



**State Finances Audit Report  
of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2023**



**SUPREME AUDIT INSTITUTION OF INDIA**  
लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest

**Government of Gujarat  
Report No. 1 of the year 2024**



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of the  
Comptroller and Auditor General of India**

**for the year ended 31 March 2023**

**GOVERNMENT OF GUJARAT  
Report No. 1 of the year 2024**



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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. Chapter I of this Report contains the basis and approach to State Finances Audit Report, structure of Government Accounts, budgetary processes, trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/deficit, etc.
3. Chapters II & III of the Report contain audit observation on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2023. Information has been obtained from the Government of Gujarat, wherever necessary.
4. Chapter IV on 'Quality of Accounts and Financial Reporting Practices' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
5. Chapter V on 'Financial Performance of State Public Sector Undertakings' discusses the financial performance of Government Companies, Statutory Corporations and Government Controlled other Companies as revealed from their latest accounts and information furnished by them and presents the results of oversight role of the Comptroller and Auditor General of India (CAG).
6. 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.



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## *Executive Summary*

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### ***About the Report***

*This Report of the CAG of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.*

*This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.*

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Gross State Domestic Product (GSDP) (at current prices) grew from ₹ 14,92,156 crore in 2018-19 to ₹ 22,61,715 crore in 2022-23. Original Budget of the State grew from ₹ 1,83,666.38 crore in 2018-19 to ₹ 2,43,964.72 crore in 2022-23.

There was 15.54 *per cent* growth in GSDP over 2021-22. The revenue receipts grew at 19.53 *percent* and the percentage of revenue receipts over GSDP improved from 8.52 *per cent* in 2021-22 to 8.82 *per cent* in 2022-23. The State's own tax revenue increased by 27.78 *per cent* during the period and the State's non-tax revenue increased by 31.50 *per cent*. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Gujarat increased from ₹ 1,89,677 crore in 2021-22 to ₹ 2,16,508 crore increasing by 14.15 *per cent*. Of this, capital expenditure showed 25.95 *per cent* increase from 2021-22. Revenue surplus increased from ₹ 6,409 crore to ₹ 19,865 crore over 2021-22, while fiscal deficit decreased from ₹ 22,692 crore in 2021-22 to ₹ 16,846 crore in 2022-23.

### ***Receipt-Expenditure Mismatch***

The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, etc).

From 2018-19 to 2022-23, revenue receipts grew from ₹ 1,36,002 crore to ₹ 1,99,408 crore, with Compound annual growth rate of 10.04 *per cent*. Capital receipts also increased from ₹ 43,362 crore to ₹ 52,587 crore during this period.

A significant portion of revenue receipts (71.83 *per cent*) during 2022-23 came from the State's own resources, while central tax transfers and grants-in-aid together contributed 28.17 *per cent*. The State Government received

## Executive Summary

₹ 9,549.86 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Between 2018-19 and 2022-23, revenue expenditure increased from ₹ 1,32,790 crore (8.90 *per cent* of GSDP) to ₹ 1,79,543 crore (7.94 *per cent* of GSDP). It consistently made up a significant portion (82 to 85 *per cent*) of the total expenditure during this period.

### *Result of expenditure beyond means*

The gap between the revenue receipt and revenue expenditure results is revenue surplus. The revenue surplus of the State increased to ₹ 19,865 crore (0.88 *per cent* of GSDP) in the current year from ₹ 3,212 crore (0.22 *per cent* of GSDP) in the year 2018-19.

The State Government spent ₹ 35,499 crore on capital account. This was 16.40 *per cent* of the total expenditure in the year 2022-23. Capital expenditure was 67.83 *per cent* of the total borrowings. Thus, the borrowed funds were being used mainly for capital creation/development activities.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State decreased to ₹ 16,846 crore (0.74 *per cent* of GSDP) in 2022-23 from ₹ 26,365 crore (1.77 *per cent* of GSDP) in 2018-19.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 44 to 46 *per cent* of revenue expenditure during 2018-19 (46 *per cent*) and 2022-2023 (44 *per cent*). The Committed expenditure increased from ₹ 61,747 crore in 2018-19 to ₹ 79,784 crore in 2022-23.

The State Government had been able to continuously reduce its committed expenditure as a percentage of revenue expenditure.

In addition to the committed expenditure, inflexible expenditure increased from 15.51 *per cent* to 15.62 *per cent* of revenue expenditure during 2018-19 to 2022-23. The inflexible expenditure decreased from ₹ 29,705 crore in 2021-22 to ₹ 28,039 crore in 2022-23.

### *Subsidies*

Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹ 17,269 crore in 2018-19 to ₹ 25,749 crore in 2022-23 i.e., from 13 *per cent* of the revenue expenditure in 2018-19 to 14.34 *per cent* in 2022-23. Energy and Petrochemicals Department received a subsidy of ₹ 12,104 crore during 2022-23 (47 *per cent* of total expenditure on subsidy).

### ***Funds to Single Nodal Agency***

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account. As per information available on the PFMS portal, the State Government received ₹ 8,664.38 crore being Central share during the year in its Treasury Accounts. As on 31 March 2023, the State Government transferred Central share of ₹ 8,867.71 crore (₹ 203.33 crore pertaining to previous year and ₹ 8,664.38 crore pertaining to 2022-23) received in Treasury Accounts and State share of ₹ 9,048.92 crore to the SNAs. Detailed vouchers and supporting documents of actual expenditure were not received by AG office from the SNAs. As per PFMS SNA-01 Report, ₹ 8,231.79 crore are lying unspent in the bank accounts of SNAs as on 31 March 2023.

### ***Contingent Liabilities on account of Guarantees***

In 2022-23, the outstanding guarantees of ₹ 1,473 crore was also well within the limit of ₹ 20,000 crore prescribed under the Gujarat Fiscal Responsibility Act, 2005. No amount was paid by the State Government on account of invocation of guarantees during 2022-23.

### ***Debt sustainability***

Debt is considered sustainable if the borrower, in this case the State, can service its debt now, and in future. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining the ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters: Domar approach and compliance of micro-fiscal parameters to the respective FRBM targets. The results of analysis are given in following paragraphs:

The Domar gap (g-r) remained positive during the years 2017-18 to 2019-20, showing that the public debt as percentage of GSDP would converge to a stable level greater than zero. The economic slowdown on account of the COVID-19 pandemic had resulted in a negative growth of GSDP during 2020-21. During 2021-22 the Domar gap turned positive, showing that the public debt as percentage of GSDP would converge to a stable level less than zero leading to public savings.

The ratio of public debt to GSDP was within a range of 14.97 *per cent* to 18.26 *per cent* during 2018-23. During this period, interest payment (on public debt) to revenue receipts ranged from 11.79 *per cent* to 17.22 *per cent*. In 2022-23, the percentage of public debt repayment to public debt receipts decreased over the previous year. Further, during 2018-23, while GSDP grew at a CAGR of 10.96 *per cent*, the outstanding Public Debt grew at a CAGR of 10.69 *per cent*.

## Executive Summary

### *Trends analysis of achievements against fiscal targets*

As per Gujarat Fiscal Responsibility Act, 2005, the State Government was required to eliminate revenue deficit by 2007-08 and maintain revenue surplus thereafter; reduce fiscal deficit to three per cent of the estimated GSDP by 2008-09 and maintain the same level thereafter. This was increased to five per cent in January 2021 for the fiscal year 2020-21. In subsequent years, the targeted limit for Fiscal deficit to GSDP remained at three per cent. The Act further envisaged that the State Government would limit the ratio of public debt to GSDP to 27.10 per cent by 2011-12 and maintain it thereafter. Furthermore, the State Government was expected to limit the outstanding guarantees to ₹ 20,000 crore by 2007-08.

The State Government successfully achieved all the four key fiscal parameters envisaged in Gujarat Fiscal Responsibility Act during the last five years, except Revenue Surplus during 2020-21.

### *Budget performance*

#### *Aggregate expenditure outturn*

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 1.73 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 69 grants, between  $\pm 25$  per cent and  $\pm 50$  per cent in 17 grants, between  $\pm 50$  per cent and  $\pm 100$  per cent in 12 grants and equal to or more than 100 per cent in 3 grants. In the Capital section, deviation in outturn compared with BE was (-) 1.12 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 19 grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 10 grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 17 grants and equal to or more than 100 per cent in 13 Grants.

#### *Expenditure composition outturn*

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. In the Revenue section, deviation in outturn compared with Revised Estimates (RE) was (-) 6.15 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 89 grants, between  $\pm 25$  per cent and  $\pm 50$  per cent in 10 grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 2 grants. In the Capital section, deviation in outturn compared with RE was (-) 5.63 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 33 grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 8 grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in nine grants and equal to or more than 100 per cent in four grants. No provisions was made at the RE stage in respect of 5 grants of the capital section.

It was noticed that supplementary provisions of ₹ 2,816.30 crore during the year 2022-23 in 11 cases (more than ₹ 10 crore in each case) proved unnecessary, as the expenditure did not come up even to the level of original provisions.

#### ***Regularization of Excess over Grants/ Appropriations***

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per article 204 and 205 of the constitution. It was observed that in 2022-23 there was excess expenditure of ₹ 64.48 crore under five grants which required regularization. Further, excess disbursements of ₹ 11,938.06 crore pertaining to the period 2009-10 to 2011-12 and 2014-15 to 2021-22 was yet to be regularized by the state legislature.

#### ***Quality of Accounts and Financial Reporting***

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non- or short – discharging of liabilities and misclassification of transactions and data gaps.

#### ***Reconciliation***

During 2022-23, while 96.59 *per cent* of the receipts had been reconciled, reconciliation to the extent of 92.89 *per cent* of the disbursements was achieved during the year.

#### ***Compliance with IGAS***

As against the requirements of the three Indian Government Accounting Standards (IGAS) notified, the State Government did partial compliance in these standards.

#### ***Operation of PD Accounts***

The closing balances under PD Accounts continuously increased from ₹ 581.01 crore in 2018-19 to ₹ 1,003.78 crore during 2020-21 but decreased to ₹ 989.57 crore and ₹ 817.82 crore in 2021-22 and 2022-23 respectively. There was no inoperative PD account as on 31 March 2023.

#### ***Delay in submission of Utilisation Certificates***

Audit scrutiny revealed that 3,732 UCs in respect of GIA aggregating ₹ 10,407.98 crore given to 19 Departments of the State Government from 2001-02 to 2021-22 had not been submitted as on 31 March 2023.

## Executive Summary

### *DC bills against AC bills*

Similarly, despite the requirement of submitting Detailed Debit Contingency (DC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, 3,342 AC bills of ₹ 444.48 crore were pending for submission of DC bills as on 31<sup>st</sup> March 2023, out of which 1,823 AC Bills amounting to ₹ 74.26 crore pertained to the period upto 2021-22.

### *Working of State Public Sector Undertakings*

As on 31 March 2023, there were 101 State Public Sector Undertakings (SPSUs) in Gujarat, including four Statutory Corporations and 65 Government Companies (including 11 inactive Government Companies) and 32 Government Controlled Other Companies under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). Audit noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by 69 SPSUs whose 188 accounts were in arrears. Out of the total profit of ₹ 9,927.30 crore earned by 63 SPSUs, 94.38 per cent was contributed by 10 SPSUs only. Out of total loss of ₹ 2,456.98 crore incurred by 30 SPSUs, loss of ₹ 2,276.72 crore was incurred by six SPSUs.

*The State Government may review the functioning of all loss-making SPSUs and take necessary steps to improve their financial performance. The State Government may issue necessary instructions to Administrative Departments to set targets for individual SPSUs to furnish the FSs in time and to strictly monitor the clearance of arrears. The State Government may review the Inactive Government Companies and take appropriate decision on their revival/winding up.*

# **CHAPTER I**

## **Overview**



# Chapter I Overview

## 1.1 Profile of the State

Gujarat is situated on the west coast of India, bounded 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 coastline of about 1,600 km., which is one third of India's mainland coastline. It is the sixth largest State in terms of geographical area (1,96,244 sq. km.) and the eighth largest by population. As per projections, the State's population increased from 6.23 crore in 2013 to 7.15 crore in 2023, recording a decadal growth of 14.73 per cent. The percentage of population below poverty line was 16.6 per cent in 2011-12 as compared to the all-India average of 21.9 per cent. The State has 33 districts and 251 talukas. The State's literacy rate was 78 per cent which was 5 per cent above the All-India Average of 73 per cent (as per 2011 census). The profile of the State is shown in **Appendix - 1.1**.

### 1.1.1 Gross State Domestic Product of Gujarat

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period. Growth of GSDP is an important indicator of State's economy, as it denotes the extent of changes in the level of economic development of the State over a period.

Trends in annual growth of Gujarat's GSDP (nominal) *vis-à-vis* that of the Nation are given in **Table 1.1**.

**Table 1.1: Trends in growth of GDP and GSDP**

	(₹ in crore)				
Year	2018-19	2019-20	2020-21	2021-22	2022-23
<b>India</b>					
GDP (Base year 2011-12)	1,88,99,668	2,01,03,593	1,98,29,927 (2 <sup>nd</sup> RE)	2,34,71,012 (1 <sup>st</sup> RE)	2,72,40,712 (PE)
GVA (Base year 2011-12)	1,71,75,128	1,83,81,117 (3 <sup>rd</sup> RE)	1,81,88,780 (2 <sup>nd</sup> RE)	2,14,38,883 (1 <sup>st</sup> RE)	2,47,42,871 (PE)
Growth rate of GDP over previous year at current prices (per cent)	10.59	6.37	(-) 1.36	18.36	16.06
Growth rate of GVA over previous year at current prices (per cent)	10.77	7.02	(-) 1.05	17.87	15.41
Per capita GDP	1,42,424	1,49,915	1,46,301	1,71,498	1,96,983
<b>Gujarat</b>					
GSDP (Base year 2011-12)	14,92,156	16,17,143	16,36,781 (PE)	19,57,583 (QE)	22,61,715 (AE)

Year	2018-19	2019-20	2020-21	2021-22	2022-23
GSVA	13,13,434	14,40,151	14,31,527 (PE)	16,88,608 (QE)	NA <sup>1</sup>
Growth rate of GSDP over previous year at current prices (per cent)	12.27	8.38	1.21	19.60	15.54
Growth rate of GSVA over previous year at current prices (per cent)	11.99	9.65	(-) 0.60	17.96	NA <sup>1</sup>
Per capita GSDP	2,23,430	2,38,978	2,38,716	2,81,804	3,17,884

Source: National Statistical Office Ministry of Statistics and Programme Implementation (MoSPI); Directorate of Economics and Statistics, Gandhinagar (Budget Publication 30, 2023-24); and Socio-Economic Review 2022-23 Gujarat state.

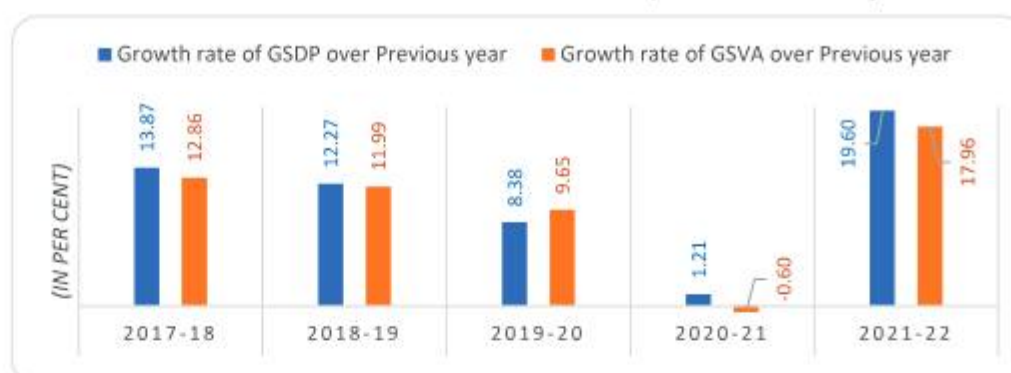
RE: Revised Estimates; (PE) Provisional Estimates; (QE): Quick Estimates; (AE): Advance Estimates.

As can be seen from the details tabulated above, compared to the National growth rate, GSDP of Gujarat grew at a higher rate during the period 2018-19 to 2021-22 but it grew at a marginally lower rate than the national growth rate during 2022-23. During 2021-22, India as well as Gujarat registered their highest growth rate in previous five years.

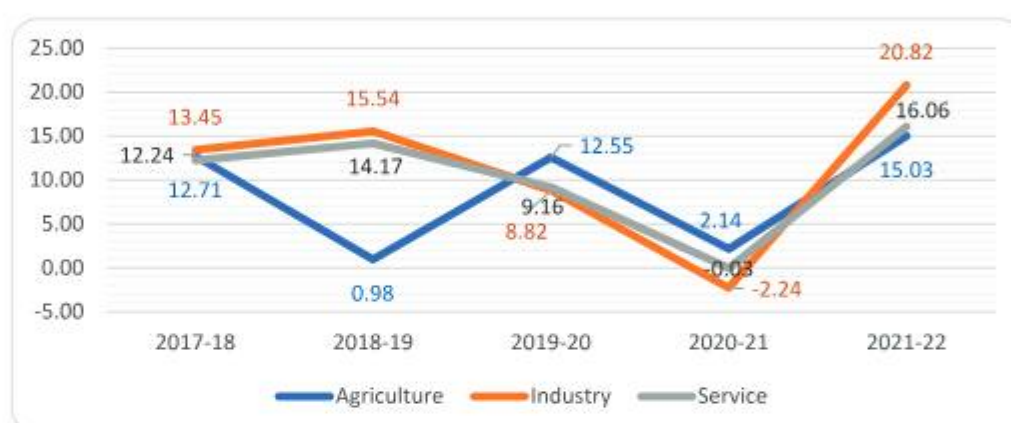
Gross Value Added (GVA) is being used for economic analysis by GoI and international organizations like IMF and World Bank as GVA is considered a better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. While GDP can be and is also computed as the sum total of the various expenditure incurred in the economy including private consumption spending, government consumption spending and gross fixed capital formation or investment spending, reflecting essentially on the demand conditions in the economy. Both the measures have difference in treatment of net tax as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

The trends of GSDP and GSVA for the period from 2017-18 to 2021-22<sup>1</sup> are indicated in the **Chart 1.1**.

<sup>1</sup> Directorate of Economics and Statistics, Gujarat has stated that GSVA data for 2022- 23 will be available in March 2024.

**Chart 1.1: Growth rate of GSDP vs GSVA (2017-18 to 2021-22)**

Source: Budget Publication No. 34 (Socio-Economic Review, Gujarat State, 2022-23)

**Chart 1.2: Sectoral growth in GSVA (2017-18 to 2021-22)**

Source: Budget Publication No. 34 (Socio-Economic Review, Gujarat State, 2022-23)

**Chart 1.2** shows that, during 2021-22, there was significant growth in all the three sectors contributing to GSVA, which was attributed to recovery of economic activity post COVID-19 pandemic. The industry sector went through sharp rebound owing to rise in manufacturing sub sector. In service sector; Trade, repair services, hotels and restaurants, transport, storage and communication and services relating to broadcasting accounted for major portion in growth during 2021-22.

## 1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the Reports of the Comptroller and Auditor General of India (CAG) relating to the Accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Gujarat is prepared and submitted under the Article *ibid* of the Constitution of India.

Accountant General (Accounts and Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually. The Accounts are prepared from the vouchers, challans and initial and subsidiary Accounts rendered by the Treasuries, Offices and Departments responsible for keeping of such Accounts functioning under the control of the State Government, and the Statements received from the Reserve Bank of India (RBI). These Accounts

are audited independently by the Principal Accountant General (Audit-II), Gujarat and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this Report. Other sources include the following:

- Budget of the State forms an important source of data – both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Offices of the Principal Accountant General (Audit-I) and Principal Accountant General (Audit-II), Gujarat at the State Secretariat as well as at the field level during the year;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics from the Directorate of Economics and Statistics, Gujarat; and
- Various Audit Reports of the CAG.

The analysis in the Report has been carried out in the context of recommendations of the Fourteenth Finance Commission (14<sup>th</sup> FC), Fifteenth Finance Commission (15<sup>th</sup> FC), Gujarat Fiscal Responsibility Act, 2005, and best practices and guidelines of the Government of India. Replies of the Government, where received, have been incorporated in this Report at appropriate places. The Fourth, Fifth and Sixth State Finance Commissions due to be constituted in 2009-10, 2014-15 and 2019-20 respectively, are yet to be constituted by the State Government as of January 2024.

### 1.3 Overview of Government Account Structure and Budgetary Processes

The Accounts of the State Government are kept in three parts:

#### 1. Consolidated Fund of the State (Article 266(1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from financial institutions, Special Securities issued to National Small Savings Fund *etc.*), Ways and Means advances extended by the RBI and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments *etc.*), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

#### 2. Contingency Fund of the State (Article 267(2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorization

of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

### 3. Public Accounts of the State (Article 266(2) of the Constitution)

Apart from the above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

#### Budget Document

There is a Constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the Government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

**Revenue receipts** consist of tax revenue (own tax revenue plus share of union taxes/duties), non-tax revenue and grants from Government of India (GoI).

**Revenue expenditure** consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government Departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital receipts** consist of:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government *etc.*; and
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances.

**Capital expenditure** includes expenditure on the acquisition of land, building, machinery, equipment and investment in shares.

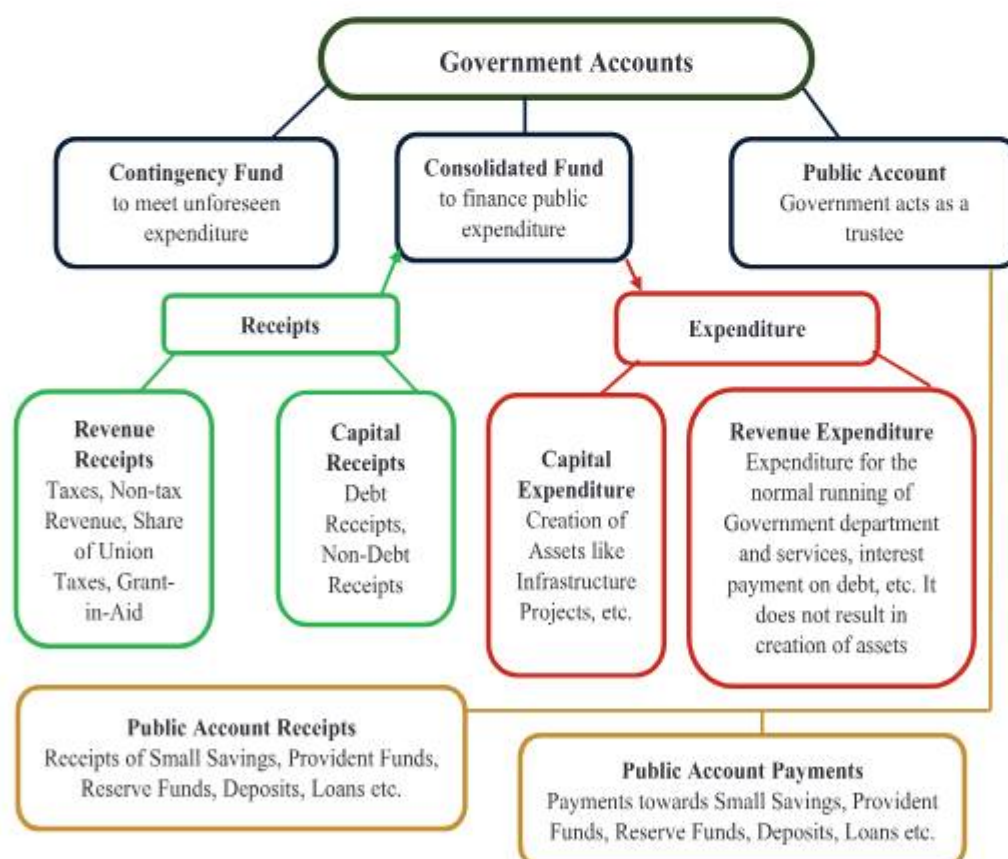
**Loans and Advances:** Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

At present, there is an accounting classification system in Government that is both functional and economic.

	<i>Attribute of transaction</i>	<i>Classification</i>
<b>Standardized in LMMH<sup>2</sup> by CGA</b>	Function- Education, Health, <i>etc.</i> /Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
<b>Flexibility left for States</b>	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, <i>etc.</i> (2-digit)

The functional classification lets us know the Department, function, scheme or programme, and object of the expenditure. Economic classification helps organize these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, while “salary” object head is revenue expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

Chart 1.3: Structure of Government Accounts



<sup>2</sup> List of Major and Minor Heads of Account of Union and States

### ***Public Debt and Public Liabilities:***

In this Report, 'Public Debt' has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government etc. For this purpose, the major heads 6003 and 6004- Public Debt have been taken into consideration.

Further, the transactions relating to 'Small Savings, Provident Fund, etc.', 'Reserve Funds' and 'Deposit and Advances' under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to 'Remittances' and 'Suspense' under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, Public Liability has been taken to include the transactions under major heads 8001 to 8554 relating to 'Small Savings, Provident Fund, etc.', 'Reserve Funds' and 'Deposit and Advances' along with the transactions under major heads 6003 and 6004.

### ***Budgetary Processes***

In terms of Article 202 of the Constitution of India, the Governor of the State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the financial year, in the form of an **Annual Financial Statement** (referred to as Budget). In terms of Article 203, the Statement is submitted to the State Legislature in the form of Demands for Grants/Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

The Gujarat Budget Manual prescribes the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. While formulating its Budget for 2022-23, the State Government continued the focus on identifying budgetary interventions in priority areas with an emphasis on 'Outcome budget' (aligned to sustainable development goals set by the UN) and 'Gender budget'.

Although the State has been preparing an 'Outcome budget' since 2014-15, it is yet to map the actual outcomes of various budgetary interventions with the corresponding projections made in the relevant budget. The achievement of actual outcomes as against those projected in Budget 2021-22 were thus, not placed before the Legislature as of March 2023.

Results of audit scrutiny of the budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter III** of this Report.

#### **1.3.1 Snapshot of Finances**

**Table 1.2** provides a snapshot of actual financial results for the year 2021-22 and 2022-23 *vis-à-vis* Budget Estimates (BE) for the year 2022-23.

Table 1.2: Snapshot of actual financial results *vis-à-vis* Budget Estimates

(₹ in crore)

Sr. No.	Components	2021-22	2022-23	2022-23	Percentage of Actuals to BE	Percentage of Actual to GSDP
		Actuals	Actuals	BE	2022-23	
1	Tax Revenue	1,28,783.85	1,57,843.58	1,48,301.12	106.43	6.98
	(i) Own Tax Revenue	97,678.07	1,24,809.58	1,19,883.06	104.11	5.52
	(ii) Share of Union taxes/duties	31,105.78	33,034.00	28,418.06	116.24	1.46
2	Non-Tax Revenue	14,018.26	18,433.61	17,761.67	103.78	0.82
3	Grants-in-aid and Contributions	24,027.59	23,131.13	15,982.67	144.73	1.02
4	<b>Revenue Receipts (1+2+3)</b>	<b>1,66,829.70</b>	<b>1,99,408.32</b>	<b>1,82,045.46</b>	109.54	8.82
5	Recovery of Loans and Advances	155.34	254.13	250.00	101.65	0.01
6	Other Receipts	0.00	0.00	0.00	-	0.00
7	Borrowings and other Liabilities <sup>3</sup>	22,692.31	16,845.45	36,112.71	46.65	0.74
8	<b>Capital Receipts (5+6+7)</b>	<b>22,847.65</b>	<b>17,099.58</b>	<b>36,362.71</b>	47.03	0.76
9	<b>Total Receipts (4+8)</b>	<b>1,89,677.35</b>	<b>2,16,507.90</b>	<b>2,18,408.17</b>	99.13	9.57
10	<b>Revenue Expenditure, of which</b>	<b>1,60,421.27</b>	<b>1,79,543.29</b>	<b>1,81,039.60</b>	99.17	7.94
11	Interest payments	25,187.78	25,353.68	27,120.14	93.49	1.12
12	<b>Capital Expenditure, of which</b>	<b>29,256.08</b>	<b>36,964.61</b>	<b>37,368.57</b>	98.92	1.63
13	Capital Expenditure	28,185.04	35,498.82	35,898.46	98.89	1.57
14	Loan and advances	1,071.04	1,465.79	1,470.11	99.71	0.06
15	<b>Total Expenditure (10+12)</b>	<b>1,89,677.35</b>	<b>2,16,507.90</b>	<b>2,18,408.17</b>	99.13	9.57
16	<b>Revenue Deficit (-) / Surplus (+) (4-10)</b>	<b>(+)6,408.43</b>	<b>(+)19,865.03</b>	<b>(+)1,005.86</b>	1,974.93	0.88
17	<b>Fiscal Deficit {(4+5+6)-15}</b>	<b>(-)22,692.31</b>	<b>(-)16,845.45</b>	<b>(-)36,112.71</b>	46.65	(-)0.74
18	<b>Primary Deficit (-) / Primary Surplus (+) (17-11)</b>	<b>(+)2,495.47</b>	<b>(+)8,508.23</b>	<b>(-)8,992.57</b>	(-)94.61	0.38

Source: Budget Publication No. 1 for 2022-23 and Finance Accounts of respective years.

During the year 2022-23, revenue receipts of the State grew by 19.53 per cent over the previous year. It was more than budget estimates by 9.54 per cent and was 8.82 per cent of GSDP.

GST Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. The State received GST compensation of

<sup>3</sup> Borrowings and other Liabilities = Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

₹ 7,955.40 crore on account of loss of revenue arising out of implementation of GST during the year 2022-23.

### 1.3.2 Snapshots of Assets and Liabilities of the Government

Government Accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds. The assets comprise mainly the capital expenditure and loans and advances given by the State Government and cash balances. **Table 1.3** gives summarised position of assets and liabilities of the Government.

**Table 1.3: Summarised position of Assets and Liabilities**

(₹ in crore)

Liabilities					Assets				
	2021-22	2022-23	Per cent increase/decrease		2021-22	2022-23	Per cent increase/decrease		
<b>Consolidated Fund</b>									
A	Internal Debt	2,99,801.17*	3,25,273.16	8.49	a	Gross Capital Outlay	3,33,402.60	3,68,901.42	10.65
B	Loans and Advances from GoI**	30,756.10	35,458.07	15.29	b	Loans and Advances	13,151.16	14,362.82	9.21
<b>Contingency Fund</b>									
	Contingency Fund	200.00	200.00	0.00		Contingency Fund	0.00	20.26	NA
<b>Public Account</b>									
A	Small Savings, Provident Funds, etc.	10,179.77	9,993.84	(-).83	a	Advances	0.70	0.70	0.00
B	Deposits	36,892.11	37,304.63	1.12	b	Suspense and Miscellaneous	564.65	3,241.90	474.14
C	Reserve Funds	10,744.87	14,728.25	37.07		<b>Cash balance (including investment in Earmarked Fund)</b>	<b>20,676.21</b>	<b>35,531.89</b>	<b>71.85</b>
D	Remittances	961.12	975.83	1.53		<b>Total</b>	<b>3,67,795.32</b>	<b>4,22,058.99</b>	<b>14.75</b>
						<b>Cumulative excess of expenditure over receipts<sup>4</sup></b>	<b>21,739.82*</b>	<b>1,874.79</b>	<b>(-).91.38</b>
<b>Total</b>	<b>3,89,535.14*</b>	<b>4,23,933.78</b>	<b>8.83</b>		<b>Total</b>	<b>3,89,535.14*</b>	<b>4,23,933.78</b>	<b>8.83</b>	

Source: Finance Accounts of respective years.

\* Changes in figures from last year's Report are due to Proforma Corrections in loans from NABARD, as an amount of ₹ 443.49 lakh has been adjusted from Subsidy Reserve Fund (SRF) during Financial Year 2022-23 and the same has been deducted from outstanding loan amount by NABARD.

\*\* Includes back-to-back loans received *in-lieu* of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22.

<sup>4</sup> Cumulative excess of expenditure over receipts = Cumulative excess of expenditure over receipts of previous year + Adjustment to clear old outstanding balances – Revenue surplus

### 1.4 Fiscal Balance: Achievement of deficit and total debt targets

In pursuance of recommendations of the Twelfth Finance Commission, the State Government enacted the Gujarat Fiscal Responsibility Act, 2005 (GFR Act) in line with the Union Fiscal Responsibility and Budget Management Act, 2003 (FRBM Act) to ensure fiscal stability and sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove the impediments to effective conduct of fiscal policy and prudent debt management.

According to the GFR Act, 2005, the total liability means the liabilities under the Consolidated Fund of the State of Gujarat and the public account of the State.

The GFR Act was amended in 2009, 2011 and 2021. In 2011, it was amended to include the recommendations of the 13<sup>th</sup> Finance Commission (FC). The 14<sup>th</sup> FC recommended that the targeted limit of fiscal deficit to GSDP of three *per cent* could be increased to 3.5 *per cent* on meeting certain criteria. However, as the State Government was well within the limits of three *per cent*, it did not make any amendment in GFR Act of 2011. In 2021, the target for Fiscal deficit to GSDP was revised to five *per cent* for 2020-21 but the remaining targets set in GFR Act, 2011 were continued as such. In subsequent years, the targeted limit for Fiscal deficit to GSDP remained at three *per cent*.

#### 1.4.1 Trends analysis of achievements against fiscal targets

As per Gujarat Fiscal Responsibility Act, 2005, the State Government was required to eliminate revenue deficit by 2007-08 and maintain revenue surplus thereafter; reduce fiscal deficit to three *per cent* of the estimated GSDP by 2008-09 and maintain the same level thereafter. This was increased to five *per cent* in January 2021 for the fiscal year 2020-21. In subsequent years, the targeted limit for Fiscal deficit to GSDP remained at three *per cent*. The Act further envisaged that the State Government would limit the ratio of public debt to GSDP to 27.10 *per cent* by 2011-12 and maintain it thereafter. Furthermore, the State Government was expected to limit the outstanding guarantees to ₹ 20,000 crore by 2007-08.

A trend analysis of key fiscal parameters prescribed in Gujarat Fiscal Responsibility Act *vis-à-vis* achievements during the last five year (2018-23) is given in **Table 1.4**.

**Table 1.4: Compliance with the provisions of FRBM Act**

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	3,211.97 ✓	1,944.85 ✓	(-)22,547.92 ✗	6,408.43 ✓	19,865.03 ✓
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	Three <i>per cent</i> <sup>5</sup>	(-)26,365.03 (-1.77) ✓	(-)24,581.45 (-1.52) ✓	(-)40,438.35 (-2.47) ✓	(-)22,692.31 (-1.16) ✓	(-)16,845.45 (-0.74) ✓

<sup>5</sup> Five *per cent* for 2020-21

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
Ratio <sup>6</sup> of total Public Debt to GSDP ( <i>per cent</i> )	27.10 <i>per cent</i>	16.10 ✓	16.52 ✓	18.26 <sup>7</sup> ✓	15.75 <sup>7</sup> ✓	14.97 <sup>7</sup> ✓
Outstanding Guarantees	Below ₹ 20,000 crore	4,699 ✓	4,462 ✓	3,656 ✓	3,089 <sup>8</sup> ✓	1,473 ✓

Source: Budget Publication and Finance Accounts of respective years.

As can be seen above, the State Government successfully achieved all the four key fiscal parameters envisaged in Gujarat Fiscal Responsibility Act during the last five years, except Revenue Surplus during 2020-21.

The public debt to GSDP ratio (14.97 *per cent*) has been arrived at after excluding GST compensation of ₹ 9,222 crore and ₹ 13,040 crore received during 2020-21 and 2021-22 respectively as back-to-back loan under debt receipts from the total public debt as the Department of Expenditure, GoI has decided that it will not be treated as debt of the State for any norms prescribed by the Finance Commission.

The targets set by 15<sup>th</sup> FC and those projected in the State Budget *vis-à-vis* achievements in major fiscal aggregates with reference to GSDP during 2022-23 are given in **Table 1.5**.

**Table 1.5: Targets *vis-à-vis* achievements in respect of major fiscal aggregates for the year 2022-23**

Fiscal Variables	Targets as prescribed by 15 <sup>th</sup> FC	Targets in Budgets	Actuals	Percentage variation of actuals over	
				Targets of 15 <sup>th</sup> FC	Targets in Budgets
				Revenue Deficit (-) / Surplus (+) /GSDP ( <i>per cent</i> )	0.80
Fiscal Deficit (-)/GSDP ( <i>per cent</i> )	(-) 3.5	(-) 1.64	(-) 0.74	2.76	0.90
Total Outstanding Liability/ GSDP ( <i>per cent</i> )	30.9	NA	17.25 <sup>9</sup>	(-) 13.65	NA

Source: Recommendations of 15<sup>th</sup> FC, Budget Publication and Finance Accounts. NA: Not available

<sup>6</sup> Gujarat Fiscal Responsibility Act prescribes the target as ratio of total Public Debt to GSDP and not as ratio of total Outstanding liabilities to GSDP.

<sup>7</sup> As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence, back-to-back loans received *in-lieu* of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered for calculation of percentage of total public debt to GSDP.

<sup>8</sup> Change in figure from last year report is due to Proforma correction.

<sup>9</sup> As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence, back-to-back loans received *in-lieu* of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered as loans from GoI for calculation of percentage of total public debt to GSDP.

As can be seen above, during 2022-23 all the fiscal parameters remained within the level fixed by 15<sup>th</sup> FC and those projected in the budget estimates.

#### 1.4.2 Comparison of targets of fiscal parameters projected in Medium Term Fiscal Policy Statement with actuals for the current year

Comparison of targets of fiscal parameters projected in Medium Term Fiscal Policy Statement (MTFPS) presented to the State Legislature in 2022-23 with actuals, and the extent of variation is shown in **Table 1.6**.

**Table 1.6: Actuals vis-à-vis projections made in MTFPS during 2022-23**

(₹ in crore)

Sr. No.	Fiscal Variables	Projection as per MTFPS	Actuals (2022-23)	Variation (in per cent)
1	Own Tax Revenue	1,19,883.06	1,24,809.58	4.11
2	Non-Tax Revenue	17,761.67	18,433.61	3.78
3	Share of Central Taxes	28,418.06	33,034.00	16.24
4	Grants-in-Aid from GoI	15,982.67	23,131.13	44.73
5	Revenue Receipts (1+2+3+4)	1,82,045.46	1,99,408.32	9.54
6	Capital Receipts <sup>10</sup>	51,251.00	52,587.07	2.61
7	Revenue Expenditure	1,81,039.60	1,79,543.29	(-)0.83
8	Revenue Deficit (-)/ Surplus (+) (5-7)	1,005.86	19,865.03	1874.93
9	Fiscal Deficit (-)/ Surplus (+)	(-)36,112.71	(-)16,845.45	(-)53.35
10	Primary Deficit (-)/Surplus (+)	(-)8,992.57	8,508.23	(-)194.61
11	Public debt-GSDP ratio (per cent)	15.88	14.97*	(-)5.73
12	GSDP growth rate at current prices (per cent)	17.19	15.54	(-)9.60

Source: Budget Publication No. 1 and 30 for 2022-23 and Finance Accounts

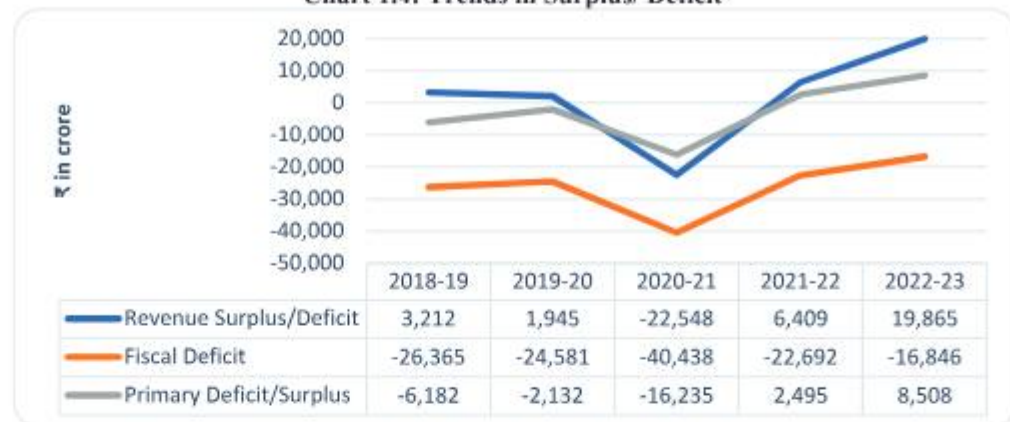
\* Arrived at after exclusion of GST compensation loan of ₹ 9,222 crore received in 2020-21 and ₹ 13,040.21 crore received in 2021-22 as back-to-back loan under debt receipts from the total outstanding liabilities.

As may be seen from the table above, own tax revenue, non-tax revenue, share of central taxes, grants-in-aid from GoI, capital receipts and revenue surplus improved during 2022-23 vis-à-vis the projections made in MTFPS. The target for GSDP growth rate was not met in 2022-23, though the target for public debt-GSDP ratio was achieved during the year.

The trends in surplus/deficits over the five-year period (2018-23) are depicted in **Chart 1.4**; trends in surplus/deficit relative to GSDP are given in **Chart 1.5**; and trends of fiscal liabilities and GSDP are given in **Chart 1.6**.

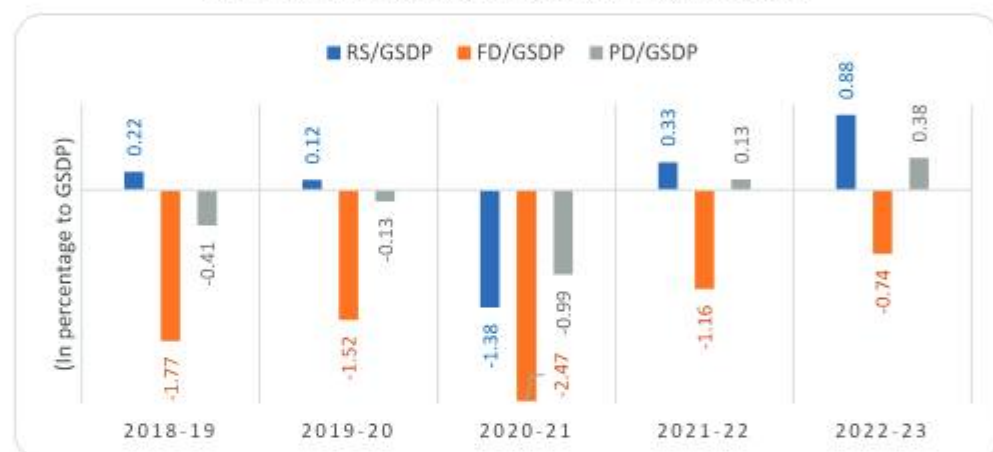
<sup>10</sup> Capital Receipts = Public Debt Receipts + Miscellaneous Capital Receipts + Recovery of Loans and Advances

Chart 1.4: Trends in Surplus/ Deficit



Source: Finance Accounts of respective years.

