design clearance from authorities.

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Grant No.	Year	Provision	Expenditure	Savings	Reasons
270180001 02 Administration					
66	2011-12	102.52	81.51	21.01	Due to vacant posts.
66	2012-13	102.68	86.31	16.37	Due to vacant posts.
66	2013-14	99.13	84.35	14.78	Due to vacant posts.
4711-01-103 01 Flood Control Works					
66	2011-12	51.95	32.02	19.93	Due to non-finalisation of design.
66	2012-13	27.30	14.01	13.29	Due to non-finalisation of design in time because of Assembly elections in 2012.
66	2013-14	40.53	2.87	37.67	Due to heavy rain related works.
2515-00-800C 11 CDP-7 Payment of Central Assistant for Strengthening of Panchayati Raj Institutions on the recommendation of 13 <sup>th</sup> Finance Commission					
70	2011-12	244.98	194.43	50.55	Performance grant from GoI released on last date of the financial year 2011-12.
70	2012-13	357.75	120.11	237.64	As this is a 100 per cent CSS scheme, the provision under this head has been made as token provision.
70	2013-14	442.42	390.96	51.46	As this is a 100 per cent CSS scheme only token provision was made.
2216-03-800 01 HSG-49 Indira Awas Yojana					
71	2011-12	73.13	58.60	14.53	Less than expected grant released by GOI reduced target for 165000 to 123000.
71	2012-13	45.00	27.77	17.23	Due to less grant sanctioned by GOI.
71	2013-14	61.98	29.43	32.55	There are huge balances in most of the districts as opening balance so they are not eligible for the 2 <sup>nd</sup> instalment from GOI.
2501-06-101 03 REM-1 Suvarnajayanti Gram Swarozgar Yojana					
71	2011-12	36.80	7.20	29.60	Due to less grant released by GOI
71	2012-13	45.20	14.10	31.10	Project submitted to GOI but not sanctioned.
71	2013-14	49.71	6.94	42.77	National rural livelihood mission project submitted to GOI but GOI had not sanctioned 2 <sup>nd</sup> instalment.
2501-06-800 03 WSS-33 Rural Sanitation Programme					
71	2011-12	118.90	75.18	43.71	Due to less grant released by GOI
71	2012-13	94.56	16.40	78.16	Project submitted to GOI but not sanctioned.
71	2013-14	58.76	14.25	44.51	Sanitation project submitted to GOI but not sanctioned.
2041-00-102 01 Inspection of Motor Vehicle					
74	2011-12	127.11	66.12	60.99	Reasons not furnished.
74	2012-13	125.02	83.49	41.53	Due to non-completion of various works by agencies payment was not made.
74	2013-14	153.44	95.01	58.43	After approval of revised estimates, the department has surrendered the excess amount of to the Finance Department.
2053-00-093 01-Collectorate Offices					
78	2011-12	113.37	72.01	41.36	Due to vacant posts in collector and panchayat offices.
78	2012-13	111.43	87.70	23.73	Vacant posts in Apno Taluko Vibrant Taluko setup.
78	2013-14	137.06	101.11	35.96	Due to non-completion of recruitment process for vacant posts.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2053-00-094 01 Other establishment-LND-24 Sub- Divisional Establishment (including Talatis and Kotwals Circle Inspectors) Prant Officers , Mamlatdars and Circle Officers					
78	2011-12	162.52	126.47	36.05	Due to Vacant Posts in Collector & Panchayat Offices.
78	2012-13	166.03	132.43	33.60	Due to vacant posts. Some staff were also on deputation to election commission and their salary was debited through election commission head.
78	2013-14	194.33	158.67	35.66	Due to non-completion of recruitment process for vacant posts.
2245-01-102 03 Water Supply Arrangements (Rural Area)					
79	2011-12	82.00	0.00	82.00	No expenditure incurred due to uncertainty of nature.
79	2012-13	100.00	88.00	12.00	No expenditure incurred due to uncertainty of nature.
79	2013-14	100.00	0.00	100.00	No demand from collectorate, therefore amount remained unspent in the respective minor head.
2245-01-102 04 Urban water Supply -Water Drinking water supply organizations in the scarcity affected areas					
79	2011-12	22.00	0.00	22.00	Due to uncertainty of nature.
79	2012-13	28.00	0.00	28.00	Due to uncertainty of nature.
79	2013-14	28.00	2.60	25.40	Due to uncertainty of nature.
2245-02-111 01 Cash Doles					
79	2011-12	35.00	0.03	34.97	Non-occurrence of heavy rains.
79	2012-13	40.00	0.16	39.84	Non- occurrence of heavy rains.
79	2013-14	40.00	5.82	34.18	Non- occurrence of heavy rains.
2245-02-113 03 Assistance for repair/restoration of houses					
79	2011-12	35.00	2.66	32.34	Non-occurrence of heavy rains.
79	2012-13	40.00	0.40	39.60	Very little damage to houses in heavy rain.
79	2013-14	40.00	4.19	35.81	Very little damage to houses in heavy rain.
2245-02-122 02 Repairing and restoration of demand irrigation and food control works					
79	2011-12	35.00	0.00	35.00	Due to uncertainty of nature
79	2012-13	40.00	0.00	40.00	Due to uncertainty of nature
79	2013-14	40.00	0.00	40.00	Due to uncertainty of nature
2245-02-282 01 Supply of Medicines drugs disinfectant					
79	2011-12	20.00	0.00	20.00	Due to uncertainty of nature
79	2012-13	20.00	0.00	20.00	Due to uncertainty of nature
79	2013-14	20.00	0.00	20.00	Due to uncertainty of nature
2245-02-800 06 Assistance to Small Farmers					
79	2011-12	150.00	0.00	150.00	Non occurrence of Natural Calamity
79	2012-13	150.00	0.35	149.65	Due to uncertainty of nature
79	2013-14	150.00	134.28	15.72	Due to uncertainty of nature
4250-00-101 01 UDP-42 Assistance to Disaster Management Authority					
79	2011-12	162.00	81.00	81.00	Budget provision was made anticipating huge expenditure under State Emergency operation but the expenditure for above could not incurred in 2011-12.
79	2012-13	155.09	71.55	83.54	Anticipated huge expenditure under the component State Emergency operation Centre Information & Communication Technology System could not be incurred.