Chart 1.5: Trends in Surplus/Deficit relative to GSDP



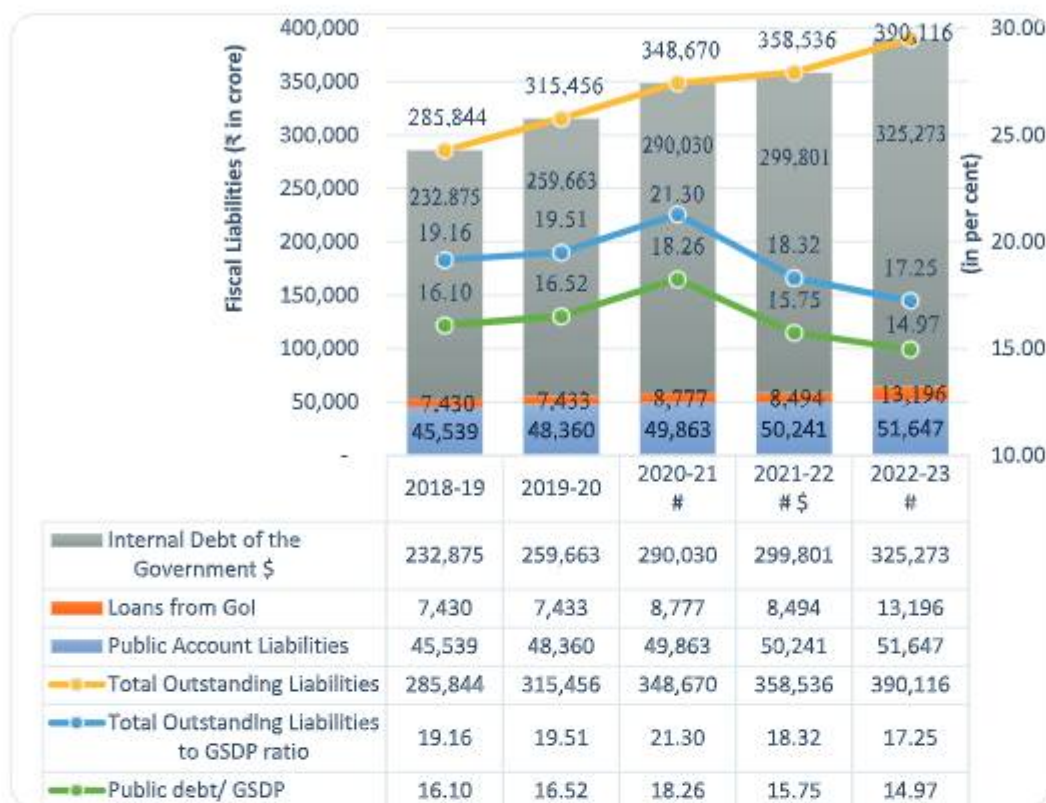
Source: Finance Accounts of respective years.

**Revenue surplus** indicates excess of revenue receipts over revenue expenditure. As compared to previous year, revenue surplus has increased significantly to ₹ 19,865 crore in 2022-23. The revenue surplus as percentage of GSDP was 0.88 *per cent* during 2022-23.

**Fiscal deficit** represents the gap between the non-debt receipts and total expenditure. This gap can be met either by additional Public Debt or using surplus funds from the Public Account. Fiscal deficit normally represents the net incremental liabilities of the Government or its additional borrowing requirements. The Fiscal Deficit decreased from ₹ 22,692 crore in 2021-22 to ₹ 16,846 crore in 2022-23.

**Primary surplus** indicates the excess of non-debt receipts over primary expenditure (total expenditure net of interest payments). It was ₹ 8,508 crore in 2022-23 as compared to ₹ 2,495 crore in 2021-22.

Chart 1.6: Trends in fiscal liabilities and GSDP



Source: Finance Accounts of respective years.

§ Change in figure of Internal debt for 2021-22 from last year's Report is due to Proforma Corrections.

# As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence, back-to-back loans received in-lieu of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered as loans from GoI for calculation of percentage of total public debt to GSDP.

During 2022-23, effective Outstanding liabilities<sup>11</sup> increased by 8.81 per cent (₹ 31,580 crore) over previous year due to increase in Internal debt by 8.50 per cent (₹ 25,472 crore), Loans from GoI by 55.36 per cent (₹ 4,702 crore) and Public Account Liabilities by 2.72 per cent (₹ 1,406 crore).

### 1.5 Performance of the State Government with respect to borrowings according to the limits fixed by Government of India

Article 293 (3) of the Constitution of India, inter alia, provides that a State may not raise any loan without the consent of Government of India (GoI) if any part of a loan, which has been made to the State by GoI, is still outstanding.

The GoI, Ministry of Finance, Department of Expenditure fixed (March 2022) the net borrowing ceiling of the State Government for the financial year 2022-23 as ₹ 71,163 crore<sup>12</sup> and instructed the State Government to ensure that its incremental borrowings from all sources remained within this ceiling.

<sup>11</sup> Outstanding liabilities here, are excluding back-to-back loans in lieu of GST Compensation.

<sup>12</sup> 3.5 per cent of GSDP (₹ 20,33,239 crore) of the year 2022-23 projected as on March 2022, calculated by GoI based on the GSDP estimated as per the methodology prescribed by 15<sup>th</sup> FC.

As per Statement of borrowings and other liabilities (Statement No. 6) of the Finance Accounts 2022-23, incremental borrowings and other liabilities of the State Government were ₹ 31,580 crore during the financial year 2022-23 *i.e.* within the borrowing ceiling.

### 1.6 Deficit after examination in Audit

As per the FRBM Act, the State Government must ensure compliance to the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, etc. The Revenue surplus and the Fiscal deficit as worked out for the State gets impacted due to various circumstances such as misclassification of capital expenditure as revenue. Besides, deferment of liabilities, non-deposit of cess/royalty to Consolidated Fund, and sinking and redemption funds also impact the revenue surplus and fiscal deficit. In order to arrive at actual revenue surplus and fiscal deficit, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification needs to be included and the impact of such irregularities need to be reversed.

Analysis of revenue surplus and fiscal deficit after examination in Audit are given in **Table 1.7**.

**Table 1.7: Revenue surplus and fiscal deficit, post examination by Audit**

Particulars	Impact on Revenue Surplus [Understated (-)/ Overstated (+)] (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)	Paragraph Reference
Shortfall in State Government contribution to Consolidated Sinking Fund <sup>13</sup>	(+) 7,806.51	(+) 7,806.51	Para 2.6.2.1
Non-transfer of Labour Cess	(+) 542.61	(+) 542.61	Para 2.6.3.2
Misclassification of Capital Expenditure as Revenue Expenditure	(-) 335.17	-	Para 3.4.1
Non-discharge of Interest liabilities	(+) 67.96	(+) 67.96	Para 4.1
<b>Total</b>	<b>(+) 8,081.91</b>	<b>(+) 8,417.08</b>	

Source: Finance Account for the year 2022-23 and audit analysis

As may be seen from the table above, there was an overstatement of revenue surplus by ₹ 8,081.91 crore during the year. Fiscal deficit was also understated by ₹ 8,417.08 crore in 2022-23. Thus, against the Revenue Surplus of ₹ 19,865 crore as mentioned in Paragraph 1.4.2., the State's actual Revenue Surplus<sup>14</sup> would stand at ₹ 11,783.12 crore. Similarly, against the Fiscal Deficit of ₹ 16,846 crore mentioned in same Paragraph, the actual Fiscal Deficit<sup>15</sup> would stand at ₹ 25,262.53 crore during 2022-23, if the items of short-

<sup>13</sup> ₹ 7,806.51 crore = ₹ 17,926.77 crore (minimum corpus of 5% of State Liabilities of ₹ 3,58,535.53 crore to be maintained for the year 2021-22) [-] ₹ 10,120.26 crore closing Balance of Consolidated Sinking Fund. Back-to-Back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040.17 crore during 2021-22 has not been considered as outstanding liabilities here.

<sup>14</sup> ₹ 19,865.03 crore *plus* (-) ₹ 8,081.91 crore.

<sup>15</sup> ₹ 16,845.45 crore *plus* ₹ 8,417.08 crore.

contribution, non-discharge of liabilities and incorrect classification are factored in.

### **1.7 Post Audit- Total Public Debt**

Section 2 (i) of the Gujarat Fiscal Responsibility Act, 2005, defines “total outstanding debt/ liabilities” to include only liabilities upon the Consolidated Fund and Public Account of the State. However, borrowings by the public sector undertakings and special purpose vehicles where the principal and/or interest are to be serviced out of the State budget also are liabilities under the Consolidated Fund of the State and the Public Account of the State.

It was observed that Gujarat State Investments Limited (GSIL) has taken over listed Non-Convertible Debentures (NCDs) of Gujarat State Petroleum Corporation Limited (GSPC) amounting to ₹ 6,000 crore as per the directions (July 2018) of the State Government. Further the State Government has resolved to support GSIL for payment towards interest and principal repayment on these NCDs. Accordingly, during the years 2019-20 to 2022-23, an expenditure of ₹ 564.69 crore, ₹ 533.55 crore, ₹ 464.10 crore and ₹ 416.20 crore respectively, was booked by Energy and Petrochemicals Department for payment towards interest on these NCDs. The payment of annual interest on these NCDs has increased the committed revenue expenditure of the State.

# **CHAPTER II**

## **Finances of the State**



## Chapter II Finances of the State

This chapter provides a broad perspective on the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2018-19 to 2022-23, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State.

### 2.1 Major changes in key fiscal aggregates during 2022-23 compared to 2021-22

**Table 2.1** presents the summary of the State Government's fiscal aggregates during 2022-23 *vis-à-vis* 2021-22. Each of these indicators is analysed in the succeeding paragraphs.

**Table 2.1: Summary of Fiscal aggregates in 2022-23 compared to 2021-22**

(₹ in crore)					
Receipts			Disbursements		
	2021-22	2022-23		2021-22	2022-23
<b>Section-A: Revenue Account</b>					
Own Tax Revenue	97,678	1,24,809	General Services	56,423	61,269
Non-Tax Revenue	14,018	18,434	Social Services	68,254	75,125
Share of Union Taxes/ Duties	31,106	33,034	Economic Services	35,332	42,672
Grants-in-aid from Government of India	24,028	23,131	Grants-in-aid and Contributions	412	477
<b>Total Section-A Revenue Receipts</b>	<b>1,66,830</b>	<b>1,99,408</b>	<b>Total Section-A Revenue Expenditure</b>	<b>1,60,421</b>	<b>1,79,543</b>
<b>Section-B: Capital Account and others</b>					
Miscellaneous Capital Receipts	0	0	<b>Capital Expenditure</b>	<b>28,185</b>	<b>35,499</b>
			General Services	550	820
			Social Services	8,373	12,804
			Economic Services	19,262	21,875
Recoveries of Loans and Advances	155	254	Loans and Advances disbursed	1,071	1,466
Public Debt Receipts	46,968*	52,333	Repayment of Public Debt	24,436	22,159
Contingency Fund	0	0	Contingency Fund	0	20
Public Account Receipts (Gross)	1,18,597	1,22,483	Public Account Disbursements (Gross)	1,13,609	1,20,935
Opening Cash Balance	15,848	20,676	Closing Cash Balance	20,676	35,532
<b>Total Section-B Receipts</b>	<b>1,81,569</b>	<b>1,95,746</b>	<b>Total Section-B Disbursements</b>	<b>1,87,977</b>	<b>2,15,611</b>
<b>Grand Total (A +B)</b>	<b>3,48,398</b>	<b>3,95,154</b>	<b>Grand Total (A+B)</b>	<b>3,48,398</b>	<b>3,95,154</b>

Source: Finance Accounts of the State Government of respective years.

\* During 2021-22, effective Public Debt receipts were ₹ 33,928 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 13,040 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State.

The variation in key fiscal aggregates in 2022-23 as compared to 2021-22 is summarised below:

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>➤ Revenue Receipts of the State increased by 19.53 per cent</li> <li>➤ Own Tax Receipts of the State increased by 27.78 per cent</li> <li>➤ Own Non-Tax Receipts increased by 31.50 per cent</li> <li>➤ State's Share of Union Taxes and Duties increased by 6.20 per cent</li> <li>➤ Grants-in-Aid from Government of India decreased by 3.73 per cent</li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Revenue Expenditure increased by 11.92 per cent</li> <li>➤ Revenue Expenditure on General Services increased by 8.59 per cent</li> <li>➤ Revenue Expenditure on Social Services increased by 10.07 per cent</li> <li>➤ Revenue Expenditure on Economic Services increased by 20.77 per cent</li> <li>➤ Expenditure on Grants-in-Aid and Contributions increased by 15.78 per cent</li> </ul>
<b>Capital Receipts</b>	<ul style="list-style-type: none"> <li>➤ Debt Capital Receipts increased by 33.92 per cent</li> <li>➤ Non-debt Capital Receipts increased by 63.87 per cent</li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Capital Expenditure increased by 25.95 per cent</li> <li>➤ Capital Expenditure on General Services increased by 49.09 per cent</li> <li>➤ Capital Expenditure on Social Services increased by 52.92 per cent</li> <li>➤ Capital Expenditure on Economic Services increased by 13.57 per cent</li> </ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"> <li>➤ Disbursements of Loans and Advances increased by 36.88 per cent</li> <li>➤ Recoveries of Loans and Advances increased by 63.87 per cent</li> </ul>
<b>Public Debt</b>	<ul style="list-style-type: none"> <li>➤ Public Debt Receipts increased by 11.42 per cent</li> <li>➤ Repayment of Public Debt decreased by 9.32 per cent</li> </ul>
<b>Public Account</b>	<ul style="list-style-type: none"> <li>➤ Public Account Receipts increased by 3.28 per cent</li> <li>➤ Public Account Disbursements increased by 6.45 per cent</li> </ul>

Source: Finance Accounts of the State Government of respective years.

Each of the above indicators is analysed in the succeeding paragraphs.

## 2.2 Sources and Application of Funds

Table 2.2 compares the sources and application of funds of the State during 2022-23 with 2021-22, while Charts 2.1 and 2.2 give the details of receipts into and expenditure from the Consolidated Fund during 2022-23 in terms of percentages.

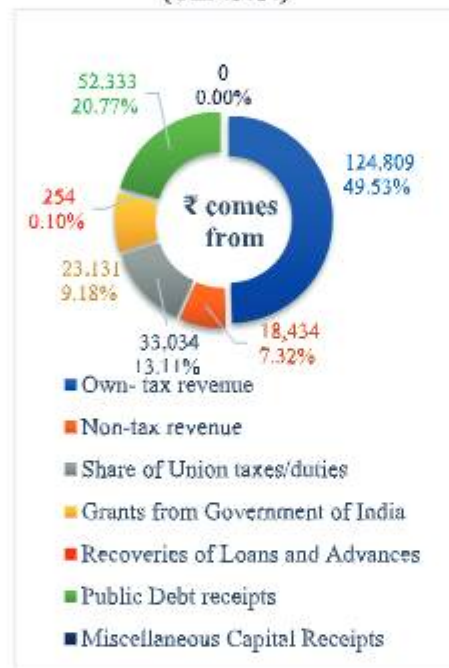
Table 2.2: Details of Sources and Application of funds during 2021-22 and 2022-23

		(₹ in crore)		
	Particulars	2021-22	2022-23	Increase/ Decrease
Sources	Opening Cash Balance with RBI	15,848	20,676	4,828
	Revenue Receipts	1,66,830	1,99,408	32,578
	Recoveries of Loans & Advances	155	254	99
	Public Debt Receipts (Net)	22,532	30,174	7,642
	Public Account Receipts (Net)	4,988	1,548	(-) 3,440
	Miscellaneous Capital Receipts	0	0	0
	<b>Total</b>		<b>2,10,353</b>	<b>2,52,060</b>

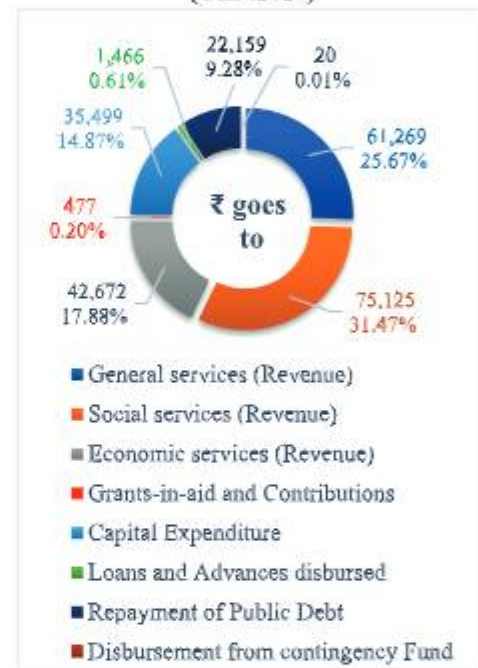
	Particulars	2021-22	2022-23	Increase/ Decrease
Application	Revenue Expenditure	1,60,421	1,79,543	19,122
	Capital Expenditure	28,185	35,499	7,314
	Disbursements of Loans & Advances	1,071	1,466	395
	Disbursements from Contingency Fund	0	20	20
	Closing Cash Balance with RBI	20,676	35,532	14,856
<b>Total</b>		<b>2,10,353</b>	<b>2,52,060</b>	<b>41,707</b>

Source: Finance Accounts of the State Government of respective years.

**Chart 2.1: Composition of Resources**  
(₹ in crore)



**Chart 2.2: Application of Resources**  
(₹ in crore)



Source: Finance Accounts of the State Government for 2022-23.

A time series data on the State Government finances for the five-year period (2018-23) is given in **Appendix – 2.1**.

### 2.3 Resources of the State

The resources of the State are described below:

- Revenue receipts** consist of tax revenue (own tax revenue plus share of union taxes/duties), non-tax revenue and grants-in-aid from the Government of India (GoI).
- Capital receipts** (debt and non-debt capital receipts) comprise miscellaneous capital receipts, such as, proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

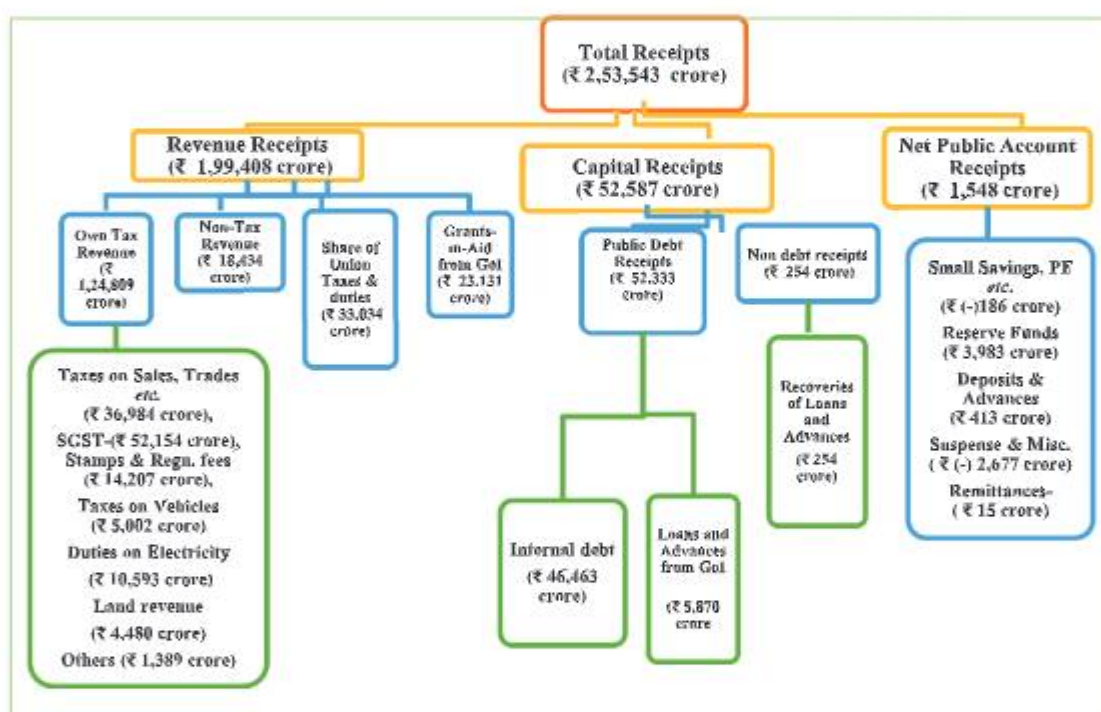
- Net Public accounts receipts:** There are receipts and disbursements in respect of certain transactions, such, as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund.

These 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.

### 2.3.1 Receipts of the State

Composition of receipts of the State during 2022-23 is as given in **Chart 2.3**.

**Chart 2.3 Composition of Receipts of the State during 2022-23**



Source: Finance Accounts of the State Government for 2022-23.

Out of the total receipts of ₹ 2,53,543 crore of the State Government during the year 2022-23, revenue receipts (₹ 1,99,408 crore) constituted 78.65 per cent. Capital receipts (₹ 52,587 crore) and net public account receipts (₹ 1,548 crore) constituted 20.74 per cent and 0.61 per cent of the total receipts, respectively.

### 2.3.2 State's Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by trends in the receipts bifurcated into State's own receipts and receipts from the Central Government.

### 2.3.2.1 Trends and Growth of Revenue Receipts

Table 2.3 provides the trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period (2018-23). Further, trends in revenue receipts relative to GSDP and components of revenue receipts are given in Charts 2.4 and 2.5 respectively.

Table 2.3: Trend in Revenue Receipts

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Receipts (RR) (₹ in crore)	1,36,002	1,42,844	1,28,156	1,66,830	1,99,408
Rate of growth of RR ( <i>per cent</i> )	10.31	5.03	(-)10.28	30.18	19.53
Tax Revenue (₹ in crore)	1,03,592	99,240	90,485	1,28,784	1,57,843
Own Tax Revenue (₹ in crore)	80,103	79,008	70,266	97,678	1,24,809
States' share in Union taxes and duties	23,489	20,232	20,219	31,106	33,034
Non-Tax Revenue (₹ in crore)	13,417	18,104	10,493	14,018	18,434
Grant-in Aid from GoI	18,993	25,500	27,178	24,028	23,131
Rate of growth of Grant-in Aid from GoI ( <i>per cent</i> )	19.56	34.26	6.58	(-)11.59	(-)3.73
Own Revenue (Tax and Non-tax Revenue) (₹ in crore)	93,520	97,112	80,759	1,11,696	1,43,243
Rate of growth of Own Revenue (Tax and Non-tax Revenue) ( <i>per cent</i> )	7.96	3.84	(-)16.84	38.31	28.24
GSDP (₹ in crore) (2011-12 Series)	14,92,156	16,17,143	16,36,781 (P)	19,57,583 (Q)	22,61,715 (A)
Rate of growth of GSDP ( <i>per cent</i> )	12.27	8.38	1.21	19.60	15.54
RR/GSDP ( <i>per cent</i> )	9.11	8.83	7.83	8.52	8.82
<b>Buoyancy Ratios<sup>1</sup></b>					
Revenue Buoyancy w.r.t GSDP	0.84	0.60	*	1.54	1.26
State's Own Revenue Buoyancy w.r.t GSDP	0.65	0.46	*	1.95	1.82

Source: Finance Accounts of the State Government of respective years.

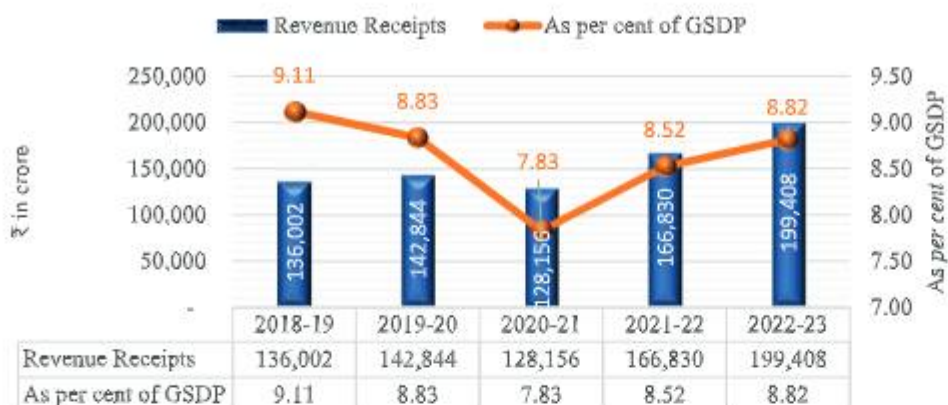
Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2023-24).

(P): Provisional Estimates; (Q): Quick Estimates, (A): Advance Estimates.

\* The rate of growth of revenue receipts and State's own revenue receipts being negative, their buoyancies with respect to GSDP cannot be calculated.

<sup>1</sup> Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.26 implies that revenue receipts tend to increase by 1.26 percentage points, if the GSDP increases by one *per cent*.

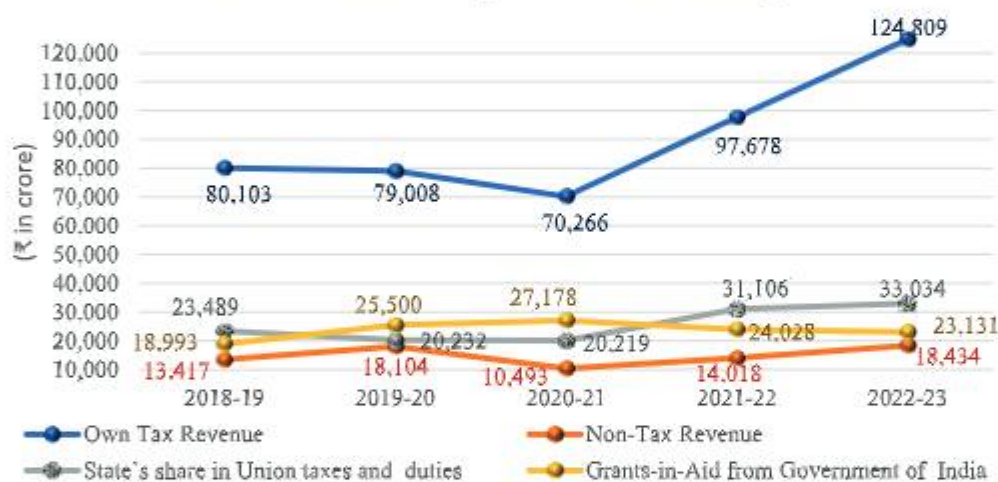
Chart 2.4: Trend of Revenue Receipts



Source: Finance Accounts of the State Government of respective years.

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2023-24).

Chart 2.5: Trend of components of Revenue Receipts



Source: Finance Accounts of the State Government of respective years.

The trends in revenue receipts during 2018-23 revealed as follows:

- Revenue receipts increased by 46.62 per cent from ₹ 1,36,002 crore in 2018-19 to ₹ 1,99,408 crore in 2022-23 at Compound Annual Growth Rate (CAGR) of 10.04 per cent. During 2022-23, revenue receipts increased by ₹ 32,578 crore (19.53 per cent) over the previous year.
- A significant portion of revenue receipts (71.83 per cent) during 2022-23 came from the State's own resources, while central tax transfers and grants-in-aid together contributed 28.17 per cent.
- **Table 2.3** shows that the percentage of revenue receipts to GSDP decreased from 9.11 per cent in 2018-19 to 7.83 per cent in 2020-21, and then increased to 8.52 per cent in 2021-22 and further to 8.82 per cent in 2022-23. During 2021-22 to 2022-23, revenue receipts grew at faster rate than GSDP.

### 2.3.2.2 State's Own Resources

State's share in central taxes is determined based on recommendations of the Finance Commission. Grants-in-aid from Central Government are determined by the quantum of collection of central tax receipts and anticipated central assistance for schemes, *etc.*

State's performance in mobilisation of additional resources is to be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

#### Own Tax Revenue

Own tax revenue of the State consists of State Goods and Services Tax (SGST), sales tax/VAT, taxes and duties on electricity, stamp duty and registration fee, taxes on vehicles and taxes on goods and passengers, land revenue, *etc.*

The trend of State's own tax revenue during the last five years (2018-23) is shown in **Chart 2.6**.

**Chart 2.6: Trend of Own Tax Revenue during 2018-23**



Source: Finance Accounts of the State Government of respective years.

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2023-24).

The components of State's own tax revenue during 2018-23 are shown in **Table 2.4**.

Table 2.4: Components of State's own tax revenue during 2018-23

Revenue Head	₹ in crore)					
	2018-19	2019-20	2020-21	2021-22	2022-23	
					Budget Estimates	Actuals
SGST	34,888.71	34,106.67	29,458.54	43,486.98	57,692.00	52,154.23
Sales tax/VAT	22,414.25	21,071.72	18,800.34	29,044.45	31,412.00	36,983.82
Taxes and duties on electricity	7,347.79	8,774.35	8,318.87	7,012.72	9,153.00	10,593.52
Stamp duty and registration fees	7,780.77	7,701.17	7,390.18	10,432.57	12,895.00	14,206.78
Taxes on vehicles and taxes on goods and passengers	4,235.33	3,895.29	3,085.35	3,900.06	4,844.00	5,056.53
Land revenue	2,407.51	2,358.74	2,133.55	2,782.52	2,470.00	4,480.53
State excise	130.59	138.26	133.65	154.82	149.00	187.65
Entertainment tax and luxury tax	3.32	3.69	4.47	3.16	6.31	4.07
Other taxes	894.47	957.61	941.23	860.79	1261.75	1,142.45
<b>Own Tax Revenue</b>	<b>80,102.74</b>	<b>79,007.50</b>	<b>70,266.18</b>	<b>97,678.07</b>	<b>1,19,883.06</b>	<b>1,24,809.58</b>
Own tax revenue as a percentage of GSDP	5.37	4.89	4.29	4.99	5.44	5.52
Own tax revenue as a percentage of revenue receipts	58.90	55.31	54.83	58.55	65.85	62.59

Source: Finance Accounts of the State Government of respective years and Budget Publication No.1 of the Government of Gujarat for the year 2022-23.

State's own tax revenue increased by ₹ 44,706.84 crore from ₹ 80,102.74 crore in 2018-19 to ₹ 1,24,809.58 crore in 2022-23 at CAGR of 11.72 per cent. During 2022-23, State's own tax revenue increased by ₹ 27,131.51 crore (27.78 per cent) over the previous year and was higher than the average of the States other than North-Eastern (NE) and Himalayan States (19.78 per cent). During the current year, major contributors to own tax revenue were SGST (41.79 per cent), sales tax/VAT (29.63 per cent) and stamp duty and registration fees (11.38 per cent).

#### State Goods and Services Tax (SGST)

As per the books of RBI the amount of SGST was ₹ 52,154.23 crore, which tallied with the figures as per the Finance Accounts. Hence, during 2022-23, there was no difference between the books of RBI and the Finance Accounts with respect to SGST.

#### Audit of GST Receipts

The Government of India's decision to provide access to Pan-India data at GSTN (Goods and Services Tax Network) premises was conveyed on 22 June 2020. In case of Gujarat, which is a Model-II State, user id-based access to GSTN was provided to officers engaged in GST (Goods and Services Tax) audit

on 12 November 2020. Receipts of the state in accordance with the requirements of GST (Compensation to States) Act, 2017 have been test checked in audit till the year 2021-22 and those of 2022-23 are under progress (January 2024).

### *Analysis of Arrears of Revenue*

The arrears of revenue indicate delayed realization of revenue due to the Government.

The arrears of revenue as on 31 March 2023 on GST/VAT/ Sales tax; Stamp duty and registration fees; Prohibition and Excise; taxes on vehicles and taxes on goods and passengers; and taxes and duties on electricity amounted to ₹ 57,038.64 crore of which, ₹ 21,826.61 crore was outstanding for more than five years. Regarding water charges, as on 31 March 2023, an amount of ₹ 4,291.25 crore was due to be received by the Narmada, Water Resources, Water Supply and Kalpsar Department from its various irrigation and non-irrigation users. The details are given in the **Table 2.5**.

**Table 2.5: Arrears of revenue**

(₹ in crore)

Sr. No.	Head of Revenue	Total outstanding amount as on 31 March 2023	Amount outstanding for more than five years as on 31 March 2023	Remarks
1.	GST/VAT/ Sales tax	55,760.59	21,122.74	Recovery certificates issued: ₹ 1,936.14 crore; recoveries stayed by High Court and other judicial authorities: ₹ 10,931.22 crore; recoveries stayed by Government-Department Authority: ₹ 3,850.75 crore; Dealers being insolvent: ₹ 370.94 crore; amount likely to be written off: ₹ 25.81 crore; Reasons of remaining outstanding arrears of ₹ 38,645.73 crore was not furnished.
2.	Taxes and duties on electricity	126.71	114.90	Pending in Court cases: ₹ 118.62 crore; and Other reasons: ₹ 8.09 crore.
3.	Prohibition and Excise	100.83	100.83	Pending in Court cases: ₹ 59.44 crore; Reasons of remaining outstanding arrears of ₹ 41.39 crore was not furnished.
4.	Stamp duty and registration fees	147.04	137.76	Recoveries stayed by High Court and other judicial authorities: ₹ 8.46 crore; Reasons of remaining outstanding arrears of ₹ 138.58 crore was not furnished.
5.	Taxes on vehicles and taxes on goods and passengers	903.47	350.38	Recovery certificates issued: ₹ 2.94 crore; Reasons of remaining outstanding arrears of ₹ 900.53 crore was not furnished.
	<b>Total</b>	<b>57,038.64</b>	<b>21,826.61</b>	
6.	Water charges	4,291.25	Not provided	Reasons of outstanding arrears was not furnished by Narmada, Water Resources, Water Supply and Kalpsar Department.
	<b>Grand Total</b>	<b>61,329.89</b>	<b>21,826.61</b>	

Source: Information furnished by the Departments.

**Arrears of Assessments**

The arrears of assessment indicate the potential revenue which is blocked due to delayed assessment. Information regarding cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and cases pending finalisation at the end of the year, in respect of GST/VAT/ Sales Tax; is given in the **Table 2.6**.

**Table 2.6: Arrears of assessments****(in numbers)**

Head of Revenue	Opening balance	New cases due for assessment during 2022-23	Total assessments due	Cases disposed of during 2022-23	Balance at the end of the year as on 31 March 2023	Percentage of disposal (col.5 to 4)
1	2	3	4	5	6	7
GST/VAT/ Sales tax	4,582	3,277	7,859	3,753	4,106	47.75
Professional Tax	24,831	2,631	27,462	1,155	26,307	4.21

Source: Information furnished by the Departments.

It can be seen from the above table that disposal of the GST/VAT/ Sales tax assessments during 2022-23 was 47.75 per cent while in case of Professional tax it was 4.21 per cent in 2022-23. Department needs to make efforts to dispose of the Professional Tax cases expeditiously.

Collector of Electricity Duty; Director of Prohibition and Excise; and Director of Petroleum have informed in July, August and October 2023, respectively, that no assessment was pending with the concerned departments pertaining to the period up to 31 March 2023.

**Evasion of tax detected by the Departments**

The cases of evasion of tax detected by the Departments, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The cases of evasion of tax detected by three Departments (Finance; Revenue; and Port and Transport), cases finalised and demands for additional tax raised, as reported by these Departments, are given in **Table 2.7**:

Table 2.7: Cases of tax evasion

Sr. No.	Head of Revenue	Number of cases pending as on 01 April 2022	Number of cases detected during 2022-23	Total	Number of cases in which assessment/ investigation was completed and additional demand with penalty <i>etc.</i> was raised		Number of cases pending for finalisation as on 31 March 2023
					Number of cases	Amount of demand (₹ in crore)	
1	GST/VAT/ Sales tax	519	471	990	244	152.38	746
2	Stamp duty and registration fees	20,824 <sup>2</sup>	324	21,148	20,728	1,442.50	420
3	Taxes on vehicles and taxes on goods and passengers	70,219	30,815	1,01,034	1,01,034	903.47	0
<b>Total</b>		<b>91,562</b>	<b>31,610</b>	<b>1,23,172</b>	<b>1,22,006</b>	<b>2,498.35</b>	<b>1,166</b>

Source: Information furnished by the Departments.

As can be seen, 0.95 *per cent* of total cases were pending for finalisation at the end of March 2023.

Various Departments of Gujarat *viz.*, Revenue (in respect of land revenue), Industries and Mines, *etc.* did not furnish the details regarding evasion of tax/ revenue, despite being requested by Audit in March 2024.

Collector of Electricity Duty; Director of Petroleum; and Director of Prohibition and Excise have furnished Nil cases of evasion of tax.

#### *Pendency of Refund Cases*

Promptness in disposal of refund cases is an important indicator of performance of the Departments.

The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of the year, as reported by the Departments are given in **Table 2.8**:

<sup>2</sup> Figures do not tally with the closing balance of previous year because the same have been updated by the Department.

Table 2.8: Refund cases

(₹ in crore)

Sr. No.	Particulars	GST		VAT/Sales tax		Stamp duty and registration fees		Taxes on vehicles and taxes on goods and passengers	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding as on 01 April 2022	3,313	359.96 <sup>3</sup>	2,584	95.70	2 <sup>3</sup>	0.02 <sup>3</sup>	76	0.33
2.	Claims received during the year	52,496	10,618.72	14,365	6,925.18	4,179	3.21	304	2.72
3.	Refunds made during the year	46,022	9,262.50	16,937	7,013.86	3,907	2.83	176	2.02
4.	Refunds rejected during the year	4,590	1,143.40	0	0.00	0	0.00	0	0.00
5.	Balance outstanding as on 31 March 2023	5,197	572.78	12	7.02	274	0.40	204	1.03

Sources: Information furnished by the Departments.

The Revenue Department (in respect of land revenue); and Industries and Mines Department did not furnish the details of pendency of refund cases at the end of March 2023, despite being requested repeatedly (upto March 2024).

### Non-Tax Revenue

Non-tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts *etc.*

The major sources of non-tax revenue and their trend analysis for the last five years (2018-23) are indicated in **Table 2.9**.

Table 2.9: Main components of State's non-tax revenue during 2018-23

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					Budget Estimates	Actuals
Interest receipts	1,611.71	2,331.15	847.64	991.90	2,387.58	1,267.63
Non-ferrous mining and metallurgical industries	4,863.00	4,147.91	2,906.79	4,321.37	2,933.16	5,859.32
Major and medium irrigation projects	1,326.95	1,365.02	1,644.26	1,707.14	1,868.16	1,796.75

<sup>3</sup> No. of cases and amount do not tally with the closing balance of previous year because the same have been updated by the Department.

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					Budget Estimates	Actuals
Ports and light houses	1,153.35	1,361.26	1,263.75	1,308.61	2,138.28	1,441.06
Medical and public health	271.59	1,473.06	342.46	1,601.17	1,115.94	584.42
Police	312.19	467.53	484.43	490.80	743.10	392.21
Dividends & profits	120.03	89.00	131.04	134.25	146.51	97.43
Others	3,758.17	6,869.22	2,872.29	3,463.02	6,428.94	6,994.79
<b>Non-tax revenue</b>	<b>13,416.99</b>	<b>18,104.15</b>	<b>10,492.66</b>	<b>14,018.26</b>	<b>17,761.67</b>	<b>18,433.61</b>
Non-tax revenue as a percentage of GSDP	0.90	1.12	0.64	0.72	0.81	0.82
Non-tax revenue as a percentage of RR	9.87	12.67	8.19	8.40	9.76	9.24

Source: Finance Accounts of the State Government for the respective years and Budget Publication No.1 of the Government of Gujarat for 2022-23.

The non-tax revenue ranged between 8.19 per cent and 12.67 per cent of revenue receipts of the State during the last five years and increased by ₹ 4,415.35 crore (31.50 per cent) during 2022-23 over the previous year. The increase in non-tax revenue in 2022-23 over previous year was mainly due to increase in non-ferrous mining and metallurgical industries by ₹ 1,537.95 crore; Interest Receipts by ₹ 275.73 crore and Others (Miscellaneous General Services by ₹ 997.32 crore; Urban Development by ₹ 938.66 crore; and Other Administrative Services by ₹ 627.93 crore).

#### *Unutilised balances of previous years incorrectly credited as revenue receipts*

Section 3.10 of List of Major and Minor Heads of Accounts stipulates that 'recoveries of overpayments', whether made in cash or by short-drawl from a bill, during the same financial year in which such overpayments were made, shall be recorded as 'reduction of expenditure' under the concerned Service Heads. The Section also prescribes that recoveries of overpayments pertaining to previous year(s) shall be recorded under distinct Minor Head 'Deduct-Recoveries of Overpayments' (code '911') below the concerned Major Head of account.

Further, Government Accounting Rules, 1990 also provides that 'recoveries of overpayments' whether made in cash or by deduction from payment vouchers shall always be taken as 'reduction of expenditure' under the appropriate expenditure head concerned, irrespective of the year to which such recoveries relate.

Audit randomly test-checked (July 2023) 308 receipt challans aggregating ₹ 319.75 crore, which were credited to Government Accounts as revenue receipts during 2022-23. Of the 308 receipt challans aggregating ₹ 319.75 crore, 90 receipt challans valuing ₹ 34.80 crore, representing unutilised amounts of

previous years, was irregularly credited into Government Accounts as revenue receipts during 2022-23, instead of 'reduction of expenditure' under the concerned Service Heads.

The system to be followed for correct booking of unutilised balances is under deliberation between the Office of Accountant General (A&E) and the Finance Department. It is pertinent to mention that erroneous booking of unutilised balances in the Government Accounts as receipts persisted, despite being pointed out in the previous State Finances Audit Report of Government of Gujarat for the year ended 31 March 2022.

### 2.3.2.3 Transfers from Centre

The two main components of transfers from the GoI are central tax transfers (*i.e.*, State's share in union taxes and duties) and grants-in-aid. A trend analysis of transfers from the centre during the last five years (2018-23) is shown in Table 2.10.

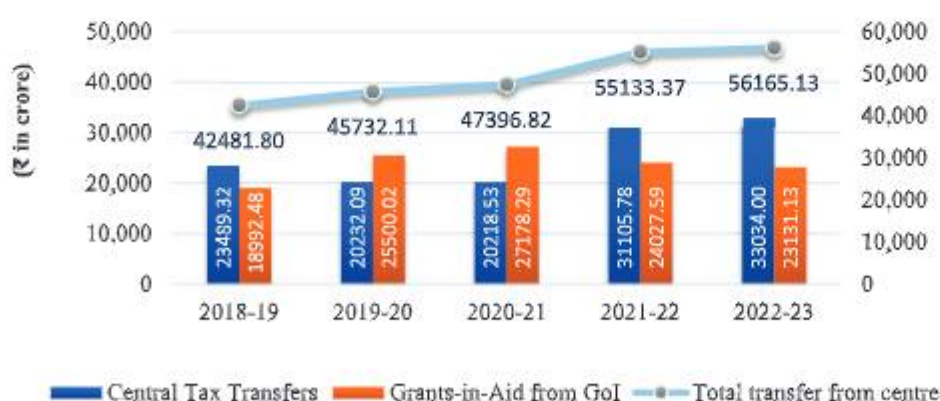
Table 2.10: Transfers from Centre

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Central Tax Transfers	23,489.33	20,232.09	20,218.53	31,105.78	33,034.00
Grants-in-Aid	18,992.48	25,500.02	27,178.29	24,027.59	23,131.13
<b>Total</b>	<b>42,481.81</b>	<b>45,732.11</b>	<b>47,396.82</b>	<b>55,133.37</b>	<b>56,165.13</b>
Percentage increase over previous year	15.86	7.65	3.64	16.32	1.87
Total transfers from Centre as percentage of revenue receipts	31.24	32.02	36.98	33.05	28.17

Source: Finance Accounts of the State Government of respective years.

The transfers from centre increased by 32.21 *per cent* from ₹ 42,481.81 crore in 2018-19 to ₹ 56,165.13 crore in 2022-23. The percentage increase over the previous year was least at 1.87 *per cent* in 2022-23 and maximum at 16.32 *per cent* in 2021-22 during the five-year period.

Chart 2.7: Trends in transfers from Centre



Source: Finance Accounts of the State Government of respective years.

### Central tax transfers

The Fourteenth Finance Commission (14<sup>th</sup> FC) had recommended that the States' share of central taxes is to be increased to 42 per cent from the 32 per cent as recommended by the Thirteenth Finance Commission (13<sup>th</sup> FC). As per the Fifteenth Finance Commission (15<sup>th</sup> FC) for the year 2020-21 and 2021-22 to 2025-26, the States' share of central taxes was fixed at 41 per cent of tax revenue of Union Government.

Gujarat's share in the net proceeds of central tax and service tax was fixed at 3.084 per cent and 3.172 per cent respectively by the 14<sup>th</sup> FC for the award period 2015-20. The State's share in the net proceeds of central tax was fixed at 3.398 per cent during 2020-21 and 3.478 per cent for the period 2021-23.

Actual devolution *vis-à-vis* Finance Commissions' projections for the period 2010-23 is shown in **Table 2.11**.

**Table 2.11: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections**

(₹ in crore)

Year	Finance Commission projections	Projections in Finance Commission Report	Actual tax devolution	Difference
1	2	3	4	5= 4-3
2010-11	Other than Service tax- 3.041 per cent & Service tax- 3.089 per cent (13 <sup>th</sup> FC)	6,201	6,679	478
2011-12		7,273	7,780	507
2012-13		8,578	8,869	291
2013-14		10,119	9,702	(-)417
2014-15		11,936	10,296	(-)1,640
2015-16	Other than Service tax- 3.084 per cent & Service tax- 3.172 per cent (14 <sup>th</sup> FC)	17,960	15,691	(-)2,269
2016-17		20,728	18,835	(-)1,893
2017-18		23,953	20,782	(-)3,171
2018-19		27,712	23,489	(-)4,223
2019-20		32,100	20,232	(-)11,868
2020-21	3.398 per cent (15 <sup>th</sup> FC for 2020-21)	29,059	20,219	(-)8,840
2021-22	3.478 per cent (15 <sup>th</sup> FC for 2021-26)	22,906	31,106	8,200
2022-23		25,481	33,034	7,553

Source: Respective Finance Commission Reports and Finance Accounts of the State Government for the respective years.