## *Appendices*

Grant No.	Year	Provision	Expenditure	Savings	Reasons
79	2013-14	109.18	40.00	69.18	The agenda of State Emergency response centre information and communication Technical Project is under consideration of State purchase committee. The appointment of project management consultant has not taken place due to code of conduct.
<b>4059-01-051 42 R&amp;B Office building</b>					
84	2011-12	548.80	207.91	340.89	High provision for new works and slow progress of construction works.
84	2012-13	596.02	326.42	269.60	High provision for new works and slow progress of construction works.
84	2013-14	359.56	183.08	176.48	Excess original provision was made for new works due to time consuming procedure like land allotment, drawing, administrative approval, technical sanction, tender process etc.
<b>4202-03-800 42 EDN-102 Building</b>					
84	2011-12	70.74	1.69	69.05	High provision for new works and due to time consuming procedure like land allotment, drawing, preparation, Administrative Approval /Technical Sanction (AA/TS) and tender procedure etc.
84	2012-13	44.41	12.48	31.93	High provision for new works and due to time consuming procedure like land allotment, drawing, preparation, estimation AA/TS and tender procedure etc.
84	2013-14	38.11	22.17	15.94	Excess original provision was made for new works due to time consuming procedure like land allotment, drawing, administrative approval, technical sanction, tender process etc.
<b>4225-03-277P 42 Welfare of SC,ST &amp;OBC-Buildings</b>					
84	2011-12	16.78	0.00	16.78	Due to high provision of new works.
84	2012-13	55.62	18.78	36.84	Due to high provision of new works.
84	2013-14	70.13	34.96	35.17	Excess original provision was made for new works due to time consuming procedure like land allotment, drawing, administrative approval, technical sanction, tender process etc.
<b>4250-00-203 42 Other Social Services-Employment-Buildings</b>					
84	2011-12	46.85	9.88	36.97	Due to high provision of new works.
84	2012-13	141.17	112.12	29.05	Due to high provision of new works.
84	2013-14	353.17	235.93	117.23	Excess original provision was made for new works due to time consuming procedure like land allotment, drawing, administrative approval, technical sanction, tender process etc.
<b>2216-80-001 05 Expenditure transferred on pro-rata basis from MH-2059</b>					
85	2011-12	29.87	9.04	20.83	Reasons not furnished.
85	2012-13	31.99	5.33	26.66	Reasons not furnished.
85	2013-14	34.68	6.08	28.60	Reasons not furnished.
<b>3054-80-001 05 Expenditure transferred on pro-rata basis from MH-2059</b>					
86	2011-12	89.61	69.91	19.70	Reasons not furnished.
86	2012-13	83.77	51.14	32.63	Reasons not furnished.
86	2013-14	104.03	11.09	92.94	Reasons not furnished.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
5054-03-337 14 World Bank					
86	2011-12	65.37	4.75	60.62	The tender process could not be finalized in the stipulated time.
86	2012-13	90.00	4.07	85.93	The tender process could not be finalized in the stipulated time.
86	2013-14	108.00	63.07	44.93	The tender process could not be finalized in the stipulated time.
4702-00-800 02 Water Conservation works- Construction of Check Dam					
95	2011-12	99.50	7.19	92.31	Some works could not be taken up due to non receipt of administrative approval.
95	2012-13	119.00	39.12	79.88	No demands for works were received from villages in which scheduled castes sub-plan population is more.
95	2013-14	42.50	26.39	16.11	Less progress has been achieved in compared to anticipated plan works.
2216-03-796 14 HSG-49 Indira Awas Yojana					
96	2011-12	90.00	57.21	32.79	No reason furnished.
96	2012-13	56.25	35.22	21.03	Less grant sanctioned by GOI.
96	2013-14	77.48	59.60	17.87	As a result of huge opening balance in most districts, so they were not eligible for the 2 <sup>nd</sup> instalment from GOI.
2515-00-796C 12 CPD-7 Payment of Control Assistance for strengthening of Panchayati Raj					
96	2011-12	64.75	51.39	13.36	No reason furnished.
96	2012-13	94.55	35.50	59.05	Reasons for the final savings have not been intimated.
96	2013-14	129.87	110.37	19.50	Due to non-release of performance grant by GOI.

**APPENDIX 2.3**  
**Statement of Expenditure without Provision**  
**(Reference: Paragraph 2.3.3; Page 43)**

(₹ in crore)				
Sl. No.	Grant No.	Major Head and details of the Grant/ Appropriation	Expenditure	Reasons
1	20	2049.01.101.11-12% Gujarat State Development Loan, 2011	0.00 <sup>3</sup>	Reasons for incurring expenditure without provision of funds were not on record. (August 2014).
2	20	2049.01.102.01-Discount on Loans	4.69	Excess expenditure without appropriation occurred due to issuance of security at discount of ₹ 4.69 crore.
3	60	2014.00.105.06-Family Courts (Centrally Sponsored Scheme) (Plan)	5.80	Reasons for incurring expenditure without provision of funds were not on record. (August 2014).
4	60	2014.00.105.06-Family Courts (Centrally Sponsored Scheme)	4.21	Reasons for incurring expenditure without provision of funds were not on record. (August 2014).
5	81	2075.00.800.02-Girasdar and Other Grantees	0.00 <sup>4</sup>	Reasons for incurring expenditure without provision of funds were not on record. (August 2014).
<b>Total</b>			<b>14.70</b>	

Source: Appropriation Accounts and Appropriation Act of the State Government

<sup>3</sup> ₹ 0.15 lakh

<sup>4</sup> ₹ 0.02 lakh

**APPENDIX 2.4**  
**Excess over provision of previous years requiring regularisation**  
**(Reference: Paragraph 2.3.4; Page 43)**

(₹ in crore)			
Year	Grant/ Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2003-04	4,8,9,12,17,19,22,40,41,42,49,55,59,60,64,66,67, 68,69,73, 78,80,84,86,91,105	401.26	Not regularised
2004-05	2,5,8,12 (Revenue-voted and charged; Capital charged), 17,19,22,36,38,40,43,55,61,63,66,68,73 (Revenue voted and Capital charged), 80,81 (Revenue and Capital charged), 86,88,91,96,100, 104	1,787.26	-do-
2005-06	3,7,8 (Revenue voted and charged), 11,12,17,20,22, 25,37,38,40,42,43, 45,46,52 (Revenue voted and charged), 55,64, 66 (Revenue voted and charged), 69,73, 75,77,78,79,84, 86, (Revenue voted and Capital voted), 88 (Revenue voted and charged), 90, 91,92,96,100,102, (Revenue voted and Capital voted), 103,104	2,159.83	-do-
2006-07	3,5,8,9,12,15,18 (Revenue voted and charged), 21, 23,25,26 (Revenue and Capital voted), 32,37,38, 39,41, (Revenue voted and Capital voted), 43,44,55, 57,61,64,66,68,73,74 (Revenue and Capital voted), 77,78,80,81,84, 86,87,88, 91, 100,104	583.79	-do-
2007-08	3,5,8,9,11,12,13,15,18,21,22,23,25,26,31,32,38,39,40,41,44, 50,51,53,55,57,61,62,64,66,73,74,75,78,80,81,82,84 (Revenue voted and charge), 86,87,88, 95	1,055.38	-do-
2008-09	5,8,9,13,21,22,23,26,38,39,41,43,44,55,58,62,66, 73,79,80, 81, 86 (Revenue and Capital), 87,104,106.	347.05	-do-
2009-10	1, 3, 5, 9, 10, 12, 17, 18, 21, 23, 26, 32, 39, 41, 43, 45, 46, 48, 55, 57, 61, 62, 64, 66, 69, 73, 75, 80, 84, 86, 87, 88, 96, 97, 101, 102 (Revenue Voted); 20, 32, 43, 68, 84 (Revenue Charged);65, 93 (Capital Voted); 86 (Capital Charged).	1,010.86	-do-
2010-11	10, 41, 51, 62, 66, 72, 73, 82, 86, 87, 88, 105 (Revenue Voted); 13 (Capital Voted); 71 (Revenue Charged); 81 (Capital Charged)	120.25	-do-
2011-12	10, 18, 51, 82, 86 (Revenue Voted); 87 (Capital Voted); 26, 96 (Revenue Charged); 20, 81, 96 (Capital Charged)	660.62	-do-
2012-13	9,12,18,73,88 (Revenue Voted); 26 (Capital Voted); 26, 86,88 (Revenue Charged); 81, (Capital Charged)	247.59	-do-
<b>Total</b>		<b>8,373.89</b>	

**APPENDIX 2.5**  
**Cases where persistent excess were noticed during 2011-14**  
**(Reference: Paragraph 2.3.6; Page 44)**

(₹ in crore)

Grant No.	Year	Provision	Expenditure	Excess	Reasons
2071-01-101-01 Superannuation and retirement allowances to primary panchayat teachers					
9	2011-12	616.33	629.53	13.20	No reasons furnished.
9	2012-13	655.00	936.67	281.67	No reasons furnished.
9	2013-14	742.50	1,906.90	1,164.40	No reasons furnished.
2071-01-104-01 Gratuities to Primary Panchayats Teachers					
9	2011-12	96.13	123.55	27.42	No reasons furnished.
9	2012-13	140.00	245.57	105.57	No reasons furnished.
9	2013-14	151.25	347.85	196.60	No reasons furnished.
2071-01-104-01 Gratuities					
18	2011-12	425.00	427.91	2.91	Due to fluctuating nature of finalisation of pension cases.
18	2012-13	550.00	628.72	78.72	Due to fluctuating nature of finalisation of pension cases.
18	2013-14	500.00	694.79	194.79	Due to fluctuating nature of finalisation of pension cases.
2071-01-117-01 State Government Contribution under Defined Contribution Pension Scheme Tier- I					
18	2011-12	75.00	99.88	24.88	Due to regular deductions and new entrants to the New Defined Contribution Pension Scheme.
18	2012-13	149.00	152.50	3.50	Due to regular deductions and new entrants to the New Defined Contribution Pension Scheme.
18	2013-14	160.00	206.45	46.45	Due to regular deductions and new entrants to the New Defined Contribution Pension Scheme.
2049-03-108 02 Saving Fund					
20	2011-12	98.50	102.09	3.59	The nature of the expenditure is uncertain as it depends upon death or retirement of Govt. employee.
20	2012-13	107.00	118.95	11.95	The nature of the expenditure is uncertain as it depends upon death or retirement of Govt. employee.
20	2013-14	117.00	128.25	11.25	The nature of the expenditure is uncertain as it depends upon death or retirement of Govt. employee.
2049-03-117-01 Interest on Defined Contribution of Government Employee Pension Scheme Tier-I					
20	2011-12	15.56	25.35	9.79	New entrants depending upon recruitment.
20	2012-13	11.00	31.11	20.11	New entrants depending upon recruitment.
20	2013-14	5.00	22.14	17.14	New entrants depending upon recruitment.
4055-00-800 03 Purchase of Arms General					
46	2011-12	109.57	122.69	13.12	No reason furnished.
46	2012-13	50.00	56.81	6.81	Arms not allotted by GoI due to which proforma invoice is not received from Ordinance Factory.
46	2013-14	55.00	65.73	10.73	Due to cut imposed by FD.
2852-80-800-24 IND-5 Promotional Efforts for Industrial Development (plan)					
49	2011-12	9.33	11.52	2.19	Conducting seminars and workshops for promotional efforts for Industrial Development

Grant No.	Year	Provision	Expenditure	Excess	Reasons
49	2012-13	46.08	51.08	5.00	More proposals received by Udyog Bhavan Society
49	2013-14	19.74	31.68	11.94	The payment made for the pending outstanding bills for Vibrant Gujarat 2013 event.
2700-05-101 01 Work charged establishment					
66	2011-12	16.00	20.68	4.68	Payment of arrears.
66	2012-13	18.00	20.66	2.66	Due to payment of 6 <sup>th</sup> pay commission instalment.
66	2013-14	19.80	25.03	5.23	Due to payment of arrears of pay and dearness allowance.
2702-03-102-84 MNR -245 Maintenance and Repairs					
66	2011-12	89.00	93.00	4.00	Increase in expenditure of energy bills for various pipelines.
66	2012-13	100.00	118.14	18.14	Electricity bill of pumping stations
66	2013-14	90.00	123.16	33.16	Due to actual electricity bill and maintenance.
270203103 84 Maintenance of repairs					
66	2011-12	48.02	50.39	2.37	Reasons not furnished.
66	2012-13	46.95	51.29	4.35	Reasons not furnished.
66	2013-14	47.84	52.00	4.16	Due to arrears of pay and dearness allowances.
4700-11-800-46 Distributaries and Water Courses (plan)					
66	2011-12	6.95	10.90	3.95	More renovation works.
66	2012-13	1.50	7.81	6.31	More renovation works.
66	2013-14	0.55	7.55	7.00	Reasons not furnished.
4701-41-800-80 Other Expenditure (Plan)					
66	2011-12	25.29	56.25	30.96	Good progress of safety works and repairing of damaged gates.
66	2012-13	81.20	88.71	7.51	Good progress of safety works
66	2013-14	62.20	120.64	58.43	Payment of security guards.
4701-73-800 80 Other expenditure					
66	2011-12	167.67	306.98	139.31	Due to more progress in pipeline works.
66	2012-13	287.39	328.59	41.20	Due to work in progress.
66	2013-14	312.75	365.24	52.49	Due to pending liability bill payment Narmada Main Canal extension.
2245-02-800 02 Repairs/restoration to other public properties					
79	2011-12	50.00	154.94	104.94	For surfacing roads and nalas due to heavy rains in some districts.
79	2012-13	50.00	74.96	24.96	For surfacing roads and nalas due to heavy rains in some districts.
79	2013-14	50.00	222.65	172.65	For surfacing roads and nalas due to heavy rains in some districts.
3054-04-337C 11 RBD-4 Roads and Bridges					
86	2011-12	21.05	233.80	212.75	No reasons furnished
86	2012-13	55.36	713.85	658.49	No reasons furnished.
86	2013-14	664.21	736.65	72.44	No reasons furnished
3054-80-797 11 Transfer to deposit accounts of Central Road Fund Allocation					
86	2011-12	58.07	97.67	39.60	No reasons furnished

## *Appendices*

Grant No.	Year	Provision	Expenditure	Excess	Reasons
86	2012-13	113.62	139.42	25.80	No reasons furnished.
86	2013-14	97.67	100.70	3.03	No reasons furnished
<b>5054-03-337-11 RBD-2(a) Original Works</b>					
86	2011-12	813.31	1,100.34	287.03	Speeding up the work in order to complete it by the targeted date.
86	2012-13	1,297.78	1,433.24	135.46	Due to good progress in state highways.
86	2013-14	1,641.45	1,736.06	94.61	Due to good progress of works.
<b>5054-03-337 Pravashi Path</b>					
86	2011-12	86.80	109.10	22.30	Works carried out by Pravashi Path completed before target date.
86	2012-13	116.25	160.52	44.27	Works carried out by Pravashi Path completed before target date.
86	2013-14	116.25	204.34	88.09	Works carried out by Pravashi Path completed before target date.
<b>4217-01-800 02 Urban development and urban housing department</b>					
87	2011-12	41.88	45.42	3.54	No reasons furnished.
87	2012-13	66.85	74.14	7.29	Works carried out by R&B department were in good progress.
87	2013-14	37.00	45.38	8.38	No reasons furnished.
<b>3054-80-796-02 RBD-10 Special provision for Roads &amp; Bridges under Tribal Area Sub-plan</b>					
96	2011-12	29.20	63.35	34.15	More demand from district offices and more state planning.
96	2012-13	29.20	55.00	25.80	More demand from district offices and more state planning.
96	2013-14	29.20	40.15	10.95	Due to more demand from District offices
<b>4701-80-796 45 IRG-67 Ukai Purna L.B. Canal</b>					
96	2011-12	13.00	15.50	2.50	Faster work done by the Contractor resulting in early payment of work done.
96	2012-13	14.00	16.95	2.95	Reasons not furnished.
96	2013-14	7.71	10.87	3.16	To complete the ongoing Ukai Purna Left Bank Canal Project additional funds were needed.