From the above, it may be seen that the actual devolution in 2022-23 was more than projections by ₹ 7,553 crore.

The main components of central tax transfers during 2018-23 are shown in **Table 2.12**.

Table 2.12: Components of central tax transfers

Particulars	(₹ in crore)					Percentage change over previous year
	2018-19	2019-20	2020-21	2021-22	2022-23	
<b>Direct Taxes</b>						
Corporation Tax	8,167.69	6,898.37	6,083.86	9,242.59	11,079.34	19.87
Taxes on income other than Corporation Tax	6,015.16	5,405.35	6,235.13	9,158.49	10,810.28	18.04
Taxes on Wealth	2.99	0.30	0.00	1.90	0.00	(-)100.00
<b>Sub-total</b>	<b>14,185.84</b>	<b>12,304.02</b>	<b>12,318.99</b>	<b>18,402.98</b>	<b>21,889.62</b>	<b>18.95</b>
<b>Indirect Taxes</b>						
Central Goods and Services Tax	5,796.85	5,741.16	6,030.60	8,815.20	9,332.69	5.87
Integrated Goods and Services Tax	462.60	0.00	0.00	0.00	0.00	NA
Customs	1,664.83	1,282.45	1,088.95	2,243.09	1,298.32	(-)42.12
Union Excise	1,106.37	891.64	681.76	1,229.22	407.36	(-)66.86
Service Tax	218.18	0.00	84.49	384.47	51.65	(-)86.57
Others	54.66	12.82	13.74	30.82	54.36	76.33
<b>Sub-total</b>	<b>9,303.49</b>	<b>7,928.07</b>	<b>7,899.54</b>	<b>12,702.80</b>	<b>11,144.38</b>	<b>(-)12.27</b>
<b>Total</b>	<b>23,489.33</b>	<b>20,232.09</b>	<b>20,218.53</b>	<b>31,105.78</b>	<b>33,034.00</b>	<b>6.20</b>
Percentage increase over the previous year	13.03	(-)13.87	(-)0.07	53.85	6.20	
Central tax transfers as percentage of revenue receipts	17.27	14.16	15.78	18.65	16.57	

Source: Finance Accounts of the State Government of respective years.

The central tax transfers at ₹ 33,034 crore in 2022-23 registered an increase of 6.20 per cent over the previous year. Direct taxes increased by 18.95 per cent while Indirect taxes decreased by 12.27 per cent over the previous year. The devolution was more than last year in Corporation Tax; Taxes on income other than Corporation Tax; and Central Goods and Services Tax.

### Grants-in-Aid from GoI

The components of grants-in-aid received from GoI during 2018-23 are shown in Table 2.13.

Table 2.13: Grants-in-Aid from GoI

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Centrally Sponsored Schemes	8,784.58	8,724.64	8,166.58	9,450.08	9,549.86
Finance Commission grants	3,313.36	5,040.24	5,672.50	4,002.42	5,304.63
Other grants (including GST compensation)	6,894.54	11,735.14	13,339.21	10,575.09	8,276.64
<b>Total</b>	<b>18,992.48</b>	<b>25,500.02</b>	<b>27,178.29</b>	<b>24,027.59</b>	<b>23,131.13</b>
Percentage increase over previous year	19.56	34.26	6.58	(-)11.59	(-)3.73
Total grants-in-aid as percentage of revenue receipts	13.96	17.85	21.21	14.40	11.60

Source: Finance Accounts of the State Government of respective years.

The grants-in-aid from GoI increased from ₹ 18,992.48 crore in 2018-19 to ₹ 27,178.29 crore in 2020-21 but decreased thereafter to ₹ 23,131.13 crore in 2022-23.

The grants-in-aid from GoI in 2022-23 decreased by ₹ 896.46 crore (3.73 per cent) over the previous year. The decrease was mainly due to less receipts of grants under Other grants (including GST compensation).

#### ***Grants for Centrally Sponsored Schemes***

Out of the grants of ₹ 9,549.86 crore received for centrally sponsored schemes during 2022-23, the major amounts were given to:

- Samagra Shiksha - ₹ 1,321.25 crore (₹ 893.76 crore in 2021-22)
- Saksham Anganwadi and Poshan 2.0 - ₹ 912.64 crore (₹ 839.86 crore in 2021-22)
- Pradhan Mantri Awas Yojna (PMAY) - ₹ 911.74 crore (₹ 687.29 crore in 2021-22)
- National Health Programme and National Urban Health Mission - ₹ 901.72 crore (Nil in 2021-22)
- Mahatma Gandhi National Rural Guarantee Programme - ₹ 683.57 crore (₹ 455.69 crore in 2021-22)
- Urban Rejuvenation Mission - ₹ 602.73 crore (Nil in 2021-22)

#### ***Single Nodal Agency***

Ministry of Finance, Government of India vide letter No. 1(13)PFMS/FCD/2020 dated 23-03-2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through Single Nodal Agency (SNA). For each CSS, a separate SNA has been set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

The State Government received ₹ 8,664.38 crore being Central share during the year in its Treasury Accounts. As on 31 March 2023, the State Government transferred Central share of ₹ 8,867.71 crore (₹ 203.33 crore pertaining to previous year and ₹ 8,664.38 crore pertaining to 2022-23) received in Treasury Accounts and State share of ₹ 9,048.92 crore to the SNAs. Detailed vouchers and supporting documents of actual expenditure were not received by AG office from the SNAs. As per PFMS SNA-01 Report, ₹ 8,231.79 crore are lying unspent in the bank accounts of SNAs as on 31 March 2023.

#### ***Fifteenth Finance Commission Grants***

The 15<sup>th</sup> FC recommended transfers of funds to the States in respect of four types of grants-in-aid viz., empowering local bodies; disaster risk management; post-devolution revenue deficit and special grants; and grant for health sector. During 2022-23, Government of Gujarat received three types of grants from GoI. Being a revenue surplus State, the State Government was not eligible for

post-devolution revenue deficit and special grants. Against the recommendation ₹ 5,670 crore for the other three grants made by 15<sup>th</sup> FC, the State Government received ₹ 4,375 crore in the year 2022-23.

The details of amounts recommended by the 15<sup>th</sup> FC *vis-à-vis* received during 2022-23 are shown in **Table 2.14**.

**Table 2.14: Details of amounts recommended by the 15<sup>th</sup> FC *vis-à-vis* received by the State Government**

Name of Grant	Recommendation of 15 <sup>th</sup> FC	Actual release by GoI	Release by State Government	Difference between the amount recommended by 15 <sup>th</sup> FC and that released by GoI
	2022-23	2022-23	2022-23	2022-23
<b>Grants for Local Bodies</b>	<b>3,651.00</b>	<b>3,312.50</b>	<b>3,312.50</b>	<b>338.50</b>
<b>Grants to Panchayat, Rural Housing and Rural Development Department</b>	<b>2,446.00</b>	<b>2,446.00</b>	<b>2,446.00</b>	<b>0.00</b>
(a) General Basic (Untied) Grant (PRIs)	978.40	978.40	978.40	0.00
(b) Tied Grants (PRIs)	1,467.60	1,467.60	1,467.60	0.00
<b>Grants to Urban Development and Urban Housing Department</b>	<b>1,205.00</b>	<b>866.50</b>	<b>866.50</b>	<b>338.50</b>
(a) Million plus cities- Air Quality Grant	212.00	159.00	159.00	53.00
(b) Million plus cities- Service Level Benchmark Grant	422.00	422.00	422.00	0.00
(c) Other than Million plus cities- Basic Grant (40%)	228.40	114.20	114.20	114.20
(d) Other than Million plus cities- Tied Grant (60%) 30% for Sanitation Solid Waste Management grant and 30% for Drinking Water (including rainwater harvesting and recycling) grant	342.60	171.30	171.30	171.30
<b>Grants to Revenue Department</b>	<b>1,390.00</b>	<b>695.00</b>	<b>695.00</b>	<b>695.00</b>
(a) State Disaster Relief Fund- Central Share	1,390.00	695.00	695.00	695.00
<b>Grants to Health and Family Welfare Department</b>	<b>629.22</b>	<b>367.32</b>	<b>367.32</b>	<b>261.90</b>

Name of Grant	Recommendation of 15 <sup>th</sup> FC	Actual release by GoI	Release by State Government	Difference between the amount recommended by 15 <sup>th</sup> FC and that released by GoI
	2022-23	2022-23	2022-23	2022-23
(a) Support for diagnostic infrastructure to the primary healthcare facilities-sub centres	67.49	67.49	67.49	0.00
(b) Support for diagnostic infrastructure to the primary healthcare facilities-PHCs	71.88	71.88	71.88	0.00
(c) Financial requirement for establishing block Level Public Health Units	50.31	50.31	50.31	0.00
(d) Grants for Building less Sub- centres, PHCs, CHCs	1.17	0.00	0.00	1.17
(e) Financial requirement for Conversion of Rural PHCs and SCs into Health and Wellness Centre	160.01	160.01	160.01	0.00
(f) Support for diagnostic infrastructure to the primary healthcare facilities-UPHCs	17.63	17.63	17.63	0.00
(g) Grants for Urban Health and Wellness Centres (UHWCs)	260.73	0.00	0.00	260.73
<b>Grand Total</b>	<b>5,670.22</b>	<b>4,374.82</b>	<b>4,374.82</b>	<b>1,295.40</b>

Source: Finance Department of Government of Gujarat.

It may be seen from the table that the State Government had received less grants than recommended by 15<sup>th</sup> FC under State Disaster Relief Fund; Million plus cities- Air Quality Grant; Other than Million plus cities- Basic Grant (40%); Other than Million plus cities- Tied Grant; Grants for Building less Sub- centres, PHCs, CHCs; and Grants for Urban Health and Wellness Centres (UHWCs).

Finance Department stated (September 2023) that less receipt under Million plus cities- Air Quality Grant was due to less marks received by Vadodara Municipal Corporation in air quality criteria. It also stated (December 2023) that balance central share of ₹ 695 crore under SDRF was received in May 2023 and July 2023. Reason for less receipts of other grants was not furnished by Finance Department.

### State Finance Commission

Article 243 I of the Constitution made it mandatory for the State Government to constitute a State Finance Commission (SFC) within one year from the enactment of 73<sup>rd</sup> constitutional Amendment and thereafter on expiry of every five year to review the financial condition of the PRIs and to make recommendations to the Governor for devolution of funds.

Status of constitution of Finance Commissions, recommendations made by them and recommendations accepted and implemented by the Government of Gujarat are shown in **Table 2.15**.

**Table 2.15: Status of constitution of SFCs, recommendations made by them and recommendations accepted and implemented by Government of Gujarat**

Departments	SFC	Year of constitution	Number of recommendations		
			Made by SFC	Accepted by State Government	Implemented by State Government
Panchayat, Rural Housing and Rural Development	First	1994	52	27	27
	Second	2003	41	21	21
	Third	2011	33	22	13
Urban development and Urban Housing	First	1994	64	53	34
	Second	2003	42	20	14
	Third	2011	37	24	Information not furnished to Audit

Source: Information furnished by Panchayat, Rural Housing and Rural Development Department and Urban development and Urban Housing Department of Government of Gujarat.

The Action Taken Report (ATR) on the third SFC recommendations (December 2013) was placed before the State Legislation on 31 March 2021. The Fourth, Fifth and Sixth State Finance Commissions due to be constituted in 2009-10, 2014-15 and 2019-20 respectively, are yet to be constituted by the State Government as of January 2024.

### 2.3.3 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. The net public debt receipts after discharging public debt plus other capital receipts are the net capital receipts.

The following table shows the trends in growth and composition of net capital receipts.

**Table 2.16: Trends in growth and composition of net capital receipts**

Sources of State's capital receipts	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Capital receipts	43,362	43,927	68,981	47,123	52,587
Public debt receipts	43,146	43,491	58,857	46,968	52,333

Sources of State's capital receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Public debt repayment	15,432	16,702	17,922	24,436	22,159
<b>Net Public Debt Receipts</b>	<b>27,714</b>	<b>26,789</b>	<b>40,935</b>	<b>22,532</b>	<b>30,174</b>
Miscellaneous capital receipts	65	106	9,968	0	0
Recovery of loans and advances	151	330	155	155	254
<b>Non-debt capital receipts</b>	<b>216</b>	<b>436</b>	<b>10,124</b>	<b>155</b>	<b>254</b>
<b>Net capital receipts</b>	<b>27,930</b>	<b>27,225</b>	<b>51,059</b>	<b>22,687</b>	<b>30,428</b>
Net increase in internal debt	26,231	26,786	30,369	9,775	25,472
Growth rate of Net internal debt (per cent)	89.09	2.12	13.38	(-)67.81	160.58
Net increase in loans and advances from GoI	1,483	3	10,566	12,757	4,702
Growth rate (per cent)	(-)339.58	(-)99.80	- <sup>4</sup>	20.74	(-) 63.14
Rate of growth of debt capital receipts (per cent)	109.11	(-)3.34	52.81	(-)44.96	33.92
Rate of growth of non-debt capital receipts (per cent)	(-)37.57	101.85	- <sup>4</sup>	(-)98.47	63.87
Rate of growth of GSDP (per cent)	12.27	8.38	1.21	19.60	15.54
Rate of growth of net capital receipts (per cent)	105.38	(-)2.52	87.54	(-)55.57	34.12

Source: Finance Accounts of the State Government for the respective years.

The capital receipts in 2022-23 increased by ₹ 5,464 crore (11.60 per cent) over the previous year. The Public debt receipts was increased by ₹ 5,365 crore (11.42 per cent) over the previous year mainly due to more receipts of market loans. The Public debt repayments was decreased by ₹ 2,277 crore (9.32 per cent) over the previous year.

### 2.3.4 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax revenue during 2022-23.

Table 2.17: Tax and non-tax receipts vis-à-vis projections for 2022-23

	Budget estimates	15thFC projections	Actual	Percentage variation of actual over	
				Budget estimates	15 <sup>th</sup> FC projections
Own Tax revenue	1,19,883	90,122	1,24,809	4.11	38.49
Non-tax revenue	17,762	16,232	18,434	3.78	13.57

Source: Finance Accounts of the State Government for 2022-23, 15<sup>th</sup> FC Report for 2021-26 and Budget Publication No.1 of the Government of Gujarat for the year 2022-23.

<sup>4</sup> Due to abnormal increase (variation) in Miscellaneous capital receipts and Net loans and advances from GoI as compared to previous year, the growth rate in percentage terms has not been shown here.

As can be seen, the State Government has achieved the targets for both own tax revenue as well as non-tax revenue set in the budget estimates and 15<sup>th</sup> FC.

## 2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector.

### 2.4.1 Growth and composition of expenditure

**Revenue expenditure:** Charges on maintenance, repair, upkeep and working expenses which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

**Capital expenditure:** All charges for the first construction of a project as well as charges for intermediate maintenance of the work while it was not opened for service and charges for such further additions and improvements as may be sanctioned under the rules made by the competent authority shall be classified as capital expenditure.

**Loans and advances:** Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

The total expenditure, its composition and relative share in GSDP during the last five years (2018-23) is presented in **Table 2.18**.

**Table 2.18: Total expenditure and its composition**

Parameters	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE)	1,62,583	1,67,861	1,78,718	1,89,677	2,16,508
Revenue expenditure (RE)	1,32,790	1,40,899	1,50,704	1,60,421	1,79,543
Capital expenditure (CE)	28,062	25,650	26,781	28,185	35,499
Loans and advances	1,731	1,312	1,233	1,071	1,466
<b>As a percentage of GSDP</b>					
TE/GSDP	10.90	10.38	10.92	9.69	9.57
RE/GSDP	8.90	8.71	9.21	8.19	7.94
CE/GSDP	1.88	1.59	1.64	1.44	1.57
Loans and advances/GSDP	0.12	0.08	0.08	0.05	0.06

Source: Finance Accounts of the State Government of respective years.

**Table 2.18** shows that total expenditure of the State increased by 33.17 *per cent* from ₹ 1,62,583 crore in 2018-19 to ₹ 2,16,508 crore in 2022-23. During the year 2022-23, it increased by 14.15 *per cent* over the previous year. As percentage of GSDP, total expenditure remained the lowest at 9.57 *per cent* in 2022-23 during the five-year period (2018-23). Revenue expenditure as

percentage of GSDP decreased from 8.90 *per cent* in 2018-19 to 7.94 *per cent* in 2022-23.

**Chart 2.8** depicts the trend in the share of the components of total expenditure.

**Chart 2.8: Trend in share of components of total expenditure**



Source: Finance Accounts of the State Government of respective years.

The above charts indicate that revenue expenditure was a major component of total expenditure during 2018-23. Revenue expenditure constituted 82.93 *per cent* of the total expenditure in 2022-23. Share of capital expenditure in total expenditure was increased from 14.86 *per cent* in 2021-22 to 16.40 *per cent* in 2022-23.

Trends in total expenditure in terms of activities namely, general services, social services, economic services, grants-in-aid and loans and advances during 2018-23 are as shown in **Table 2.19**.

**Table 2.19: Trends in total expenditure in terms of activities**

Activities	(Share in <i>per cent</i> )				
	2018-19	2019-20	2020-21	2021-22	2022-23
General services	29.79	29.71	29.41	30.04	28.68
Social services	37.51	38.94	37.97	40.40	40.61
Economic services	31.41	30.32	31.71	28.78	29.81
Loans and advances	1.06	0.78	0.69	0.56	0.68
Grants-in-aid and contributions to local bodies & PRIs	0.23	0.25	0.22	0.22	0.22

Source: Finance Accounts of the State Government of respective years.

The movement of the relative share of general, social and economic services exhibited stability during 2018-23, with marginal inter-year variations. As compared to 2018-19, the share of social services increased by 3.10 *per cent* while during the same period the share of economic services decreased by 1.60 *per cent*.

#### 2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payments for past obligations. As such, it does not result in any addition to State's infrastructure and service network.

The overall revenue expenditure, its rate of growth, its ratio to total expenditure and buoyancy *vis-à-vis* GSDP and revenue receipts during 2018-23 are as indicated in **Table 2.20**.

**Table 2.20: Trends of revenue expenditure**

	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE) (₹ in crore)	1,62,583	1,67,861	1,78,718	1,89,677	2,16,508
Revenue expenditure (RE) (₹ in crore)	1,32,790	1,40,899	1,50,704	1,60,421	1,79,543
Growth of RE over previous year ( <i>per cent</i> )	12.48	6.11	6.96	6.45	11.92
RE/TE ( <i>per cent</i> )	81.68	83.94	84.33	84.58	82.93
RE/GSDP ( <i>per cent</i> )	8.90	8.71	9.21	8.19	7.94
RE/RR ( <i>per cent</i> )	97.64	98.64	117.59	96.16	90.04
<b>Buoyancy of revenue expenditure with</b>					
GSDP	1.02	0.73	5.75	0.33	0.77
Revenue receipts	1.21	1.21	-*	0.21	0.61

Source: Finance Accounts of State Government of respective years.

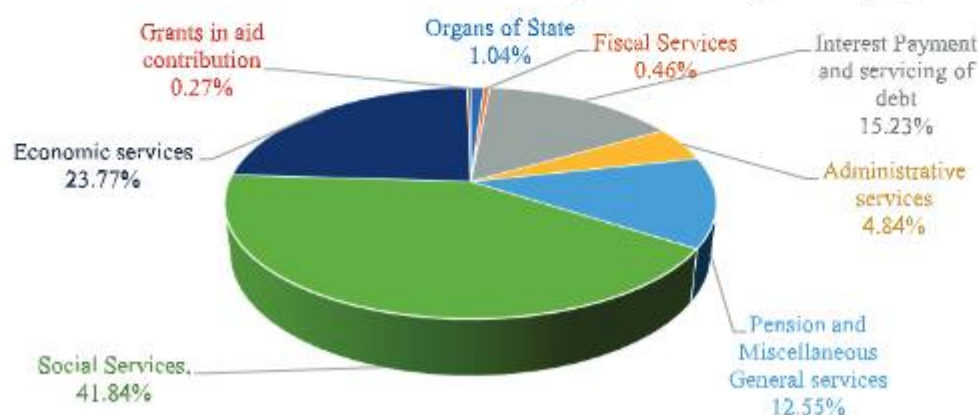
\* Revenue receipts growth in 2020-21 being negative, buoyancy cannot be calculated.

Revenue expenditure increased continuously from ₹ 1,32,790 crore in 2018-19 to ₹ 1,79,543 crore in 2022-23, with an increase of ₹ 19,122 crore (11.92 *per cent*) during 2022-23 over the previous year. The increase in revenue expenditure in 2022-23 over the previous year was mainly due to more expenditure on General Education by ₹ 4,574 crore; Other Rural Development Programmes by ₹ 2,563 crore; Pensions and Other Retirement Benefits by ₹ 2,275 crore; Urban Development by ₹ 2,090 crore; Power by ₹ 1,697 crore and Road Transport by ₹ 1,072 crore.

In the year 2022-23, revenue expenditure as a percentage of GSDP was 7.94 *per cent* and as percentage of revenue receipts was at 90.04 *per cent* which were the lowest during the period 2018-23.

The sector-wise distribution of revenue expenditure during 2022-23 is shown in **Chart 2.9**.

**Chart 2.9: Sector-wise distribution of revenue expenditure during 2022-23 (in *per cent*)**



Source: Finance Accounts of State Government for 2022-23.

### 2.4.2.1 Major changes in revenue expenditure

Table 2.21 details the significant variations under various Heads of Account regarding revenue expenditure of the State during the current year and the previous year.

Table 2.21: Variations in revenue expenditure during 2022-23 compared to 2021-22

(₹ in crore)

Major Heads of Account	2021-22	2022-23	Variation	
			Amount	Per cent
2202- General Education	26,082.23	30,656.04	4,573.81	17.54
2515- Other Rural Development Programmes	2,502.49	5,065.16	2,562.67	102.40
2071- Pensions and Other Retirement Benefits	20,160.26	22,435.20	2,274.94	11.28
2217- Urban Development	9,961.18	12,051.04	2,089.86	20.98
2801- Power	10,331.44	12,028.55	1,697.11	16.43
3055- Road Transport	601.19	1,673.25	1,072.06	178.32
2235- Social Security and Welfare	3,279.50	4,237.92	958.42	29.22
2225- Welfare of Schedule Castes, Schedule Tribes, Other Backward Classes and Minorities	4,055.81	4,917.18	861.37	21.24
2055- Police	5,143.99	5,893.43	749.44	14.57
3456- Civil Supplies	1,058.96	1,789.78	730.82	69.01
2505- Rural Employment	697.64	1,340.81	643.17	92.19
2425- Co-operation	1,307.26	1,870.75	563.49	43.10
2236- Nutrition	3,265.30	3,793.19	527.89	16.17
2048- Appropriation for reduction or avoidance of Debt	1,500.00	2,000.00	500.00	33.33
2245- Relief on account of Natural Calamities	2,843.09	1,553.53	(-) 1,289.56	(-) 45.36
2210- Medical and Public Health	10,324.56	8,501.49	(-) 1,823.07	(-) 17.66

Source: Finance Accounts of the State Government of respective years.

The table indicates that revenue expenditure under General Education; Other Rural Development Programmes; Pensions and other retirement benefits; and Urban Development increased during the year, primarily due to the increase in expenditure on teachers and other services; expenditure on Community Development; Superannuation and Retirement Allowances; and Assistance to Municipal Corporations and Municipalities/Municipal Councils respectively. Medical and Public Health; and Relief on account of Natural Calamities recorded a decrease in revenue expenditure during 2022-23 compared to the previous year due to decrease in expenditure on Prevention and Control of Diseases; and less Transfer to Reserve Funds / Deposit Accounts - State Disaster Response Fund respectively.

### 2.4.2.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments; expenditure on salaries and wages; and pensions. It has first charge on Government resources. Higher committed expenditure leaves the Government with lesser flexibility for development sector.

Apart from above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as capital expenditure *etc.* For example, the following items may be considered as inflexible expenditure:

- i. Devolution to local bodies: statutory devolutions to local bodies for pay and allowances (devolution / transfer for capital expenditure).
- ii. Statutory requirements of contribution to Reserve Funds-Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation / Response Fund (SDMF/SDRF), *etc.*
- iii. Recoupment of Contingency Fund – Amount recouped within the year.
- iv. Transfer of cess to reserve fund / other body, which are statutorily required.
- v. Share contribution of CSS against the Central Fund received – Amount of State share to be transferred to SNAs / spent by the State.
- vi. Payment of interest on the balances of the interest-bearing fund as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment.

**Table 2.22** presents the trend of committed expenditure and its components during 2022-23.

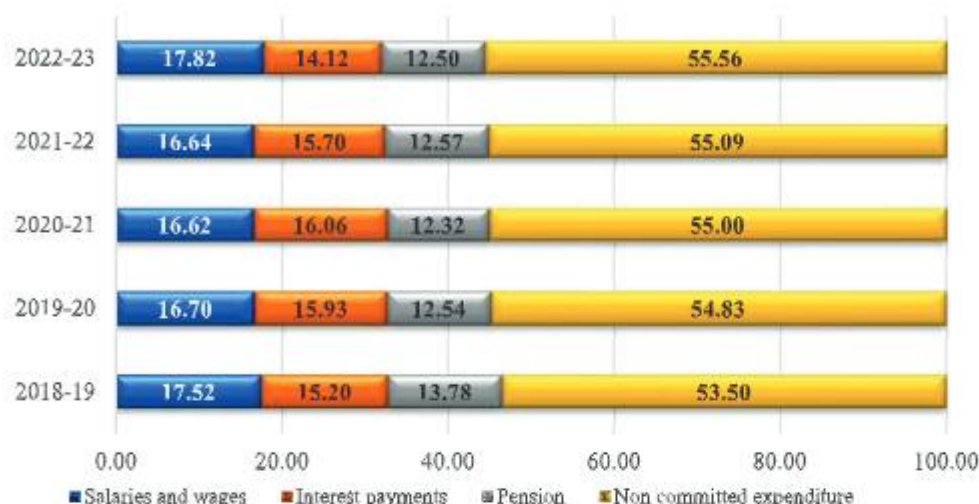
Table 2.22: Trend of committed and inflexible expenditure and its components

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Components of Committed Expenditure</b>					
Salaries and wages <sup>5</sup>	23,269	23,536	25,046	26,694	31,995
Interest payments	20,183	22,449	24,203	25,188	25,354
Pension	18,295	17,663	18,570	20,160	22,435
<b>Total committed expenditure</b>	<b>61,747</b>	<b>63,648</b>	<b>67,819</b>	<b>72,042</b>	<b>79,784</b>
<b>Components of Inflexible Expenditure</b>					
Statutory devolution to local bodies (Central Share)	3,045	3,990	4,157	2,334	4,003
Statutory devolution to local bodies(State Share)	0	0	0	0	0
Contribution to Reserve Funds	518	1,264	1,765	3,912	3,521
Recoupment of Contingency Fund	59	55	39	62	115
Transfer of cess to reserve fund / other body	235	165	116	210	206
Share contribution of CSS against the Central Fund received (Central Share)	11,121	14,276	15,471	15,579	14,081
Share contribution of CSS against the Central Fund received (State Share)	5,439	6,274	7,200	7,563	6,045
Payment of interest on the balances of the interest-bearing fund as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment	181	115	138	45	68
<b>Total Inflexible Expenditure</b>	<b>20,598</b>	<b>26,139</b>	<b>28,886</b>	<b>29,705</b>	<b>28,039</b>
<b>Committed Expenditure as a percentage of Revenue Receipts (RR)</b>					
<b>Revenue Receipts</b>	<b>1,36,002</b>	<b>1,42,844</b>	<b>1,28,156</b>	<b>1,66,830</b>	<b>1,99,408</b>
Salaries and wages	17.11	16.48	19.54	16.00	16.04
Interest payments	14.84	15.72	18.89	15.10	12.71
Pension	13.45	12.37	14.49	12.08	11.25
<b>Total Committed Expenditure as a percentage of RR</b>	<b>45.40</b>	<b>44.56</b>	<b>52.92</b>	<b>43.18</b>	<b>40.01</b>
<b>Total Inflexible Expenditure as a percentage of RR</b>	<b>15.15</b>	<b>18.30</b>	<b>22.54</b>	<b>17.81</b>	<b>14.06</b>
<b>Committed Expenditure as a percentage of Revenue Expenditure (RE)</b>					
<b>Revenue Expenditure</b>	<b>1,32,790</b>	<b>1,40,899</b>	<b>1,50,704</b>	<b>1,60,421</b>	<b>1,79,543</b>
Salaries and wages	17.52	16.70	16.62	16.64	17.82
Interest payments	15.20	15.93	16.06	15.70	14.12
Pension	13.78	12.54	12.32	12.57	12.50
<b>Total Committed Expenditure as a percentage of RE</b>	<b>46.50</b>	<b>45.17</b>	<b>45.00</b>	<b>44.91</b>	<b>44.44</b>
<b>Total Inflexible Expenditure as a percentage of RE</b>	<b>15.51</b>	<b>18.55</b>	<b>19.17</b>	<b>18.52</b>	<b>15.62</b>
<b>Non-committed RE</b>	<b>71,043</b>	<b>77,251</b>	<b>82,885</b>	<b>88,379</b>	<b>99,759</b>
<i>Percentage of RE</i>	53.50	54.83	55.00	55.09	55.56
<i>Percentage of TE</i>	43.70	46.02	46.38	46.59	46.08
<b>Subsidies</b>	<b>17,269</b>	<b>18,420</b>	<b>22,141</b>	<b>22,335</b>	<b>25,749</b>
Subsidies as <i>percentage</i> of non-committed expenditure	24.31	23.84	26.71	25.27	25.81

Source: Finance Accounts of the State Government of respective years.

<sup>5</sup> It includes Grants-in-aid to Panchayats for pay and allowances.

Chart 2.10: Share of committed expenditure in total revenue expenditure (in per cent)



Source: Finance Accounts of the State Government of respective years.

As percentage of revenue expenditure, committed expenditure remained around 44 to 46 per cent during 2018-23. As percentage of revenue receipts, committed expenditure decreased from 43.18 per cent in 2021-22 to 40.01 per cent in 2022-23. The State Government had been able to continuously reduce its committed expenditure as a percentage of revenue expenditure.

The components of committed expenditure are discussed in the succeeding paragraphs.

### Salaries and wages

Expenditure on salaries and wages, which includes Grants-in-aid to Panchayats for pay and allowances, increased by ₹ 8,726 crore (37.50 per cent) from ₹ 23,269 crore in 2018-19 to ₹ 31,995 crore in 2022-23. It accounted for 16.04 per cent of revenue receipts and 17.82 per cent of revenue expenditure during 2022-23.

### Interest payments

Interest payments increased by ₹ 5,171 crore (25.62 per cent) from ₹ 20,183 crore in 2018-19 to ₹ 25,354 crore in 2022-23. During 2022-23, interest payments on market loans stood at 77.74 per cent of the total interest payments while interest payments on special securities issued to National Small Savings Fund accounted for 10.82 per cent of the total interest payments. As a percentage of the revenue receipts, expenditure on interest payments decreased from 15.10 per cent in 2021-22 to 12.71 per cent in 2022-23. Also, the share of interest payment in revenue expenditure decreased from 15.70 per cent in 2021 - 22 to 14.12 per cent in 2022-23.

***Pension payments***

There were 5.04 lakh pensioners<sup>6</sup> in Gujarat State (March 2022). Expenditure on pension continuously increased during 2018-23 except in 2019-20.

In its disclosures made under Gujarat Fiscal Responsibility Act, 2005, the State Government estimated (March 2022) the pension payments as percentage of revenue receipts at 11.03 *per cent* for 2022-23. However, it stood marginally higher at 11.25 *per cent* during the year. The pension payments as percentage of revenue expenditure accounted for 12.50 *per cent* of revenue expenditure during 2022-23.

***Inflexible expenditure***

The component of inflexible expenditure of statutory devolution to local bodies showed a continued increase during the period 2018-19 to 2021-22. The inflexible expenditure decreased by ₹ 1,666 crore (5.61 *per cent*) during 2022-23 over previous year. As a percentage of revenue receipts, the inflexible expenditure decreased from 17.81 *per cent* to 14.06 *per cent* during 2022-23 over previous year. As a percentage of revenue expenditure, the inflexible expenditure decreased from 18.52 *per cent* to 15.62 *per cent* during 2022-23 over previous year.

**2.4.2.3 Undischarged liabilities under National Pension System**

The State Government introduced the 'Defined Contribution Pension Scheme (National Pension System)' with effect from 01 April 2005. As per the guidelines of the Scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance every month which is matched by the State Government and the entire amount is transferred to the designated fund manager through National Securities Depository Limited (NSDL)/Trustee Bank. The scheme was modified by the State Government with effect from 1 November 2022, wherein, the State Government contributed matching share of 10, 12 or 14 *per cent* based on the option to contribute 10, 12 or 14 *per cent* share as exercised by the employee. This was further modified with effect from 01 March 2024, where employees contribute 10 *per cent* and State Government contributes 14 *per cent*. The State Government signed (January 2009) agreements with the NPS trust for fund management of the Scheme and adopted (May 2009) the Central framework for implementation of the Scheme.

The employees' contribution and the State share is credited to the Public Account<sup>7</sup> and then transferred to the NSDL. During the year 2022-23, the State Government collected ₹ 1,358.92 crore from the employees as contribution towards NPS and contributed ₹ 1,377.18 crore as its share towards the Scheme. Further, against the total collected funds of ₹ 2,785.11 crore (including previous years' balance of ₹ 49.01 crore), the State Government transferred

<sup>6</sup> As per Fiscal Policy Strategy Statement under Gujarat Fiscal Responsibility Act, 2005 for 2022-23 (March 2022), there were 5.04 lakh pensioners in the State. These are pensioners of Gujarat Government and aided institutions and do not include Social Security Pensioners.

<sup>7</sup> Major Head 8342-117 (Other Deposits- Defined Contribution Pension Scheme for Government Employees)

₹ 2,754.39 crore to NSDL, leaving a balance of ₹ 30.72 crore. The balance of ₹ 27.56 crore was transferred to NSDL in April and June 2023. Amount of ₹ 3.16 crore was under reconciliation. During 2022-23, the Government also paid an interest of ₹ 71.81 lakh to the fund manager for late/delayed transfer of funds.

#### 2.4.2.4 Expenditure on subsidies

The details of subsidies during the five-year period 2018-23 are given in **Table 2.23**.

**Table 2.23: Expenditure trend of subsidies**

Components of committed expenditure	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies	17,269	18,420	22,141	22,335	25,749
Total revenue receipts	1,36,002	1,42,844	1,28,156	1,66,830	1,99,408
Subsidies as a percentage of revenue receipts	12.70	12.90	17.28	13.39	12.91
Total revenue expenditure	1,32,790	1,40,899	1,50,704	1,60,421	1,79,543
Subsidies as a percentage of revenue expenditure	13.00	13.07	14.69	13.92	14.34

Source: Finance Accounts of the State Government of respective years.

Revenue Expenditure on subsidies increased by 15.29 per cent from ₹ 22,335 crore in 2021-22 to ₹ 25,749 crore in 2022-23. The major beneficiary Departments of subsidies during 2022-23 were: Energy and Petrochemicals; Industries and Mines; Agriculture, Farmer's Welfare and Co-operation; Social Justice and Empowerment; Ports and Transport; and Food, Civil Supplies and Consumer Affairs.

Energy and Petrochemicals Department received a subsidy of ₹ 12,104 crore during 2022-23 (47 per cent of total expenditure on subsidy) of which, a major portion of ₹ 7,865 crore was on account of fuel price and power purchase adjustment charges, ₹ 2,005 crore for compensation in GERC agriculture tariff and ₹ 1,100 crore for horsepower based tariff to agriculturists.

In Industries and Mines Department, of the total subsidy of ₹ 4,094 crore received during 2022-23 (16 per cent of total expenditure on subsidy), ₹ 1,444 crore was for development of textile industry and ₹ 1,235 crore was given as assistance to industries.

Of ₹ 2,345 crore (9 per cent of total expenditure on subsidy) received as subsidy by Agriculture, Farmer's Welfare and Co-operation Department during 2022-23, ₹ 1,612 crore was given as financial assistance to farmers for subvention of interest.

The Gujarat State Road Transport Corporation was also given a subsidy of ₹ 1,671 crore in 2022-23 to compensate for operations in uneconomic routes, student concessions etc.

### 2.4.2.5 Financial assistance by the State Government to local bodies and other institutions

Financial assistance is provided by the State Government to local bodies and other institutions by way of grants-in-aid to meet expenses on pay and allowances, other miscellaneous expenses and creation of capital assets. The details of financial assistance given to Local bodies and other institutions during 2018-23 are given in **Table 2.24**.

**Table 2.24: Trend of financial assistance to local bodies, NGOs and Others**

(₹ in crore)					
Financial assistance to institutions	2018-19	2019-20	2020-21	2021-22	2022-23
Panchayati raj institutions	19,645	22,034	24,323	24,388	33,655
Urban local bodies	8,747	9,345	8,719	11,652	14,640
Public sector undertakings	79	84	95	119	189
Autonomous bodies	6,388	6,259	6,211	6,532	4,477
Non-Governmental organisations	1,096	1,197	1,597	2,352	1,515
Others	23,656	25,343	23,692	24,765	26,277
<b>Total</b>	<b>59,611</b>	<b>64,262</b>	<b>64,637</b>	<b>69,808</b>	<b>80,753</b>
GIA for Salary	11,821	12,235	13,151	14,482	17,917
GIA for creation of Capital Assets	2,205	2,707	1,208	2,078	9,400
GIA for non-salary	45,585	49,320	50,278	53,248	53,436
GIA given in Kind	0	0	0	*	*
<b>Revenue Expenditure</b>	<b>1,32,790</b>	<b>1,40,899</b>	<b>1,50,704</b>	<b>1,60,421</b>	<b>1,79,543</b>
Assistance as percentage of revenue expenditure	44.89	45.61	42.89	43.52	44.98

Source: Finance Accounts of the State Government of respective years.

\*Information is awaited from State Government.

As can be seen from table above, financial assistance to local bodies and other institutions has continuously increased over the five-year period from ₹ 59,611 crore in 2018-19 to ₹ 80,753 crore in 2022-23.

The State Government received ₹ 3,627 crore and ₹ 351 crore as Finance Commission grants from Central Government during 2022-23 for onward transmission to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), respectively. The State Government released ₹ 3,626.73 crore to PRIs and ₹ 376.71 crore to ULBs. In addition, the PRIs also received ₹ 3,440.36 crore and ULBs received ₹ 1,263.03 crore as other Central assistance. Further, during 2022-23, the State Government also provided financial assistance of ₹ 26,587.28 crore to PRIs and ₹ 13,000.47 crore to ULBs from State Fund expenditure by way of Grants-in-aid.

Financial assistance given for Salary and for non-salary purpose has continuously increased over the five-year period. Moreover, share of financial assistance on salary, creation of capital assets, and for non-salary purpose during 2022-23 was 22.19 per cent, 11.64 per cent and 66.17 per cent respectively, with respect to the total financial assistance to local bodies and other institutions.

During 2022-23, major recipients of financial assistance were

- Superannuation and Retirement Allowance to Gram Panchayats for Primary Panchayats Teachers (₹ 6,401.86 crore)
- Provision of Educational facilities- Maintenance Grant to Panchayat Samities (₹ 3,769.35 crore)
- Grant-in-aid to Municipal Corporations under Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (₹ 3,168.79 crore)
- Incentive Grant to Municipal Corporation for Development Work (₹ 2,572.65 crore)
- Grants for Higher Secondary Schools to Panchayat Samities (₹ 1,488.79 crore)
- Facilities of Education for additional Students in Colleges to Universities (₹ 1,305.38 crore)
- Gratuities to Primary Panchayats Teachers to Gram Panchayats (₹ 1,274.00 crore)
- Payment of Central Assistance for Strengthening of Panchayati Raj Institutions on the recommendations of 15th Central Finance Commission (tied grant) (₹ 1,268.73 crore)
- Grant-in-aid to Municipalities under Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (₹ 1,225.81 crore)
- Payment of Central Assistance for Strengthening of Panchayati Raj Institutions on the recommendations of 15th Central Finance Commission (tied grant) to Zilla Parishads (₹ 1,092.78 crore)

Further, grantee institutions under 'Others' category received substantial financial assistance from the State Government (about 36 *per cent*) during the last five years (2018-23). However, recording of grantee institutions *en masse* under 'Others' category together with absence of details of assets created with the concerned grant-releasing Departments of the State Government was a matter of concern, as it rendered such transactions opaque. In this regard, observations of Audit may kindly be referred to in **paragraph 4.4.1 (Chapter IV)**.

### 2.4.3 Capital Expenditure

Capital expenditure is the money spent on the acquisition of assets like land, buildings, machinery, equipment, as well as investment in shares. The overall capital expenditure, its growth over previous year and its percentage to GSDP during the last five years (2018-23) are indicated in **Table 2.25**.

**Table 2.25: Trend of Capital Expenditure during 2018-23**

	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE) (₹ in crore)	1,62,583	1,67,861	1,78,718	1,89,677	2,16,508
<b>Capital Expenditure (CE) (₹ in crore)</b>	<b>28,062</b>	<b>25,650</b>	<b>26,781</b>	<b>28,185</b>	<b>35,499</b>
Growth of CE over previous year ( <i>per cent</i> )	6.65	(-)8.60	4.41	5.24	25.95
CE/TE ( <i>per cent</i> )	17.26	15.28	14.99	14.86	16.40
CE/GSDP ( <i>per cent</i> )	1.88	1.59	1.64	1.44	1.57

Source: Finance Accounts of the State Government of respective years.

Capital expenditure increased from ₹ 28,062 crore in 2018-19 to ₹ 35,499 crore in 2022-23. Of the total capital expenditure of ₹ 35,499 crore incurred in 2022-23, expenditure of ₹ 5,982 crore (16.85 per cent) was incurred on irrigation projects (major, medium and minor) followed by ₹ 5,969 crore (16.81 per cent) on roads and bridges; ₹ 5,555 crore (15.65 per cent) on Water Supply and Sanitation; ₹ 3,266 crore (9.20 per cent) on Education Sports Art and Culture, and ₹ 3,147 crore (8.87 per cent) on power projects.

Increase in capital expenditure by ₹ 7,314 crore during 2022-23 over the previous year was mainly on account of increase in capital outlay on Education, Sports, Art and Culture by ₹ 2,660 crore; Petrochemical Industries by ₹ 2,100 crore; Water Supply and Sanitation by ₹ 988 crore; Medical and Public Health by ₹ 742 crore; Medium Irrigation by ₹ 700 crore; and Roads and Bridges by ₹ 640 crore which was offset by decrease in capital outlay on Tourism by ₹ 685 crore; and Major Irrigation by ₹ 441 crore.

Actual capital expenditure was 99 per cent of the budgetary allocation for capital expenditure in the year 2022-23. Secretary (Economic Affairs) stated (February 2024) in the exit meeting that the Government had made efforts to increase capital expenditure in 2022-23. The trend of actual capital expenditure vis-à-vis budgetary allocation during 2018-23 are given in **Chart 2.11**.

**Chart 2.11: Trend of Capital Expenditure vis-à-vis budgetary allocation during 2018-23**



Source: Finance Accounts of the State Government of respective years and Budget Publication No.1 of the Government of Gujarat for the year 2022-23.

### 2.4.3.1 Major changes in Capital Expenditure

**Table 2.26** highlights significant variations under various Heads of Account regarding capital expenditure of the State during 2021-22 and 2022-23.

**Table 2.26: Capital Expenditure during 2022-23 compared to 2021-22**

Major Heads of Accounts	(₹ in crore)			
	2021-22	2022-23	Variation	Variation (percentage)
4202- Capital Outlay on Education Sports Art and Culture	606.33	3,266.33	2,660.00	438.70
4856- Capital Outlay on Petrochemical Industries	0.00	2,100.00	2,100.00	NA

Major Heads of Accounts	2021-22	2022-23	Variation	Variation (percentage)
4215- Capital Outlay on Water Supply and Sanitation	4,567.11	5,555.38	988.27	21.64
4210- Capital Outlay on Medical and Public Health	1,137.40	1,879.78	742.38	65.27
4701- Capital Outlay on Medium Irrigation	1,480.15	2,180.17	700.02	47.29
5054- Capital Outlay on Roads and Bridges	5,328.50	5,968.71	640.21	12.01
4702- Capital Outlay on Minor Irrigation	1,489.22	1,896.19	406.97	27.33
5051- Capital Outlay on Ports and Light Houses	34.40	279.84	245.44	713.49
4216- Capital Outlay on Housing	701.39	897.80	196.41	28.00
4055- Capital Outlay on Police	345.39	528.02	182.63	52.88
4250- Capital Outlay on other Social Services	228.39	397.20	168.81	73.91
4711- Capital Outlay on Flood Control Projects	86.20	246.88	160.68	186.40
4801- Capital Outlay on Power Projects	3,391.76	3,146.72	(-)245.04	(-)7.22
4211- Capital Outlay on Family Welfare	298.17	42.05	(-)256.12	(-)85.90
5055- Capital Outlay on Road Transport	413.37	109.76	(-)303.61	(-)73.45
4700- Capital Outlay on Major Irrigation	2,346.71	1,905.30	(-)441.41	(-)18.81
5452- Capital Outlay on Tourism	1,519.21	834.48	(-)684.73	(-)45.07

Source: Finance Accounts of the State Government of respective years.

#### 2.4.3.2 Quality of Capital Expenditure

The chances of realizing return on investment become remote, if the State Government continues to make investments in loss-making Government Companies whose net worth are completely eroded. Similarly, experience has shown the inevitability of writing-off the loans given to loss-making Corporations and other bodies such as sugar mills, financial corporations *etc.* Requisite steps need to be taken to maintain transparency in such financial operations.

This section presents an analysis of investments and other capital expenditure undertaken by the State Government during the current year.

#### *Quality of investments in the companies, corporations and other bodies*

Statement No. 19 of Annual Finance Accounts of the State Government contains the details of investments made by the State Government in statutory corporations, Government companies, rural banks, joint stock companies, co-operative institutions and local bodies. As of 31 March 2023, the State Government had invested ₹ 1,25,088 crore in these companies/corporations/institutions (**Table 2.27**).

Table 2.27: Trend of returns on investments

(₹ in crore)					
Details of Investments>Returns	2018-19	2019-20	2020-21	2021-22	2022-23
Statutory Corporations	3,488	3,752	4,221	4,638	4,751
Rural Banks	14	14	14	14	14
Government Companies	88,865	95,702	1,02,832	1,11,360	1,19,850
Municipalities Port Trusts	00	00	00	00	00
Co-operative institutions and Local Bodies	404	418	418	420	420
Other Joint Stock Companies and Partnerships	33	33	33	53	53
<b>Investments at the end of the year</b>	<b>92,804</b>	<b>99,919</b>	<b>1,07,518</b>	<b>1,16,485</b>	<b>1,25,088</b>
Returns/Dividend earned (₹ in crore)	120.03	88.99	131.04	134.25	97.43
Return on Investment ( <i>per cent</i> )	0.13	0.09	0.12	0.12	0.08
Average rate of interest <sup>8</sup> on Government borrowings ( <i>per cent</i> )	7.44	7.47	7.29	7.12	6.77
Difference between average interest rate on Government borrowings and rate of return ( <i>per cent</i> )	7.31	7.38	7.17	7.00	6.69
Difference between cost of Government Borrowings and return on investment <sup>9</sup>	6,784	7,374	7,709	8,154	8,368

Source: Finance Accounts of the State Government of respective years.

**Table 2.27** shows that the State Government's investments increased by ₹ 32,284 crore during 2018-23. During 2022-23, the State Government made an additional investment of ₹ 8,603 crore over the previous year which included ₹ 8,490 crore in Government Companies and ₹ 113 crore in Statutory Corporations. Of the ₹ 8,490 crore invested in Government Companies during 2022-23, ₹ 3,459 crore (41 *per cent*) was invested in Gujarat Urja Vikas Nigam Limited, ₹ 2,000 crore (24 *per cent*) was invested in Gujarat State Petroleum Corporation Limited and ₹ 1,827 crore (22 *per cent*) in Sardar Sarovar Narmada Nigam Limited.

The **Table 2.27** also shows that the average return<sup>10</sup> on investments in these companies/corporations/institutions was 0.08 *per cent* during 2022-23 while the Government paid an average interest of 6.77 *per cent* on its borrowings during the same period.

Investments during the year in loss-making companies is given in **Table 2.28**.

<sup>8</sup> Average rate of interest on Government borrowings = {Interest payment/[(Amount of previous year's Total Outstanding Liabilities + Current year's Total Outstanding Liabilities)/2]} × 100

<sup>9</sup> Difference between cost of Government Borrowings and return on investment = (Investment at the end of the year × Difference between average interest rate on Government borrowings and rate of return) ÷ 100

<sup>10</sup> It is dividend earned on investments made by the State Government in statutory corporations, Government companies, rural banks, joint stock companies, co-operative institutions and local bodies.

**Table 2.28: Investments made in loss-making companies**

(₹ in crore)

Sr. No.	Company/ Corporation	Loss during the year #	Accumulated Loss up to the year #	Investment made during the year 2022-23 *	Cumulative investment as on 31 March 2023 *
1.	Sardar Sarovar Narmada Nigam Limited (SSNNL)	1,156.86 (2021-22)	7,898.28 (2021-22)	1,827.49	69,675.88
2.	GSPC LNG Limited	214.92 (2022-23)	599.23 (2022-23)	100.00	537.50

Source: # Information furnished by SPSUs.

\* Information from Finance Accounts of the State Government for the year 2022-23.

The additional investment of ₹ 8,603.60 crore made by the State Government during 2022-23 accounted for 24.24 per cent of the total capital expenditure (₹ 35,498.82 crore). This additional investment of ₹ 8,603.60 crore included an investment of ₹ 1,827.49 crore in SSNNL which had been booking losses since 2015-16 and ₹ 100 crore in GSPC LNG Limited which had been booking losses since 2018-19. SSNNL had accumulated losses of ₹ 7,898.28 crore at the end of 2021-22; and GSPC LNG Limited had accumulated losses of ₹ 599.23 crore at the end of 2022-23.

The chance of earning Return on Investment in companies incurring losses and in companies whose net-worth has completely eroded due to accumulated losses, are remote.

### **Reconciliation of Government Investments with Accounts of Companies**

The figures in respect of equity and loans outstanding as per the records of State Public Sector Undertakings (SPSUs) should agree with the corresponding figures appearing in the Finance Accounts of Government of Gujarat. In case of figures do not agree, the concerned SPSUs and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2023 is given in **Table 2.29**:

**Table 2.29: Equity and loans outstanding as on 31 March 2023 as per Finance Accounts vis-à-vis records of SPSUs**

(₹ in crore)

Outstanding in respect of	Number of SPSUs	Amount as per Finance Accounts	Amount as per records of SPSUs	Differences
Equity	49	1,15,239.31	1,13,174.45	2,064.86
Loans	27 <sup>11</sup>	7,856.64 <sup>12</sup>	8,998.94	1,142.30

Source: Compiled based on latest information/ accounts received from SPSUs and Finance Accounts of the State Government for the year 2022-23.

<sup>11</sup> This represents the differences in loan amount reported by SPSUs only.

<sup>12</sup> The SPSU wise information of loan is not available in Finance Accounts. Thus, this amount shown is the consolidated amount as shown in Finance accounts.

There was a difference of ₹ 2,064.86 crore<sup>13</sup> in equity investment as detailed in **Appendix – 2.2**. Reconciliation should be carried out in a time bound manner to figure out difference.

***Quantum of loans and advances disbursed and recovered***

In addition to investments in Co-operative societies, Corporations and Companies, State Government has also provided loans and advances to many of these institutions/organisations.

**Table 2.30** presents the trend of outstanding loans and advances as on 31 March 2023 along with interest receipts *vis-à-vis* interest payments for the five-year period from 2018-19 to 2022-23.

**Table 2.30: Quantum of loans disbursed and recovered during 2018-23**

	(₹ in crore)				
Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Opening Balance	7,923	9,503	10,485	12,235*	13,151
Amount advanced during the year	1,731	1,312	1,233	1,071	1,466
Amount recovered during the year	151	330	155	155	254
Closing Balance	9,503	10,485	11,563	13,151	14,363
Loans for which terms and conditions have not been settled	1,296	905	632	446	674
Net addition during the year	1,580	982	1,078	916	1,212
Interest Receipts on loans advanced	74	62	63	77	45
Interest receipts as a <i>percentage</i> of outstanding Loans and Advances	0.85	0.62	0.57	0.61	0.33
Interest payments	20,183	22,449	24,203	25,188	25,354
Average Rate of Interest paid on the outstanding borrowings of the Government ( <i>per cent</i> )	7.44	7.47	7.29	7.12	6.77
Difference between the rate of interest paid and rate of interest received ( <i>per cent</i> )	6.59	6.85	6.72	6.51	6.44

Source: Finance Accounts of the State Government of respective years.

\*Opening balance differs from closing balance of previous year due to proforma correction.

The table shows that the total outstanding loans and advances increased from ₹ 12,235 crore in 2021-22 to ₹ 13,151 crore in 2022-23. Of the total loans and advances disbursed during the year (₹ 1,466 crore), ₹ 1,139 crore were advanced for social services, ₹ 272 crore for economic services and ₹ 55 crore were advanced for Government Servants and Miscellaneous purposes. Major portion of loans advanced under social services were used for welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes and Minorities (₹ 783 crore) and urban development (₹ 350 crore). Loans advanced under economic services went to power sector (₹ 220 crore) and transport sector (₹ 52 crore).

<sup>13</sup> SPSU wise loan amount outstanding is not available in Finance Accounts therefore the same is not reflected in the **Appendix – 2.2**.

Recovery of loans and advances was ₹ 254 crore in 2022-23. However, interest receipts on loans and advances disbursed during the year decreased by ₹ 32 crore.

Further, of the total loans advanced during the year (₹ 1,466 crore), loans amounting to ₹ 674 crore were disbursed by the Administrative Departments or Finance Department without setting terms and conditions for repayments of loans and rate of interest payable.

Audit observed that due to poor financial condition, the GSRTC had not been able to deposit the passenger tax collected by it over the years to Government Account as well as pay the arrears of Seventh Pay commission to its employees. The passenger tax was being used by GSRTC to meet its expenses. The Administrative Department (Ports and Transport), with the approval of Finance Department, treated the outstanding passenger tax (for the year 2022-23) as loans advanced (₹ 50.98 crore) to GSRTC. However, the relevant sanction orders do not prescribe repayment schedule and rate of interest payable by GSRTC. As of 31 March 2023, GSRTC had an outstanding loan balance of ₹ 3,856 crore, which included ₹ 592.39 crore advanced during 2018-23.

#### *Inoperative loan accounts*

Under the following Major Heads, outstanding balances of loans amounting to ₹ 833.30 crore disbursed in previous years to various bodies/authorities had remained inoperative where neither principal was repaid, nor any interest was paid for the last 14 years (2009-23).

**Table 2.31: Inoperative loan accounts**

		(₹ in crore)
Major Head		2009-23
6075	Loans for Miscellaneous General Services	11.51
6202	Loans for Education, Sports, Art and Culture	20.43
6215	Loans for Water Supply and Sanitation	323.73
6404	Loans for Dairy Development	63.00
6702	Loans for Minor Irrigation	25.79
6855	Loans for Fertilizer Industries	12.15
6859	Loans for Telecommunication and Electronics Industries	5.90
6860	Loans for Consumer Industries	358.76
7052	Loans for Shipping	9.41
7452	Loans for Tourism	2.62
<b>Total outstanding balances</b>		<b>833.30</b>

Source: Finance Accounts of respective years.

These outstanding loans may be reviewed at appropriate level and steps for requisite corrective action may be taken.

### Capital locked in incomplete projects

Blocking of funds in incomplete projects/works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods.

At the end of March 2023, 213 capital works, each valuing ₹ 10 crore or more and completion date of which was on or before 31 March 2023, were incomplete on which an expenditure of ₹ 12,244.40 crore had been incurred. Year-wise and Department-wise details of incomplete projects are given in Table 2.32 and Table 2.33 respectively.

Table 2.32: Age profile of incomplete projects as on 31 March 2023				Table 2.33: Department-wise profile of incomplete projects as on 31 March 2023							
Year of commencement	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2023)	Department	No. of incomplete projects	Estimated cost	Expenditure				
	(number)	(₹ in crore)			(number)	(₹ in crore)					
2013-14	4	1,358.19	1,475.66	Roads & Buildings	184	8,644.96	5,982.23				
2014-15	2	987.43	863.07								
2015-16	1	10.11	7.80								
2016-17	5	395.49	239.21								
2017-18	20	1,318.77	1,089.18								
2018-19	23	1,502.57	1,162.83								
2019-20	43	5,171.62	4,248.84					Narmada, Water Resources, Water Supply and Kalpsar	29	6,799.78	6,262.17
2020-21	45	1,938.69	1,583.86								
2021-22	60	2,470.66	1,456.96								
2022-23	10	291.21	116.99								
<b>Total</b>	<b>213</b>	<b>15,444.74</b>	<b>12,244.40</b>	<b>Total</b>	<b>213</b>	<b>15,444.74</b>	<b>12,244.40</b>				

Source: Appendix IX of Finance Accounts of the State Government for the year 2022-23.

It may be seen that with reference to the initial budgeted cost, as on 31 March 2023, the Roads and Buildings Department incurred 69.20 *per cent* on 184 incomplete projects while Narmada, Water Resources, Water Supply and Kalpsar Department spent 92.09 *per cent* on 29 incomplete projects.

The above does not include capital projects undertaken by Project Implementation Units (PIU) of the Health and Family Welfare Department; Sports, Youth and Cultural Activities Department; and Women and Child Development Department. Similarly, capital works undertaken by Gujarat Police Housing Corporation Limited for the Home Department are also not included in the above works. Further, some of the irrigation works relating to Narmada, Water Resources, Water Supply and Kalpsar Department are carried out by SSNNL.

#### 2.4.3.3 Resource availability of the State under Public Private Partnership projects

Public Private Partnership (PPPs) is an arrangement between the Government or statutory entity and a private sector entity to provide a framework that enables

them to work together to meet the rising demand of the public for infrastructure development.

As on 31 March 2023, the status of PPP projects in infrastructure sector was as indicated in **Table 2.34**.

**Table 2.34: Status of PPP projects in infrastructure sector**

(₹ in crore)

Sr. No.	Sector	Projects completed/ Operational		Projects under implementation		Planned for future	
		No.	Total investment	No.	Expenditure incurred	No.	Estimated cost
1.	Ports	52	47,524.30	12	20,917.95	-	-
2.	Roads	8	4,362.86	3	881.94	-	-
3.	Road Transport	12	944.48	7	591.66	5	59.00
4.	Railways	-	-	4	1,610.22	-	-
5.	Urban Infrastructure	98	2,722.08	107	5,984.69	24	725.99
6.	Water	-	-	5	2,160.00	-	-
7.	Education	160	365.25	-	-	11	22.17
8.	Health	4	55.23	-	-	-	-
9.	IT, ITES and Biotech	1	6.42	1	89.55	-	-
10.	Agriculture	1	24.66	-	-	-	-
11.	Tourism	15	NA	12	NA	23	NA
12.	Social	1	55.00	-	-	-	-
<b>Total</b>		<b>352</b>	<b>56,060.28</b>	<b>151</b>	<b>32,236.01</b>	<b>63</b>	<b>807.16</b>

Source: Information provided by Gujarat Infrastructure Development Board.  
NA: Not Available.

**Table 2.34** shows that as on 31 March 2023, out of 566 PPP projects valuing ₹ 89,103.45 crore in the infrastructure sector in Gujarat, 352 projects valuing ₹ 56,060.28 crore had been completed/operational by March 2023. Major investments were in Ports sector where 52 projects valuing ₹ 47,524.30 crore have been completed and 12 projects valuing ₹ 20,917.95 crore were under implementation. Under the Urban Infrastructure, 98 projects valuing ₹ 2,722.08 crore have been completed and 107 projects with investment of ₹ 5,984.69 crore were in progress. Further, under the Education sector, 160 projects valuing ₹ 365.25 crore have been completed.

#### 2.4.4 Expenditure Priorities

Availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. It is important for the State Government to take appropriate expenditure rationalisation by focusing more on development expenditure, which is expenditure on Social and Economic Services. Apart from improving the allocation towards development expenditure, the efficiency of expenditure is also reflected by the ratio of capital expenditure to total expenditure and the proportion of revenue expenditure on

Education and Health Sectors. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

**Table 2.35** compares the fiscal priorities of the State Government with that of States other than North-Eastern (NE) and Himalayan States regarding development expenditure, expenditure on Social and Economic Sectors, and capital expenditure during 2022-23, taking 2018-19 as the base year.

**Table 2.35: Expenditure Priority of the State in 2018-19 and 2022-23**

Fiscal Priority of the State	AE/ GSDP	SSE/ AE	ESE/ AE	DE/ AE	CE/ AE	Education/ AE	Health/ AE
<b>Percentage in 2018-19, of</b>							
States other than NE and Himalayan States	16.38	36.60	30.65	67.25	14.04	14.76	5.07
Gujarat	10.90	38.08	31.87	69.95	17.26	15.03	6.14
<b>Percentage in 2022-23, of</b>							
States other than NE and Himalayan States	15.79	38.11	29.17	67.28	13.48	14.85	5.68
Gujarat	9.57	41.14	29.94	71.08	16.40	16.08	6.19

AE: Aggregate Expenditure (it is the Total Expenditure); DE: Development Expenditure; SSE: Social Sector Expenditure; ESE: Economic Sector Expenditure; CE: Capital Expenditure

Source: Details provided by Economic Advisor and Finance Accounts of the State Government of respective years.

**Table 2.35** reveals the following:

- The percentage of total expenditure to GSDP in Gujarat at 10.90 *per cent* in 2018-19 and 9.57 *per cent* in 2022-23 was lower than the States other than NE and Himalayan States which indicates more private sector participation in the economy of the State.
- Development expenditure consists of economic services expenditure and social services expenditure. Development expenditure as percentage of total expenditure in Gujarat was higher than States other than NE and Himalayan States, both during 2018-19 as well as 2022-23.
- The expenditure on social services, economic services, capital expenditure, education and health as percentage of total expenditure in Gujarat was higher than States other than NE and Himalayan States, both during 2018-19 as well as 2022-23.

#### 2.4.5 Object Head-wise Expenditure

Finance Accounts depict transactions only up to the Minor Head level. Therefore, a drill-down view of budgetary allocations and the extent of expenditure incurred at the Object Head level is given in **Table 2.36**.

Table 2.36: Object Head-wise expenditure *vis-à-vis* budget authorisation

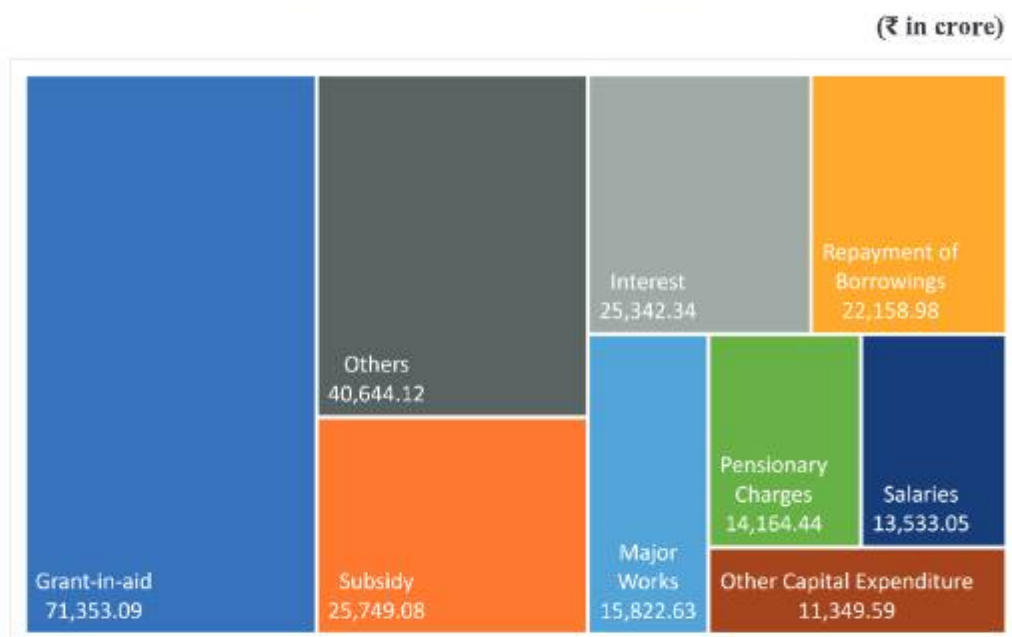
Head	(₹ in crore)		
	Budget	Expenditure	Utilisation percentage
Grant-in-aid	75,984.69	71,353.09	93.90
Interest	27,174.62	25,342.34	93.26
Subsidy	27,108.95	25,749.08	94.98
Salaries	26,719.09	13,533.05	50.65
Repayment of Borrowings	22,220.26	22,158.98	99.72
Major Works	18,423.27	15,822.63	85.88
Pensionary Charges	15,044.51	14,164.44	94.15
Grants to Local Bodies for creation of Capital Assets	11,522.47	9,400.13	81.58
Other Capital Expenditure	11,391.11	11,349.59	99.64
Investments	8,995.78	7,891.16	87.72
Other Charges	5,345.25	5,691.80	106.48
Inter-Account Transfer	5,236.00	2,415.68	46.14
Scholarships/Stipend	3,830.83	3,176.20	82.91
Minor Works	3,072.13	2,983.06	97.10
Office Expenses	2,103.00	842.38	40.06
Machinery and Equipment	1,958.53	567.46	28.97
Supplies and Materials	1,800.62	1,007.89	55.97
Loans and Advances	1,524.69	1,466.85	96.21
Other Contractual Services	1,088.92	1,102.79	101.27
Wages	617.54	675.12	109.32
Over Time Allowances	536.40	594.07	110.75
Contributions to Panchayats	456.82	931.67	203.95
Cost of Ration (Diet Charges)	412.01	361.58	87.76
Motor Vehicles	407.07	275.96	67.79
Professional Services	277.63	242.18	87.23
Advertising and publicity	215.72	283.63	131.48
Rent, Rates and Taxes	188.42	112.13	59.51
Domestic Travel Expenses	188.11	157.12	83.53
Petrol, Oil and Lubricants	147.29	182.01	123.57
Adhoc Financial Assistance	42.89	42.77	99.72
Clothing and Tentage	37.73	36.18	95.89
Publication	36.27	11.50	31.71
Arms and Ammunition	25.45	12.61	49.55
Other Administrative Expenses	20.64	8.84	42.83
Secret Service Expenditure	8.00	17.48	218.50
Depreciation	3.10	3.10	100.00
Rewards	2.57	0.94	36.58
Foreign Travel Expenses	0.80	0.11	13.75
Others	588.83	149.72	25.43
<b>Total</b>	<b>2,74,758.01</b>	<b>2,40,117.32</b>	<b>87.39</b>

Source: Information provided by Office of the Accountant General (A & E).

It may be seen that of the total budgetary allocation of ₹ 2,74,758.01 crore, the actual expenditure on various Object Heads during 2022-23 was ₹ 2,40,117.32 crore (87.39 per cent). Of the 39 Object heads mentioned above, expenditure under Nine Heads was 100 per cent or more of budgetary allocation. Under 17 Object Heads, expenditure incurred was between 70 per cent and 100 per cent of budgetary allocation, while in the remaining 13 Object Heads, expenditure incurred was below 70 per cent of budgetary

allocation. A Tree Map of top seven Object Heads is shown below in **Chart 2.12**.

**Chart 2.12: Object Head-wise expenditure**



Source: Information provided by Office of the Accountant General (A & E).

## 2.5 Contingency Fund

The Contingency Fund is an Imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State. The Contingency Fund of the Government of Gujarat has a corpus of ₹200 crore. During 2022-23, an amount of ₹135.65 crore was drawn out of the Contingency Fund and spent for meeting unforeseen expenditure. ₹115.39 crore was recouped before the closure of financial year leaving ₹20.26 crore unrecouped.

## 2.6 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. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

### 2.6.1 Net Balances in Public Account

The component-wise net balances in Public Account of the State at the end of March 2023 were as follows:

Table 2.37: Component-wise net balances in Public Account as of 31 March of the year

		(₹ in crore)				
Sector	Sub-Sector	2018-19	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	10,608.63	10,601.21	10,445.80	10,179.76	9,993.84
J. Reserve Funds	(a) Reserve Funds bearing Interest	1,504.58	1,818.03	1,073.02	1,527.94	2,673.90
	(b) Reserve Funds not bearing Interest	13,998.70	15,014.72	6,911.30	9,216.94	12,054.35
K. Deposits and Advances	(a) Deposits bearing Interest	13,677.83	14,073.56	14,476.68	14,476.34	14,127.01
	(b) Deposits not bearing Interest	18,454.00	20,525.16	22,478.03	22,415.43	23,177.28
	(c) Advances	(-)0.73	(-)0.71	(-)0.70	(-)0.70	(-)0.70
L. Suspense and Miscellaneous	(a) Suspense	(-)516.66	(-)303.87	(-)321.72	(-)296.69	(-)295.85
	(b) Other Accounts <sup>14</sup>	314.30	(-)1,561.23	(-)2,704.49	(-)267.37	(-)2,945.47
	(c) Accounts with Governments of Foreign Countries	(-)0.59	(-)0.59	(-)0.59	(-)0.59	(-)0.59
	(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
M. Remittances	(a) Money Orders, and other Remittances	637.47	738.56	868.58	963.11	977.53
	(b) Inter-Governmental Adjustment Account	(-)1.26	(-)1.64	(-)1.94	(-)1.99	(-)1.70
<b>TOTAL</b>		<b>58,676.27</b>	<b>60,903.20</b>	<b>53,223.97</b>	<b>58,212.18</b>	<b>59,759.60</b>

Source: Finance Accounts of the State Government of respective years.

Note: +ve denotes credit balance and -ve denotes debit balances.

The net balances in Public Account of the State increased from ₹ 58,676.27 crore in 2018-19 to ₹ 59,759.60 crore in 2022-23. During 2022-23, net balances in Public Account increased by 2.66 per cent over the previous year.

### 2.6.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State.

There were 18 Reserve Funds earmarked for specific purposes during 2022-23, of which, five Reserve Funds bearing interest, were having a balance of ₹ 2,673.90 crore, and 13 Funds not bearing interest, were having balance of ₹ 12,054.35 crore. The total accumulated balance in these funds as on 31 March 2023 was ₹ 14,728.25 crore of which, ₹ 10,379.35 crore was invested.

Of the 18 Reserve Funds, five Reserve Funds having a balance of ₹ 2.11 crore were inoperative, of which, four Reserve Funds (₹ 2.10 crore) were inoperative

<sup>14</sup> Other Accounts under L - Suspense and Miscellaneous does not include Cash Balance Investment Account, Permanent Cash Imprest & Departmental Balances.

since 1999-2000 while one Reserve Fund (₹ 0.01 crore) was inoperative since 2014-15.

### 2.6.2.1 Consolidated Sinking Fund

The State Government constituted a Consolidated Sinking Fund (CSF) in 2003-04 for amortisation of outstanding liabilities. The RBI, which is responsible for administering the fund, issued guidelines enlarging the scope of CSF for including liabilities (Internal debt + Public Account Liabilities) of the Government from the financial year 2007-08. Further, as per latest guidelines (2017-18) for CSF issued by the State Government, the minimum corpus of the fund should be five *per cent* of State's outstanding liabilities from the year 2018-19 and thereafter to maintain it on rolling basis. The State has taken initiatives for better fiscal management by setting up of the Consolidated Sinking Fund to provide a cushion for repaying market loans and the Guarantee Redemption Fund to provide a cushion for servicing contingent liabilities.

During 2022-23, the Government contributed ₹ 2,757.04 crore in the CSF. There was short contribution<sup>15</sup> in the CSF by ₹ 7,806.51 crore during 2022-23, as the closing balance in the fund was ₹ 10,120.26 crore against the minimum corpus of ₹ 17,926.77 crore. The State Government credited an accrued interest of ₹ 757.04 crore to the Fund during 2022-23.

As on 31 March 2023, out of the total Fund of ₹ 10,120.26 crore, ₹ 9,790.34 crore was invested with the RBI.

### 2.6.2.2 Funds for Disaster Risk Management

As per recommendations of 13<sup>th</sup> FC, the State Government is operating the State Disaster Response Fund (SDRF) since 2011-12. It is an interest-bearing Reserve Fund. In terms of GoI guidelines (September 2010), the Central and State Governments were required to contribute to the fund in the ratio of 75:25. The 15<sup>th</sup> Finance Commission recommended break up of central allocation to the States under two different funds for Disaster Risk Management from the year 2020-21 onwards. Out of 75 *per cent* central allocation, the share of State Disaster Response Fund (SDRF) shall be 80 *per cent* and the share of State Disaster Mitigation Fund (SDMF) shall be 20 *per cent*. Separate accounts were to be operated for both the funds.

#### *State Disaster Response Fund*

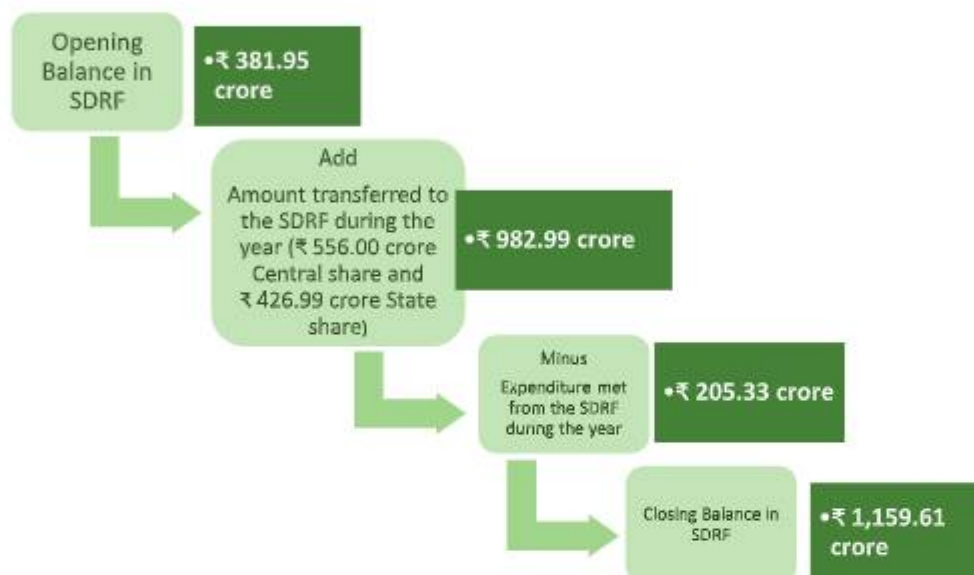
As on 01 April 2022, the SDRF had an opening balance of ₹ 381.95 crore. During 2022-23, the State Government transferred ₹ 982.99 crore (₹ 556.00 crore Central share and ₹ 426.99 crore State share) to the fund. Out of the total available fund of ₹ 1,364.94 crore, the State Government incurred an expenditure of ₹ 205.33 crore from the SDRF on natural calamities during

<sup>15</sup> ₹ 7,806.51 crore = ₹ 17,926.77 crore (minimum corpus of 5% of State Liabilities of ₹ 3,58,535.53 crore for the year 2021-22) [-] ₹ 10,120.26 crore closing Balance of Consolidated Sinking Fund. Back-to-Back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040.17 crore during 2021-22 has not been considered as outstanding liabilities here.

the year, leaving balance of ₹ 1,159.61 crore in the fund at end of March 2023. Additionally, the State Government also met an expenditure of ₹ 32.24 crore from the state budget on account of natural calamities. Thus, the State Government incurred an expenditure of ₹ 237.57 crore during the year on this account.

Details of receipt and expenditure in SDRF during the year are given in **Chart 2.13** below.

**Chart 2.13: Details of receipt and expenditure in SDRF**



Source: Finance Accounts of the State Government for the year 2022-23.

The details of the Major/ Minor Account head-wise expenditure incurred from the SDRF are tabulated in **Appendix - 2.3**.

### ***State Disaster Mitigation Fund***

In addition to SDRF, the State Government also maintains State Disaster Mitigation Fund (SDMF). The fund was constituted in February 2023. During 2022-23, the State Government also transferred ₹ 538.30 crore (₹ 403.80 crore Central share and ₹ 134.50 crore State share) to the SDMF.

In terms of the GoI guidelines, balances lying in both these funds were required to be invested<sup>16</sup>, which was not done and as such, no interest on the same was earned and credited to the Fund by the State Government.

### **2.6.2.3 State Compensatory Afforestation Fund**

In compliance with the instructions issued by the Ministry of Environment, Forests and Climate Change, Government of India, the State Governments are required to establish the State Compensatory Afforestation Fund under interest

<sup>16</sup> The accretions to the SDRF are to be invested through RBI in Central Government dated securities; auctioned treasury bills; and interest earning deposits and certificates of deposits with scheduled commercial banks.

bearing section in Public Account of the State for amounts received from user agencies for undertaking Compensatory Afforestation.

During the year 2022-23, the State Government did not receive any amount (Nil in previous year) from the user agencies. The Government also did not receive any amount (Nil in previous year) from National Compensatory Afforestation Deposit. The total balance in the State Compensatory Afforestation Fund as on 31 March 2023 was ₹ 975.96 crore.

#### 2.6.2.4 Guarantee Redemption Fund

The Twelfth Finance Commission recommended setting up of a Guarantee Redemption Fund (GRF) to meet the contingent liabilities arising from the guarantees given by the Government. The Government of Gujarat has created a GRF for guarantees extended by it on loans taken by various entities like State Public Sector Undertakings, State Co-operative Societies *etc.* In terms of the guidelines of the RBI, which administers the Fund, the corpus of the Fund is to be gradually increased to the desirable level of five *per cent* of outstanding guarantees.

During 2022-23, the closing balance in the Fund was ₹ 849.05 crore against the minimum required corpus<sup>17</sup> of ₹ 73.66 crore. An accrued interest of ₹ 46.16 crore was credited to the Fund during 2022-23.

As on 31 March 2023, out of the total Fund of ₹ 849.05 crore, ₹ 585.36 crore was invested with the RBI.

### 2.6.3 Deposits and Advances

#### 2.6.3.1 Accounting of transactions relating to Central Road and Infrastructure Fund

The GoI provides annual grants under the Central Road and Infrastructure Fund (CRIF) to the State Governments to incur expenditure on specific road projects. In terms of the extant accounting procedure, the grants are to be initially booked as revenue receipts under Major Head “1601 Grants-in-Aid”, and an equivalent amount is transferred to the public account under Major Head “8449- Other Deposits 103 Subvention from Central Road Fund” by debiting the revenue expenditure Major Head “3054 Roads and Bridges”. This process ensures that receipt of the grants does not result in overstatement of revenue surplus (or understatement of revenue deficit) in the Accounts. Expenditure on specific road works initially booked under the relevant revenue or capital Major Head (Major Head 3054 or 5054) is to be subsequently adjusted from the Fund balance by way of minus debit under Major Heads 3054/5054 by corresponding debit to the Fund (Major Head 8449-103).

During 2022-23, the State Government received a grant of ₹ 249.12 crore from GoI under CRIF which was accounted for in State’s Accounts under Major

<sup>17</sup> ₹ 73.66 crore = 5 *per cent* of outstanding guarantee at the end of the year 2022-23 (₹ 1,473.11 crore)

Head-1601 by following the extant accounting procedure. An expenditure of ₹ 249.12 crore was incurred on specific road works during the year, leaving a balance of ₹ 27.25 crore (₹ 5.96 crore of 2015-16 and ₹ 21.29 crore of 2019-20) under the Deposit Head as on 31 March 2023.

### 2.6.3.2 Non-transfer of Labour Cess to Labour Welfare Board

Under Section 3 of the Building and Other Construction Workers' Welfare Cess Act, 1996, there shall be levied and collected a cess at such rate not exceeding two *per cent*, but not less than one *per cent* of the cost of construction incurred by an employer, as the Government may, by notification in the Official Gazette, from time to time, specify. As per Rule 5(3) of the Building and Other Construction Workers' Welfare Cess Rules, 1998, the cess so collected is to be transferred to the Building and Other Construction Workers' Welfare Board (Board) within 30 days of its collection.

Audit observed that in terms of the Building and Other Construction Workers' Welfare Cess Act, 1996, the State Government levied and collected cess of ₹ 748.18 crore during 2022-23, but only ₹ 205.57 crore was transferred to the Board, leaving a balance of ₹ 542.61 crore which was not transferred to the Board upto 31 March 2023.

A review of the cess collected and transferred to the Board during 2006-07 to 2022-23 revealed that an amount of ₹ 4,787.60 crore was collected but the amount transferred during this period was ₹ 2,544.81 crore, leaving a balance of ₹ 2,242.79 crore which had not been transferred as of 31 March 2023.

### 2.6.3.3 Non-transfer of fines to Personal Ledger Account

The Government of Gujarat *vide* Resolution dated 01 July 2000 decided that a specified percentage of the income received during the year from the State urban areas through penalties under section 200 (1) of the Motor Vehicle Act shall be deposited in a Budget Head namely, Gujarat State Marg Suraksha Nidhi (GSMSN). The funds available under GSMSN were to be utilised for traffic management purposes.

For smooth functioning of GSMSN, a Personal Ledger Account (PLA) was opened in the name of the Director General and Inspector General of Police (DG & IGP), Gandhinagar with effect from March 2004. The DG & IGP was to collect various proposals for traffic management from different implementing authorities and incur expenditure from the PLA, after taking approval of Traffic Management Committee. In July 2006, the State Government decided to transfer 100 *per cent* fines to the PLA for better administration of GSMSN.

Scrutiny of the budget estimates and Appropriation Accounts for the years 2012-13 to 2022-23, however, revealed a shortfall of 18 *per cent* between actual traffic fines collected and that transferred to the PLA, as detailed in **Table 2.38**.

Table 2.38: Shortfalls in transferring traffic fines to PLA

Year	Revenue from traffic fines (₹ in crore)		Provision for PLA (₹ in crore)		
	BE	Actual collection	BE	Actual transfer	As percentage of actual collection
1	2	3	4	5	6 = (5÷3) × 100
2012-13	45.00	52.82	20.50	17.88	33.85
2013-14	62.22	48.40	20.00	20.00	41.32
2014-15	56.40	75.71	25.00	25.00	33.02
2015-16	72.95	73.20	35.00	35.00	47.81
2016-17	85.65	84.17	40.00	25.00	29.70
2017-18	77.35	63.06	35.00	48.57	77.02
2018-19	113.78	109.62	200.00	98.00	89.40
2019-20	75.60	173.33	63.06	260.00	150.00
2020-21	183.84	145.97	78.62	78.62	53.86
2021-22	211.42	138.15	173.32	173.32	125.46
2022-23	250.00	123.27	145.95	108.00	87.61
<b>Total</b>	<b>1,234.21</b>	<b>1,087.70</b>	<b>836.45</b>	<b>889.39</b>	<b>81.77</b>

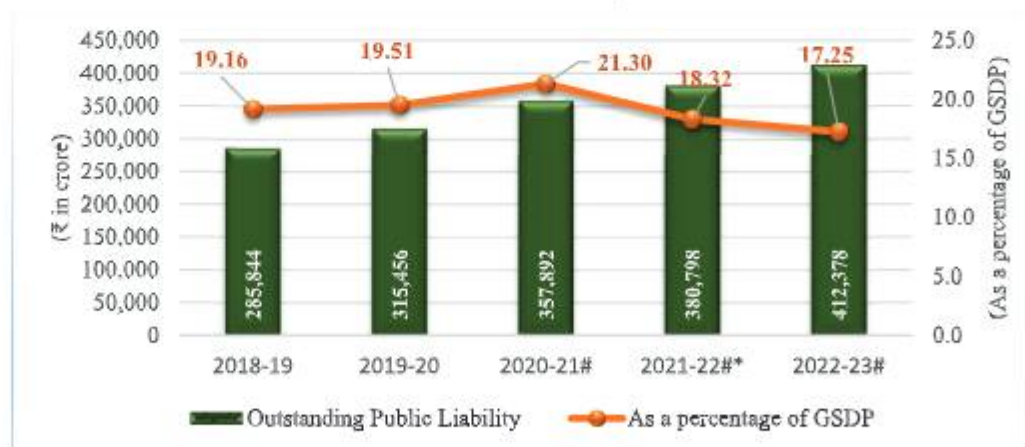
Source: Budget Estimates and Appropriation Accounts of respective years.

## 2.7 Public Liability Management

Management of public liability is the process of establishing and executing a strategy for managing the Government's liabilities to raise the required amount of funding, achieve its risks and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

The total outstanding liability of the State along with its percentage to GSDP for the years 2018-19 to 2022-23 is depicted in Chart 2.14.

Chart 2.14: Trend of outstanding public liability



Source: Finance Accounts of the State Government of respective years.

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2023-24).

# As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence, back-to-back loans received *in-lieu* of shortfall in GST compensation of

₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered for calculation of percentage of outstanding public liability to GSDP.

\* Difference was due to *Proforma* correction of ₹ 4 crore under MH 6003-105 – Loans from the National Bank for Agriculture and Rural Development (Statement 17 of Finance Accounts).

### 2.7.1 Liability Profile: Components

Total liabilities of the State Government typically constitutes the internal debt of the State<sup>18</sup>, loans and advances from the Central Government, and public account liabilities. The component-wise liability trends of the State during last five years (2018-23) are presented in **Table 2.39**.

**Table 2.39: Component-wise trend of liability during 2018-23**

		(₹ in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
<b>Total Outstanding Liability</b>		2,85,844	3,15,456	3,57,892 <sup>19</sup>	3,80,798 <sup>19</sup>	4,12,378
Public Debt	Internal debt	2,32,875	2,59,662	2,90,030	2,99,801 <sup>20</sup>	3,25,273
	Loans from GoI	7,430	7,433	17,999	30,756	35,458
Public Account Liabilities		45,539	48,361	49,863	50,241	51,647
Off Budget Borrowings <sup>21</sup>		0	0	0	0	0
Rate of growth of total outstanding liability (percentage)		11.50	10.36	13.45	6.40	8.29
GSDP		14,92,156	16,17,143	16,36,781	19,57,583	22,61,715
Liability/GSDP ( <i>per cent</i> )		19.16	19.51	21.30 <sup>22</sup>	18.32 <sup>22</sup>	17.25 <sup>22</sup>
Interest payments		20,183	22,449	24,203	25,188	25,354
Burden of interest payments (IP/RR) (percentage)		14.84	15.72	18.89	15.10	12.71
Total Receipts (Public debt + public account liabilities)		1,02,963	1,02,300	1,23,325	1,08,894	1,17,751

<sup>18</sup> Market loans, ways and means advances from RBI, Special Securities issued to National Small Savings Fund and loans from Financial Institutions *etc.*

<sup>19</sup> This does not tally with total outstanding liabilities as shown in Chart 1.6 because the figure here is inclusive of back-to-back loans received in lieu of short fall in GST compensation. (₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22).

<sup>20</sup> Difference was due to *Proforma* correction of ₹ 4 crore under MH 6003-105 – Loans from the National Bank for Agriculture and Rural Development (Statement 17 of Finance Accounts).

<sup>21</sup> Finance Department stated that there were no off-budget borrowings during 2018-23.

<sup>22</sup> As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, *etc.* Hence, back-to-back loans received *in-lieu* of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered for calculation of percentage of outstanding liability to GSDP. No back-to-back loans were received in-lieu of shortfall in GST compensation during 2022-23.