**APPENDIX 2.6**  
**Cases where supplementary provision (₹ two crore or more in each case)**  
**proved unnecessary**  
**(Reference: Paragraph 2.3.7.1; Page 45)**

(₹ in crore)

Sl. No.	Number and Name of the Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
1	5- Co-operation- Capital Voted	19.07	16.58	2.49	2.73
2	9-Education - Capital Voted	811.83	712.79	99.04	34.18
3	21-Food,Civil Supplies and Consumer Affairs Department – Revenue Voted	26.15	24.96	1.19	3.13
4	39-Medical and Public health- Revenue Voted	2,627.87	2,457.02	170.85	28.11
5	40- Family Welfare- Revenue Voted	493.95	492.89	1.06	5.16
6	43-Police- Revenue Voted	2,912.14	2,623.24	288.90	6.62
7	46- Other expenditure pertaining to Home Department – Capital Voted	505.51	434.44	71.07	2.06
8	60-Administration of Justice- Revenue Charged	79.63	70.47	9.16	2.54
9	74-Transport- Revenue Voted	704.36	696.57	7.79	50.75
10	80-Dangs District- Revenue Voted	44.94	44.88	0.06	2.02
11	85- Residential Buildings - Revenue Voted	164.05	136.22	27.83	2.58
12	86-Road and Bridge- Revenue Voted	2,630.85	2,536.04	94.81	12.41
13	92-Social Security and Welfare - Revenue Voted	942.91	894.55	48.36	5.18
14	93-Welfare of Schedule Tribe - Revenue Voted	205.25	199.41	5.84	17.43
15	95-Schedule Castes Sub-Plan- Capital Voted	766.99	671.62	95.37	12.99
16	95- Schedule Castes Sub-Plan- Revenue Voted	2,083.74	1,807.65	276.09	9.97
17	96-Tribal Area Sub- Plan –Capital Voted	2,827.38	2,767.31	60.07	45.43
18	96- Tribal Area Sub- Plan- Revenue Voted	4,934.65	4,319.57	615.08	2.84
<b>TOTAL</b>		<b>22,781.27</b>	<b>20,906.21</b>	<b>1,875.06</b>	<b>246.13</b>

**APPENDIX 2.7**  
**Excess/Saving (more than ₹ five crore) in respect of Unnecessary/  
 Insufficient Re-appropriation of Funds**  
**(Reference: Paragraph 2.3.8; Page 46)**

(₹ in crore)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation (+/-)	Final excess (+)	Final saving (-)
1	9	TED-19 Development of Government Engineering Collages (World Bank assistance)	2203	9.00	0.00	-7.50
2	9	MDM-1 Mid-Day Meal Scheme for Children in Public Primary schools.	2236	5.50	0.00	-7.16
3	18	Superannuation and Retirement Allowances	2071	-1,180.28	10.40	0.00
4	20	Loans to be raised on or after November-2011	2049	-634.72	0.00	-69.23
5	20	Interest on account of social securities received form National Small Saving Fund	2049	138.63	9.64	0.00
6	20	Charges Payable to Reserve Bank of India for Management of Debt	2049	-15.74	13.64	0.00
7	39	HLT-11 Directorate of Medical Education and Research 13th Finance Commission-NABH/NABL	2210	-127.82	84.57	0.00
8	46	MEP-35 Purchase of Arms under Modernization of Police Force Scheme	4055	-27.98	37.97	0.00
9	66	Other Expenditure	4701	-610.81	0.00	-95.56
10	66	Flood Control Works	4711	10.86	0.00	-48.53
11	66	Canal and Branches	4700	35.33	5.25	0.00
12	66	Minor Irrigation	4702	74.23	8.99	0.00
13	86	Word Bank	5054	-38.54	0.00	-6.39
14	92	BCK-298 Financial Assistance for housing on Individual basis including Repairs	2225	-21.25	0.00	-39.11
15	92	BCK 289(E) Govt of India's pre metric scholarship to Minority students (P)	2225	6.00	6.62	0.00
16	92	BCK 81-(E) - Govt. of India's Post Metric scholarship to minority students (CSS 100%)	2225	-14.89	7.70	0.00
17	95	Provision for motor vehicle & Medical equipment for Medical, Dental, Nursing Physiotherapy colleges & Teaching Hospitals	4210	-9.80	0.00	-13.73
18	95	SCW-34 Cash Assistance to infirm and old Aged pension scheme (Vayvandana yojana)	2235	6.08	0.00	-6.54
19	95	BCK- Government of India Pre-Metric Scholarship for S.T. students studying in IX and X	2225	6.57	9.62	0.00
20	95	BCK-26 Scheduled castes sub- plan, Construction of Government Hostel for Boys and Girls at Rajkot, Junagadh and Mahesana (Centrally Sponsored Scheme)	4225	9.83	10.47	0.00
21	96	IRG-1 share Capital Contribution to Sardar Sarovar Narmada Nigam Ltd	4700	-43.69	0.00	-6.31
22	96	IRG-39	4700	-19.40	5.11	0.00
23	96	MNR.250 Special provision for minor Irrigation on under Tribal Sub-Plan	2702	-11.18	5.59	0.00
<b>Total</b>					<b>215.57</b>	<b>-300.06</b>

**APPENDIX 2.8**  
**Substantial surrenders of more than ₹ one crore or more than 50 per cent**  
**(Reference: Paragraph 2.3.9.1; Page 46 selected top 21 cases)**

(₹ in crore)

Sl. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
1	2	2401.00.108 01 Cotton Production	7.45	7.45	100.00	Entire Budget provision of ₹ 7.45 crore was surrendered due to dropping of the Scheme by the Government of Gujarat, as the sowing season was over.
2	2	2401.00.113 02 Sub Mission On Agricultural Mechanization (SMAM)	7.00	7.00	100.00	Saving of the entire budget provision of ₹ 7.00 crore was anticipated due to non-release of grant by the Government of India under the Scheme.
3	2	4401.00.190 03 Equity share capital to Mahindra and Mahindra Tractor Ltd.	9.40	9.40	100.00	Entire budget provision of ₹ 9.40 crore was surrendered based on the Government decision not to release the funds.
4	4	2403.00.113C 02 Scheme for establishing of Live Stock census cell in Directorate of Animal Husbandary	5.00	5.00	100.00	As there was no requirement of funds at district level, the entire budget provision of ₹ 5.00 crore was surrendered in March 2014.
5	6	5051.02.200P 01 FSH-6 Construction of docks, berths and Jetties	6.75	6.75	100.00	Saving of the entire budget provision of ₹ 13.00 crore under heads of accounts was anticipated due to non-release of grant by the Government of India under the Scheme.
6	6	5051.02.200P 01 FSH-6 Construction of docks, berths and Jetties	6.25	6.25	100.00	
7	19	2048.00.101. 01 Gujarat State Sinking Fund	1,000.00	1,000.00	100.00	Entire budget provision of ₹ 1000.00 crore was anticipated for surrender due to the decision of the Government not to transfer any amount to Sinking Fund.
8	19	2075.00.797 01 Gujarat State Guarantee Redemption Fund	30.00	30.00	100.00	Entire budget provision of ₹ 30.00 crore was anticipated for surrendered due to the decision of the Government not to transfer any amount Guarantee Redemption Fund.
9	22	3456.00.190 02 Losses on Sale of edible oil through Fair Price Shops	9.00	9.00	100.00	Entire budget provision of ₹ 9.00 crore was anticipated for surrender as no purchase of Palmolin oil could take place due to lack of co-ordination between Government of India and MMTC/STC.
10	23	4408.02.800 01 Construction of Godown	16.40	16.40	100.00	Entire budget provision of ₹ 16.40 crore was surrendered due to non-finalisation of policy for allotment of land by Revenue Department and work of construction of godowns could not be started.
11	49	2852.80.800 30 Scheme for to meet expenses of Regional Development authority for the development Dholera special investment region	45.00	45.00	100.00	Entire budget provision of ₹ 45.00 crore pertaining to Dholera Project was surrendered due to road demarcation process not being finalized and (ii) decision for payment of compensation for land acquisition not being taken.
12	49	5475.00.800 01 OIN-18 Scheme for Financial Support to PPP Infrastructure Project. Viability Gap Fund	10.00	10.00	100.00	Savings of ₹ 10.00 crore was anticipated for surrender due to non-receipt of proposals under the Scheme.