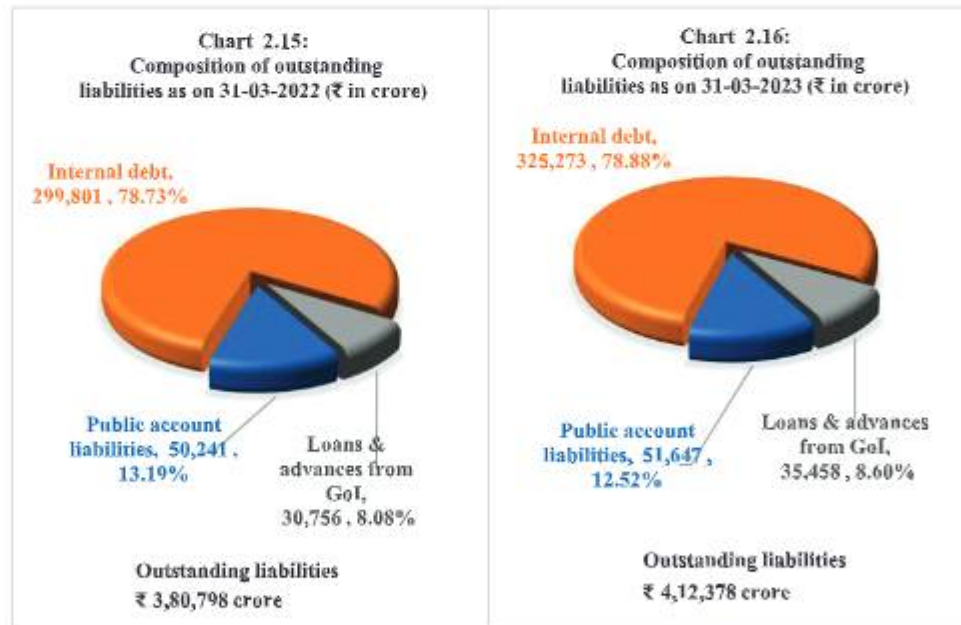
	2018-19	2019-20	2020-21	2021-22	2022-23
Total Repayments (Public debt + public account liabilities)	73,486	72,689	80,888	85,984	86,171
Net funds Available	29,477	29,611	42,437	22,910	31,580
Repayments/ Receipts (per cent)	71.37	71.05	65.59	78.96	73.18

Source: Finance Accounts of the State Government of respective years.

**Table 2.39** shows that the total outstanding liabilities of the State Government increased from ₹ 3,80,798 crore in 2021-22 to ₹ 4,12,378 crore in 2022-23. The net increase of ₹ 31,580 crore during 2022-23 was mainly due to net increase in market loans by ₹ 28,300 crore. The Additional Chief Secretary (Finance) stated (February 2024) in the exit meeting that the Department will examine the trend of public liabilities.

The effective total outstanding liabilities of the State Government during 2022-23 was, however, ₹ 3,90,116 crore, after deducting ₹ 9,222 crore and ₹ 13,040 crore received from the GoI as back-to-back loans during 2020-21 and 2021-22 respectively. Liability to GSDP ratio ranged from 17.25 per cent to 21.30 per cent over the period of five years and stood at 17.25 per cent in 2022-23.

Component-wise break-up of outstanding liabilities or fiscal liabilities of the State Government at the end of March 2022 and March 2023 are shown in **Chart 2.15** and **Chart 2.16** respectively.



Source: Finance Accounts of the State Government of respective years.

The Charts above show that internal debt accounted for 79 per cent of the total outstanding liabilities of the State Government during 2021-22 and 2022-23. The internal debt primarily comprised of market borrowings through issue of State Development Loans.

Chart 2.17 below shows the trend of internal debt of the State Government (receipts and repayments) during 2018-23.

Chart 2.17: Internal debt taken vis-à-vis repaid during 2018-23



Source: Finance Accounts of the State Government of respective years.

### Components of fiscal deficit and its financing pattern

Table 2.40 depicts the financing pattern of fiscal deficit during 2018-23, and the financing of fiscal deficit during 2022-23 is expressed through a water flow Chart (Chart 2.18).

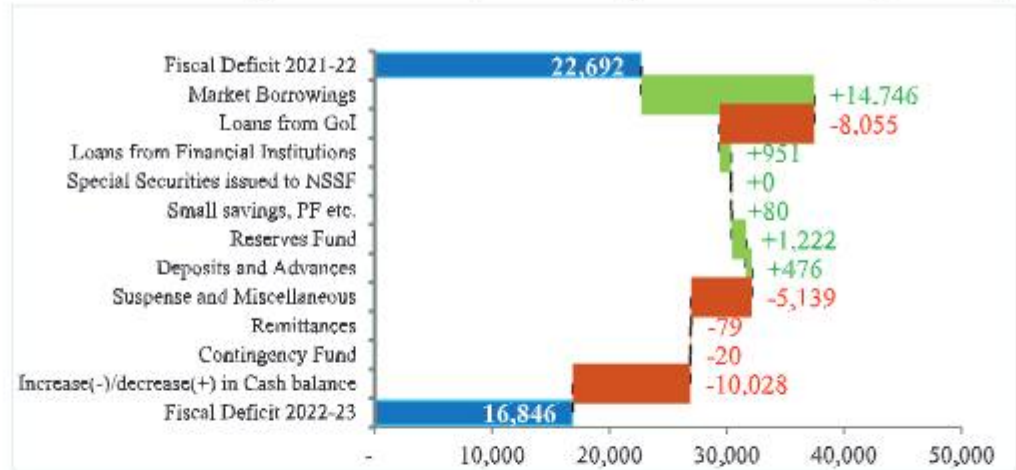
Table 2.40: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
Fiscal Deficit (-)/Surplus (+)		(-)26,365	(-)24,581	(-)40,438	(-)22,692	(-)16,846
FD/GSDP (per cent)		(-)1.77	(-)1.52	(-)2.47	(-)1.16	(-)0.74
<b>Composition of Fiscal Deficit/Surplus</b>						
1	Revenue Deficit (-) /Surplus (+)	3,212	1,945	(-)22,548	6,409	19,865
2	Net Capital Expenditure	(-)27,997	(-)25,544	(-)16,813	(-)28,185	(-)35,499
3	Net Loans & Advances	(-)1,580	(-)982	(-)1,077	(-)916	(-)1,212
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	27,437	28,600	33,280	13,554	28,300
2	Special Securities issued to NSSF	(-)3,534	(-)3,629	(-)3,630	(-)3,629	(-)3,629
3	Loans from Financial Institutions	2,328	1,816	718	(-)150	801
4	Loans from GoI	1,483	3	10,566	12,757	4,702
5	Small savings, PF etc.	208	(-)7	(-)155	(-)266	(-)186
6	Deposits and Advances	2,002	2,467	2,356	(-)63	413
7	Suspense and Miscellaneous	(-)727	(-)1,663	(-)1,161	2,462	(-)2,677
8	Remittances	(-)332	100	130	94	15
9	Reserves Fund	571	1,329	(-)8,849	2,761	3,983
10	Contingency Fund	0	0	0	0	(-)20
<b>Total</b>		<b>29,436</b>	<b>29,016</b>	<b>33,255</b>	<b>27,520</b>	<b>31,702</b>
Increase (-)/Decrease (+) in Cash Balance		(-)3,071	(-)4,435	(+)7,183	(-)4,828	(-)14,856

\*All the figures are net of disbursements outflows during the year.

Minus (-) figures indicate that outflow was more than receipts under the respective component.

Source: Finance Accounts of the respective years.

**Chart 2.18: Financing of fiscal deficit expressed through a water flow chart (₹ in crore)**

Source: Finance Accounts of the respective years.

The financing pattern of fiscal deficit (net of disbursements/outflows) during the year is shown in **Table 2.41**.

**Table 2.41: Receipts and disbursements under various components financing the fiscal deficit during 2022-23**

		(₹ in crore)		
	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	43,000	14,700	28,300
2	Special Securities issued to NSSF	0	3,629	(-)3,629
3	Loans from Financial Institutions	3,462	2,661	801
4	Loans from GOI	5,870	1,168	4,702
5	Small Savings, PF, etc.	1,855	2,041	(-)186
6	Deposits and Advances	58,889	58,476	413
7	Suspense and Miscellaneous	35,406	38,083	(-)2,677
8	Remittances	21,659	21,644	15
9	Reserve Fund	4,674	691	3,983
10	Contingency fund	0	20	(-)20
11	<b>Overall Deficit</b>	<b>1,74,815</b>	<b>1,43,113</b>	<b>31,702</b>
12	Increase (-)/Decrease (+) in cash balance	11,27,823	11,42,679	(-)14,856
13	<b>Gross Fiscal Deficit</b>	<b>13,02,638</b>	<b>12,85,792</b>	<b>16,846</b>

Source: Finance Accounts of the year 2022-23.

### 2.7.2 Debt Profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

Public Debt consists of internal debt and loans and advances received from GoI. The maturity profile of outstanding public debt of ₹ 3,60,731 crore, comprising internal debt of ₹ 3,25,273 crore and loans and advances from GoI amounting to ₹ 35,458 crore, as per Statement No. 17 of the Finance Accounts for the year 2022-23, is as shown in **Table 2.42**.

Table 2.42: Maturity profile of Public Debt

Year of maturity	Maturity Profile	Amount			Maturity profile of outstanding Public Debt (in %)
		Internal Debt	Loans & Advances from GoI	Total outstanding Public Debt	
By 2023-24	0-1 year	24,966.97	1,272.39	26,239.36	7.27
Between 2024-25 & 2025-26	2-3 years	60,036.51	1,667.83	61,704.34	17.11
Between 2026-27 & 2027-28	4-5 years	71,229.55	1,371.85	72,601.40	20.13
Between 2028-29 & 2029-30	6-7 years	79,962.46	1,598.15	81,560.61	22.61
Between 2030-31 & 2032-33	8-10 years	79,911.26	1,187.70	81,098.96	22.48
2033-34 onwards	Above 10 years	9,165.46	1,335.12	10,500.58	2.91
Others <sup>23</sup>		0.95	27,025.03	27,025.98	7.49
<b>Total</b>		<b>3,25,273.16</b>	<b>35,458.07</b>	<b>3,60,731.23</b>	<b>100</b>

Source: Finance Accounts of the State Government for the year 2022-23.

The maturity profile of outstanding stock of public debt as on 31 March 2023 indicates that 90 *per cent* of the total public debt (₹ 3,23,204.67 crore) would be repayable within the next 10 years.

Chart 2.19 shows the maturity profile of public debt and Chart 2.20 the repayment schedule of market loans in the ensuing years.

Chart 2.19: Maturity profile of Public Debt



Source: Finance Accounts of the State Government for the year 2022-23

Chart 2.20: Repayment schedule of Market loans



Source: Finance Accounts and information furnished by Finance Department of Government of Gujarat.

<sup>23</sup> Not available with Accountant General (A&E)

**Chart 2.20** shows that principal of ₹ 2,76,558 crore and interest of ₹ 1,15,938 crore would be repayable within the next 10 years.

## 2.8 Debt Sustainability Analysis

### 2.8.1 Debt Sustainability

Debt is considered sustainable if the borrower, in this case the State, can service its debt now, and in future. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining the ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters: Domar approach and compliance of micro-fiscal parameters to the respective FRBM targets. The results of analysis are given in following paragraphs:

#### 2.8.1.1 Trends in debt sustainability indicators

**Table 2.43** shows the debt sustainability of the State for the five-year period beginning from 2018-19 to 2022-23.

**Table 2.43: Debt Sustainability: Indicators and Trends**

Indicators of Debt sustainability	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt	2,40,305	2,67,094	3,08,029	3,30,557 <sup>24</sup>	3,60,731
Rate of growth of outstanding public debt ( <i>per cent</i> )	13.04	11.15	15.33	7.31	9.13
GSDP	14,92,156	16,17,143	16,36,781	19,57,583	22,61,715
Rate of growth of GSDP ( <i>per cent</i> )	12.27	8.38	1.21	19.60	15.54
Public Debt/GSDP ( <i>per cent</i> )	16.10	16.52	18.26 <sup>25</sup>	15.75 <sup>25</sup>	14.97 <sup>25</sup>
Public Debt Receipts	43,146	43,491	58,857	46,968	52,333
Public Debt Repayment	15,432	16,702	17,922	24,436	22,159
Interest payments on Public Debt	18,215	20,338	22,073	23,189	23,505
Revenue Deficit (-)/Surplus (+) without Interest Payment on Public Debt	21,427	22,283	(-)475	29,598	43,370

<sup>24</sup> Difference was due to *Proforma* correction of ₹ 4 crore under MH 6003-105 – Loans from the National Bank for Agriculture and Rural Development (Statement 17 of Finance Accounts).

<sup>25</sup> As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, *etc.* Hence, back-to-back loans received *in-lieu* of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered for calculation of percentage of outstanding public debt to GSDP.

Indicators of Debt sustainability	2018-19	2019-20	2020-21	2021-22	2022-23
Average interest rate on Outstanding Public debt <sup>26</sup> (per cent)	8.04	8.02	7.68	7.26	6.80
Percentage of Interest Payment on Public Debt to Revenue Receipts	13.39	14.24	17.22	13.90	11.79
Percentage of Public Debt Repayment to Public Debt Receipts	35.77	38.40	30.45	52.03	42.34
Net Public Debt <sup>27</sup> available to the State (₹ crore)	9,499	6,451	18,862	(-)657	6,669
Available Public Debt as a percentage of Public Debt Receipts (per cent)	22.02	14.83	32.05	(-)1.40	12.74
Primary deficit (-)/ Primary surplus (+)	(-)6,182	(-)2,133	(-)16,235	(+)2,496	(+)8,508
Debt Stabilisation (Quantum Spread <sup>@</sup> + Primary Deficit)	3,983	(-)1,171	(-)35,568*	40,540*	38,090*

Source: Finance Accounts of the State Government for the respective years.

@ Quantum spread = Outstanding Public Debt × (GSDP growth rate – Average interest rate on Outstanding Public Debt)

\* While calculating Quantum spread for years 2020-21, 2021-22 and 2022-23, figures of back-to-back loan of ₹ 9,222 crore, ₹ 22,262 crore and ₹ 22,262 crore respectively, in lieu of back-to-back loan on account of GST compensation shortfall, has been excluded from Public Debt.

The effective outstanding public debt as on 31 March 2023 would be ₹ 3,38,469 crore, after deducting ₹ 9,222 crore and ₹ 13,040 crore received from the GoI as back-to-back loans during 2020-21 and 2021-22 respectively.

As can be seen from **Table 2.43**, the ratio of public debt to GSDP was within a range of 14.97 per cent to 18.26 per cent during 2018-23. During this period, interest payment (on public debt) to revenue receipts ranged from 11.79 per cent to 17.22 per cent. In 2022-23, the percentage of public debt repayment to public debt receipts decreased over the previous year. Further, during 2018-23, while GSDP grew at a CAGR of 10.96 per cent, the outstanding Public Debt grew at a CAGR of 10.69 per cent.

### 2.8.1.2 Domar Model

An analysis on debt sustainability was carried out based on a study by E.D. Domar [Domar, 1994]. The Domar model<sup>28</sup> state that the necessary premise for ensuring stability of public indebtedness is that the interest rates for Government loans should not exceed the growth rate of GDP.

<sup>26</sup> {Interest payment/[(Amount of previous year's Public Debt+ Current year's Public Debt)/2]} × 100

<sup>27</sup> Net Public Debt available to the State Government is calculated as excess of Public Debt receipts over Public Debt repayment and interest payment on Public Debt.

<sup>28</sup> Domar model does not take into account maturity profile, composition, cost and risk characteristics of debt stock.

The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

Table 2.44: Parameters of Domar Model

Domar Gap g-r (g = real economic growth rate; r = real interest rate)	s<0 (primary deficit)	s>0 (primary surplus)
g-r>0 (Strong economic growth)	Public debt as percentage of GSDP should converge to a stable level greater than zero.	Public debt as percentage of GSDP should converge to a stable level less than zero leading to public savings.
g-r<0 (Slow economic growth)	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation.

The results of applying the above parameters in the case of Gujarat, are shown in Table 2.45:

Table 2.45: Debt sustainability analysis based on Domar Model

Year	Real Growth (g)	Real Interest (r)	g-r (Domar gap)	Primary Deficit (-) / Surplus (+) (in crore)	Remark
2017-18	10.72	4.96	5.76	(-)2,412	As g-r>0 and s<0, Public debt as percentage of GSDP should converge to a stable level greater than zero.
2018-19	8.88	4.95	3.93	(-)6,182	
2019-20	6.95	3.79	3.16	(-)2,133	
2020-21	(-)1.35	1.40	(-)2.75	(-)16,235	As g-r<0 and s<0, Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.
2021-22 <sup>29</sup>	10.76	2.16	8.60	2,496	As g-r>0 and s>0, public Debt as percentage of GSDP should converge to a stable level less than zero leading to public savings.

Note: Real Growth rate is calculated for GSDP at constant prices.  
Real Interest rate is the nominal Interest rate adjusted for inflation.

In the initial four year of the subject period *i.e.* 2017-18 to 2020-21, the State had primary deficit, which subsequently turned to primary surplus in the year 2021-22. The Domar gap (g-r) remained positive during the years 2017-18 to 2019-20, showing that the public debt as percentage of GSDP would converge

<sup>29</sup> GSDP at Constant Prices (Real) for the year 2022-23 was not available with the State Government. Therefore, the analysis was restricted to year 2021-22.

to a stable level greater than zero. The economic slowdown on account of the COVID-19 pandemic had resulted in a negative growth of GSDP during 2020-21<sup>30</sup>. During 2021-22 the Domar gap turned positive, showing that the public debt as percentage of GSDP would converge to a stable level less than zero leading to public savings.

### 2.8.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

**Table 2.46: Utilisation of borrowed funds**

		(₹ in crore)					
Sr. No.	Year		2018-19	2019-20	2020-21	2021-22	2022-23
1.	Total borrowings (public debt receipts)	1	43,146	43,491	58,857	46,968	52,333
2.	Repayment of principal on total borrowings	2	15,432	16,702	17,922	24,436	22,159
3.	Net Capital Expenditure	3	27,997	25,544	16,813	28,185	35,499
4.	Net Loans and Advances	4	1,580	982	1,078	916	1,212
5.	Portion of total borrowings available for meeting revenue expenditure	5- 1-2- 3-4	(-)1,863	263	23,044	(-)6,569	(-)6,537

Source: Finance Accounts of the State Government for the respective years.

The table above shows that surplus on revenue account provided more fiscal space to the State Government during 2018-19. During 2019-20, the State Government had a surplus of borrowed funds of ₹ 263 crore as well as a surplus of ₹ 1,945 crore on revenue account, implying that it was able to meet its current consumption from the surplus on revenue account, without using the borrowed funds. However, during 2020-21, the State Government registered a revenue deficit of ₹ 22,548 crore, which was bridged from the surplus borrowed funds of ₹ 23,044 crore. Again, the State became revenue surplus in 2021-22 and 2022-23, which provided more fiscal space to the State Government for capital spending.

### 2.8.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities having encumbrance on the Consolidated Fund of the State in cases of defaults by borrowers for whom guarantees have been extended by the State Government. Statement No. 20 of the Finance Accounts gives details of guarantees given by the State Government. The maximum amount for which guarantees were given by the State Government and outstanding guarantees for the last five years is given in **Table 2.47**.

<sup>30</sup> The analysis in respect of 2020-21 has not been done being a pandemic affected year.

Table 2.47: Guarantees given by the Government of Gujarat

Guarantees	2018-19	2019-20	2020-21	2021-22	2022-23
Ceiling limit on Government Guarantees under Gujarat State Guarantees Act, 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	11,796	11,747	11,751	10,757	9,951
Outstanding amount of guarantees	4,699	4,462	3,656	3,089*	1,473
Percentage of outstanding amount of guarantees to revenue receipts	3.46	3.12	2.85	1.85	0.74

Source: Finance Accounts of the State Government of respective years.

\*Change from previous year was due to *Proforma* Correction.

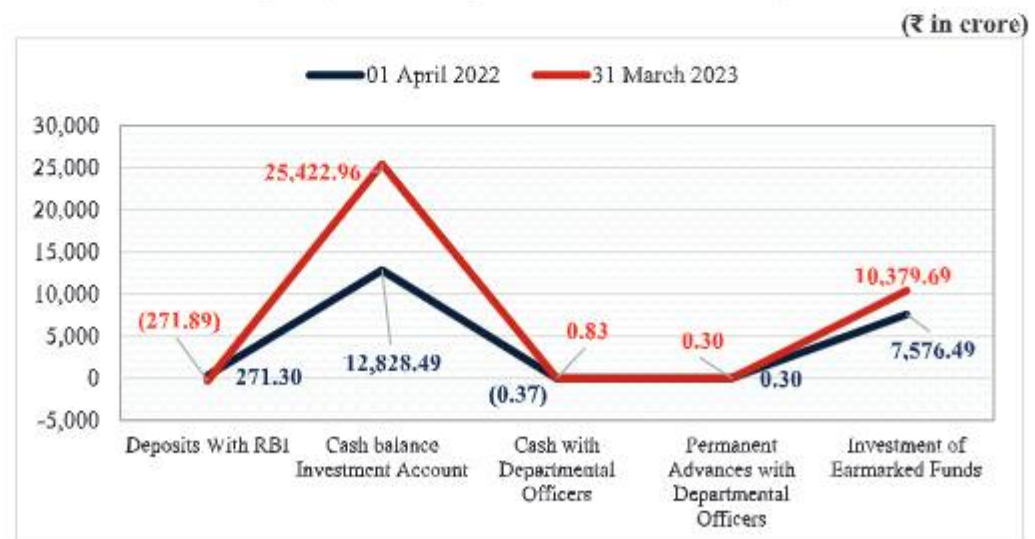
The Gujarat State Guarantees Act, 1963 prescribes capping of outstanding guarantees within the limit of ₹ 20,000 crore. During 2022-23, State Government vacated guarantees amounting to ₹ 1,616 crore. Of the total outstanding guarantees of ₹ 1,473 crore, 23 per cent (₹ 345 crore) were in respect of Gujarat Urja Vikas Nigam Limited; 19 per cent (₹ 273 crore) were in respect of Vadodara Municipal Corporation; and 15 per cent (₹ 222 crore) were in respect of Gujarat Water Supply and Sewerage Board. The outstanding guarantees (₹ 1,473 crore) accounted for 0.74 per cent of the revenue receipts of the State Government (₹ 1,99,408 crore). The outstanding guarantees of ₹ 1,473 crore was also well within the limit of ₹ 20,000 crore prescribed under the Gujarat Fiscal Responsibility Act, 2005.

During 2022-23, State Government received only ₹ 0.29 lakh as guarantee fees from State level bodies, against the budget estimates of ₹ 1.00 crore. Further, no amount was paid by the State Government on account of invocation of guarantees during 2022-23.

#### 2.8.4 Management of Cash Balances

The details of opening and closing cash balances with Government of Gujarat as of 01 April 2022 and 31 March 2023 are shown in Chart 2.21.

Chart 2.21: Opening and closing cash balances of financial year 2022-23



Source: Finance Accounts of the State Government of respective years.

As per an agreement with the RBI, the State Government must maintain a minimum daily cash balance of ₹ 2.80 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government during 2022-23 was fixed at ₹ 2,518.00 crore.

The State Government maintained the minimum daily cash balance with the RBI during 2022-23 and no WMA/SWMA/OD was availed of during the year.

#### 2.8.4.1 Investment of Cash Balances

Details of cash balances and investment made by the State Government out of cash balances during 2022-23 are shown in **Table 2.48**.

**Table 2.48: Cash balances and investment of cash balances**

Cash balances and investment of cash balances	(₹ in crore)		
	Opening balance on 01-04-2022	Closing balance on 31-03-2023	Increase (+)/ Decrease (-)
<b>(A) General cash balance</b>			
Cash in Treasuries	0.00	0.00	0.00
Deposits with Reserve Bank of India	271.30	(-)271.89	(-) 543.19
Remittances in Transit – Local	0.00	0.00	0.00
Investments held in Cash Balance Investment Account (Treasury Bills)	12,828.49	25,422.96	12,594.47
<b>Total (A)</b>	<b>13,099.79</b>	<b>25,151.07</b>	<b>12,051.28</b>
<b>(B) Other Cash balances and investments</b>			
Cash with Departmental Officers viz. Public Works, Forest, District Collectors etc.	(-)0.37	0.83	1.20
Permanent advances with Departmental Officers for contingent expenditure	0.30	0.30	0.00
Investment of earmarked funds	7,576.49	10,379.69	2,803.20
<b>Total (B)</b>	<b>7,576.42</b>	<b>10,380.82</b>	<b>2,804.40</b>
<b>Total Cash Balances (A)+ (B)</b>	<b>20,676.21</b>	<b>35,531.89</b>	<b>14,855.68</b>
Interest realised	611 <sup>31</sup>	941 <sup>32</sup>	330

Source: Finance Accounts of the State Government for the year 2022-23.

The State Government's cash balances of ₹ 35,531.89 crore at the end of the current year showed an increase of ₹ 14,855.68 crore (71.85 per cent) over the previous year. Of the cash balance of ₹ 35,531.89 crore, ₹ 25,422.96 crore was invested in GoI Treasury Bills which earned an interest of ₹ 138.07 crore during

<sup>31</sup> Interest realised on Sinking Fund – Investment Account: ₹ 443 crore; Interest realised on Guarantee Redemption Fund – Investment Account: ₹ 37 crore; and Interest realised on investment of Cash Balances (Treasury Bills): ₹ 131 crore.

<sup>32</sup> Interest realised on Sinking Fund – Investment Account: ₹ 757 crore; Interest realised on Guarantee Redemption Fund – Investment Account: ₹ 46 crore; and Interest realised on investment of Cash Balances (Treasury Bills): ₹ 138 crore.

the year. Further, ₹ 10,379.69 crore was invested out of earmarked funds which earned an interest of ₹ 803.20 crore.

The cash balance investments of the State during the five-year period (2018-23) are given below.

Table 2.49: Cash Balance Investment Account (Major Head-8673)

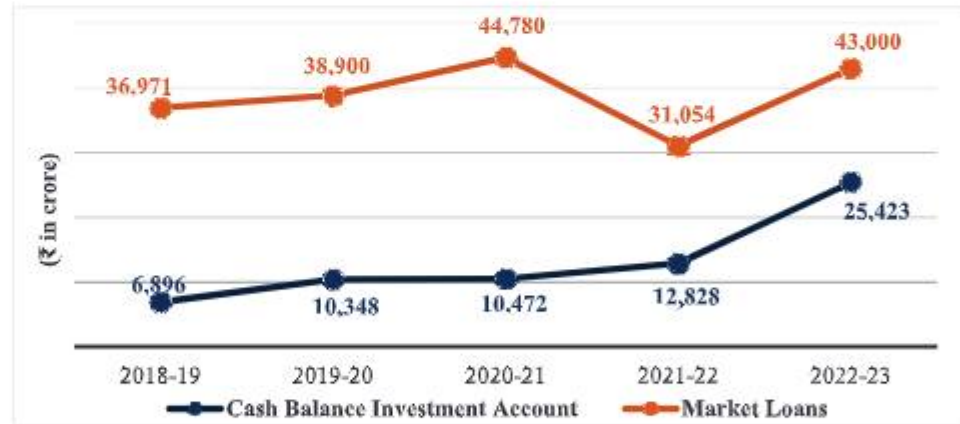
Year	Opening Balance	Closing Balance	Increase (+)/decrease (-)	Interest earned
2018-19	5,198.09	6,895.90	1,697.81	234.24
2019-20	6,895.90	10,347.99	3,452.09	211.33
2020-21	10,347.99	10,472.20	124.21	96.86
2021-22	10,472.20	12,828.49	2,356.29	130.57
2022-23	12,828.49	25,422.96	12,594.47	138.07

Source: Finance Accounts of the State Government for respective years.

The trend analysis of the cash balance investment of the State Government during 2018-23 revealed that investment increased significantly during 2022-23. During the current year, investments held in Cash Balance Investment Account (₹ 25,422.96 crore) stood at 10.42 per cent of the annual budget estimates of the State (₹ 2,43,964.73 crore).

Chart 2.22 compares the balances available as at the end of respective year in the Cash Balance Investment Account and the market loans raised by the State Government during the period 2018-23.

Chart 2.22: Market loans raised vis-a-vis investments held in Cash Balance Investment Account



Source: Finance Accounts of the State Government for respective years.

As we can see from the chart 2.22 above, during 2022-23, the State Government raised ₹ 43,000 crore from the market. On the other hand, balance available in Cash Balance Investment Account as on 31 March 2023 was ₹ 25,423 crore. It was further noticed that during the year 2022-23, interest of ₹ 19,708.69 crore was paid on outstanding Market Loans whereas, interest of ₹ 138.07 crore was earned on investments made from Cash Balance Investment Account.

## 2.9 Conclusion

- During 2022-23, revenue receipts increased by ₹ 32,578 crore (19.53 *per cent*) over the previous year. A significant portion of revenue receipts (71.83 *per cent*) during 2022-23 came from the State's own resources, while central tax transfers and grants-in-aid together contributed 28.17 *per cent*.
- The actual capital expenditure during 2022-23 was 99 *per cent* of the budget estimates (for capital expenditure) during 2022-23.
- The State Government gave higher fiscal priority to health and education during 2018-19 and 2022-23, as the ratio of State's expenditure to total expenditure under these heads was higher than States other than North Eastern and Himalayan States.
- The State Government had been able to continuously reduce its committed expenditure as a percentage of revenue expenditure.

## 2.10 Recommendations

- State Government may constitute State Finance Commissions as per time frame prescribed in the Constitution. Recommendations made by the Commissions may be considered and those accepted by the State Government be implemented in a time-bound manner.
- The State Government may assess the reasons for insufficient return on investment from Statutory Corporations, Government Companies, Cooperative Banks and Societies and to suggest remedial measures.
- State Government may take effective steps to complete all the projects expeditiously so that the intended benefits reach the beneficiaries without further delay.

# **CHAPTER III**

## **Budgetary Management**



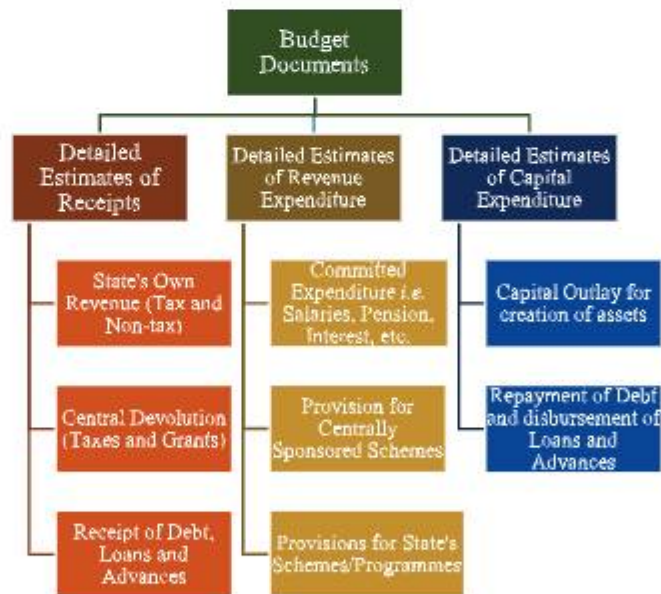
## Chapter III Budgetary Management

### 3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)” is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items<sup>1</sup> of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Gujarat Budget Manual, 1983, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various Departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the Heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called ‘Demand for Grants’. The State budget comprises following documents as shown in **Chart – 3.1**. Budget glossary is given in **Appendix – 3.1**.

**Chart – 3.1: Details of State Budget Documents**

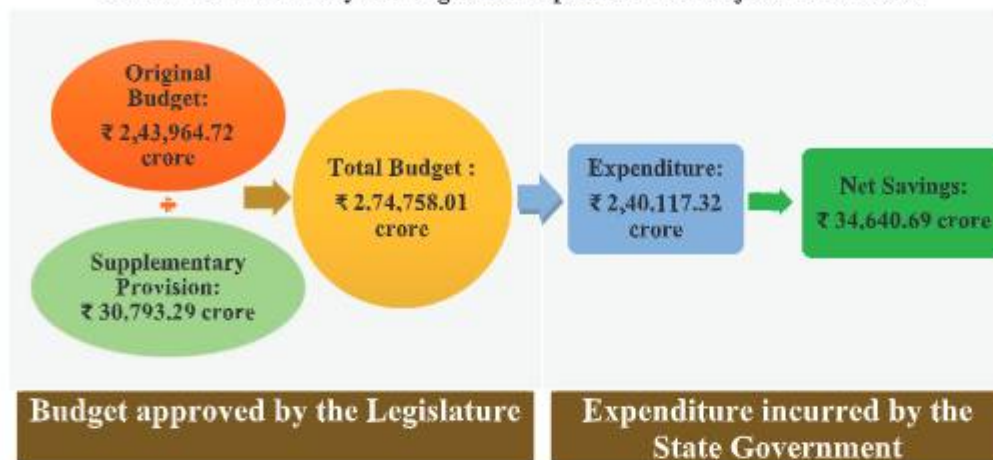


As per Appropriation Accounts for the year 2022-23, total amounts approved by the State Legislature (both original and supplementary provisions),

<sup>1</sup> **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

expenditure incurred and savings during 2022-23 are as depicted in **Chart – 3.2** below:

**Chart – 3.2: Summary of budget and expenditure of Gujarat for 2022-23**



Source: Appropriation Accounts of 2022-23.

The net savings of ₹ 34,640.69 crore were the result of gross savings of ₹ 34,705.17 crore in 176 out of 195 Grants/Appropriations, offset by excess of ₹ 64.48 crore in 05 out of 195 Grants/Appropriations during 2022-23.

### 3.1.1 Gender budget

The United Nation's Agenda 2030 of Sustainable Development Goals (SDGs) is a universal call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Among the 17 SDGs, Goal 5 aims to achieve gender equality and empower all women through ending all types of discrimination against women and girls. Gender equality is not only a basic human right, but it is also crucial for sustainable future.

The State Government has already prepared "Gujarat Sustainable Vision 2030" document spanning 17 SDGs including gender equality. To bring out desired outcome for women empowerment and gender equality, the State Government has been implementing many Schemes for women and girl child. Since financial year 2014-15, the State Government has been publishing "Gender Budget" comprising women-specific financial allocations.

**Table 3.1** shows the details of allocations made by the State Government under gender budgets during last five years (2018-23) whereas, **Chart – 3.3** highlights the percentage of gender budget to total budget and GSDP during the same period.

**Table 3.1: Allocation under gender budget during 2018-23**

	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Gender Budget	62,302.93	63,341.07	78,418.48	87,111.11	96,937.25
Total Budget	2,00,575.97	2,14,271.22	2,28,776.39	2,39,389.22	2,74,758.01
GSDP	14,92,156	16,17,143	16,36,781	19,57,583	22,61,715

Source: Appropriation Accounts of respective years

Chart – 3.3: Gender budget as percentage of total budget and GSDP



As can be seen, allocation under gender budget increased from ₹ 62,302.93 crore in 2018-19 to ₹ 96,937.25 crore in 2022-23. As a percentage of total budget, the share of gender budget increased from 29.56 *per cent* in 2019-20 to 36.39 *per cent* in 2021-22 but decreased to 35.28 *per cent* in 2022-23. Its share in GSDP decreased from 4.79 *per cent* in 2020-21 to 4.29 *per cent* in 2022-23.

The Gender Resource Centre under the Women and Child Development (WCD) Department, Government of Gujarat is responsible for collating schemes implemented by different Departments in the Gender Budget document. The Gender Budget document for 2022-23 has categorized schemes as A and B Categories.

- i. Category A - 100 *per cent* women-oriented schemes
- ii. Category B – Schemes having women-oriented component of 30-99 *per cent* of the provision

Details of expenditure against provision was neither available in Gender Budget document prepared by WCD Department nor in any separate publication. The details of mapping of various schemes in gender budget with budget estimates of different Departments were called for from the WCD Department. Necessary details were not provided to Audit, in the absence of which, actual expenditure could not be confirmed.

The WCD Department needs to take steps to monitor expenditure against each provision shown in gender budget.

In Social Justice and Empowerment Department (SJED), Audit test-checked implementation of two out of 100 schemes under Category B (schemes having women-oriented component of 30-99 *per cent*) included in the gender budget of last three years (2020-23). Details of budget provisions made, expenditure incurred and beneficiaries covered under two schemes in Category B are shown in **Table 3.2**.

**Table 3.2: Budget provision, expenditure incurred and beneficiaries covered under two schemes in Category B during 2020-23**

(₹ in crore)

Year	Grant detail	Total Grant allocated (Scheme wise)	Actual expenditure incurred (Scheme wise)	Total No. of beneficiaries covered
2020-21	Scholarship to disabled students (Normal/SCSP/TASP)	1.95	1.23	9,847
	Prosthetic aids and appliances to disabled (Normal/SCSP/TASP)	14.40	6.58	7,451
2021-22	Scholarship to disabled students (Normal/SCSP/TASP)	1.37	1.16	9,428
	Prosthetic aids and appliances to disabled (Normal/SCSP/TASP)	10.00	10.03	8,796
2022-23	Scholarship to disabled students (Normal/SCSP/TASP)	1.46	1.54	9,329
	Prosthetic aids and appliances to disabled (Normal/SCSP/TASP)	10.65	15.82	12,744

Source: Information furnished by SJED

The Table above shows the total number of beneficiaries covered. The SJED did not provide the gender-wise details of beneficiaries covered to assess the extent of gender reach under Category B scheme.

### 3.1.2 Summary of total provisions, actual disbursements and savings during the financial year

A summarised position of total budget provision, disbursements and savings/excesses with its further bifurcation into voted/charged items during 2022-23 is shown below.

**Table 3.3: Budget provision, disbursements and savings/excesses during 2022-23**

(₹ in crore)

Nature	Total Budget provision		Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,82,653.06	27,488.47	1,55,081.30	25,629.52	27,571.76	1,858.95
Capital	40,577.40	130.41	35,707.25	74.48	4,870.15	55.93
Loans and Advances	1,532.00	156.39	1,465.79	0.00	66.21	156.39
Public Debt	0.00	22,220.28	0.00	22,158.98	0.00	61.30
<b>Total</b>	<b>2,24,762.46</b>	<b>49,995.55</b>	<b>1,92,254.34</b>	<b>47,862.98</b>	<b>32,508.12</b>	<b>2,132.57</b>

Source: Appropriation Accounts of 2022-23

### 3.1.3 Charged and voted disbursements

Break-up of total disbursements into charged and voted items during 2022-23 and trend analysis of last five years (2018-23) is shown below.

**Table 3.4: Budget disbursements and savings during 2018-23**

(₹ in crore)

Year	Disbursements		Savings			
	Voted	Charged	Voted	Percentage	Charged	Percentage
2018-19	1,44,463.86	36,015.81	19,732.04	13.66	364.25	1.01
2019-20	1,48,754.75	39,524.20	25,852.54	17.38	139.73	0.35
2020-21	1,57,721.70	42,494.12	28,275.04	17.93	285.53	0.67
2021-22	1,67,376.82	49,978.60	21,112.71	12.61	921.09	1.84
2022-23	1,92,254.34	47,862.98	32,508.12	16.91	2,132.57	4.46

Source: Appropriation Accounts of respective years

As can be seen from the Table above, budget disbursements under both voted and charged items are increasing (except for the charged expenditure during 2022-23 over 2021-22). Savings under voted/charged sections have shown an increasing trend during the year over the previous year.

A detailed analysis of savings/excesses under different Grants had been included in **Paragraph 3.3**.

### 3.1.4 Budget marksmanship

#### Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved amounts.

**Table 3.5: Aggregate Budget Outturn during 2022-23**

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
Revenue	1,83,887.85	1,80,710.82	(-)3,177.03
Capital	60,076.87	59,406.50	(-)670.37
<b>Total</b>	<b>2,43,964.72</b>	<b>2,40,117.32</b>	<b>(-)3,847.40</b>

\* Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure.

In Revenue section, deviation of outturn as compared with BE was (-) 1.73 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 69 Grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 17 Grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 12 Grants and equal to or more than 100 per cent in 03 Grants.

In Capital section, deviation of outturn as compared with BE was (-) 1.12 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 19 Grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 10 Grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 17 Grants and equal to or more than 100 per cent in 13 Grants.

### Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

**Table 3.6: Expenditure Composition Outturn during 2022-23**

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	1,83,887.85	1,92,562.15	1,80,710.82	(-)8,674.30	(-)11,851.33
Capital	60,076.87	62,950.45	59,406.50	(-)2,873.58	(-)3,543.95
<b>Total</b>	<b>2,43,964.72</b>	<b>2,55,512.60</b>	<b>2,40,117.32</b>	<b>(-)11,547.88</b>	<b>(-)15,395.28</b>

\* Excess of actuals over revised provision is denoted as (+) figure and shortage of actuals over revised provision is denoted as (-) figure

In Revenue section, deviation in outturn compared with RE was (-) 6.15 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 89 Grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 10 Grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 02 Grants.

In Capital section, deviation in outturn compared with RE was (-) 5.63 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 33 Grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 08 Grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 09 Grants and equal to or more than 100 per cent in 04 Grants. No provision was, however, made at the RE stage in respect of 05 Grants (Grant No. 24, 55, 58, 75, and 99) of the Capital section.

### 3.2 Appropriation Accounts

Appropriation Accounts provide details of expenditure of the Government for the financial year, compared with the amounts of Grants Voted and Appropriations Charged for various purposes specified in the Schedules appended to Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, Supplementary Grants, savings, surrenders and Re-appropriations distinctly 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, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG 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.

### 3.3 Integrity of Budgetary and Accounting Process

#### 3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. As per Gujarat Budget Manual, 1983, no expenditure can be incurred under any head without budget provision or in anticipation of a supplementary Grant/Appropriation or prior to provision of funds by re-appropriation.

Audit scrutiny revealed that in two cases, expenditure of ₹ 20.97 crore was incurred during 2022-23, without budget provision. The heads of account where expenditure was incurred without budget provision during 2022-23 are as detailed in Table 3.7:

Table 3.7: Summary of expenditure without budget provision during 2022-23

			(₹ in crore)
Sl. No.	Grant No. and Heads of Account where expenditure was incurred without budget provision		Expenditure without Provision
1	96-2501-05-796-02	Pradhan Mantri Krishi Sinchayee Yojana- Watershed Component (State Share 100%)	17.57
2	106-2235-02-103-62	Beti Bachao, Beti Padhaao	3.40
<b>Total</b>			<b>20.97</b>

Source: Appropriation Accounts of 2022-23

#### 3.3.2 Unnecessary supplementary provision

As per Article 205 of the Constitution, a Supplementary or additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional Grant or Appropriation.

During 2022-23, Supplementary provisions (₹ 10 crore or more in each case) aggregating ₹ 2,816.30 crore were made in 11 Grants/Appropriation, which proved unnecessary. Expenditure incurred in these 11 cases did not even reach the level of the original provision as detailed in Table 3.8:

Table 3.8: Supplementary provision (₹ 10 crore or more in each case) proved unnecessary

(₹ in crore)					
Sl. No.	No. and name of the Grant	Original provision	Actual expenditure	Savings out of original provision	Unnecessary supplementary provision
<b>Revenue – Voted</b>					
1	02-Agriculture	2,968.69	2,560.14	408.55	776.21
2	05 –Co-Operation	1,854.57	1,808.36	46.21	119.15
3	06 –Fisheries	399.94	360.52	39.42	83.82
4	18 – Pension and Other Retirement Benefits	12,883.57	12,588.87	294.70	649.42
5	79-Relief on Account of Natural Calamities	2,599.97	1,760.13	839.84	241.85
6	106-Other Expenditure Pertaining to Women and Child Development Department	3,807.62	3,662.16	145.46	676.99
<b>Capital – Voted</b>					
7	13 – Power Projects	3,215.57	3,096.35	119.22	12.53
8	46-Other Expenditure Pertaining to Home Department	1,300.10	1,268.00	32.10	44.31
9	49-Industries	679.59	310.48	369.11	81.06
10	70-Community Development	71.10	66.14	4.96	74.91
11	74-Transport	493.76	124.44	369.32	56.05
<b>Total</b>		<b>30,274.48</b>	<b>27,605.59</b>	<b>2,668.89</b>	<b>2,816.30</b>

Source: Appropriation Accounts of 2022-23

### 3.3.3 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 need for additional funds is identified. During 2022-23, re-appropriation orders under 63 grants amounting to ₹ 9,488.56 crore were issued. All the re-appropriation orders were issued on 31 March 2023.