## *Appendices*

Sl. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
13	66	4702.00.101 03 River Narmada Near village Bhadbhut	50.00	50.00	100.00	Entire budget provision of ₹ 50.00 crore was surrendered due to non-commencement of works mainly on account of late receipt of approval for the work.
14	71	2505.60.703 01 RDD-2 Special Employment Programme	5.50	5.50	100.00	Saving of the entire budget provision of ₹ 5.50 crore was anticipated due to cut imposed by the Finance Department in Revised Estimates.
15	77	2029.00.103 05 To enable Guaranteed Land title to Farmers	5.00	5.00	100.00	Savings of the entire budget provision of ₹ 5.00 crore was anticipated for surrender due to non-release of grant by the Government of India under the Scheme of Guaranteed Land Title to the farmers.
16	79	2245.01.104 08 Procurement, Storage and Movement of Fodder	10.00	10.00	100.00	Entire budget provision of ₹ 10.00 crore under head of account was anticipated for surrender due to non-occurrence of any natural calamity.
17	95	2205.00.800 01 Celebration of Swami Vivekanand's 150th Birth Anniversary	5.00	5.00	100.00	Saving of the entire budget provision of ₹ 5.00 crore was anticipated as celebration programme of Swami Vivekanand's 150 Birth Anniversary could not be organized and also other programmes at state/zonal/district level not arranged on account of implementation of Code of Conduct for Loksabha Election 2014.
18	95	2404.00.001 01 DMS-1 Assistance for Chilling Centres and bulk Coolers	15.11	15.11	100.00	Saving of the entire budget provision of ₹ 15.11 crore was surrendered due to non-receipt of approval from the Government for Chilling Centres and Bulk Coolers under the Scheme.
19	101	2216.02.190 08 Assistance to Provide Rental Housing in Urban Areas	35.00	35.00	100.00	Entire saving of ₹ 35.00 crore was anticipated due to delay in preparation of detailed Project till January 2014; reasons for the delay have not been intimated (August 2014).
20	108	3435.03.102 01 (CLC-1) Climate change Trust Fund	10.00	10.00	100.00	Entire Budget provision of ₹ 20.00 crore was anticipated for surrender under the sub head was due to non-receipt of requisite Administrative Approval to the Projects.
21	108	3435.03.102 02 (CLC-2) Climate change Impact Studies & Related Projects Trust Fund	10.00	10.00	100.00	Entire Budget provision of ₹ 20.00 crore was anticipated for surrender under the sub head was due to non-receipt of requisite Administrative Approval to the Projects.

**APPENDIX 2.9**  
**Amount surrendered (₹ one crore or more) in excess of actual savings**  
**(Reference: Paragraph 2.3.9.2; Page 47)**

(₹ in crore)						
Sl. No.	Grant no.	Number and Name of the Grant or Appropriation	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	2	Agriculture Department -Revenue Voted	2,432.54	275.99	290.64	14.65
2	3	Minor Irrigation, Soil Conservation and Area Development – Capital voted	185.85	9.88	19.48	9.60
3	5	Co-operation – Revenue Voted	383.82	20.15	20.22	0.07
4	12	Tax collection Charges (Energy and Petrochemical Department) Revenue voted	22.35	4.01	4.01	0 <sup>5</sup>
5	15	Finance Department- Revenue voted	19.77	4.44	4.46	0.02
6	18	Pension and other retirement benefits-Revenue voted	5,813.12	744.74	758.39	13.65
7	19	Other expenditure pertaining to Finance Department	4,078.08	4,027.49	4,028.48	0.99
8	20	Repayment debt pertaining Finance Department and its servicing – Capital Charged	6,217.83	13.92	16.33	2.41
9	38	Health and Family Welfare Department – Revenue Voted	11.44	2.81	2.82	0.01
10	39	Medical and Public Health – Revenue voted	2,655.98	198.97	268.20	69.23
11	42	Home Department – Revenue Voted	1,740.49	1.80	1.82	0.02
12	44	Jails –Revenue voted	114.80	0.59	1.81	1.22
13	46	Other expenditure pertaining to Home Department – Capital voted	507.57	73.13	145.89	72.76
14	51	Tourism – Revenue voted	19.40	1.00	1.00	0 <sup>6</sup>
15	55	Other expenditure pertaining to Information and Broad Casting Department – Revenue voted	7.36	1.13	1.13	0 <sup>7</sup>
16	59	Legal Department – Revenue voted	10.79	2.98	3.18	0.02
17	60	Administration of Justice – Revenue voted	815.05	315.72	318.01	2.29
18	60	Administration of Justice – Revenue charged	82.17	11.70	13.64	1.94
19	61	Other expenditure pertaining to Legal Department – Revenue Voted	47.38	9.03	9.08	0.05
20	64	Narmada, Water resources and water supply department	19.97	4.68	4.69	0.01

<sup>5</sup> ₹ 9,000

<sup>6</sup> ₹ 5,000

<sup>7</sup> ₹ 6,000

## Appendices

Sl. No.	Grant no.	Number and Name of the Grant or Appropriation	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
21	66	Irrigation and soil conservation – Revenue voted	902.08	21.44	55.49	34.05
22	69	Panchayats Rural Housing and Rural Development Department – Revenue voted	9.50	0.91	1.56	0.65
23	91	Social Justice and Empowerment – Revenue voted	5.84	1.53	1.53	0 <sup>8</sup>
24	96	Tribal Area Sub Plan – Revenue Charged	10.00	1.71	1.71	0 <sup>9</sup>
25	98	Youth Services and Cultural Activities – Revenue voted	252.92	49.00	50.88	1.88
26	100	Urban Development and Urban Housing – Revenue voted	5.20	1.35	1.40	0.05
27	108	Other Expenditure pertaining to Climate Change Department – Revenue voted	109.60	24.13	32.11	7.98
<b>Total</b>			<b>26,480.90</b>	<b>5,824.23</b>	<b>6,057.96</b>	<b>233.73</b>

<sup>8</sup> ₹ 30,000

<sup>9</sup> ₹ 7,000

**APPENDIX 2.10**  
**Savings of more than ₹ one crore and more than 10 per cent not**  
**surrendered**  
**(Reference: Paragraph 2.3.9.3; Page 47)**

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Savings	Surrender	Savings which remained to be surrendered	Percentage of savings not surrendered
1	3	Minor Irrigation, Soil Conservation and Area Development- Revenue Voted	5.19	0.74	4.44	85.65
2	13	Energy Projects – Capital Voted	109.36	5.00	104.36	95.43
3	31	Elections- Revenue Voted	10.15	6.22	3.93	38.72
4	39	Medical and Public Health- Revenue Voted	113.24	88.12	25.12	22.18
5	40	Family Welfare- Revenue Voted	6.23	5.19	1.03	16.60
6	57	Labour and Employment- Capital Voted	36.97	0.00	36.97	100.00
7	57	Labour and Employment- Revenue Voted	59.57	51.22	8.35	14.02
8	65	Narmada Development Scheme – Capital Voted	1,180.88	244.12	936.76	79.33
9	66	Irrigation and Soil Conservation- Capital Voted	250.32	159.80	90.51	36.16
10	67	Water Supply- Revenue Voted	1.25	0.00	1.25	100.00
11	70	Community Development-Revenue Voted	86.52	33.07	53.46	61.78
12	76	Revenue Department- Revenue Voted	15.42	11.14	4.28	27.77
13	77	Tax Collection Charges (Revenue Department) -Revenue Voted	139.99	99.19	40.81	29.15
14	80	Dangs District- Revenue Department	2.08	0.37	1.71	82.42
15	84	Non-Residential Buildings- Capital Voted	10.88	6.80	4.08	37.46
16	85	Residential Buildings -Revenue Voted	30.41	0.43	29.99	98.60
17	86	Road and Bridges – Capital Voted	8.35	0.00	8.35	100.00
18	86	Road and Bridges – Capital Voted	107.23	3.82	103.41	96.43
19	87	Gujarat Capital Construction Scheme- Capital Voted	12.33	0.00	12.33	100.00
20	96	Tribal Area Sub-Plan – Capital Voted	105.50	89.03	16.47	15.61
<b>Total</b>			<b>2,291.87</b>	<b>804.26</b>	<b>1,487.61</b>	<b>64.91</b>