In 24 Sub-Heads, there were savings of ₹ 430.85 crore (more than ₹ 10 lakh in each case) from the original provisions. However, augmentation of provision through re-appropriation of ₹ 33.23 crore proved unnecessary under these 24 Sub-Heads, as expenditure did not come up to the level of the original budget provision, as detailed in **Appendix – 3.2**. On the other hand, in four Sub-Heads (**Sl. No. 25 to 28 of Appendix 3.2**), there was an excess of ₹ 9.74 crore over the original provisions. However, reduction of provision through re-appropriation of ₹ 12.60 crore in these four Sub-Heads proved injudicious.

Re-appropriation resorted to in these cases reflected inadequate planning and monitoring of budget allocation and its utilisation by the State Government.

### 3.3.4 Unspent provisions and surrendered Appropriations and/or large savings/surrenders

#### 3.3.4.1 Substantial savings due to low utilisation of budgetary provisions

All Estimating Officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should consider this while exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, weak scheme implementation capacities/weak internal controls promote release of funds towards the end of the financial year. Excessive savings in some heads also deprive other Departments of the funds which they could have utilised.

There were 108 demands for Grants being operated by 27 Departments of Government of Gujarat, which translated to 195 Grants/Appropriations<sup>2</sup> during 2022-23.

#### Savings after surrenders

An analysis of Grants and Appropriations showed that in 10 cases under 09 Grants during the year 2022-23, savings (after surrenders) exceeded ₹ 100 crore in each case (**Appendix – 3.3**).

#### Persistent savings

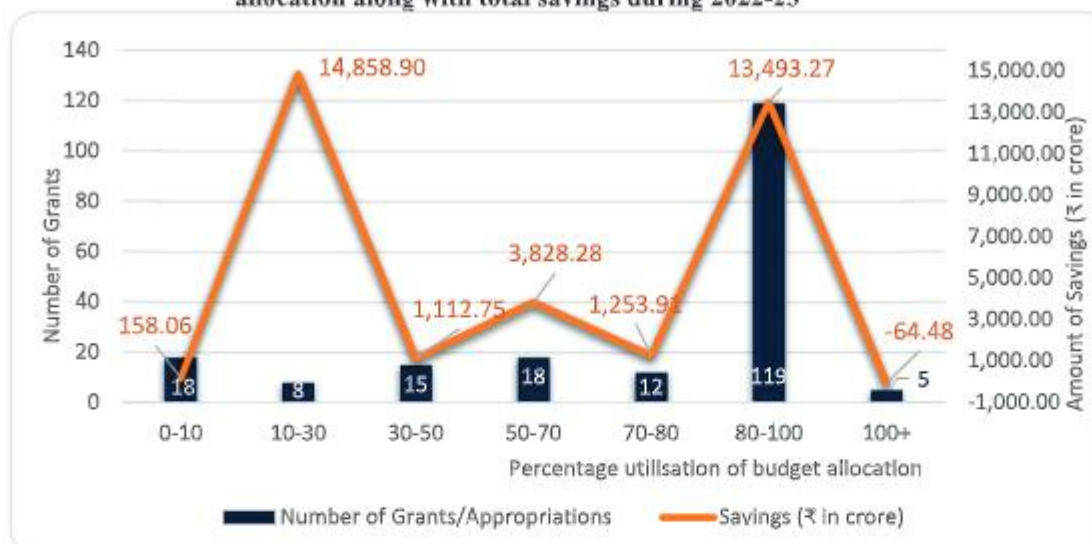
It was further observed that in 16 cases under 15 Grants, there were savings exceeding ₹ 100 crore persistently in each case (**Appendix – 3.4**) during 2020-21 to 2022-23. During the year 2022-23, savings in these 16 cases was ₹ 23,731.36 crore. The Secretary (Economic Affairs) stated (February 2024) in the exit meeting that these cases will be examined and that various budget issues brought out in the Report were helpful for appropriate budget preparation.

#### Percentage utilisation of budget allocation

Details of Grants/Appropriations grouped by the percentage utilisation of budget allocation along with total savings during 2022-23 are shown in **Chart – 3.4**.

<sup>2</sup> Grant: Revenue Voted and Capital Voted; Appropriation: Revenue Charged and Capital Charged

**Chart – 3.4: Grants/Appropriations grouped by percentage utilisation of budget allocation along with total savings during 2022-23**



Source: Appropriation Accounts of 2022-23.

As could be seen, there was an overall gross savings of ₹ 34,705.17 crore in 176 out of 195 Grants/Appropriations during 2022-23, of which, 41 Grants/Appropriations showed utilisation of less than 50 per cent of the budget allocation, along with a gross savings of ₹ 16,129.71 crore.

### Savings not surrendered

No objective is served by keeping back savings which should ideally be surrendered in time. For this reason, Appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised and thus avoidable demands for Supplementary Grants are preferred. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that they can surrender. The aim should be to surrender as much as they can so as to keep the expenditure just within the Grant.

It was noticed that savings under nine Grants and four Appropriations amounting to ₹ 528.99 crore (**Appendix – 3.5**) were not surrendered at all.

### 3.3.5 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/Appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed

under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

### 3.3.5.1 Excess expenditure during the year 2022-23

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

During 2022-23, there was an excess expenditure of ₹ 64.48 crore in five Grants/Appropriations requiring regularisation by the State Legislature (Table 3.9).

Table 3.9: Excess expenditure over provision during 2022-23 requiring regularisation

(₹ in crore)				
Grant No.	Name of Grant	Total Grant	Actual expenditure	Excess expenditure
<b>Revenue Voted</b>				
73	Other Expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department	1,497.42	1,559.12	61.70
90	Other Expenditure pertaining to Science and Technology Department.	376.18	376.45	0.27
<b>Revenue Charged</b>				
18	Pension and other Retirement Benefits.	13.00	13.47	0.47
<b>Capital Voted</b>				
68	Other Expenditure Pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department	0.24	0.30	0.06
98	Youth Services and Cultural Activities	38.45	40.43	1.98
<b>Total</b>		<b>1,925.29</b>	<b>1,989.77</b>	<b>64.48</b>

Source: Appropriation Accounts of 2022-23

Excess expenditure over provision vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

### 3.3.5.2 Persistent excess expenditure in certain Grants

Despite Public Accounts Committee's recommendations to minimise the cases of excesses, persistent excesses were noticed in one Grant. The persistent excess expenditure indicates that the budgetary control in the Department was ineffective and budget estimates were not prepared on realistic basis. Such repeated excess expenditure is in violation of the will of the State Legislature. Strictly, not a rupee can be spent without prior legislative authorisation and

therefore, this is to be viewed seriously. Persistent excesses may be due to improper estimation at the time of preparation of budget, indicating that the budgetary control by the Departments is ineffective and budget estimates are not being prepared realistically.

Audit observed persistent excess in Grant No. 73 (Revenue Voted) since 2012-13 onwards. The excess during the last five years (2018-23), due to improper estimations at the time of budget preparation, is detailed in **Table 3.10**:

**Table 3.10: Persistent excess expenditure during 2018-23**

(₹ in crore)

Sl. No.	Description of Grant/Appropriation	2018-19	2019-20	2020-21	2021-22	2022-23
1.	Grant No. 73 – Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department (Revenue Voted)					
	Grant	703.07	790.19	856.17	882.17	1,497.42
	Expenditure	1,463.84	1,347.89	1,352.62	1,427.43	1,559.12
	Excess	760.77	557.70	496.45	545.26	61.70

Source: Appropriation Accounts of respective years

The excess was observed under the Sub-Head ‘Superannuation and Retirement Allowances to Panchayat Employees’, and ‘Family Pension to Panchayat Employees’.

The State Government needs to maintain a robust database of Panchayat employees due for superannuation, in order to estimate the retirement benefits accurately.

### 3.3.5.3 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes legislative control over the executive. The excess expenditure of ₹ 11,938.06 crore incurred during the period 2009-10 to 2011-12 and 2014-15 to 2021-22 was yet to be regularised by the State Legislature. The details of excess expenditure of previous financial years requiring regularisation are shown in **Appendix – 3.6**.

All the existing cases of excess expenditure need to be got regularised.

## 3.4 Transparency of Budgetary and Accounting Process

### 3.4.1 Misclassification of capital expenditure as revenue expenditure

Rule 84 of the General Financial Rules, 2017 provides that significant expenditure incurred with the object of acquiring tangible assets of a permanent nature (for use in the organisation and not for sale in the ordinary course of business) or enhancing the utility of existing assets, shall broadly be defined as capital expenditure. Subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order

as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure. Capital and revenue expenditure shall be shown separately in the Accounts.

Further, Budget Preparation Circulars issued by the Finance Department every year clearly state that Object Heads 5100-Motor Vehicles, 5200-Machinery and Equipment, 5300-Major Works and 5500-Loans and Advances are for acquisition of capital assets and other capital expenditure, and necessary provision is to be made under Capital Major Heads.

Scrutiny of the budget documents and booking of expenditure during 2022-23 revealed that an original provision of ₹ 789.57 crore was made and an expenditure of ₹ 335.17 crore was incurred under Object Heads 5100, 5200, 5300 and 5500 under Revenue Major Heads, instead of Capital Major Heads. This misclassification impacted Statement No. 4, 5, 7, 15, 16 and 18 of the Finance Accounts for the year 2022-23, as capital expenditure was understated and revenue expenditure was overstated to that extent.

The Home Department and Social Justice and Empowerment Department accepted (September 2023) the audit observation and stated that from the financial year 2023-24, provisions under the Object Head 5100 and 5200 have been made under Capital Major Heads, instead of Revenue Major Heads.

### 3.5 Effectiveness of Budgetary and Accounting Process

#### 3.5.1 Budget projections *vis-à-vis* actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some Departments deprive other Departments of the funds, which they could have utilised.

The total provision for expenditure in 2022-23 was ₹ 2,74,758.01 crore. The actual gross expenditure during the year was ₹ 2,40,117.32 crore. This resulted in savings of ₹ 34,640.69 crore in 2022-23, of which, only ₹ 31,720.11 crore (91.57 per cent) was surrendered. All surrenders were made on 15 March 2023. The details are given in Table 3.11.

**Table 3.11: Summarised position of expenditure *vis-à-vis* budget provision**

(₹ in crore)

Voted/ Charged	Nature of expenditure	Budget (Original)	Budget (Supp.)	Total budget (O+S)	Actual expenditure	Net excess/ savings (-)	Excess/ savings (%)
Voted	Revenue	1,56,502.07	26,150.99	1,82,653.06	1,55,081.30	(-)27,571.76	(-)15.10
	Capital	36,492.21	4,085.19	40,577.40	35,707.25	(-)4,870.15	(-)12.00
	Loans and Advances	1,470.10	61.90	1,532.00	1,465.79	(-)66.21	(-)4.32

Voted/ Charged	Nature of expenditure	Budget (Original)	Budget (Supp.)	Total budget (O+S)	Actual expenditure	Net excess/ savings (-)	Excess/ savings (%)
	<b>Total</b>	<b>1,94,464.38</b>	<b>30,298.08</b>	<b>2,24,762.46</b>	<b>1,92,254.34</b>	<b>(-)32,508.12</b>	<b>(-)14.46</b>
Charged	Revenue	27,385.78	102.69	27,488.47	25,629.52	(-)1,858.95	(-)6.76
	Capital	89.07	41.34	130.41	74.48	(-)55.93	(-)42.89
	Public Debt	22,025.49	194.79	22,220.28	22,158.98	(-)61.30	(-)0.28
	Loans and Advances	00	156.39	156.39	00	(-)156.39	(-)100.00
	<b>Total</b>	<b>49,500.34</b>	<b>495.21</b>	<b>49,995.55</b>	<b>47,862.98</b>	<b>(-)2,132.57</b>	<b>(-)4.27</b>
<b>Grand Total</b>	<b>2,43,964.72</b>	<b>30,793.29</b>	<b>2,74,758.01</b>	<b>2,40,117.32</b>	<b>(-)34,640.69</b>	<b>(-)12.61</b>	

Source: Appropriation Accounts of 2022-23

**Table 3.12: Original budget, revised estimates and actual expenditure during 2018-23**  
(₹ in crore)

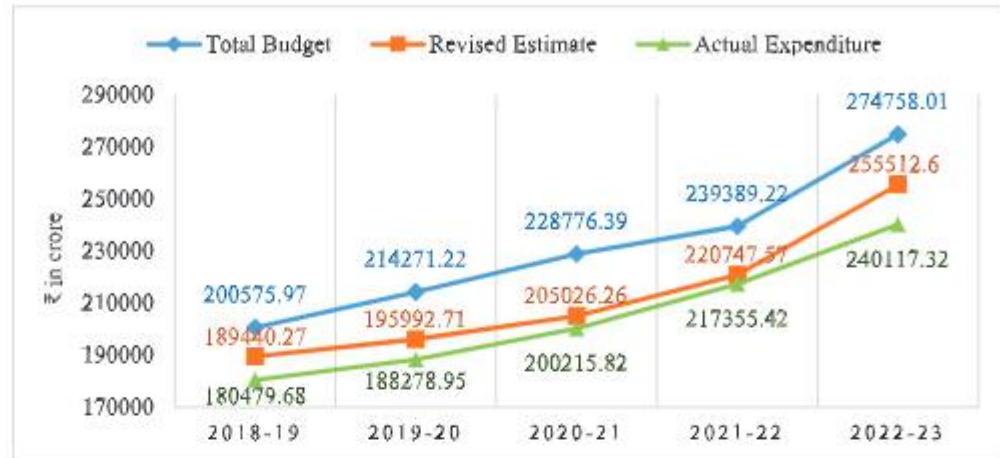
	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	1,83,666.38	2,04,815.00	2,17,287.24	2,27,028.79	2,43,964.72
Supplementary Budget	16,909.59	9,456.22	11,489.15	12,360.43	30,793.29
Total Budget (Original + Supplementary) (TB)	2,00,575.97	2,14,271.22	2,28,776.39	2,39,389.22	2,74,758.01
Revised Estimates (RE)	1,89,440.27	1,95,992.71	2,05,026.26	2,20,747.57	2,55,512.60
Actual Expenditure (AE)	1,80,479.68	1,88,278.95	2,00,215.82	2,17,355.42	2,40,117.32
Net Saving (-)/excess(+)	(-) 20,096.29	(-) 25,992.27	(-)28,560.57	(-)22,033.80	(-)34,640.69
Percentage of supplementary provision to original provision	9.21	4.62	5.29	5.44	12.62
Percentage of overall saving (-)/excess (+) to overall provision	(-)10.02	(-) 12.13	(-)12.48	(-)9.20	(-)12.61
TB-RE	11,135.70	18,278.51	23,750.13	18,641.65	19,245.41
RE-AE	8,960.59	7,713.76	4,810.44	3,392.15	15,395.28
(TB-RE) as % of TB	5.55	8.53	10.38	7.79	7.00
(RE-AE) as % of TB	4.47	3.60	2.10	1.42	5.60

Source: Annual financial statements and Appropriation Accounts of the respective years

As can be seen from the **Table 3.12**, there was an overall savings of 12.61 per cent during 2022-23 as compared to 9.20 per cent during 2021-22. Further, supplementary provision of ₹ 30,793.29 crore during 2022-23 constituted 12.62 per cent of the original provision, as against 5.44 per cent in the previous year.

The summary of variations in Appropriation Accounts is depicted in **Chart 3.5**.

Chart 3.5: Trend showing BE, RE and Actuals



It can be seen from the Chart above that over the years from 2018-19 to 2022-23, Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB was less than 10 per cent during the period 2018-23, except in the year 2020-21 when it was 10.38 per cent. Further, Actual Expenditure (AE) was lower than the RE during the period 2018-23.

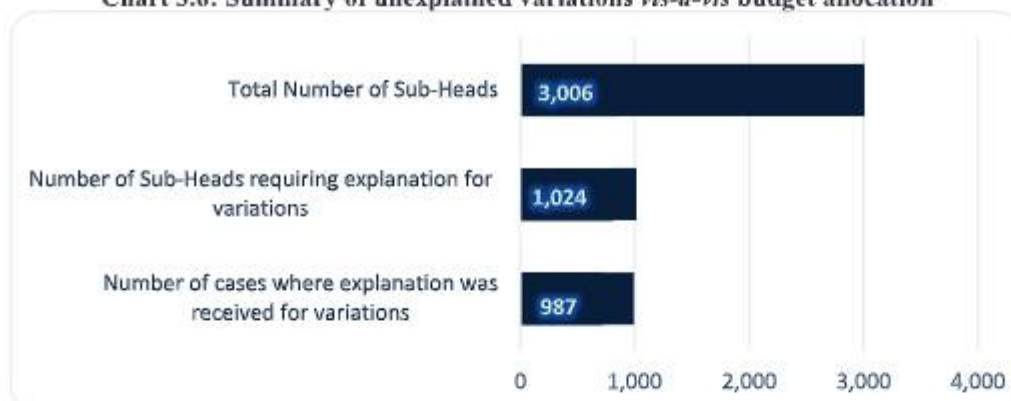
### 3.5.2 Missing/incomplete explanations for variations from budgeted provisions

Apart from showing the expenditure against the approved budget, Appropriation Accounts also contain explanations provided by the Departments concerned for cases where the expenditure varies significantly from the budgeted provision (Original plus Supplementary). The limits beyond which such variations at the Sub-Head levels (unit of Appropriation) are to be explained by the Departments concerned are set by the Public Accounts Committee.

The Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/explanations for the variations in expenditure with reference to approved budgetary allocations as per the limits set by the PAC. The limits set by the Public Accounts Committee in October 1994 are shown in **Appendix – 3.7**.

Of the 195 Grants/ Appropriations, reasons for variations were required in respect of 151 Grants/Appropriations. Audit of Appropriation Accounts of 2022-23 and an analysis of the underlying accounting data revealed that the Controlling Officers did not provide explanations for the variations in expenditure *vis-à-vis* budgeted allocations in respect of 23 out of 151 Grants/Appropriations. At the Sub-Head level, explanations for variations were not provided in 37 out of 1,024 sub-heads.

The total number of Sub-Heads, number of Sub-Heads requiring explanation for variations and the number of Sub-Heads where explanations were received are shown in **Chart 3.6**. The relevant details in this regard are indicated in **Appendix – 3.8**.

**Chart 3.6: Summary of unexplained variations vis-à-vis budget allocation**

Source: Appropriation Accounts of 2022-23 and information provided by office of the Accountant General (A & E) Gujarat.

Absence of explanation for variation between the budgeted allocation and its utilisation inhibits legislative control over budget as a means of ensuring financial accountability of the Government.

### 3.5.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives are taken up by the State Government for the public. These policy initiatives can be executed only after approval of scheme guidelines/modalities, for want of administrative sanction, release of budget, etc.

Appendix XI, Volume-II of Finance Accounts for the year 2022-23 gives the details of major policy decisions taken during the year or new schemes proposed in the budget. During 2022-23, 29 new schemes/major policy pronouncements were made by the State Government, of which, 24 Schemes were implemented during the year.

### 3.5.4 Rush of expenditure

As per Gujarat Budget Manual, 1983, rush of expenditure, particularly in the closing months of the financial year, is a breach of financial propriety.

Monthly flow of receipts into the State exchequer and disbursements during 2022-23 are shown in **Chart 3.7**.

Chart 3.7: Monthly receipts and expenditure during 2022-23

(₹ in crore)



(Expenditure figures are net of recoveries)

Source: Information provided by Office of the Accountant General (A &amp; E) Gujarat.

As may be seen from the **Chart 3.7**, receipts and expenditure in March were significantly higher than that of other months during the financial year 2022-23.

Major Heads where more than 50 per cent of the total expenditure (more than ₹ one crore in each case) was incurred in March 2023 alone, are detailed in **Table 3.13**:

Table 3.13: Quantum of expenditure in March 2023

(₹ in crore)

Major Head	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total exp.	Expr. in March	Expr. in March to total exp. (%)
2048	Appropriation for reduction or avoidance of debt	0.00	0.00	0.00	2,000.00	2,000.00	2,000.00	100
2075	Miscellaneous General Services	2.23	16.70	13.60	67.74	100.27	66.98	66.80
2215	Water supply and Sanitation	180.25	84.06	88.82	406.45	759.58	382.53	50.36
2425	Co-operation	26.80	617.99	60.45	1,165.51	1,870.75	1,089.38	58.23
2711	Flood control and Drainage	1.61	6.54	7.29	31.11	46.55	27.54	59.17
2875	Other industries	0.00	0.00	9.38	11.20	20.58	11.20	54.43
3051	Ports and Light Houses	0.00	9.00	17.26	49.60	75.86	49.60	65.39
4059	Capital Outlay on Public Works	15.39	38.86	48.24	184.45	286.94	161.61	56.32
4070	Capital Outlay on Other Administrative Services	0.02	0.01	0.80	1.40	2.23	1.38	62.29
4202	Capital outlay on Education, Sports, Art and Culture	240.01	49.31	545.44	2,431.58	3,266.34	1,690.87	51.77
4403	Capital Outlay on Animal husbandry	0.33	0.80	2.48	13.57	17.18	10.27	59.75

Major Head	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total expr.	Expr. in March	Expr. in March to total expr. (%)
4408	Capital Outlay on Food, Storage and Warehousing	0.00	0.00	3.90	6.70	10.60	5.82	54.87
4435	Capital outlay on Other Agricultural Programmes	0.00	0.00	0.00	9.94	9.94	9.94	100
4711	Capital outlay on Flood control Projects	5.75	15.39	15.67	210.08	246.89	185.24	75.03
4810	Capital outlay on New and Renewable Energy	50.25	50.00	50.50	358.50	509.25	358.50	70.40
4853	Capital outlay from Non-Ferrous Mining and Metallurgical Industries	0.00	0.00	0.0	5.05	5.05	5.05	100
5051	Capital outlay on Ports and Light house	16.74	34.47	17.46	211.18	279.85	182.03	65.05
6216	Loans for Housing	0.00	0.00	0.00	1.20	1.20	0.90	75.00
6235	Loans for Social Security and Welfare	0.06	1.13	0.00	3.38	4.57	3.38	73.97
<b>Total</b>		<b>16.80</b>	<b>35.60</b>	<b>17.46</b>	<b>215.76</b>	<b>9,513.63</b>	<b>6,242.22</b>	

Source: Information provided by Office of the Accountant General (A & E) Gujarat.

Thus, contrary to the spirit of financial regulation, substantial expenditure was incurred by the State Government at the end of the financial year, indicating inadequate control over expenditure and poor budgetary management.

Further, out of an expenditure of ₹ 44,484.20 crore incurred under 2,058 Sub-Heads in March 2023, in 179 Sub-Heads, 100 *per cent* expenditure (₹ 5,735.39 crore) was incurred in March 2023. The details of 41 such Sub-Heads (out of 179), where expenditure of ₹ 10 crore or more was incurred in March 2023, are detailed in **Appendix – 3.9**.

Moreover, in case of expenditure done by Departments with respect to Grants placed at their disposal, it was observed that in 10 out of 108 Grants, more than 50 *per cent* of the total expenditure was incurred in March 2023, as shown in **Table 3.14**.

**Table 3.14: Grants with more than 50 per cent expenditure in March  
(Descending order of percentage)**

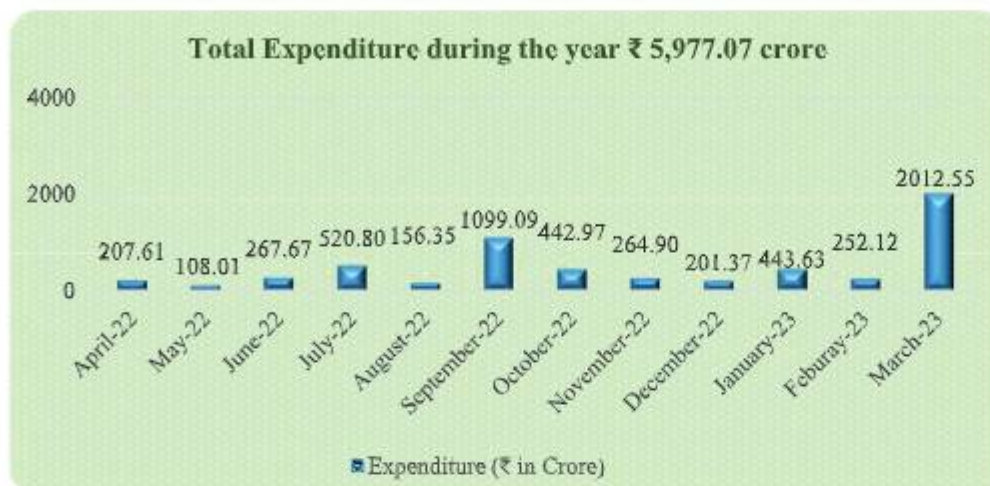
(₹ in crore)

Sr. No.	Grant No. with description	Allocation during 2022-23	Expenditure				Total Expr.	Expr. in March	Expr. in 4 <sup>th</sup> Quarter as percent-age of total expr.	Expr. in March as percent-age of total expr.
			1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter				
1	0007: Other Expenditure Pertaining to Agriculture and Co-operation Department	19.78	0.00	0.00	0.10	18.78	18.88	18.78	99.47	99.47
2	0019: Other Expenditure pertaining to Finance Department	15,739.39	19.26	21.02	13.83	2,024.19	2,078.30	2,015.81	97.40	96.99
3	0041: Other expenditure pertaining to Health and Family Welfare Department	3.02	0.00	0.22	0.09	2.47	2.78	2.47	88.85	88.85
4	0055: Other expenditure pertaining to Information and Broadcasting Department	20.10	4.13	0.00	0.00	11.14	15.27	11.14	72.95	72.95
5	0028: Other expenditure pertaining to Forest and Environment department	0.31	0.00	0.00	0.08	0.16	0.24	0.16	66.67	66.67
6	0075: Other expenditure Pertaining to Ports and transport Department	80.38	0.64	9.52	17.87	52.31	80.34	51.92	65.11	64.62
7	0005: Co-operation	2,030.46	21.54	607.22	46.25	1,143.29	1,818.30	1,071.17	62.88	58.91
8	0072: Compensation and Assignments	136.86	10.61	6.26	12.59	38.96	68.42	38.87	56.94	56.81
9	0085: Residential Buildings	488.52	14.03	46.71	68.43	195.20	324.37	178.40	60.18	55.00
10	0089: Science and Technology Department	558.10	52.24	54.70	44.35	225.17	376.46	190.91	59.81	50.71

Source: Information provided by Office of the Accountant General (A&E) Gujarat.

#### 3.5.4.1 Departments registering more than 25 per cent expenditure in March

In nine Departments, more than 25 per cent of the total expenditure was incurred in March 2023. Details of two such Departments are shown in **Charts 3.8 and 3.9**. Details of month-wise expenditure in respect of all nine Departments are shown in **Appendix – 3.10**.

**Chart 3.8: Month-wise expenditure of Agriculture, Farmers Welfare and Co-operation Department**

Source: Information provided by Office of the Accountant General (A&E) Gujarat.

**Chart 3.9: Month-wise expenditure of Revenue Department**

Source: Information provided by Office of the Accountant General (A&E) Gujarat.

### 3.6 Review of selected Grants

The Gujarat Budget Manual, 1983 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 in time and accurately and to ensure that the Grants placed at the disposal is spent only on the objects for which it has been provided and to surrender the savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, Audit test-checked the records of the Administrative Departments/Controlling Officers operating Grant No. 42, 43, 44, 45, and 46 under Home Department and Grant No. 91, 92, 94 and 95 under Social Justice and Empowerment Department for a period of three years from 2020-21 to 2022-23. The audit findings are discussed in the succeeding paragraphs.

### 3.6.1 Review of Grant No 42, 43, 44, 45, & 46 – Home Department

Home Department is entrusted with the prime responsibility of maintenance of law and order and internal security, investigation and prosecution of offences in the State, etc.

The Additional Chief Secretary, Home Department is the head of the Home Department. He is assisted by 12 Heads<sup>3</sup> of the Office, who also act as Grant Controlling Officers.

#### 3.6.1.1 Budgetary Provision vis-à-vis expenditure

The budgetary allocation and expenditure during 2020-23 under Grant No. 42, 43, 44, 45 and 46 are given in the **Table 3.15** below:

**Table 3.15: Budgetary provision and expenditure under Grant No. 42, 43, 44, 45 and 46**

(₹ in crore)

Year	Budget provision			Expenditure	Excess (+)/ savings (-)	Percentage savings (-)
	Original	Supple- mentary	Total			
<b>Grant No. 42</b>						
<b>Revenue Voted</b>						
2020-21	19.96	0	19.96	13.87	(-)6.09	30.51
2021-22	19.97	0	19.97	14.26	(-)5.71	28.59
2022-23	23.94	0	23.94	14.32	(-)9.62	40.18
<b>Grant No. 43</b>						
<b>Revenue Voted</b>						
2020-21	5,833.40	0	5,833.40	5,079.84	(-)753.56	12.92
2021-22	6,023.07	0	6,023.07	5,144.68	(-)878.39	14.58
2022-23	6,106.27	0	6,106.27	5,893.64	(-)212.63	3.48
<b>Grant No. 44</b>						
<b>Revenue Voted</b>						
2020-21	194.97	0	194.97	160.86	(-)34.11	17.49
2021-22	198.09	0	198.09	181.89	(-)16.20	8.18
2022-23	190.48	6.29	196.77	195.02	(-)1.75	0.89
<b>Grant No. 45</b>						
<b>Revenue Voted</b>						
2020-21	19.75	0	19.75	18.79	(-)0.96	4.86
2021-22	23.09	0	23.09	17.93	(-)5.15	22.30
2022-23	21.80	0	21.80	18.23	(-)3.57	16.38

<sup>3</sup> (1) Director General of Police and Chief Police Officer; (2) Director, Forensic Science; (3) Director, Anti-Corruption Bureau; (4) Additional Director General of Police and Inspector General of Prisons; (5) Gujarat Vigilance Commission; (6) Commissioner and Additional Director General of Police, Narcotics and Excise; (7) Commandant General, Home Guards; (8) Director, Civil Defence; (9) Director, Sainik Welfare and Rehabilitation; (10) Gujarat State Human Rights Commission; (11) Joint Director, Gram Rakshak Dal and (12) Managing Director, Gujarat State Police Housing Corporation Limited

Year	Budget provision			Expenditure	Excess (+)/ savings (-)	Percentage savings (-)
	Original	Supple- mentary	Total			
<b>Grant No. 46</b>						
<b>Revenue Voted</b>						
2020-21	478.79	337.16	815.95	772.28	(-)43.67	5.35
2021-22	574.27	0	574.27	552.81	(-)21.46	3.74
2022-23	611.23	9.77	621.00	618.67	(-)2.33	0.38
<b>Revenue Charged</b>						
2020-21	0.50	0	0.50	0.11	(-)0.39	78.00
2021-22	0.51	0	0.51	0.33	(-)0.18	35.29
2022-23	0.51	0.60	1.11	0.74	(-)0.37	33.33
<b>Capital Voted</b>						
2020-21	832.09	0	832.09	517.00	(-)315.09	37.87
2021-22	951.66	0	951.66	804.21	(-)147.45	15.49
2022-23	1,300.10	44.31	1,344.41	1,268.00	(-)76.41	5.68

Source: Appropriation Accounts of respective years.

As seen from the Table above, there were major savings under 'Revenue Voted' Section in Grant No. 42 (28.59 per cent to 40.18 per cent); Grant No. 43 (3.48 per cent to 14.58 per cent); and under 'Capital Voted' Section in Grant No. 46 (5.68 per cent to 37.87 per cent). This highlights the need for preparation of budget on realistic basis for optimum utilisation of available resources.

### 3.6.1.2 Under-utilisation of Nirbhaya Fund Scheme

Government of India (GoI) had set up a dedicated fund, namely the Nirbhaya Fund which was to be utilised for projects specifically designed to improve the safety and security of women. It is a non-lapsable corpus fund, being administered by the Department of Economic Affairs, Ministry of Finance, GoI. The Ministry of Women and Child Development, GoI is the nodal Ministry to appraise/recommend the proposals and schemes to be funded under Nirbhaya Fund.

The State Government was to formulate proposals factoring in women safety issues within the public sphere for seeking funds under Nirbhaya Fund. Audit examined the implementation of 'Safe City Project' and 'Cyber Crime Prevention against Women and Children' under this scheme.

#### *Safe City Project – Grant No. 46*

Safe City Projects are being undertaken in eight cities<sup>4</sup> across the country including Ahmedabad. The project adds many dimensions to safety of women and children like the use of drones, installation of CCTV cameras with facial recognition or automatic number plate recognition to track and alert Police about criminals and criminal activity, technology-enabled infrastructure like smart lighting system, crime hot-spots in eight cities and toilets for women.

<sup>4</sup> Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Lucknow and Mumbai

Ahmedabad Safe City project has comprehensive and integrated projects developed by the Police and Ahmedabad Municipal Corporation (AMC), keeping with the demands of women citizens and to plug any gaps in existing infrastructure. It is a Centrally Sponsored Scheme with funding pattern of 60:40 (Centre:State). The Safe City Project is an ongoing project under which, 100 SHE team vehicles, 40 Abhayam vans, one One-Stop Crisis Centre, two Women Cyber units, one Ekta ground, two EV Surveillance Vehicles have been deployed.

During 2018-19 to 2020-21, the Joint Commissioner of Police, Ahmedabad City received a Grant of ₹ 220.11 crore from GoI and the State Government. As per the Utilization Certificate (UC) submitted (July 2023) to the Director, Women Safety Division, Ministry of Home Affairs, GoI, a sum of ₹ 76.36 crore (34.69 per cent) was utilized and the remaining ₹ 143.75 crore was shown as committed liabilities.

Audit, however, observed that out of ₹ 143.75 crore (shown as committed liabilities in the UC), ₹ 25 crore was lying unspent with the AMC and the remaining ₹ 118.75 crore was parked with Gujarat State Financial Services Limited (GSFS) through Gujarat State Police Housing Corporation Limited (August 2023).

#### **Cyber Crime Prevention against Women and Children – Grant No. 43**

The Ministry of Home Affairs is implementing a scheme, namely Cyber Crime Prevention against Women and Children (CCPWC) which has various components, such as, setting-up of online cyber-crime reporting portal, setting-up of cyber forensic-cum-training laboratories, hiring of Junior Cyber Consultants and training/capacity building to provide hands-on training to law enforcement agencies investigators, prosecutors and judicial officers. This is a 100 per cent Centrally Sponsored Scheme. The implementing agency for the scheme was Superintendent of Police, Cyber Crime Cell, CID Crime, Gujarat.

**Table 3.16: Grants-in-aid provided and utilised**

(₹ in lakh)				
Sl. No.	Funds granted for	Grants received	Grants utilised till 31.03.2023	Grants remaining unutilised
<b>2017-18</b>				
1	Training	29.90	29.41	0.49
2	Setting-up of Cyber Forensic-cum-training laboratories	230.00	229.32	0.68
3	Hiring of Junior Cyber Forensic Consultants	12.00	10.18	1.82
<b>2019-20</b>				
1	Training	24.85	2.16	22.69
2	Setting-up of Cyber Forensic-cum-training laboratories	48.50	16.52	31.98
<b>Total</b>		<b>345.25</b>	<b>287.59</b>	<b>57.66</b>

Source: Information provided by Home Department.

As may be seen from the Table above, ₹ 57.66 lakh remained unutilised as of 31 March 2023, even after lapse of three to five years.

The Home Department needs to assess the progress of the scheme, and if the funds are not required, it should direct the implementing agency to surrender the unutilised amount.

### 3.6.1.3 Modernisation of Police Forces

The scheme for Modernisation of Police Forces (MPF) is being implemented by the GoI since 1969-70 for reforming the State Police forces. The GoI approved (August 2022) the continuation of the umbrella scheme of MPF for the period up to 2025-26. The Ministry of Home Affairs (MHA), GoI and Home Department, Government of Gujarat are responsible for implementing the scheme at the Centre and the State levels respectively. It is a Centrally Sponsored Scheme with funding pattern of 60:40 (Centre:State).

Year-wise details of the Grants received from GoI and the status of submission of UCs are shown below:

**Table 3.17: Details of Grants received and status of submission of UCs**

Year	Central share as per State Action Plan	Amount released by GoI	Status of submission of UCs to GoI
	(₹ in crore)		
2018-19	44.21	44.21	UC of ₹ 44.21 crore belatedly submitted to GoI in July 2021.
2019-20	41.19	41.19	The State Government submitted UC for ₹ 25 crore to GoI in May 2022. UC for ₹ 9.95 crore was pending submission to GoI as of August 2023. The remaining Grant amounting to ₹ 6.24 crore for the year 2019-20 was not utilised till April 2023.
2020-21	35.81	Nil	No Grants were released during 2020-21, due to delay in submission of UC for the year 2018-19 (it was submitted in July 2021).
2021-22	35.81	Nil	No Grants were released during 2021-22 and 2022-23, due to non-submission of the UC (₹ 9.95 crore) and non-utilisation of Grants (₹ 6.24 crore) for the year 2019-20.
2022-23	33.63	Nil	

Source: Information provided by Home Department

Thus, delay in submission/non-submission of the UCs for the period from 2018-19 to 2019-20 resulted in non-release of the Central Grants to the extent of ₹ 105.25 crore for the period 2020-21 to 2022-23.

### 3.6.1.4 Incorrect remittance of interest

As per Rule 230(8) of General Financial Rules, 2017, all interests or other earnings against Grants-in-aid or advances (other than reimbursement) released to any

grantee institution should be mandatorily remitted to the Consolidated Fund of India.

Audit observed that unutilised amount of Grants-in-aid (₹ 150.02 crore as of March 2022) pertaining to Nirbhaya Fund scheme was parked with the GSFS through Gujarat State Police Housing Corporation Limited (GSPHCL). As the cost of Nirbhaya Fund scheme was to be shared in the ratio of 60:40 between the GoI and the State Government, interest receipts were also required to be deposited in the Consolidated Fund of India and the Consolidated Fund of the State in the same ratio (60:40), as per the funding pattern of the Nirbhaya Fund scheme.

Information furnished by GSPHCL revealed that during 2020-21 and 2021-22 (till 30 June 2021), an amount of ₹ 1.47 crore and ₹ 1.74 crore was earned as interest on the funds parked with the GSFS through GSPHCL respectively. As such, an amount of ₹ 1.92 crore being 60 per cent of total interest earned (₹ 3.21 crore) was required to be remitted to the Consolidated Fund of India. However, GSPHCL incorrectly remitted the entire interest amount of ₹ 3.21 crore in MH 0049 (Interest Receipts) of the Consolidated Fund of the State, in contravention of the provisions contained in the General Financial Rules.

The GSPHCL accepted (August 2023) the audit observation and stated that after 30 June 2021, it had been depositing the interest amounts pertaining to the Central and the State Governments in their respective Consolidated Funds, as per approved funding pattern of the scheme.

### 3.6.1.5 Implementation of new items included in the budget

Paragraph 78 of Gujarat Budget Manual, 1983 states that in every progressive administration, there is a need for expanding the scope of Government activities and therefore, every year Government proposes new expenditure to be incurred in addition to standing charges, which is categorised as new expenditure or expenditure on new service. Thus, before declaring a service as a new item, the main criteria will be the magnitude and importance of the expenditure.

Audit observed that various new items announced in the budget documents for the year 2020-21, 2021-22 and 2022-23 with respect to the Home Department were not implemented and remained unfulfilled as detailed in **Table 3.18** below:

**Table 3.18: New items not implemented during 2020-23**

(₹ in crore)				
Sl. No.	New item proposed	Budget provision	Actual expenditure incurred	Latest implementation Status of each the new item
<b>2020-21</b>				
1	To create 4G LTE communication system at Surat City	30.00	0.00	Ministry of Home Affairs is planning to establish single 4G LTE communication network all over the country in order to have uniformity across the country; hence the project has been delayed.

Sl. No.	New item proposed	Budget provision	Actual expenditure incurred	Latest implementation Status of each the new item
2	CCTV Surveillance system at Lajpor Central Jail	6.00	0.00	No information was furnished by Home Department.
3	Upgradation of Jammer system in Ahmedabad Central Jail	9.03	0.00	No information was furnished by Home Department.
4	Construction of Police training centre at Khalal	43.00	0.73	Tender was under approval.
<b>2021-22</b>				
5	Construction for new office of Police Commissioner at Ahmedabad city.	8.68	0.00	No information was furnished by Home Department.
6	Police Station CCTV upgradation	25.00	0.00	Work assigned to Gujarat Informatics Limited.
7	Resident and different types of construction for State prison.	22.00	0.00	No information was furnished by Home Department.
8	Construction of Jail at Devbhumi Dwarka	17.66	0.00	No information was furnished by Home Department.
<b>2022-23</b>				
9	Establishment of Drone Training and Coordination Centre	6.00	0.62	Procurement of Drone was not possible due to non-transfer of UIN of the Drone by the supplier. Re-tendering was done and tender was under approval.
10	Purchase equipment for operation of BDDS	5.00	0.00	Tenders was invited through GeM; however the same was cancelled due to high price bid.
11	Purchase of AFIS system for FSL office	34.45	0.00	No information was furnished by Home Department.
12	Connectivity of Outpost/ Chauki under Bharat Net Project	13.55	0.00	No information was furnished by Home Department.
13	Purchase of New Computer/Printer for the Offices of Police Department.	27.35	2.59	Retendering for procurement of 2,475 computers was pending. Further, procurement of 2,000 printers was not done due to non-approval by the Secretaries, Purchase Committee (IT).
14	Construction of Chhota-Uddepur District Jail	13.58	0.00	Work was not taken up due to land related issue.
15	Residential buildings and other	10.89	0.00	No information was furnished by Home Department.

Sl. No.	New item proposed	Budget provision	Actual expenditure incurred	Latest implementation Status of each the new item
	construction for state Jails			
16	Construction of Palanpur District Jail	22.66	0.00	Retendering done for the sixth time.
17	Construction of Gir-Somnath District Jail	22.66	0.00	Tender process completed and work order issued in July 2023.

Source: Information furnished by Home Department

The Table above shows that despite budgetary provisions, new items were not implemented during 2020-23. The Department needs to ensure implementation of all the new items planned in budget so as to reap the intended benefits.

### 3.6.1.6 Achievements against outcome budget

The Government of Gujarat adopted the outcome budget in the year 2017-18. The outcome budget aims at changing the perspective by shifting the focus from 'outlays' to measurable 'outcomes' and can be viewed as a tangible expression of a Government's priorities, performances, decisions and intentions. The outcome budget establishes linkage between budgetary provision and socially viable development outcome across schemes and programmes.

In case of Home Department, all capital works relating to creation of capital assets are done by GSPHCL. The details of capital assets planned to be created by the Department in the outcome budget for the year 2020-21, 2021-22 and 2022-23, and the actual achievements there against are shown in Table 3.19.

**Table 3.19: Status of achievement of physical targets set-out in outcome budgets**  
(₹ in crore)

Name of scheme	Financial provision	Physical targets		Actual achievement (No.)
		Unit	No.	
<b>2020-21</b>				
HSG-14 046:4055:00:211:03 Construction of Non-residential buildings	141.62	Non-residential buildings	148	42 (28.38 per cent)
	43.00	Non-residential buildings (New)	01	
HSG-17 046:4216:01:700:09 Construction of new residential buildings for Police (New item)	287.65	Residential buildings	1,228	68 (5.54 per cent)
HSG-20 096:4216:01:796:05 Construction TASP-Home Department	118.96	Residential & non-residential buildings	49	5 (10.20 per cent only)
<b>2021-22</b>				
046:4216:01:700:09 Construction of New residential buildings for police	304.99	Residential buildings	4,368	907 (20.76 per cent)

Name of scheme	Financial provision	Physical targets		Actual achievement (No.)
		Unit	No.	
096:4216:01:796:05 Construction TASP-Home Department	164.50	Residential & non-residential buildings	1,380	283 (20.50 per cent)
<b>2022-23</b>				
046:4055.00.207.01 Purchase of computers, printers for police department.	27.35	No. of equipment	4634	159 (3.43 per cent)
046:4055:00:211:03 Construction of Non-residential Buildings	120.00	Non-residential buildings	185	33 (17.84 per cent)
046:4216:01:700:09 Construction of New residential buildings	515.45	Residential buildings	6,925	2461 (35.54 per cent)
096:4216:01:796:05 Construction TASP-Home Department	65.15	Residential & non-residential buildings	1,158	245 (21.16 per cent)

Source: Details provided by Home Department

It can be seen from the Table above that outputs were significantly impacted against the targets set-out in the outcome budgets.