Source: Appropriation Accounts of the State Government

**APPENDIX 2.11**  
**Rush of Expenditure through Hand receipts (Reference: Paragraph 2.3.10; Page 47)**

(₹ in crore)

Sl. No.	Division which made advance payment through hand receipts	Major Head	Description	Paid to whom	Amount
1	Drainage Division, Gandhinagar	2702	For MNR 245 maintenance and repairs	GWRDC Ltd. Gandhinagar	19.48
2	Drainage Division, Gandhinagar	2702	For MNR 245 maintenance and repairs	GWRDC Ltd. Gandhinagar	3.58
3	Drainage Division, Gandhinagar	2702	For MNR 84 maintenance and repairs	GWRDC Ltd. Gandhinagar	4.16
4	Drainage Division, Gandhinagar	4701	Advance payment of Ranpur pumping stn.	UGVCL, Deesa	2.00
5	Drainage Division, Gandhinagar	4701	HMC to SSC	GWRDC Ltd. Gandhinagar	1.29
6	Drainage Division, Gandhinagar	4702	Contribution. to Guj Green resolution	GWRDC Ltd. Gandhinagar	4.00
7	Drainage Division, Gandhinagar	4702	LI scheme for river canal	GWRDC Ltd. Gandhinagar	15.93
8	Drainage Division, Gandhinagar	4702	LI scheme for tribal area	GWRDC Ltd. Gandhinagar	36.93
9	Drainage Division, Gandhinagar	4702	LI scheme for tribal area	GWRDC Ltd. Gandhinagar	4.27
10	Drainage Division, Gandhinagar	4702	LI scheme for tribal area	GWRDC Ltd. Gandhinagar	1.00
11	Road & Building division, Patan	5054	Shifting of 66 KV line crossing near railway crossing No. 40X	GETCL	1.04
12	Road & Building division, Patan	5054	Solar Park	District Panchayat Patan	10.00
13	Road & Building division, Patan	5054	Solar Park	District Panchayat Patan	18.35
14	Kheda R&B Division, Nadiad	3054	Advance Payment for bulk purchase of Asphalt	HPCL	1.25
15	Kheda R&B Division, Nadiad	3054	Advance Payment for bulk purchase of Asphalt	BPCL	1.25
	<b>Total</b>				<b>124.53</b>

**APPENDIX 3.1**  
**Utilisation certificates outstanding as on 31 March 2014**  
**(Reference: Paragraph 3.1, Page 65)**

(₹ in crore)

Sl. No.	Department	Period of Payment of grant	Total grants paid		Utilisation Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Agriculture & Co-operation	2001-14	2,470	2,331.27	1,931	2,244.79	539	86.48
2	Climate change	2010-14	60	285.84	47	230.27	13	55.57
3	Women & Child development	2002-14	722	242.88	406	30.16	316	212.72
4	Education	2001-14	4,060	888.14	3,803	541.17	257	346.97
5	Energy & Petrochemicals	2008-14	29	1,475.50	29	1,475.50	0	0
6	Food, Civil Supplies & Consumer affairs	2001-14	75	173.58	38	140.40	37	33.18
7	Finance	2012-13	2	0.10	0	0.00	2	0.10
8	Forest & Environment	2001-14	128	40.44	114	27.08	14	13.36
9	General Administration	2001-14	361	578.30	146	483.25	215	95.05
10	Gujarat Legislature Secretariat	2006-09	13	2.50	6	2.13	7	0.37
11	Health & Family Welfare	2001-14	2,330	444.76	2,128	338.82	202	105.94
12	Home	2001-14	144	394.67	115	372.07	29	22.60
13	Industries & Mines	2001-14	2,483	1,549.30	2,044	1,002.21	439	547.09
14	Information Broadcasting & Tourism	2002-11	5	0.63	5	0.63	0	0
15	Labour & Employment	2001-14	206	14.39	152	7.60	54	6.79
16	Legal	2001-14	51	3.96	35	0.73	16	3.23
17	Narmada Water Resources, Water Supply and Kalpsar	2001-14	1,059	3,598.29	1,015	2,311.93	44	1,286.36
18	Ports & Transport	2001-14	734	1,820.46	723	869.20	11	951.26
19	Panchayats, Rural Housing and Rural Development	2001-14	2,135	1,207.07	1,860	1,054.82	275	152.25
20	Roads & Buildings	2003-12	14	1.90	13	1.69	1	0.21
21	Revenue	2001-14	128	201.03	64	34.27	64	166.76
22	Social Justice & Empowerment	2001-14	27,024	3,893.07	17,823	1,918.68	9,201	1,974.39
23	Science and Technology	2003-14	113	90.34	100	7.76	13	82.58
24	Sports, Youth & Cultural Activities	2001-14	1,729	37.27	995	11.29	734	25.98
25	Urban Development & Urban Housing	2001-14	265	3,599.44	145	2,348.28	120	1,251.16
<b>Total</b>			<b>46,340</b>	<b>22,875.13</b>	<b>33,737</b>	<b>15,454.73</b>	<b>12,603</b>	<b>7,420.40</b>

**APPENDIX 3.2**  
**Statement showing names of bodies and authorities,**  
**the accounts of which had not been received for audit**  
**(Refer paragraph 3.3; Page 75)**

Sl. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
1	Gujarat University, Ahmedabad	1999-2000 onwards	1
2	AksharPurushottamArogyaMandir (Muni Seva Ashram), Vaghodia,Goraj-Vadodara; Institute of Kidney Diseases & Research Centre (IKDRC), Ahmedabad	2004-05 onwards	2
3	K J Mehta TB Hospital, Songadh,Amargadh,Bhavnagar; ShethVadilal Sarabhai General Hospital and ShethChinai Maternity Hospital, Ahmedabad; Self Employed Women's Association(SEWA), Electronic Quality Development Centre; Ahmedabad; Forest Development Agency, ChhotaUdepur;	2005-06 onwards	5
4	AryaKanyaShuddhaAyurvedicMahavidyalaya, KareliBaug, Vadodara; Gujarat Backward Classes Development Corporation, Gandhinagar; Gujarat Sahitya Academy, Gandhinagar; Gandhi Lincoln Hospital, Deesa, Palanpur; G.K. General Hospital, Bhuj, Kutchh; Gujarat State Lalit Kala Academy, Ahmedabad; J S AyurvedMahavidyalaya& P T Patel Ayurved Hospital, Nadiad; O.H. NazarAyurved College and Hospital, Surat; Forest Development Agency, Godhra; Forest Development Agency,Junagadh; Forest Development Agency, Surendernagar; Forest Development Agency, Narmada; Forest Development Agency S.K. Himmatnagar (North); Forest Development Agency, Valsad (North); Forest Development Agency, Bhavnagar;	2006-07 onwards	15
5	B.M. Institute of Mental Health, Ahmedabad; Smt. B H Shah (Karjanwala), ITI, Kamrej, Surat; Gujarat Ecology Education & Research (GEER@) Foundation, Gandhinagar;	2007-08 onwards	3
6	Gujarat Landless Labourers and Halpati Housing Board, Gandhinagar; Maharaja Sayajirao (M.S.) University, Vadodara; MandviTalukaKshayaNivaranSangh TB Association, Mandvi Kutch; Narayan Eye Hospital(ArogyaDhamSanchalit); R.K. Technical Institute Industrial Training Centre, Anand; Ravishankar Maharaja Eye Hospital, Chikhodra,Anand; State Examination Board, Gandhinagar; S K Patel Industrial Training Institute, Mehsana; Society for Education Welfare & Action Rural (Sewa Rural), Jhagadia Bharuch; Sarvajanic Hospital & Maternity Hospital, GozariaMehsana; ShrimantFateshsinhRaoGayakwad General Hospital Vatrak,Sabarkantha,Bayad; State Literacy Mission, Gandhinagar;Shivanand Mission Saurashtra Central Hospital, Rajkot; Smt. A.J. Savla Homeopathic Medical College, Mehsana; School for Deaf-Mutes Society, Ahmedabad; Sheth J.B. Upadhyay Deaf and Mute School, Sabarkantha; Forest Development Agency, Jamnagar; Forest Development Agency, Rajkot; Forest Development Agency, Dahod; Forest Development Agency, S.K. Himmatnagar (South); Forest Development Agency, Ahwa Dang (South);	2008-09 onwards	21