The Department stated (August 2023) that works were affected due to Covid-19 pandemic as well as unavailability of manpower and increase in price of building material.

### 3.6.1.7 Non-reporting of cases of losses by fire/misappropriations/theft/defalcation etc.

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenues or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the Principal Accounts Officer concerned, even when such loss has been made good by the party responsible for it.

Audit observed that there were two cases of misappropriation involving ₹ 0.21 crore (up to March 2023) which were not reported to Audit. The details of these two cases are shown in **Table 3.20** below:

**Table 3.20: Details of misappropriation cases which were not reported to Audit**  
(₹ in lakh)

Sl. No.	Name of the Office	Year	Amount involved	Recovery, if any
1	Office of the Superintendent of Police, East Kutch, Gandhidham	2015-16	0.66	0.66
2	Office of the Superintendent of Police, Patan	2021-22	20.62	20.62
<b>Total</b>			<b>21.28</b>	<b>21.28</b>

Source: Information provided by Home Department

In both the cases, though recoveries have already been made from the parties concerned, the matter was sub judice (September 2023).

### 3.6.2 Review of Grant No. 91, 92, 94 and 95 – Social Justice and Empowerment Department

The Social Justice and Empowerment Department (SJED) is functioning for the welfare of people belonging to backward/deprived/underprivileged sections of societies including old aged persons, orphan children, physically and mentally challenged persons, *etc.* through implementation of various Central and State schemes in various sectors like health, education, social and economic upliftment, housing, *etc.* The SJED is also responsible for overseeing the Scheduled Caste Sub-Plan schemes, reservation policy coordination, *etc.* in order to ensure their empowerment through social justice, economic welfare and social defence.

#### 3.6.2.1 Organisational set-up

The SJED is headed by the Additional Chief Secretary. He is assisted by three Heads of Department, namely Director, Scheduled Caste Welfare; Director, Developing Castes Welfare; and Director, Social Defence and four<sup>5</sup> Commissionerates.

The SJED has established two Statutory Corporations<sup>6</sup>, eight Public Sector Undertakings<sup>7</sup> (PSUs) and two Societies<sup>8</sup>.

Every year, Grants are released by the Finance Department to SJED as per the approved budget estimates. In turn, SJED releases funds to the above mentioned three Directors and four Commissionerates. The Directors further release the funds to their Subordinate Districts Offices and Corporations/PSUs/Societies, as per their budget estimates.

#### 3.6.2.2 Budgetary Provision vis-à-vis expenditure

Budget planning should be made realistically to the extent possible, so that funds can be provided for all the required objects without significant excesses or savings.

The budgetary allocation and expenditure during 2020-23 under Grant No. 91, 92, 94 and 95 are given in the **Table 3.21** below:

<sup>5</sup> Commission (Panch) for Other Backward Classes; Gujarat State Commission for Unreserved Classes; Commissioner of Disability; and Gujarat State Commission for Protection of Child Rights

<sup>6</sup> Gujarat Scheduled Caste Development Corporation, and Gujarat Backward Classes Development Corporation

<sup>7</sup> Gujarat Thakor and Koli Vikas Nigam; Gujarat Minorities Finance and Development Corporation Limited; Gujarat Gopalak Development Corporation Limited; Gujarat Nomadic and Denotified Tribes Development Corporation; Gujarat Unreserved Educational and Economical Development Corporation; Dr. Ambedkar Antyodaya Development Corporation; Gujarat Safai Kamdar Vikas Nigam; and Gujarat State Handicapped (Divyang) Finance and Development Corporation

<sup>8</sup> Gujarat Samras Chatralay Society and Gujarat State Child Protection Society

Table 3.21: Budgetary provision and expenditure under Grant No. 91, 92, 94 and 95

(₹ in crore)

Year	Budgetary provision			Expenditure	Excess (+)/savings(-)	Percentage savings (-)
	Original	Supplementary	Total			
<b>Grant No. 91</b>						
<b>Revenue Voted</b>						
2020-21	7.96	0.00	7.96	5.02	(-)2.94	36.93
2021-22	9.36	0.00	9.36	5.74	(-)3.62	38.68
2022-23	7.82	0.00	7.82	6.89	(-)0.93	11.89
<b>Grant No. 92</b>						
<b>Revenue Voted</b>						
2020-21	2,155.80	124.46	2,280.26	2,028.00	(-)252.26	11.06
2021-22	2,134.78	0	2,134.78	1,964.19	(-)170.59	7.99
2022-23	2,479.66	599.00	3,078.66	2,698.96	(-)379.70	12.33
<b>Capital Voted</b>						
2020-21	618.56	0	618.56	524.21	(-)94.35	15.25
2021-22	602.46	0	602.46	551.28	(-)51.18	8.49
2022-23	627.06	29.92	656.98	656.79	(-)0.19	0.03
<b>Grant No. 94</b>						
<b>Capital Voted</b>						
2020-21	0.16	0.00	0.16	0.10	(-)0.06	37.50
2021-22	0.25	0.00	0.25	0.00	(-)0.25	100
2022-23	0.25	0.00	0.25	0.00	(-)0.25	100
<b>Grant No. 95</b>						
<b>Revenue Voted</b>						
2020-21	4,517.03	0.00	4,517.03	3,846.59	(-)670.44	14.84
2021-22	4,502.96	0.00	4,502.96	4,030.38	(-)472.58	10.49
2022-23	4,665.26	728.40	5,393.66	4,866.33	(-)527.33	9.78
<b>Capital Voted</b>						
2020-21	876.09	0.00	876.09	663.01	(-)213.08	24.32
2021-22	793.34	66.55	859.89	801.15	(-)58.74	6.83
2022-23	849.59	489.21	1,338.80	1,302.35	(-)36.45	2.72

Source: Appropriation Accounts of respective years

It may be seen from the Table above that savings under Revenue Voted Section in Grant No. 91 ranged between 11.89 per cent and 38.68 per cent during 2020-23, while it ranged between 7.99 per cent and 12.33 per cent in Grant No. 92 during the same period. In Grant No 95, savings reduced under both Revenue Voted and Capital Voted Sections during 2020-23.

### 3.6.2.3 Delay/non-submission of UCs

Test check in Audit of two Grants (Khas Plan Yojana and Dr. Ambedkar Chair Scheme) under Social Justice and Empowerment Department revealed delay and non-submission of UCs as detailed below:

- During 2020-23 in Khas Plan Scheme, 14 District Social Welfare Officers<sup>9</sup> received a Grant of ₹ 8.21 crore from the Director, Developing Castes Welfare, Gandhinagar. These funds were released to 78 Taluka Development Officers (TDOs). However, UCs for the Grants of ₹ 8.21 crore were not furnished by the TDOs to the District Social Welfare Officers as of August 2023.
- In the Dr. Ambedkar Chair Scheme, out of the Grants of ₹ 7.41 crore released to the five Universities during 2016-23, an amount of ₹ 1.39 crore were only utilised. The Director, Scheduled Caste Welfare continued to disburse the Grants every year without receipt of UCs.

### 3.6.2.4 Non-reporting of cases of losses by fire/misappropriations/theft/defalcation etc.

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenues or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the Principal Accounts Officer concerned, even when such loss has been made good by the party responsible for it.

Audit observed that in one case under District Social Welfare Officer (Developing Caste Welfare), Mehsana, the matter of theft was not reported to both the Director, Developing Castes Welfare, Gandhinagar and Audit. In another case under Deputy Director, Scheduled Caste Welfare, Junagadh, the matter of misappropriation was not reported to Audit. The details of these two cases are shown in **Table 3.22**:

**Table 3.22: Details of misappropriation/theft cases not reported to Director, Developing Castes Welfare/Audit**

Sl. No.	Name of office	Case	Year	Amount involved (in ₹)	Status of case
1	District Social Welfare Officer (Developing Caste Welfare), Mehsana	Theft	2019	60,000	FIR lodged with the Police
2	Deputy Director, Scheduled Caste Welfare, Junagadh	Misappropriation	2017	30,90,400	Matter pending in court

Source: Information provided by SJED

The Finance Department needs to issue necessary instructions to all the Departments, in pursuance of Rule 33 of General Financial Rules, to ensure that

<sup>9</sup> Gandhinagar, Nadiad, Godhra, Porbandar, Devbhoomi Dwarka, Junagadh, Mehsana, Banaskantha, Patan, Sabarkantha, Kutch, Anand, Mahisagar and Arvalli

cases of misappropriation/theft/defalcation *etc.* in subordinate offices are timely reported to all the authorities concerned for proper follow-up.

### 3.6.2.5 Implementation of new items in budget

Audit reviewed the implementation of new items/initiatives announced by the State Government in the budget for the year 2020-21 to 2022-23 for SJED. It was observed that various new items/initiatives announced in the budget were not implemented and remained unfulfilled, as detailed in **Table 3.23**:

**Table 3.23: New Items approved but not implemented during 2020-23**

(₹ in lakh)		
Description of item	Total	Current status
<b>2020-21</b>		
Installation of CCTV and Bio Metric System in Nomadic & Denotified Tribes Girl Grants-in-aid Hostel (92.2225.03.101.11) Non-Recurrent	1.20	Administrative Approval had not been granted in these cases.
Installation of CCTV and Bio Metric System in Nomadic & Denotified Tribes Grants-in-aid Primary Residential School (92.2225.03.101.11) Non-Recurrent	9.60	
Installation of CCTV and Bio Metric System in Nomadic & Denotified Tribes Boy Grants-in-aid Hostel (92.2225.03.101.11) Non-Recurrent	1.20	
To purchase CCTV System for 171 Grants-in-aid Residential Primary School of socially and educationally backward classes. (92.2225.03.277.11) Non-Recurrent	102.60	
To create 63 posts of Warden by outsourcing for Samras Hostels of Scheduled Caste, Scheduled Tribes and Other Backward Classes (92.2225.03.277.15) Recurrent	62.37	
To start Std.12th (new class) in Residential schools of Socially and Educationally Backward Classes. (92.2225.03.277.15) Recurrent	598.97	
To start std. 12th new class in 5 Residential schools of Agariya communities (92.2225.03.277.15) Recurrent	106.96	
To increase the amount of maintenance Grant from ₹ 1500/- to ₹ 2160/- for G.I.A Old Age Homes. (92.2235.02.200.01) Recurrent	158.00	
To implement the Scheme of National Action Plan for Senior Citizens(92.2235.02.200.05) Recurrent	100.00	
<b>2021-22</b>		
To make provision of ₹ 100.00 Lakhs in Juvenile Justice Fund for Children in need of care, protection and shelter. (92.2235.02.102.01)	100.00	No expenditure was incurred in these cases due to Covid-19 pandemic and non-finalisation of land.
To open Government place of safety cum special home for girls at Botad, Banaskantha and Valsad. (92.2235.02.102.03)	38.82	
To open Government place of safety-cum-special home for girls at Botad, Banaskantha and Valsad(92.2235.02.102.03)	27.85	
<b>2022-23</b>		
Provision to start a State-level 24x7 helpline with sign language for physically handicapped persons	25.00	The project was yet to be

Description of item	Total	Current status
		implemented and is presently in tendering stage

Source: Information provided by SJED

### 3.6.2.6 Unutilised funds of various schemes with State PSUs

As per Rule 153 of Gujarat Financial Rules, 1971, when recurring Grants-in-aid are sanctioned to the same Institution or Organisation for the same purpose, the unspent balance of the previous Grant should be taken into account in sanctioning the subsequent Grant.

Audit observed that SJED disbursed administrative Grants, scheme Grants/loans, subsidies, matching share Grants, *etc.*, to five State PSUs under its purview. However, the total unutilised Grants remaining with these PSUs as of March 2023 exceeded the Grants released to them during the year 2022-23. This discrepancy highlighted the failure to comply with the provisions outlined in the Gujarat Financial Rules, 1971. These are detailed in **Table 3.24**:

**Table 3.24: Unspent balances with five PSUs**

Sr. No.	Name of State PSU	Purpose	Grants received			Cumulative unspent balances at the end of March 2023
			2020-21	2021-22	2022-23	
1	Dr. Ambedkar Antyodaya Development Corporation	Administrative Grant	1.50	1.50	1.50	1.69
		Loans	4.00	5.00	5.00	16.87
2	Gujarat Gopalak Development Corporation Limited	Matching contribution	0.20	0.00	0.19	2.19
3	Gujarat Minorities Finance & Development Corporation Limited	Administrative Grant	2.25	2.25	2.25	8.67
		Matching contribution	1.50	1.50	1.50	8.00
4	Gujarat Nomadic and De-notified Tribes Development Corporation	Matching contribution	0.50	0.40	0.50	1.85
5	Gujarat Safai Kamdar Vikas Nigam Limited	Loans	23.60	22.72	25.00	38.15
<b>Total</b>						<b>77.42</b>

Source: Information furnished by State PSUs

The SJED needs to implement a monitoring system to track the periodic progress of expenditure across various schemes, before disbursing subsequent grants. Additionally, addressing unspent balances held by State PSUs is crucial, as these funds could be utilised by other cash-strapped Departments or Institutions for critical purposes.

#### *Loans recovered not deposited into Government Account*

As per the stipulated terms and conditions of the loans extended to the PSUs, any principal and interest amounts recovered are required to be deposited into the Government Account. Audit findings reveal that six PSUs affiliated with the SJED failed to transfer the recovered principal and interest into the Government Account, as indicated in Table 3.25.

**Table 3.25: Non-credit of principal and interest by SPSUs into Government Account**

(₹ in crore)		
Sr. No.	Name of State PSU	Amount recovered not credited into Government Account
1	Gujarat State Handicapped (Divyang) Finance and Development Corporation	0.11
2	Dr. Ambedkar Antyodaya Development Corporation	0.82
3	Gujarat Gopalak Development Corporation Limited	13.72
4	Gujarat Minorities Finance & Development Corporation Limited	0.17
5	Gujarat Nomadic and De-notified Tribes Development Corporation	3.85
6	Gujarat Safai Kamdar Vikas Nigam Limited	1.93
<b>Total</b>		<b>20.60</b>

Source: Information furnished by State PSUs

The SJED may direct the State PSUs to deposit the amounts recovered from the loanees into the relevant loan head (principal) and interest head of the Government Account.

### **3.7 Conclusion**

- During 2022-23, an expenditure of ₹ 2,40,117.32 crore was incurred against total grants and appropriations of ₹ 2,74,758.01 crore, resulting in an overall savings of ₹ 34,640.69 crore. The overall savings of ₹ 34,640.69 crore were the result of savings of ₹ 34,705.17 crore, offset by an excess of ₹ 64.48 crore. Further, in Grant No. 73, there were persistent excesses since 2012-13 on superannuation and retirement benefits and family pension of Panchayat employees.
- In 16 cases under 15 Grants, there were persistent savings exceeding ₹ 100 crore in each case during the last three years (2020-23) in respect of grants pertaining mainly to the Finance Department; Panchayats, Rural Housing and Rural Development Department; Tribal Development Department; Narmada, Water Resources, Water Supply and Kalpsar Department, etc.

### 3.8 Recommendations

- The State Government needs to formulate a realistic budget based on the needs of the Departments and their capacity to utilise the allocated resources.
- An appropriate control mechanism may be instituted by the Government to enforce proper implementation and monitoring of budget so that large savings within the Grant/Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.



**CHAPTER IV**  
**Quality of Accounts and**  
**Financial Reporting Practices**



## Chapter IV

### Quality of Accounts and Financial Reporting Practices

A sound financial reporting system and compliance with rules and procedures contribute significantly to good governance. These also ensure relevant, reliable and timely financial reporting, and thereby assist the State Government in meeting its basic stewardship responsibilities, strategic planning and appropriate decision-making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives.

#### 4.1 Non-discharge of interest liability towards interest-bearing Deposits

The State Government has a liability to provide and pay interest on the amounts in the interest-bearing Deposits (Major Heads 8336 and 8342). However, the State Government did not provide budgetary allocation for interest payments under Major Head 2049 (revenue expenditure), although there were balances in these Deposits as on 01 April 2022, as indicated in **Table 4.1**.

**Table 4.1: Non-discharge of interest liability towards interest-bearing Deposits**

(₹ in crore)				
Sr. No.	Name of the interest-bearing Deposit	Balance as on 01 April 2022	Basis for calculation of interest	Amount of interest not provisioned
1.	Deposit bearing interest (Other than Contributory Pension Scheme)	17.50	Interest calculated @ 5.49 per cent (Average of Ways and Means Advance interest rate as 5.49 per cent for the year 2022-23)	0.96
2.	State Compensatory Afforestation Deposit	1,145.96	3.35 per cent (As per Circular No.458/2019-NAPt.2 dated 11.01.2022 issued by the Ministry of Environment, Forest and Climate Change)	38.39
3.	State Disaster Response Fund	381.95	7.49 per cent Interest calculated taking average Repo rate + two per cent i.e 7.49 per cent as per the Guidelines of SDRF	28.61
<b>Total</b>				<b>67.96</b>

Source: Finance Accounts for the year 2022-23.

Non-discharge of interest liability led to overstatement of revenue surplus and smaller closing balances under the relevant Deposit Account.

#### 4.2 Funds transferred directly to State Implementing Agencies

The Central Government had been transferring funds directly to the State implementing agencies for implementation of various schemes/programmes in social and economic sectors. As these funds were not routed through the State

budget/State Treasury System, the Annual Finance Accounts did not capture flow of such funds. Thus, to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them did not present the complete picture.

With effect from 01 April 2014, GoI decided to release all assistance for Centrally Sponsored Schemes/Additional Central Assistance to the State Governments. In Gujarat, however, transfer of Central funds directly to the State implementing agencies continued even during 2022-23 (refer **Appendix – VI of Finance Accounts, Volume-II**). Year-wise details of such transfers from 2018-19 to 2022-23 are shown in **Table 4.2**.

**Table 4.2: Funds transferred to State implementing agencies by GoI**

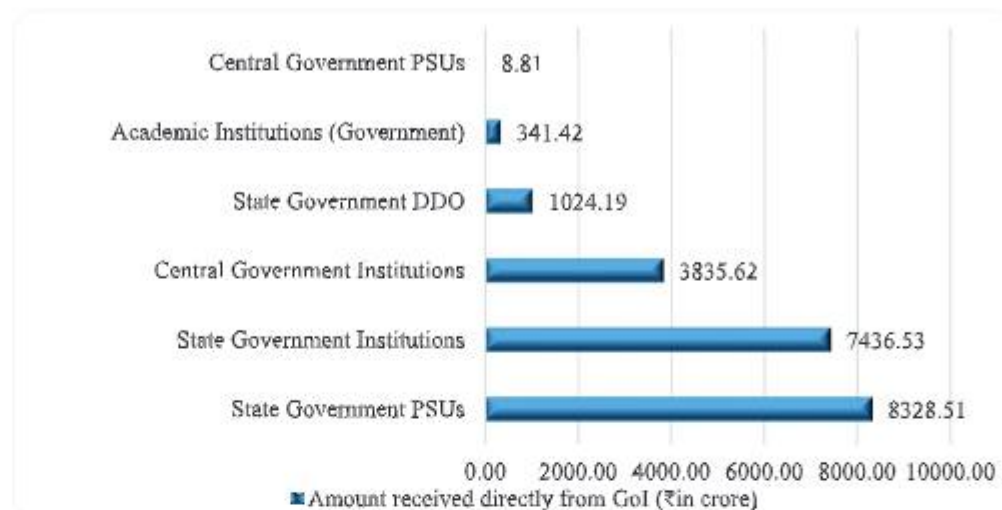
(₹ in crore)					
Direct transfers to State implementing agencies	2018-19	2019-20	2020-21	2021-22	2022-23
Funds transferred	10,026.44	11,659.35	14,210.99	20,496.91	26,806.33

Source: Finance Accounts for the respective years.

During 2022-23, GoI released ₹ 26,806.33 crore directly to implementing agencies, of which, ₹ 20,975.08 crore was released to 'State Government Implementing Agencies' and ₹ 5,831.25 crore to 'Other than State Government Implementing Agencies'. These transfers were made as per the scheme guidelines of the respective schemes.

The Schemes involving major transfers of Central funds directly to State Implementing Agencies were, Payment for Indigenous UREA (₹ 4,607.14 crore), Metro projects (₹ 3,665.95 crore), Jal Jeevan Mission/National Rural Drinking Water Mission (₹ 3,590.71 crore), Pradhan Mantri Kisan Samman Nidhi (₹ 3,193.25 crore) and Mahatma Gandhi National Rural Employment Guarantee Scheme (₹ 1,023.84 crore).

Details of State Government Implementing Agencies receiving ₹ 20,975.08 crore directly from the GoI during 2022-23 for implementing various developmental Schemes are shown in **Chart 4.1**.

**Chart 4.1: State implementing agencies that received funds directly from Gol during 2022-23**

Source: PFMS data for the year 2022-23.

### 4.3 Deposits of Local Funds

There were 282 Personal Ledger Accounts (PLAs) being operated by 33 District Development Offices and 249 Taluka Development Offices under Panchayats, Rural Housing and Rural Development Department. The transactions under Zila Parishad Funds and Panchayat Samiti Funds during last five years (2018-23) were as shown in **Table 4.3**.

**Table 4.3: Deposits in local funds**

Year		₹ in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
Zila Parishad Fund (MH 8448-109-11)	Opening Balance	8,940.69	8,263.03	8,821.48	9,646.29	8,523.79
	Receipts	24,485.22	23,210.91	24,110.28	23,921.08	26,112.92
	Expenditure	25,162.88	22,652.46	23,285.47	25,043.58	25,788.87
	Closing Balance	8,263.03	8,821.48	9,646.29	8,523.79	8,847.84
Panchayat Samiti Fund (MH 8448-109-12)	Opening Balance	3,845.12	4,138.24	4,209.52	4,153.86	5,205.75
	Receipts	16,526.91	15,349.79	15,767.41	17,538.09	18,812.77
	Expenditure	16,233.79	15,278.51	15,823.07	16,486.20	18,950.68
	Closing Balance	4,138.24	4,209.52	4,153.86	5,205.75	5,067.84
<b>Closing Balance at the end of year</b>		<b>12,401.27</b>	<b>13,031.00</b>	<b>13,800.15</b>	<b>13,729.54</b>	<b>13,915.68</b>

Source: Information provided by Office of the Accountant General (A&E) and Finance Accounts of respective years.

As can be seen from **Table 4.3**, PLAs had an opening balance of ₹ 13,729.54 crore as on 01 April 2022. Receipts during the year were ₹ 44,925.69 crore while disbursements were ₹ 44,739.55 crore, leaving unutilised balance of ₹ 13,915.68 crore at the end of March 2023.

#### 4.4 Delay in Submission of Utilisation Certificates

Gujarat Financial Rules<sup>1</sup>, 1971 read with General Financial Rules<sup>2</sup>, 2017 provide that every Grant-in-Aid (GIA) made for a specified object is subject to the implied conditions, such as, (i) the GIA shall be spent for the intended purpose, and within a reasonable time if no time-limit has been fixed by the sanctioning authority, and (ii) any portion of the GIA which is ultimately not required for expenditure for the purpose, shall be duly surrendered to the Government.

Rule 162 of Gujarat Financial Rules, 1971 prescribe that all financial sanctions and orders if issued by a competent officer within its own financial power shall be communicated to the Audit officer in accordance with such procedure as may be prescribed by general or special orders. Further, Rules 154 and 155 of Gujarat Financial Rules, 1971 prescribe that Utilisation Certificate (UCs) of grants provided for a specific purpose should be obtained by the Departmental officers from the grantee and after verification should be forwarded to the Accountant General (A & E) within one year from the date of their sanction unless specified otherwise.

Audit scrutiny revealed that 3,732 UCs in respect of GIA aggregating ₹ 10,407.98 crore given to 19 Departments of the State Government from 2001-02 to 2021-22 had not been submitted as of 31 March 2023. The status and age-wise details of delays in submission of UCs are shown in **Table 4.4 and 4.5** respectively.

**Table 4.4: Status of submission of UCs as on 31 March 2023**

Year <sup>3</sup>	Number of UCs Outstanding	Amount (₹ in crore)
Up to 2020-21	2335	2,926.84
2021-22	339	1,627.52
2022-23	1,058	5,853.62
<b>Total</b>	<b>3,732</b>	<b>10,407.98</b>

Source: Finance Accounts of 2022-23.

**Table 4.5: Age-wise arrears in submission of UCs**

Sr. No.	Range of delay (in years)	UCs pending	
		No.	Amount (₹ in crore)
1.	0-1 (2021-22)	1,058	5,853.62
2.	2-3 (2019-21)	752	2751.20
3.	4-5 (2017-19)	290	1135.21
4.	6-7 (2015-17)	64	477.78
5.	8-9 (2013-15)	48	55.25
6.	10 and above (2001-13)	1520	134.92
	<b>Total</b>	<b>3,732</b>	<b>10,407.98</b>

Source: Information furnished by Office of the Accountant General (A&E).

<sup>1</sup> Rule 154 and 155

<sup>2</sup> Rule 238 (1)

<sup>3</sup> The year mentioned above relates to 'Due Year' i.e. after 12 months of actual drawal.

**Table 4.6: Year-wise break-up of pending UCs as on 31 March 2023**  
(₹ in crore)

Year	No. of pending UCs	Amount
2001-02	441	40.55
2002-03	692	35.27
2003-04	196	4.71
2004-05	66	3.40
2005-06	35	2.20
2006-07	13	3.08
2007-08	22	27.18
2008-09	7	1.24
2009-10	6	4.34
2010-11	34	12.35
2011-12	6	0.27
2012-13	2	0.32
2013-14	23	23.84
2014-15	25	31.41
2015-16	16	8.97
2016-17	48	468.81
2017-18	65	563.20
2018-19	225	572.00
2019-20	413	1123.68
2020-21	339	1627.52
2021-22	1058	5853.62
<b>Total</b>	<b>3,732</b>	<b>10,407.98</b>

Source: Information furnished by Office of the Accountant General (A&E).

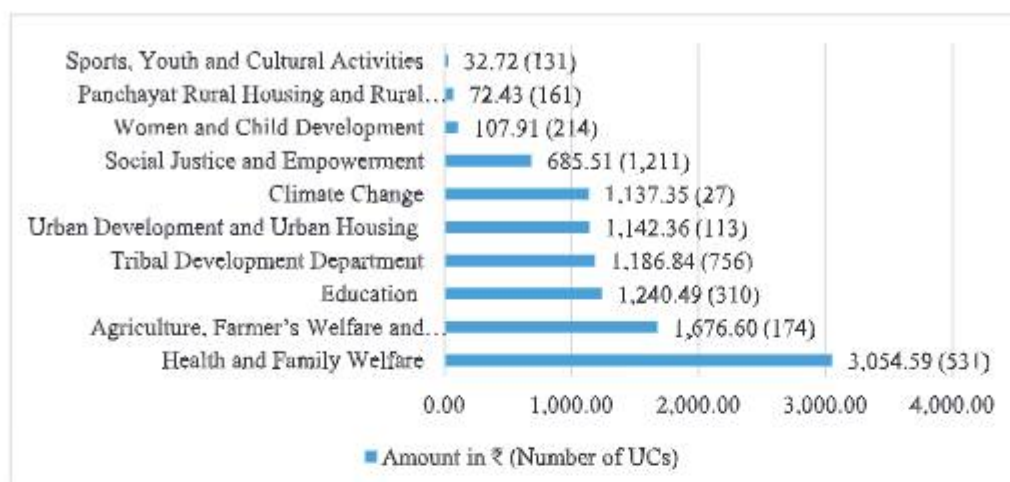
The ACS (Finance) stated (February 2024) in the exit meeting that the Department is contemplating action to ensure receipt of UCs within prescribed timelines.

Department-wise break-up of outstanding UCs for GIA disbursed up to 2021-22 is shown in **Appendix- 4.1**, while the status of outstanding UCs in 10 major Departments is shown in **Chart 4.2**.

The year-wise break-up of pending UCs with amount is tabulated alongside in **Table 4.6**. The Table revealed that around 35 per cent of outstanding UCs amounting to ₹ 80.53 crore pertained to years 2001-02, 2002-03, and 2003-04. Fifty seven per cent of the pending UCs amounting to ₹ 5,971.68 crore pertained to three Departments viz. Health and Family Welfare (₹ 3,054.59 crore), Agriculture, Farmers' Welfare and Co-operation (₹ 1,676.60 crore) and Education (₹ 1,240.49 crore).

In the absence of UCs, there was no assurance that moneys disbursed have been used for the purpose for which they were given. Follow up of pending UCs is done regularly by AG (A&E) during the quarterly meeting with Finance Department. The State Government may fix responsibility for inordinate delays in submission of UCs.

Chart 4.2: Outstanding UCs in 10 major Departments for GIA paid up to 31 March 2022



Source: Information provided by Office of the Accountant General (A&E).

#### 4.4.1 Recording of grantee institutions as “Others”

It is essential that the Government provides the details and nature of the grantee institution to which it is providing funds, in the interest of transparency of Accounts, if GIA constitute a significant portion of the total expenditure of the State.

In Gujarat, GIA constituted around 37 *per cent* of the State's total expenditure during the last five years (2018-23). Though the Finance Accounts<sup>4</sup> of the State Government for the last three years (2020-23) showed an enhanced<sup>5</sup> release of GIA to various institutions classified under “Others”, the State Government did not devise any mechanism to assign codes to such institutions for monitoring the submission of UCs and verification of outstanding amount against each institution.

Table 4.7 below shows the details of GIA released to “Others” by the State Government during the last five years (2018-23):

Table 4.7: Details of GIA released to “Others” during 2018-23

(₹ in crore)						
Sl. No.	Year	Total expenditure	Total GIA released	GIA as percentage of total expenditure	GIA released to “Others”	GIA released to “Others” as percentage of total GIA released
1.	2018-19	1,62,582.94	59,610.69	36.66	23,656.31	39.68
2.	2019-20	1,67,861.24	64,262.01	38.28	25,343.20	39.44
3.	2020-21	1,78,717.47	64,637.35	36.17	23,691.95	36.65
4.	2021-22	1,89,677.35	69,807.79	36.80	24,764.54	35.48
5.	2022-23	2,16,507.90	80,753.10	37.30	26,276.92	32.54

Source: Finance Accounts of respective years.

<sup>4</sup> Statement No. 10 and Appendix III of Finance Accounts

<sup>5</sup> From ₹ 23,656.31 crore in 2018-19 to ₹ 26,276.92 crore in 2022-23

As may be seen from **Table 4.7**, of the total GIA of ₹ 80,753.10 crore released during 2022-23, ₹ 26,276.92 crore (32 *per cent*) crore were released to various institutions classified under “Others”. Absence of grantees details adversely affects the transparency of accounts and monitoring of the submission of UCs against these GIA.

#### 4.5 Abstract Contingent Bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers are not available at the time of drawal, are made on Abstract Contingent (AC) bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Contingent (DC) bills to the Accountant General (A&E) within a stipulated period of three<sup>6</sup> months from the date of drawal of AC bills.

Over the years, drawal of funds on AC bills on large scale without carrying out their adjustment/settlement for long period (through submission of DC bills) has been a matter of concern.

As of 31 March 2023, 23 Departments of Government of Gujarat did not submit DC bills in respect of 3,342 AC Bills aggregating ₹ 444.48 crore as detailed in **Table 4.8**.

**Table 4.8: Status of pending DC bills against AC bills as of 31 March 2023**

Year	Outstanding AC bills	
	No.	Amount
Up to 2021-22	1,823	74.26
2022-23	1,519	370.22
<b>Total</b>	<b>3,342</b>	<b>444.48</b>

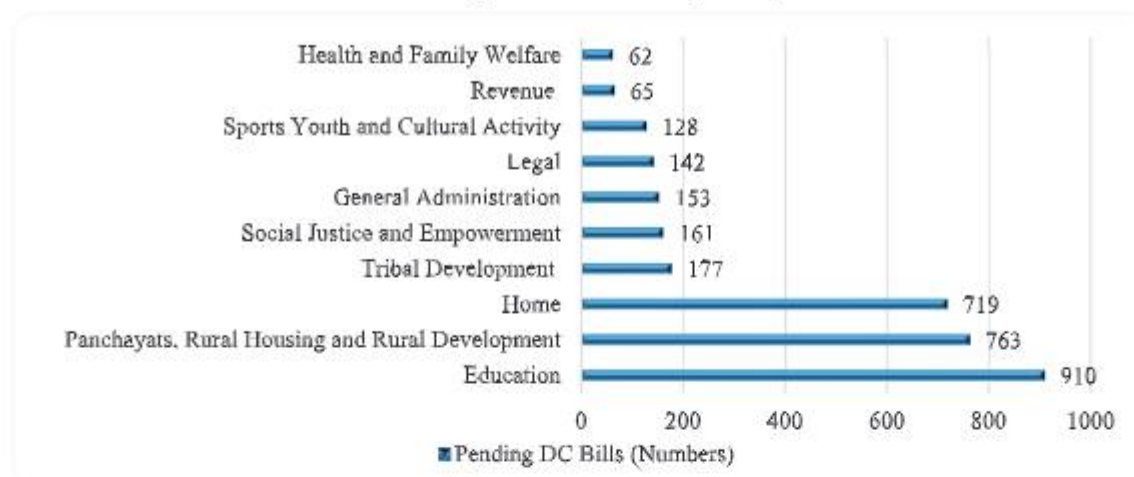
Source: Data compiled by Office of the Accountant General (A&E).

It was observed that 5,310 AC bills for ₹ 669.18 crore were drawn in 2022-23, out of which 775 AC bills (14.60 *per cent*) for ₹ 302.97 crore (45.27 *per cent*) were drawn in March 2023. Further, out of 775 AC bills drawn in March 2023, four AC bills for ₹ 34.03 lakh was drawn on the last day of the financial year.

Department-wise details and year-wise details of pending DC bills up to 2022-23 are shown in **Appendix- 4.2** and **Appendix- 4.3** respectively. The status of pending DC bills in 10 major Departments is shown in **Chart 4.3**.

<sup>6</sup> As per Rule 211 of Gujarat Treasury Rules, 2000.

Chart 4.3: Pending DC Bills in 10 major Departments



Source: Information provided by Office of the Accountant General (A&E).

Seventy two *per cent* of the pending DC bills pertained to three Departments viz. Education (910 Bills), Panchayats, Rural Housing and Rural Development (763 Bills) and Home (719 Bills). Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, expenditure shown in the Finance Accounts cannot be asserted as correct or final.

#### 4.6 Personal Deposit Accounts

A Personal Deposit (PD) Account is intended to facilitate an Administrator thereof to credit receipts into and effect withdrawals for a specific purpose. PD Account may be authorised to be opened only with the prior permission of the Department of the Government concerned. Transfer of funds to PD Accounts is booked under the service Major Heads concerned as final expenditure from the Consolidated Fund of the State.

**Table 4.9** below provides the status of funds lying in PD Accounts on the last day of the financial year during 2018-23:

**Table 4.9: Parking of funds in PD Accounts during 2018-23**

Year	No. of PD Accounts at the end of the year	₹ in crore)	
			Closing Balance
2018-19	484		581.01
2019-20	465		795.41
2020-21	470		1,003.78
2021-22	471		989.57
2022-23	471		817.82

Source: Finance Accounts of respective years.

The closing balances under PD Accounts continuously increased from ₹ 581.01 crore in 2018-19 to ₹ 1,003.78 crore during 2020-21, but decreased to ₹ 989.57 crore and ₹ 817.82 crore in 2021-22 and 2022-23 respectively. There was no inoperative PD account as on 31 March 2023. The Administrators of

470 out of 471 PD Accounts reconciled and verified their balances with the treasury figures. The Administrator of one PD Account did not reconcile and verify the balances with the treasury figures.

#### 4.7 Indiscriminate use of Minor Head 800

The omnibus Minor Head 800 relating to Other Receipts/Other Expenditure is to be operated only in cases where the appropriate Minor Head has not been provided under a Major Head in the Accounts. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions and renders the Accounts opaque.

During 2022-23, the State Government booked an expenditure of ₹ 5,881.32 crore under Minor Head 800 under 62 revenue and capital Major Heads of Account, constituting 2.72 per cent of the total expenditure of ₹ 2,16,507.90 crore. The extent of operation of Minor Head 800 – ‘Other Expenditure’ as a percentage of total expenditure during 2018-23 was as shown in Chart 4.4.

Chart 4.4: Operation of Minor Head 800 – ‘Other Expenditure’ during 2018-23



Source: Finance Accounts of the respective years.

Chart 4.4 shows that the operation of Minor Head 800 – ‘Other Expenditure’ as a percentage of total expenditure continuously decreased during 2019-23.

Instances of substantial proportion of expenditure (50 per cent or more) booked under Minor Head 800 – ‘Other Expenditure’ within a given Major Head during 2022-23 are given in Table 4.10.

Table: 4.10: Significant expenditure booked under Minor Head 800 – ‘Other Expenditure’ during 2022-23

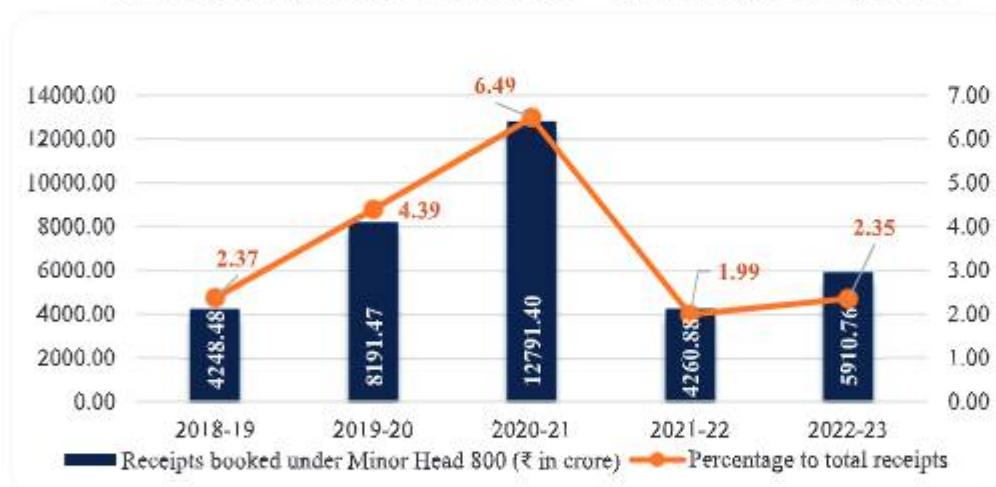
(₹ in crore)				
Sr. No.	Major Head	Expenditure under Major Head	Expenditure booked under Minor Head 800	Percentage
1	4236-Capital Outlay on Nutrition	12.13	12.13	100.00

Sr. No.	Major Head	Expenditure under Major Head	Expenditure booked under Minor Head 800	Percentage
2	4075-Capital Outlay on Miscellaneous General Services	0.14	0.14	100.00
3	2075- Miscellaneous General Services	100.27	99.82	99.55
4	4875-Capital Outlay on Other Industries	309.01	302.00	97.73
5	2852-Industries	2,638.58	2,397.10	90.85
6	4211-Capital Outlay on Family Welfare	42.05	36.28	86.28
7	3452 Tourism	160.63	126.55	78.78
8	4408-Capital Outlay on Food, Storage and Warehousing	10.60	8.10	76.42
9	2701-Medium Irrigation	209.70	138.47	66.03
10	2853-Non-Ferrous Mining and Metallurgical Industries	204.30	130.00	63.63
11	4701-Capital Outlay on Medium Irrigation	2,180.20	1,318.99	60.50

Source: Finance Accounts of 2022-23.

The extent of operation of Minor Head 800 – ‘Other Receipts’ as a percentage of total receipts during 2018-23 was as shown in **Chart 4.5**.

**Chart 4.5: Operation of Minor Head 800 – ‘Other Receipts’ during 2018-23**



Source: Finance Accounts of 2022-23.

In case of receipts, operation of Minor Head 800 ranged from 1.99 *per cent* of the total receipts in 2021-22 to 6.49 *per cent* of the total receipts in 2020-21. During 2022-23, the State Government classified receipts of ₹ 5,910.76 crore pertaining to 62 Major Heads under the Minor Head 800 – ‘Other Receipts’, which constituted 2.35 *per cent* of the total receipts of ₹ 2,51,995.39 crore. Instances of substantial proportion of receipts (50 *per cent* or more) booked under Minor Head 800 – ‘Other Receipts’ within a given Major Head during 2022-23 are given in **Table 4.11**.

**Table: 4.11: Significant receipts booked under Minor Head 800 – ‘Other Receipts’ during 2022-23.**

(₹ in crore)

Sr. No.	Major Head	Receipts under Major head	Receipts booked under Minor Head 800	Percentage
1	0575-Other Special Areas Programmes	9.09	12.12	133.29
2	0211-Family Welfare	102.37	102.37	100.00
3	0408-Food Storage and Warehousing	9.57	9.57	100.00
4	1425-Other Scientific Research	4.28	4.28	100.00
5	1452-Tourism	5.01	5.01	100.00
6	8336-Civil Deposits	3,262.69	3,262.69	100.00
7	0235-Social Security and Welfare	12.25	12.19	99.51
8	0215-Water Supply and Sanitation	306.77	305.01	99.43
9	6225-Loans for Welfare of Scheduled Castes, Scheduled Tribes, OBC and Minorities	27.42	27.15	99.01
10	1054-Roads and Bridges	65.54	64.84	98.94
11	0515-Other Rural Development Programmes	288.65	285.34	98.85
12	0217-Urban Development	969.08	939.98	97.00
13	0049-Interest Receipts	1,267.63	1,222.98	96.48
14	0702-Minor Irrigation	10.37	9.69	93.50
15	0401-Crop Husbandry	107.53	96.57	89.80
16	0070-Other Administrative Services	734.59	658.64	89.66
17	0216-Housing	203.60	167.68	82.36
18	0059-Public Works	97.55	78.82	80.79
19	0435-Other Agricultural Programmes	8.39	6.54	77.96
20	0035-Taxes on Immovable Property other than Agricultural Land	477.83	362.98	75.97
21	0406-Forestry and Wild Life	30.88	22.17	71.78
22	0071-Contributions and Recoveries towards Pension and Other Retirement Benefits	37.14	26.56	71.53
23	0405-Fisheries	19.22	13.23	68.84
24	1475-Other General Economic Services	96.84	60.45	62.42
25	0056-Jails	24.16	14.43	59.72
26	0210-Medical and Public Health	584.42	347.14	59.40
27	0250-Other Social Services	232.81	136.54	58.65

Source: Finance Accounts of 2022-23

A few instances of inappropriate use of Minor Head 800 during 2022-23 where suitable Minor Heads were available are indicated **Appendix – 4.4**.

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

#### 4.8 Outstanding Balances under Major Suspense and Debt, Deposit and Remittances Heads

Suspense heads are opened in Government Accounts to reflect transactions which cannot be booked to a final Head of Account for some reason or the other. 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 the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated, resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these Heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works and Forest Divisions *etc.*

The net balances under major Suspense and Remittance Heads for last three years are shown in **Table 4.12**.

**Table 4.12: Balances under Suspense and Remittance Heads**

(₹ in crore)

Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>Major Head 8658 – Suspense</b>						
101 - PAO suspense	210.39	2.59	140.81	1.06	139.37	(-)0.93
<b>Net</b>	<b>Dr. 207.80</b>		<b>Dr. 139.75</b>		<b>Dr. 140.30</b>	
102 - Suspense Account-Civil	9.94	61.97	(-)8.45	(-)12.41	(-)9.69	(-)29.42
<b>Net</b>	<b>Cr. 52.03</b>		<b>Dr. 3.96</b>		<b>Dr. 19.73</b>	
109 - Reserve Bank Suspense – Headquarters	1.15	0.01	0.32	(-)0.04	0.33	0.00
<b>Net</b>	<b>Dr. 1.14</b>		<b>Dr. 0.36</b>		<b>Dr. 0.33</b>	
110 - Reserve Bank Suspense - CAO	202.73	0.01	201.32	(-)0.02	201.34	4.39
<b>Net</b>	<b>Dr. 202.72</b>		<b>Dr. 201.34</b>		<b>Dr. 196.95</b>	
112 - Tax Deducted at Source (TDS) Suspense	0.00	38.77	0.00	49.51	0.00	60.73
<b>Net</b>	<b>Cr. 38.77</b>		<b>Cr. 49.51</b>		<b>Cr. 60.73</b>	

Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
123 - A.I.S Officers' Group Insurance Scheme	0.46	0.37	0.27	0.28	0.24	0.15
<b>Net</b>	<b>Dr. 0.09</b>		<b>Cr. 0.01</b>		<b>Dr. 0.09</b>	
<b>Major Head 8782- Remittances</b>						
102 - P.W. Remittances	18,555.38	19,441.43	19,677.19	20,581.17	20,163.07	21,106.67
<b>Net</b>	<b>Cr. 886.05</b>		<b>Cr. 903.98</b>		<b>Cr. 943.60</b>	
103 - Forest Remittances	1,096.28	1,150.27	1,215.40	1,345.30	1,384.39	1,491.49
<b>Net</b>	<b>Cr. 53.99</b>		<b>Cr. 129.90</b>		<b>Cr. 107.10</b>	
108 Other Remittances	95.98	109.96	90.47	105.13	96.76	109.00
<b>Net</b>	<b>Cr. 13.98</b>		<b>Cr. 14.66</b>		<b>Cr. 12.24</b>	

Source: Finance Accounts of respective years.