Sl. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
7	C U Shah T B Hospital, Dudhrej Road, Surendranagar; Sardar Smarak Hospital, Bardoli, Surat;	2009-10 onwards	2
8	Bhavan's Shri C T Sutaria ITI, Dakor, Kheda; Gujarat State Social Welfare Advisory Board, Ahmedabad; Gujarat Rural Workers Welfare Board, Gandhinagar; Gujarat Tribal Development Corporation, Gandhinagar; Gujarat State Tribal Development Residential education Institutions Society, Gandhinagar; Gurjreshwar Kumarpal Jain Sarvodaya Technical Institute, Vadodara; Hemchandraacharya North Gujarat University, Patan; Saurashtra University, Rajkot; Gujarat Mineral & Research Development Society; Gujarat Rajya Khadi Gramodyog Board	2010-11 onwards	10
9	Chikhli Education Society's Industrial Training Centre, Chikhli, Navsari; Mahatma Gandhi Labour Institute, Ahmedabad; Sardar Patel Institute of Economic & Social Research, Ahmedabad; U.N. Mehta Institute of Cardiology and Research Centre, Ahmedabad; Gujarat Pollution Control Board;	2011-12 onwards	5
10	Bhavan's Shri Swaminarayan Technical Institute, Dakor, Kheda; Methodist Technical Institute, Vadodara; R K Patel Technical Institute, Vaso, Nadiad; Sanjivani Hospital, Chalthan, Surat; Sabarmati Ashram Preservation & Memorial Trust, Ahmedabad; Sardar Vallabhbhai Patel Memorial Society, Ahmedabad; Tribal Research and Training Centre, Gujarat Vidyapith, Ahmedabad; Veraval People's Co-op Bank, Industrial Training Centre, Veraval; Vitthalbhai Patel & Rajratna PT Patel Science College; Gujarat Horticulture Mission; Anand Agriculture University; GauSeva and Gaucher Dev. Board; Centre for Entrepreneurship Dev.; Electrical Research and Development Association; Gujarat Matikam Kalakari & Rural Technology Institute; Forest Development Agency, Rajpipla West; Forest Development Agency, Vyara; Forest Development Agency, Dang North; Forest Development Agency, Banaskantha; Forest Development Agency, Gandhinagar; Forest Development Agency, Patan; Forest Development Agency, Kutch East; Forest Development Agency, Kutch West; Forest Development Agency, Kheda; Forest Development Agency, Gir East; Forest Development Agency, Gir West; Gujarat State Biodiversity Board; Gujarat Environment Management Institute; Forest Development Agency, Valsad South; Gandhidham Development Authority, Adipur Kutch; Veer Narmad South Gujarat University, Surat, Gujarat Energy Development Agency; Gujarat Council of Science City	2012-13 onwards	33
11	Junagarh Agriculture University; Navsari Agriculture University; Sardar Krushinagar Dantiwada Agriculture University; Gujarat Infrastructure Dev. Board; Industrial Extension Bureau, iINDEXTb; Gujarat Industrial Research Development Agency; Gujarat Ecology Commission, Gandhinagar; Gujarat State Lion Conservation Society, Wild Life Circle, Sardarbagh, Junagarh; Children University, Gandhinagar; Gujarat Council of Secondary Education, Gandhinagar; Gujarat Knowledge Society, Gandhinagar; Gujarat Medicinal Plants Board, Gandhinagar; Gujarat Press	2013-14 onwards	29

## Appendices

Sl. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
	Academy, Gandhinagar; Gujarat School Quality Accreditation Council, Gandhinagar; Gujarat State Council for Blood Transfusion, Ahmedabad; Gujarat Urban Development Mission, Gandhinagar; Indian institute of Teacher Education, Gandhinagar; Jan ShikshanSansthan, Surat; Medical College Development Committee, Surat; Medical College Development Society, Vadodara; RogiKalyanSamiti, Bhavnagar; RogiKalyan Samiti,D-2 Civil Hospital Asarwa Ahmedabad; RogiKalyanSamiti, Civil Hospital Ahmedabad; RogiKalyanSamiti, Rajkot; RogiKalyanSamiti, Surat; Sentinel Surveillance Unit, Surat; SurakshaSetu Society (State Level), Gandhinagar; SurakshaSetu Society, Narmada; Unorganised Labour Welfare Board, Gandhinagar;		

**APPENDIX 3.3**  
**Statement showing performance of autonomous bodies**  
**(Reference: Paragraph 3.4; Page 76)**

Sl. No.	Name of body	Period of entrustment (upto)	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature required Date of issue of SAR Date of placement of SAR	Delay in submission of accounts	Period of delay in submission of accounts
<b>Under Section 19(2)</b>							
1	Gujarat State Legal Service Authority, Ahmedabad	Not required	2012-13	2012-13	Yes 05-05-2014 Not placed	Yes	1 months
2	District Legal Services Authority, Navsari	Not required	2011-12	2011-12	Yes 12-03-2013 Not placed	Yes	1 year 1 month
3	District Legal Services Authority, Valsad	Not required	2011-12	2011-12	Yes 31-10-2012 Not placed	Yes	1 year 1 month
4	District Legal Services Authority, Rajkot	Not required	2011-12	--	Yes -- --	Yes	1 year 1 month
5	District Legal Services Authority, Patan	Not required	2011-12	2011-12	Yes 17-04-2014 Not placed	Yes	1 year 1 month
6	Gujarat State Human Rights Commission, Gandhinagar	Not required	2006-07	2006-07	Yes 10-02-2010 Not placed	Yes	6 year 1 month
7	Gujarat Building and other Construction Workers' Welfare Board, Ahmedabad	Not required	2010-11	2010-11	Yes 10-05-2013 Not placed	Yes	2 year 1 month
8	Gujarat Electricity Regulatory Commission	Not required	2012-13	2012-13	Yes 08-04-2014 Not placed	Yes	1 month
<b>Under Section 19(3)</b>							
1	Gujarat Rural Housing Board, Gandhinagar	2012-13	2012-13	2012-13	Yes 28-05-2014 Not placed	Yes	1 month
2	Gujarat Housing Board Ahmedabad	2016-17	2011-12	2011-12	Yes 28-05-2014 Not placed	Yes	1 year 1 month
3	Slum Clearance Board, Ahmedabad	2016-17	2009-10	2008-09	Yes 26-07-2012 Not placed	Yes	3 year 1 month
<b>Under Section 20(1)</b>							
1	Gujarat Maritime Board	2016-17	2012-13	2012-13	Yes 29-05-2014 Not placed	Yes	1 month
2	Gujarat Municipal Finance Board, Gandhinagar	2018-19	2013-14	2012-13	Yes 04-06-2014 Not placed	No	--
3	Water and Sanitation Management Organisation, Gandhinagar	2015-16	2010-11	2010-11	Not required 20-11-2012 Not required	Yes	2 year 1 month

Sl. No.	Name of body	Period of entrustment (upto)	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature <u>required</u> Date of issue of SAR Date of placement of SAR	Delay in submission of accounts	Period of delay in submission of accounts
4	Ahmedabad Urban Development Authority	2016-17	2011-12	2011-12	Not required 10-05-2013 Not required	Yes	1 year 1 month
5	Vadodara urban Development Authority	2016-17	2011-12	2011-12	Not required 14-12-2012 Not required	Yes	1 year 1 month
6	Rajkot Urban Devvelopment Authority	2016-17	2011-12	2011-12	Not required 26-12-2013 Not required	Yes	1 year 1 month
7	Surat Urban Development Authority	2016-17	2011-12	2011-12	Not required 19-03-2014 Not required	Yes	1 year 1 month
8	Jamnagar Area Development Authority	2016-17	2011-12	2009-10	Not required 21-09-2010 Not required	Yes	1 year 1 month
9	Bhavnagar Urban Development Authority	2016-17	2011-12	2010-11	Not required 10-05-2013 Not required	Yes	1 year 1 month
10	Bhuj Area Development Authority	2016-17	2008-09	2008-09	Not required 23-08-2010 Not required	Yes	4 year 1 month
11	Rapar Area Development Authority	2016-17	2008-09	2008-09	Not required 21-05-2010 Not required	Yes	4 year 1 month
12	Gandhinagar Urban Development Authority	2016-17	2010-11	2009-10	Not required 06-07-2011 Not required	Yes	2year 1 months
13	Anjar Area Development Authority	2016-17	2008-09	2008-09	Not required 19-08-2010 Not required	Yes	4 year 1 month
14	Bhachau Area Development Authority	2016-17	2008-09	2008-09	Not required 17-12-2009 Not required	Yes	4 year 1 month
15	Vadinar Area Development Authority	2016-17	2008-09	2008-09	Not required 13-09-2010 Not required	Yes	4 year 1 month
16	Junagadh Area Development Authority	2016-17	2008-09	2008-09	Not required - Not required	Yes	4 year 1 month
17	Ambaji Area Development Authority	2016-17	2008-09	2008-09	Not required - Not required	Yes	4 year 1 month
18	Alang Area Development Authority	2016-17	2008-09	2008-09	Not required - Not required	Yes	4 year 1 month
19	Kevadia Area Development Authority	2011-12	2008-09	2008-09	Not required - Not required	Yes	4 year 1 month
20	Gujarat State CAMPA	2009-15	2010-11	--	-	Yes	2year 1 months

**APPENDIX 3.4**  
**Pending DC bills for the years up to 2013-14**  
**(Reference paragraph 3.6; Page 77)**

Name of Department	Number of AC bills	(₹ in crore)
		Amount
Education	3,708	123.02
Home	1,197	84.21
Panchayats, Rural Housing and Rural Development	1,165	17.53
General Administration	634	16.77
Revenue	416	14.73
Social Justice and Empowerment	646	11.59
Sports, Youth and Cultural Activities	404	6.25
Health and Family Welfare	200	4.05
Industries and Mines	18	2.29
Legal	204	0.46
Finance	31	0.20
Ports and Transport	5	0.10
Agriculture and Co-operation	13	0.10
Women and Child Development	9	0.10
Food, Civil Supplies and Consumer Affairs	28	0.07
Labour and Employment	13	0.02
Narmada, Water Resources, Water Supply and Kalpsar	5	0.01
Roads and Buildings	8	0.01
Information, Broadcasting and Tourism	2	0.00 <sup>1</sup>
Gujarat Legislature Secretariat	1	0.00 <sup>2</sup>
Urban Development and Urban Housing Department	1	0.00 <sup>3</sup>
<b>TOTAL</b>	<b>8,708</b>	<b>281.53</b>

<sup>1</sup> ₹49,000

<sup>2</sup> ₹23,000

<sup>3</sup> ₹4,000

**APPENDIX 3.5**

**Department-wise/ duration-wise break-up of pending cases of misappropriation, defalcation, etc.**

**(Reference: Paragraph 3.8; Page 79)**

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to More	Total No. of Cases
1	Ports, Transport & Fisheries	0	0	3	0	0	1	4
2	Agriculture, Co-op. & R.D.D.	0	0	2	2	1	0	5
3	Legal (A.J)	1	1	0	2	0	1	5
4	Labour & Employment	0	1	0	0	0	0	1
5	Education	1	8	2	2	0	0	13
6	Industries, Mines & Power	0	1	1	1	0	0	3
7	Health & Family Welfare	0	2	2	3	2	4	13
8	Home	2	3	2	1	5	0	13
9	Forest & Environment	11	8	2	0	2	1	24
10	Food & Civil Supply	0	0	1	0	0	0	1
11	Finance	0	0	0	0	1	1	2
12	Revenue	0	2	0	0	2	6	10
13	Sports, Culture & Youth Services	0	0	1	0	0	0	1
14	Tribal Development	0	0	1	0	0	0	1
15	Gujarat Maritime Board	1	0	0	0	0	0	1
16	Narmada Water Resources, Water Supply and Kalpsar	1	1	3	0	8	22	35
17	Roads and Buildings	0	0	1	2	5	1	9
18	Land Revenue	0	1	1	4	4	19	29
	<b>TOTAL</b>	<b>17</b>	<b>28</b>	<b>22</b>	<b>17</b>	<b>30</b>	<b>56</b>	<b>170</b>

**APPENDIX 3.6**  
**Department/ category-wise details in respect of cases of loss to**  
**Government due to theft, misappropriation/loss of Government material**  
**(Reference: Paragraph 3.8; Page 79)**

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Fire/Accident cases		Total	
	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
Ports, Transport and Fisheries	2	3.53	2	6.84	0	0	4	10.37
Agriculture, Co-operation and Rural Development	0	0	5	32.98	0	0	5	32.98
Legal	1	0.05	4	15.14	0	0	5	15.19
Labour and Employment	1	0.31	0	0	0	0	1	0.31
Education	10	8.29	3	23.88	0	0	13	32.17
Industries, Mines and Power	1	0.46	2	77.62	0	0	3	78.08
Health and Family Welfare	2	2.57	11	15.01	0	0	13	17.58
Home	0	0	13	126.39	0	0	13	126.39
Forests and Environment	8	1.89	7	8.94	9	1.41	24	12.24
Food and Civil Supply	0	0	1	0.49	0	0	1	0.49
Finance	0	0	2	5.47	0	0	2	5.47
Revenue	0	0	10	13.88	0	0	10	13.88
Sports and Culture Youth Services	0	0	1	4.47	0	0	1	4.47
Tribal Development	0	0	1	147.19	0	0	1	147.19
Gujarat Maritime Board	0	0	1	3.22	0	0	1	3.22
Roads and Buildings	3	1.57	6	351.87	0	0	9	353.44
Narmada, Water Resources and Water Supply	16	7.66	19	19.9	0	0	35	27.56
Land Revenue	0	0	29	4.02	0	0	29	4.02
<b>Total</b>	<b>44</b>	<b>26.33</b>	<b>117</b>	<b>857.31</b>	<b>9</b>	<b>1.41</b>	<b>170</b>	<b>885.05</b>

APPENDIX 4.1

Glossary

Terms	Description
Gini-coefficient	It is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher.
State Implementing Agencies	These include any organizations/institutions including non-Governmental organizations which are authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA, State Health Mission for NRHM etc.
Core public goods	Goods which all citizens enjoy in common in the sense that each individual's consumption of such goods leads to no subtractions from any other individual's consumption of those goods, e.g. enforcement of law and order, security and protection of our rights, pollution free air and other environmental goods, road infrastructure etc.
Merit goods	Commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.
Debt sustainability	It is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings and returns from such borrowings. It means that a rise in fiscal deficit should match the increase in capacity to service the debt.
Debt stabilization	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided the primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate-interest rate) and quantum spread (Debt* rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising and in case it is positive, the debt-GSDP ratio would eventually be falling.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Net availability of borrowed funds	Defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.

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