### *Pay and Accounts Office Suspense*

This Minor Head is operated for settlement of inter-Departmental and inter-Governmental transactions arising in the books of Pay and Accounts Offices (PAOs) and the Accountant General (A&E). Transactions under this Minor Head represent either recoveries that have been effected or payments that have been made by an Accounts Officer on behalf of another Accounts Officer against whom the Minor Head 'PAO Suspense' has been operationalised. 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 the Minor Head would mean that payment was made by the treasury of the State Government on behalf of agencies other than the State Government and the claim for which is yet to be recovered from the agency concerned. Similarly, outstanding credit balance would mean that payments have been received in state treasury from agency other than State Government, but are yet to be adjusted.

The net debit balance under this head increased from ₹ 139.75 crore in 2021-22 to ₹ 140.30 crore in 2022-23.

### *Suspense Accounts (Civil)*

This transitory Minor Head is operated for accounting of 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, 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 that payments were made which could not be debited to the final expenditure Head for want of details like vouchers. Outstanding credit balance would mean that amounts were received which could not be credited to the final receipt head for want of details. Non-clearance of suspense balances understates receipts and expenditure of the Government which impacts the fiscal indicators.

The net debit balance as on 31 March 2023 under this Head was ₹ 19.73 crore, indicating that necessary details for classification of final receipt Head were not received.

#### ***Reserve Bank Suspense-Central Accounts Office***

This Head is operated for recording inter-Governmental transactions where monetary settlement between cash balances of two Governments is done by sending advice to the Central Accounts Section of the Reserve Bank of India (RBI).

This Head is cleared by transferring the amount to the final Head of Account on receipt of intimation of the monetary settlement having been carried out by the RBI. The main transactions which get settled through this Suspense Head are grants/loans received from the GoI and their repayments, discharge of securities and interest paid thereon by the Public Debt Offices of RBI, and payments made by the Director General of Supplies and Disposals for materials supplied to Government Departments.

As on 31 March 2023, debit balance under this Head was ₹ 196.95 crore.

#### **4.9 Reconciliation of Departmental Figures**

Paragraph 101 of Gujarat Budget Manual, 1983 stipulates that receipts and expenditure recorded in the books of accounts of Controlling Officers (COs) be reconciled by them every month during the financial year with those recorded in the books of the Accountant General (A&E). This enables the COs to (a) exercise effective control over expenditure, (b) manage their budgetary allocation efficiently, and (c) ensure accuracy of their accounts.

During 2021-22, 95.57 per cent of the receipts and 94.62 per cent of the disbursements had been reconciled. During 2022-23, while 96.59 per cent of the receipts had been reconciled, reconciliation to the extent of 92.89 per cent of the disbursements was achieved during the year.

#### **4.10 Reconciliation of Cash Balances**

As on 31 March 2023, there was a difference of ₹ 3.86 crore (Credit), between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the RBI. The difference of ₹ 3.86 crore was due to erroneous reporting by the Agency Banks, Treasuries, RBI EDP Centre at Mumbai and other miscellaneous reasons. The discrepancies in the cash balance needs to be got settled.

#### 4.11 Compliance with Indian Government Accounting Standards

The Government Accounting Standards Advisory Board (GASAB), set-up by the CAG in 2002, has been formulating standards for Government accounting and financial reporting, to enhance accountability mechanisms. As of March 2023, three Indian Government Accounting Standards (IGAS) have been notified.

The details of these standards and the extent of compliance to these by the Government of Gujarat in its financial statements for the year 2022-23 are given in **Table 4.13**.

**Table 4.13: Compliance with IGAS**

Accounting Standard	Essence of IGAS	Compliance by State Government	Deficiency
<b>IGAS – 1</b> <i>Guarantees given by Government – Disclosure requirements</i>	This standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Partly complied	While the State Government disclosed the maximum amount of guarantees given during the year, Sector-wise break-up of guarantee fees receivable had not been provided by the State Government. The reconciliation of guarantees given had not been done by the Departments.
<b>IGAS – 2</b> <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use.	Partly Complied	During 2022-23, Government of Gujarat correctly budgeted for and booked Grants-in-aid under the Revenue Section. Information regarding Grants-in-aid given in kind had not been provided by State Government to the Accountant General (A&E).
<b>IGAS – 3</b> <i>Loans and Advances made by Government</i>	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices.	Partly complied	The State Government was required to confirm the loan balances and recoveries in arrears and loans sanctioned in perpetuity. Though the State Government provided information relating to recoveries of loans and advances as on 31 March 2023, it did not confirm the outstanding loan balances as well as 'loans in perpetuity' despite constant pursuance by the Accountant General (A&E).

#### 4.12 Submission of Accounts of Autonomous Bodies

Several Autonomous Bodies (ABs) have been set up by the State Government in the fields of development, housing, *etc.* These ABs are audited under Section 19(2), 19(3) and 20(1) of the C&AG's (DPC) Act, 1971. Accounts of 70 such ABs in the State are audited by the C&AG. Separate Audit Reports (SARs) in respect of each of the 70 ABs are required to be submitted to the State Government, while SARs in respect of 43 out of 70 ABs are required to be placed in the State Legislature.

Only four out of 70 ABs submitted<sup>7</sup> their Accounts for the year 2022-23, while 225 Accounts in respect of 66 ABs were pending as of 31 July 2023, as detailed in **Appendix – 4.5**.

A break-up of delay in submission of Accounts by 66 ABs is shown in **Table 4.14**.

**Table 4.14: Delay in submission of Accounts**

Delay in submission of Accounts for Audit	
Period of delay (up to 31 July 2023)	No. of ABs
Up to 1 year	16
2 years	14
More than 2 years	36
<b>Total</b>	<b>66</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II)

Inordinate delay in submission of Accounts and tabling of SARs in the State Legislature resulted in delayed scrutiny of functioning of these Bodies, where Government investments are made. Further, necessary remedial action, if any, required to be taken by the Government was also delayed.

#### 4.13 Submission of Accounts by Bodies and Authorities substantially financed through grants or loans

As on 31 March 2023, there were 264 ABs which were substantially financed through grants or loans from the Consolidated Fund of the State. All the 264 ABs attracted audit under Section 14 of the C&AG's (DPC) Act, 1971.

A total of 150 Accounts (including those of earlier years) of 84 ABs were audited during 2022-23. Five<sup>8</sup> ABs submitted their accounts for the period 2022-23. However, 772 Annual Accounts of 259 ABs, which were due up to 2022-23 in accordance with Section 14 of the C&AG's (DPC) Act, 1971 were

<sup>7</sup> Accounts were to be submitted by the ABs within three months of closure of the financial year *i.e.* by 30 June every year.

<sup>8</sup> Forest Development Agency at Gandhinagar; Forest Development Agency at Patan; Suraksha Setu Society, Mahisagar; Suraksha Setu Society, Dahod; and Gujarat Information Commission, Gandhinagar

not received as of 31 July 2023 by the Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II).

Details of 259 ABs which did not furnish Accounts are shown in **Appendix – 4.6** while their age-wise pendency is shown in **Table 4.15**.

**Table 4.15: Age-wise arrears of Annual accounts due from Government Bodies**

Sr. No.	Pendency (in years)	No. of the Bodies/Authorities
1.	Less than one year	107
2.	2-3	93
3.	4-5	24
4.	6-10	28
5.	Above 10	7
<b>Total</b>		<b>259</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II)

**Table 4.15** above shows that the accounts of 35 ABs were in arrears for more than five years. In the absence of Annual Accounts, the accounting/utilisation of grants and loans disbursed to these bodies/authorities could not be verified by Audit.

Non-submission of information regarding grants and loans paid to various institutions and non-furnishing of Accounts by them increase the risk of mis-utilisation of funds. The Finance Department needs to keep a watch on such transfers.

#### 4.14 Timeliness and Quality of Accounts

The Accounts of the State Government are compiled by the Accountant General (A&E) from the initial Accounts rendered by 33 District Treasuries, 157 Public Works Divisions and 73 Forest Divisions, compiled Accounts of Pay and Accounts Offices at Gandhinagar and Ahmedabad and advices of the RBI. The Accounts are compiled from the vouchers, initial and subsidiary Accounts rendered by the Treasuries and other Account-rendering units, and there was no pendency in receipt of Accounts.

#### 4.15 Misappropriations, Losses and Defalcations

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer.

The State Government reported 168 cases of misappropriation, losses, defalcations, *etc.* involving Government money of ₹ 27.65 crore (up to March 2023) on which final action was pending. Department-wise/category-wise details of losses due to theft, misappropriation/loss of Government material and fire/accidents pending at the end of March 2023 are given in **Appendix – 4.7**. These are summarised in **Table 4.16**.

**Table 4.16: Details of theft, misappropriation and fire cases**

Category/Types	No. of cases	Amount involved (₹ in crore)
Theft	43	0.44
Misappropriation/loss of Government Material	104	25.27
Fire/Accident Cases	21	1.94
<b>Total</b>	<b>168</b>	<b>27.65</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II) from data furnished by the Departments concerned.

The age profile of 168 pending case is summarised in **Table 4.17**.

**Table 4.17: Age profile of misappropriation, losses and defalcation cases**

Range in years	Number of cases	Amount (₹ in crore)
Up to 5	26	10.50
5 – 10	35	8.11
10 – 15	14	1.43
15 – 20	16	6.60
20 – 25	9	0.12
25 and above	68	0.89
<b>Total</b>	<b>168</b>	<b>27.65</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II) from data furnished by the Departments concerned.

Out of 168 pending cases, 87 cases (52 per cent) pertained to three Departments *i.e.* 35 cases: Forest and Environment Department, 28 cases: Narmada, Water Resources, Water Supply and Kalpsar Department and 24 cases: Revenue Department.

First Information Reports (FIRs) were lodged in 120 of 168 cases. In the remaining 48 cases<sup>9</sup>, Departmental proceedings were under progress (November 2023).

The reasons for delay/outstanding pendency cases (case-wise and amount-wise) are listed in **Table 4.18**.

**Table 4.18: Reasons for pendency of misappropriation, losses and defalcation**

Sr. No.	Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in crore)
1.	Awaiting Departmental and criminal investigation	20	10.78
2.	Departmental action initiated but not finalized	26	1.89
3.	Criminal proceedings finalized but execution of certificate for the recovery of amount pending	5	0.66

<sup>9</sup> Forest and Environment – 21 cases; Health and Family Welfare – 01 case; Narmada, Water Resources, Water Supply and Kalpsar – 18 cases; Roads and Buildings – 05 cases; Education – 01 case; and Panchayats, Rural Housing and Rural Development – 01 case; GAD – 01 case.

Sr. No.	Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in crore)
4.	Awaiting orders for recovery or write off	55	3.94
5.	Pending in the courts of law	61	10.37
6.	Others	1	0 <sup>10</sup>
<b>Total</b>		<b>168</b>	<b>27.65</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II) from data furnished by the Departments concerned.

#### 4.16 Follow-up action on State Finances Audit Report

Though the State Finances Audit Reports of the C&AG are being prepared and presented to the State Legislature from the year 2008-09 onwards, these have not been taken up by the Public Accounts Committee for discussion.

#### 4.17 Conclusion

- Indiscriminate operation of omnibus Minor Head 800 – Other Receipts/Other Expenditure affected transparency in financial reporting and obscured analysis of allocative priorities and quality of expenditure.
- Non-submission of 3,732 Utilisation Certificates amounting to ₹ 10,407.98 crore within the specified period weakened the financial accountability mechanism.
- Non-adjustment of AC bills for long periods was fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.
- There were significant delays in submission of Accounts by the Autonomous Bodies and Authorities, indicating deficient internal controls and monitoring mechanism at the Government level.

#### 4.18 Recommendations

- The State Government needs to institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures regarding submission of Utilisation Certificates and DC bills.
- The State Government may conduct a comprehensive review of all the items currently appearing under Minor Head 800 and ensure that all receipts and expenditure are booked under the appropriate heads of account.

<sup>10</sup> Records were lost due to fire in District Statistical Office, Gandhinagar.



# **CHAPTER V**

## **Financial Performance of State Public Sector Undertakings**



## **Chapter V**

# **Financial Performance of State Public Sector Undertakings**

### **5.1 Introduction**

This Chapter presents the summary of financial performance of Government Companies, Government Controlled Other Companies and Statutory Corporations of Government of Gujarat as revealed from their accounts/ information furnished by them and results of oversight role of the Comptroller & Auditor General of India (CAG). It highlights some of significant comments issued as a result of supplementary audit of the Financial Statement (FS) of the State Public Sector Undertakings (SPSUs) conducted by the CAG and the impact of comments issued by the CAG on the financial statements received during the current year in respect of the Statutory Corporations.

State Public Sector Undertakings are established by Governments to carry out activities of commercial nature for the development of the State and to cater to the welfare of its people.

### **5.2 Definition of Government Companies**

A Government Company is defined in Section 2 (45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

The Statutory Corporations are established by State Government and governed by their respective legislations.

Besides, any other company<sup>1</sup> owned or controlled, directly or indirectly, by the Central Government or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Other Companies.

In this Report, SPSUs encompass Government Companies, Government Controlled Other Companies and Statutory Corporations of Government of Gujarat (GoG).

### **5.3 Mandate**

CAG of India appoints the Statutory Auditors for Government Companies and issue directions on the manner in which the FSs are to be audited under Sections 139 (5) and (7) of the Companies Act, 2013. Audit of Government Companies and Government Controlled Other Companies is conducted by the CAG of India under Section 143 of the Companies Act, 2013 read with Section 19 of the CAG (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made there under. CAG of India has the right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the Statutory Auditors under Section 143 of the Companies Act, 2013.

<sup>1</sup> Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs (04.09.2014).

The statutes governing Statutory Corporations also require that their FSs be audited by the CAG of India and a report be submitted to the State Legislature.

#### 5.4 Number of SPSUs and status of Financial Statements

At the beginning of the year 2022-23, there were 100 SPSUs in Gujarat under the audit jurisdiction of CAG of India. During the financial year 2022-23, three<sup>2</sup> SPSUs came under the audit jurisdiction of C&AG of India and one<sup>3</sup> inactive SPSU was dissolved while one<sup>4</sup> SPSU has been struck off during the year. As a result, the number of SPSUs under the jurisdiction of C&AG of India as on 31<sup>st</sup> March 2023 stood at 101, in Gujarat. These included the following types of SPSUs:

**Table 5.1: Details of types of SPSUs**

Particulars	Government Controlled Companies (GCC)	Statutory Corporation	Total	Government Controlled Other Companies (GCOC)	Grand Total
<i>1</i>	<i>2</i>	<i>3</i>	<i>4=2+3</i>	<i>5</i>	<i>6=4+5</i>
Active	54	4 <sup>5</sup>	58	28	86
Inactive	11	-	11	4	15
<b>Total</b>	<b>65</b>	<b>4</b>	<b>69</b>	<b>32</b>	<b>101</b>

Source: Data compiled as per information received from SPSUs, office of the Principal Accountant General (Audit I), Gujarat and office of the Principal Accountant General (Audit II), Gujarat

Out of the 65 GCCs, two are listed companies<sup>6</sup>. Similarly, Statutory Corporations included one listed Corporation<sup>7</sup> and GCOC included two listed companies<sup>8</sup>. The 101 SPSUs are listed in **Appendix 5.1**.

Out of the 15 inactive SPSUs, five<sup>9</sup> are under liquidation. Further, one<sup>10</sup> SPSU went under liquidation in F.Y. 2022-23. These inactive SPSUs have investment of ₹ 498.57 crore, which includes capital<sup>11</sup> of ₹ 180.83 crore (State Government ₹ 139.29 crore and Others ₹ 41.54 crore) and long term loans of ₹ 317.74 crore (State Government ₹ 287.53 crore and Others ₹ 30.21 crore). This is a critical area as the investment in inactive SPSUs no more contribute to the economic growth of the State.

The financial performance of the 101 SPSUs, based on the latest finalised financial statements (FSs) received till 30 September 2023 and as per information received from SPSUs, is covered in this Report. The nature of SPSUs and the position of FSs of these SPSUs as on 30 September 2023 is summarised in **Table 5.2**.

<sup>2</sup> (i) Shri K K Shastri Government Colleges Confederation, (ii) Tapi Riverfront Development Corporation Limited (TRDCL) and (iii) Gujarat Town Planning Consultancy Limited (GTPCL).

<sup>3</sup> Gujarat State Construction Corporation Limited (GSCCL) dissolved on 08.02.2023.

<sup>4</sup> The name of GSPC Offshore Limited was struck-off from the Register of Companies.

<sup>5</sup> (i) Gujarat State Financial Corporation (GSFC), (ii) Gujarat Industrial Development Corporation (GIDC), (iii) Gujarat State Warehousing Corporation (GSWC) and (iv) Gujarat State Road Transport Corporation (GSRTC).

<sup>6</sup> (i) Gujarat Mineral Development Corporation Limited (GMDC) and (ii) Gujarat State Investments Limited (GSIL is an NBFC whose Debentures are listed on Stock Exchange).

<sup>7</sup> Gujarat State Financial Corporation.

<sup>8</sup> (i) Gujarat Gas Limited (GGL) and (ii) Gujarat State Petronet Limited (GSPL).

<sup>9</sup> (i) Alcock Ashdown (Gujarat) Limited (AAGL), (ii) Gujarat Communication and Electronics Limited (GCEL), (iii) Gujarat Leather Industries Limited (GLIL), (iv) Gujarat Small Industries Corporation Limited (GSICL) and (v) Gujarat State Textile Corporation Limited (GSTCL).

<sup>10</sup> BISAG Satellite Communications.

<sup>11</sup> Including Share application money ₹81.57 crore.

Table 5.2: Coverage and nature of SPSUs

Sr. No.	Nature of SPSUs	Total SPSUs	Number of SPSUs of which FSs received during the current reporting period <sup>12</sup>				Number of SPSUs of which FSs are in arrears (total FSs in arrear) as on 30 September 2023
			2022-23	2021-22	2020-21 and earlier	Total	
1.	Government Companies (GC)	54	13	21	8	42	40 <sup>13</sup> (76)
2.	Inactive Government Companies	11	-	1	-	1	9 <sup>14</sup> (58)
3.	<b>Total GC (1+2)</b>	<b>65</b>	<b>13</b>	<b>22</b>	<b>8</b>	<b>43</b>	<b>49(134)</b>
4.	Statutory Corporations	4	1	1	1	3	3(12)
5.	<b>Total (3+4)</b>	<b>69</b>	<b>14</b>	<b>23</b>	<b>9</b>	<b>46</b>	<b>52(146)</b>
6.	Government Controlled Other Companies (GCOC)	28	14	1	-	15	14(15)
7.	Inactive Government Controlled Other Companies	4	1	-	-	1	3(27)
8.	<b>Total GCOC (6+7)</b>	<b>32</b>	<b>15</b>	<b>1</b>	<b>-</b>	<b>16</b>	<b>17(42)</b>
9.	<b>Grand Total (5 + 8)</b>	<b>101</b>	<b>29</b>	<b>24</b>	<b>9</b>	<b>62</b>	<b>69(188)</b>

Source: Information compiled as per the latest finalised financial statements received from SPSUs upto 30<sup>th</sup> September 2023.

The detailed analysis in this regard is given in Paragraph No. 5.15.2 ahead.

### 5.5 SPSUs and their contribution to the GSDP of the State

The ratio of turnover of the SPSUs to the Gross State Domestic Product (GSDP) shows the contribution of SPSUs to the economy of the State.

On the basis of nature of activities undertaken, 54 active Government Companies and four Statutory Corporations have been categorized into five sectors. Sector wise turnover *vis-à-vis* share of turnover of these SPSUs in GSDP of Gujarat for three years period ended 31 March 2023 are given in Table 5.3:

<sup>12</sup> 1 October 2022 to 30 September 2023.

<sup>13</sup> This does not include the FS of 'Tapi Riverfront Development Corporation Limited (TRDCL)', since its first FS are not due by 31<sup>st</sup> December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013.

<sup>14</sup> Out of the 11 Inactive Government Companies, two, *viz.*, (i) Gujarat State Textile Corporation Limited and (ii) Alcock Ashdown (Gujarat) Limited are under liquidation and therefore are not required to submit the FSs. Therefore, only remaining nine SPSUs have arrears.

**Table 5.3: Details of turnover of SPSUs vis-à-vis GSDP of GoG**

(₹ in crore)										
Sr. No.	Sector	No. of SPSUs	2020-21	Sector-wise Percentage of turnover to GSDP	No. of SPSUs	2021-22	Sector-wise Percentage of turnover to GSDP	No. of SPSUs	2022-23	Sector-wise Percentage of turnover to GSDP
1	Power	8	1,05,661.08	6.46	8	1,20,127.13	6.14	8	1,47,407.74	6.52
2	Finance	13	3,214.02	0.20	13	2,894.52	0.15	13	3,585.76	0.16
3	Service	14	8,367.31	0.51	15	8,526.24	0.44	16	7,788.04	0.35
4	Infra	13	2,461.97	0.15	13	2,571.21	0.13	14	3,009.77	0.13
5	Others <sup>15</sup>	7	16,100.44	0.98	7	28,234.41	1.44	7	32,393.28	1.43
<b>Total Turnover</b>			<b>1,35,804.82</b>			<b>1,62,353.51</b>			<b>1,94,184.59</b>	
<b>GSDP of Gujarat</b>			<b>16,36,781.00</b>			<b>19,57,583.00</b>			<b>22,61,715.00</b>	
<b>Percentage of Turnover to GSDP of Gujarat</b>				<b>8.30</b>			<b>8.29</b>			<b>8.59</b>

Source: GSDP figures are as per Finance Accounts of GoG of respective years and Turnover figures are as per latest finalised financial statements received from SPSUs.

The contribution of SPSUs to GSDP of Gujarat increased from 8.29 *per cent* in 2021-22 to 8.59 *per cent* in 2022-23, the turnover of these SPSUs increased by 19.60 *per cent* during 2022-23 compared to turnover in 2021-22. During the last three years, the compounded annual growth rate (CAGR) of GSDP was 17.55 *per cent*, while the CAGR of turnover was 19.58 *per cent*.

During 2022-23, the SPSUs in Power Sector have contributed maximum turnover, constituting 75.91 *per cent* of the total turnover.

### 5.5.1 Summary of financial performance of SPSUs

The Details of financial performance of all Government Companies, Statutory Corporations and Government Controlled Other Companies is given in **Appendix 5.2**. Summary of financial performance of SPSUs is given in **Table 5.4**:

**Table 5.4: Summary of financial performance of SPSUs as on 30 September 2023**

Particulars	No. of SPSUs	Amount (₹ in crore)
<b>Government Companies and Statutory Corporations</b>		
Number of State PSUs	69	-
Paid-up capital (including share application money pending allotment)	68 <sup>16</sup>	1,31,961.77
Long-term loans	32	16,500.47
Net profit after tax	46	7,059.23
Net loss after tax	15	2,010.06

<sup>15</sup> Others includes Gujarat State Petroleum Corporation Limited, which has earned major revenue during previous four Financial years from gas trading business (96 *per cent* in 2022-23). Since it is not carrying on its core business of petroleum extraction and exploration therefore, it has been categorized as 'Others'.

<sup>16</sup> This does not include the FS of 'Tapi Riverfront Development Corporation Limited (TRDCL)', since its first FS are not due by 31<sup>st</sup> December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013.

Particulars	No. of SPSUs	Amount (₹ in crore)
Zero profit/ loss	7 <sup>17</sup>	0
Dividend Paid	2	416.14 <sup>18</sup>
Total assets	64 <sup>19</sup>	3,97,824.40
Net worth	68	1,57,070.71
<b>Government Controlled Other Companies</b>		
Number of State PSUs	32	-
Paid-up capital (including share application money pending allotment)	32	7,186.27
Long-term loans	10	7,615.20
Net profit after tax	17	2,868.07
Net loss after tax	15	446.91
Zero profit/ loss	-	-
Dividend Paid	4	943.16 <sup>20</sup>
Total assets	32	40,380.80
Net worth	32	22,048.63

Source: Information compiled as per latest finalised financial statements received from SPSUs.

## 5.6 Investments in SPSUs and budgetary support

### 5.6.1 Equity holding and Loans in active SPSUs

The sector wise total equity contribution by GoG and long term loans including the loans given by GoG in 101 SPSUs as on 31 March 2023 is given in **Table 5.5**.

<sup>17</sup> Includes three SPSUs i.e. (i) Gujarat State Police Housing Corporation Limited (GSPHCL), (ii) Gujarat Women Economic Development Corporation Limited (GWEDCL) and (iii) Gujarat Foundation for Mental Health and Allied Sciences (GFMHAS), which prepares Income & Expenditure statement and excess/ deficit has been adjusted against reserves.

<sup>18</sup> GMDC (₹364 crore) and GSIL (₹52.14 crore). Out of ₹416.14 crore, an amount of ₹321.48 crore was paid to GoG.

<sup>19</sup> In case of four Companies i.e. (i) Gujarat Leather Industries Limited, (ii) Gujarat Small Industries Corporation Limited, (iii) Gujarat Communication & Electronics Corporation Limited and (iv) Gujarat Fisheries Development Corporation Limited, the last financial statements are not available. Therefore, the total assets in respect of these companies have not been considered here.

<sup>20</sup> (i) GGL (₹457.78 crore), (ii) GSPL (₹282.11 crore), (iii) Sabarmati Gas Limited (SGL) [₹200 crore (includes Interim dividend of ₹120 crore)] and (iv) Gujarat Info Petro Limited (GIPL) (₹3.27 crore). Further, out of ₹943.16 crore, an amount of ₹29.92 crore was paid to GoG by GGL.

**Table 5.5: Sector wise investment of State Government in SPSUs as on 31<sup>st</sup> March 2023***(₹ in crore)*

Nature of Sector	Investment							
	Total Equity	GoG Equity	Total long-term loans	GoG Loans	Total Sector wise Investment	Total Sector wise Investment of GoG	Sector wise Percentage of Total Investment of GoG	Sector wise Percentage of GoG's Investment
1	2	3	4	5	6=2+4	7=3+5	8=7/6*100	9
Power	50,346.45	34,495.76	4,867.11	1,220.07	55,213.56	35,715.83	64.69	28.40
Finance	1,638.55	1,559.07	4,575.75	1,474.43	6,214.30	3,033.50	48.81	2.41
Service	8,838.43	4,812.71	10,834.48	5,371.66	19,672.91	10,184.37	51.77	8.10
Infra	81,229.52	72,658.13	14,162.62	2,393.00	95,392.14	75,051.13	78.68	59.68
Others	2,475.95	969.51	7,525.24	797.80	10,001.19	1,767.31	17.67	1.41
<b>Total</b>	<b>1,44,528.90</b>	<b>1,14,495.18</b>	<b>41,965.20</b>	<b>11,256.96</b>	<b>1,86,494.10</b>	<b>1,25,752.14</b>	<b>67.43</b>	<b>100</b>

Source: Compiled as per information received from SPSUs.

As on 31 March 2023, State Government's total investment of ₹1,25,752.14 crore<sup>21</sup> in 101 SPSUs comprised of equity capital ₹ 1,14,495.18 crore (91.05 per cent) and long-term loans of ₹ 11,256.96 crore (8.95 per cent). The thrust of State Government's investment was mainly in Infrastructure Sector (59.68 per cent) and Power Sector (28.40 per cent).

The list of SPSUs having significant investment (more than ₹ 1,000 crore) of the State Government as at the end of March 2023 is given in **Table 5.6** below.

**Table 5.6: Significant investment of the State Government as on 31 March 2023**

Sr. No.	Name of the State PSU	Name of the Department	Amount (₹ in crore)
1.	Sardar Sarovar Narmada Nigam Limited	Narmada, Water Resources, Water Supply and Kalpsar	70,226.79
2.	Gujarat Urja Vikas Nigam Limited	Energy and Petrochemicals	34,088.60
3.	Gujarat State Road Transport Corporation	Ports and Transport	8,194.78
4.	Gujarat Metro Rail Corporation Limited	Urban Development and Urban Housing	4,415.98
5.	Gujarat Unreserved Education & Economical Development Corporation	Social Justice and Empowerment	1,761.79
6.	Gujarat State Investments Limited	Finance	1,402.77
7.	Gujarat Energy Transmission Corporation Limited	Energy and Petrochemicals	1,091.37
<b>Total</b>			<b>1,21,182.08</b>

Source: Compiled as per information received from SPSUs.

<sup>21</sup> The figures in the Paragraph do not tally with those appearing in Paragraph No. 2.4.3.2. in Chapter – II of this Report as the same shown in Chapter – II is sourced from the Finance Accounts while those shown here are sourced from the information provided by the concerned SPSUs.

### 5.6.2 Budgetary support to SPSUs

The State Government provides financial support to the SPSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans repayment/ written off and outstanding guarantees of the Government Companies and Statutory Corporations for the last three years ending 31 March 2023 are given in the Table 5.7 below.

**Table 5.7: Statement showing details regarding budgetary support to Government Companies and Statutory Corporations**

(₹ in crore)

Sr. No.	Particulars	2020-21		2021-22		2022-23	
		No. of SPSUs	Amount	No. of SPSUs	Amount	No. of SPSUs	Amount
<b>Power Sector SPSUs</b>							
(i)	Equity Capital Outgo	2	3,334.57	2	3,710.23	2	3,459.47
(ii)	Grants/ Subsidy provided	2	40.00	8	1,552.89	7	10,854.27
(iii)	Loans given	-	-	-	-	1	300.19
(iv)	<b>Total outgo (i+ii+iii)</b>		<b>3,374.57</b>		<b>5,263.12</b>		<b>14,613.93</b>
(v)	Loan repayment/written off	-	-	-	-	4	144.70
(vi)	Guarantees issued	-	-	-	-	-	-
(vii)	Outstanding Guarantees commitment	-	-	-	-	-	-
<b>Other than Power</b>							
(i)	Equity Capital Outgo	6	1,009.46	9	3,221.81	9	1,951.76
(ii)	Grants/ Subsidy provided	12	2,248.13	12	3,466.75	15	6,280.76
(iii)	Loans given	6	159.91	5	380.94	9	975.67
(iv)	<b>Total outgo (i+ii+iii)</b>		<b>3,417.50</b>		<b>7,069.50</b>		<b>9,208.19</b>
(v)	Loan repayment/written off	-	-	1	115.00	2	25.62
(vi)	Guarantees issued	-	-	2	55.32	1	14.97
(vii)	Outstanding Guarantees commitment	2	37.85	2	50.92	1	14.97

Source: Compiled as per information received from SPSUs.

State Government helps the SPSUs in raising loans from the banks and Public Financial Institutions by giving guarantee for repayment of principal and interest. As can be seen from the above table, the budgetary support by State Government to Power Sector SPSUs towards equity capital and grants/ subsidy and loan increased from ₹ 5,263.12 crore (2021-22) to ₹ 14,613.93 crore (2022-23). The budgetary support to Non-Power Sector SPSUs towards equity, grants/ subsidy and loans during the last three years ranged between ₹ 3,417.50 crore (2020-21) to ₹ 9,208.19 crore (2022-23).

Further, during 2022-23, State Government also provided budgetary support to five<sup>22</sup> Government Controlled Other Companies amounting to ₹ 378.31 crore (Equity ₹ 158.75 crore, Grants/ Subsidy ₹ 216.55 crore and Loans ₹ 3.01 crore).

The outstanding guarantee commitments given to Non-Power Sector SPSUs decreased from ₹ 50.92 crore in 2021-22 to ₹ 14.97 crore in 2022-23. The State Government recovers

<sup>22</sup> (i) GSPL India Gasnet Limited, (ii) Dahej SEZ Limited, (iii) GSPC LNG Limited, (iv) Bahuchareji Rail Corporation Limited and (v) Narmada Clean Tech (NCT).

guarantee fee at the rate of 0.25 to one *per cent per annum* depending upon the loanees for availing loan from banks/ financial institutions. To the extent of information received from SPSUs, guarantee fee of ₹ 28.81 crore was paid by three<sup>23</sup> SPSUs to the Government during 2022-23.

### 5.7 Market Capitalisation of Equity investment in SPSUs

Market Capitalisation represents market value of share of companies which are listed. As on 31<sup>st</sup> March 2023, equity shares of only four<sup>24</sup> SPSUs are listed. As against the total market value of equity investments of ₹ 55,383.44 crore as on 31<sup>st</sup> March 2022 the same stood at ₹ 50,675.95 crore as on 31<sup>st</sup> March 2023 comprising Gujarat Mineral Development Corporation Limited (₹ 4,025.88 crore), Gujarat Gas Limited (₹ 31,645.00 crore), Gujarat State Petronet Limited (₹ 14,951.60 crore) and Gujarat State Financial Corporation (₹ 53.47 crore). The GoG has equity investment of ₹ 105.15 crore in the three SPSUs (Gujarat Mineral Development Corporation ₹ 47.06 crore, Gujarat Gas Limited ₹ 9.00 crore, Gujarat State Financial Corporation ₹ 49.09 crore). GoG does not have equity investment in Gujarat State Petronet Limited.

### 5.8 Restructuring, Disinvestment and Privatisation of SPSUs

During the year 2022-23, there was neither disinvestment of any SPSU nor was any SPSU privatised.

### 5.9 Analysis of outstanding loans given to SPSUs

#### 5.9.1 Long-term loans outstanding as on 31 March 2023

As on 31 March 2023, the total long-term loans outstanding in 42 out of 100 SPSUs<sup>25</sup> from all sources was ₹ 24,115.67 crore<sup>26</sup>. The outstanding long-term loans of SPSUs registered a net decrease of ₹ 3,249.32 crore during 2022-23 from previous year 2021-22 (₹ 27,364.99 crore).

Out of the total long-term outstanding loans as on 31<sup>st</sup> March 2023, loans from State Government were ₹ 6,755.89 crore of which significant amount (₹ 5,818.12 crore) pertained to four Non-Power Sector SPSUs *viz.* Gujarat State Road Transport Corporation (₹ 3,423.15 crore), Gujarat State Financial Corporation (₹ 661.68 crore), Gujarat Unreserved Educational & Economical Development Corporation (₹ 398.78 crore), Gujarat State Investments Limited (₹ 360 crore) and one Power sector SPSU *viz.* Gujarat Energy Transmission Corporation Limited (₹ 974.51 crore).

The year-wise details of outstanding long-term loans of SPSUs is depicted in **Chart 5.1**:

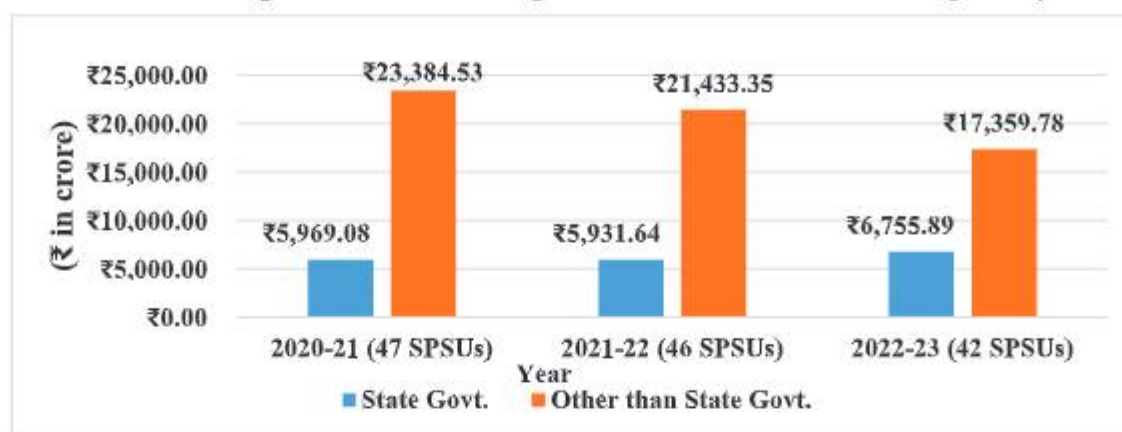
<sup>23</sup> (i) Sardar Sarovar Narmada Nigam Limited, (ii) Gujarat Water Resources Development Corporation Limited and (iii) GGL.

<sup>24</sup> This will not tally with Para 5.4 as Only Debentures of Gujarat State Investments Limited are listed.

<sup>25</sup> This does not include the FS of 'Tapi Riverfront Development Corporation Limited (TRDCL)', since its first FS are not due by 31<sup>st</sup> December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013.

<sup>26</sup> This amount will not tally with **Table 5.5** which has been prepared based on the information furnished by the SPSUs. The amount included in **Table 5.5** may include information of loans outstanding of previous years whose financial statement are in arrears *whereas* the amount of long-term loans included in this paragraph is based on latest finalised FS of SPSUs.

Chart 5.1 Long-term loans outstanding in SPSUs as on 31 March of the respective year



Source: Information compiled as per latest finalised financial statements received from SPSUs.

The number of SPSUs having long term loans has decreased to 42 in 2022-23 from 46 in 2021-22. Four SPSUs, namely, Dakshin Gujarat Vij Company Limited, Gujarat Gas Limited, Gujarat State Energy Generation Limited and Gujarat State Petroleum Corporation Limited have no long term loans at the end of 2022-23. Further, one new SPSU viz. Gujarat Town Planning Consultancy Limited has been included while one SPSU viz. Gujarat State Construction Corporation Limited was dissolved before beginning of the 2022-23.

### 5.9.2 Adequacy of assets to meet loan liabilities

Ratio of total assets to long-term loan is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than its long-term loans. The coverage of long-term loans by value of total assets in 42 SPSUs<sup>27</sup> which had outstanding loans as on 31 March 2023 is given in Table 5.8 below.

Table 5.8: Coverage of long-term loans with total assets as on 31 March 2023

Nature of SPSU	Positive Coverage				Negative Coverage			
	No. of SPSUs	Long term loans	Assets	Percent-age of assets to loan	No. of SPSUs	Long term loans	Assets	Percent-age of assets to loan
		(₹ in crore)				(₹ in crore)		
<b>Listed</b>								
Government Companies	1	360.00	5,073.97	1,409.44	-	-	-	-
GCOE	-	-	-	-	-	-	-	-
Statutory Corporation	1	661.68	3,370.97	509.46	-	-	-	-
<b>Non listed</b>								
Government Companies	23	11,727.13	2,32,010.63	1,978.41	2	273.63	154.67	56.53
GCOE	8	7,608.37	15,481.86	203.48	2	6.83	0.60	8.78
Statutory Corporation	1	3,441.02	9,219.77	267.94	-	-	-	-
<b>Total</b>	<b>34</b>	<b>23,798.20</b>	<b>2,65,157.20</b>	<b>1,114.19</b>	<b>4</b>	<b>280.46</b>	<b>155.27</b>	<b>55.36</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

<sup>27</sup> Out of 42 SPSUs having long-term loan outstanding, the details of total assets of four inactive SPSUs viz. Gujarat Communications and Electronics Limited (under liquidation), Gujarat Fisheries Development Corporation Limited, Gujarat Leather Industries Limited (under liquidation) and Gujarat Small Industries Limited (under liquidation) was not available and hence not considered in the table.

It can be observed from the table above that in four inactive SPSUs viz. Gujarat Dairy Development Corporation Limited, Alcock Ashdown (Gujarat) Limited, Gujarat State Machine Tools Corporation Limited and Gujarat Trans Receivers Limited; the value of outstanding long-term loans exceeded its total assets.

## 5.10 Return from SPSUs

Out of 64 GCC<sup>28</sup> and 4 Statutory Corporations, 46 earned profit, 15 reported losses and seven<sup>29</sup> had no profit/ no loss during the year 2022-23. Further, out of 32 Government Controlled Other Companies, 17 earned profit while 15 reported losses during the year 2022-23.

### 5.10.1 Profit earned by SPSUs

The overall profit of these 63 SPSUs (46 GCC & 17 GCOC) was ₹ 9,927.30 crore as reported in their latest Financial Statements. This includes five<sup>30</sup> inactive SPSUs which reported profit of ₹ 12.07 crore pertaining to the period prior to FY 2014-15. Sector wise details are given in Table 5.9.

**Table 5.9: Details of Sector wise profit making SPSUs**

Year	Sectors	No. of profit making SPSUs	(₹ in crore)		
			Net profit after tax	Accumulated losses/surplus	Net Worth
2020-21	Power	10	2,169.70	6,266.77	61,171.51
	Finance	11	547.81	2,484.09	5,446.39
	Service	21	2,540.09	11,249.01	14,473.85
	Infra	7	447.72	2,465.57	2,857.95
	Others	9	808.17	(-)14,012.32	107.61
	<b>Total</b>	<b>58</b>	<b>6,513.49</b>	<b>8,453.12</b>	<b>84,057.31</b>
2021-22	Power	10	1,828.69	7,951.27	65,084.36
	Finance	11	275.62	2,612.35	5,574.65
	Service	23	2,848.92	13,774.91	17,351.90
	Infra	7	462.19	2,659.91	8,989.16
	Others	10	1,642.62	(-)11,023.10	5,587.90
	<b>Total</b>	<b>61</b>	<b>7,058.04</b>	<b>15,975.34</b>	<b>1,02,588.00</b>
2022-23	Power	10	1,594.25	9,501.51	74,893.35
	Finance	11	605.43	2,992.31	5,954.61
	Service	24	2,945.50	16,103.35	17,740.64
	Infra	8	540.71	3,066.10	9,447.00
	Others	10	4,241.41	(-)6,883.57	9,721.12
	<b>Total</b>	<b>63</b>	<b>9,927.30</b>	<b>24,779.70</b>	<b>1,17,756.72</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

<sup>28</sup> This does not include the FS of 'Tapi Riverfront Development Corporation Limited (TRDCL)', since its first FS are not due by 31<sup>st</sup> December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013.

<sup>29</sup> Includes three SPSUs viz., (i) Gujarat State Police Housing Corporation Limited, (ii) Gujarat Women Economic Development Corporation Limited and (iii) Gujarat Foundation for Mental Health and Allied Sciences, which prepares Income & Expenditure Statement and excess/ deficit has been adjusted against Reserves.

<sup>30</sup> Five SPSUs viz., (i) Naini Coal Company Limited (2011-12), (ii) Infrastructure Finance Company Gujarat Limited (2010-11), (iii) BISAG Satellite Communication (2014-15), (iv) Gujarat Fisheries Development Corporation Limited (1998-99) and (v) Gujarat Small Industries Corporation Limited (2006-07).

The list of top 10 profit earning SPSUs is given in **Table 5.10**.

**Table 5.10: List of Top 10 Profit earning SPSUs**

<i>(₹ in crore)</i>			
Sr. No.	Name of the SPSUs	Net Profit after tax	Percentage of profit to the total profit of SPSUs
<b>GCC &amp; Statutory Corporation</b>			
1	Gujarat State Petroleum Corporation Limited	2,987.01	30.09
2	Gujarat Energy Transmission Corporation Limited	1,256.73	12.66
3	Gujarat Mineral Development Corporation Limited	1,212.48	12.21
4	Gujarat State Financial Services Limited	483.45	4.87
5	Gujarat Industrial Development Corporation	465.01	4.68
6	Gujarat Power Corporation Limited	91.24	0.92
7	Gujarat State Investments Limited	81.16	0.82
<b>GCOC</b>			
8	Gujarat Gas Limited	1,525.47	15.37
9	Gujarat State Petronet Limited	944.95	9.52
10	Sabarmati Gas Limited	321.93	3.24
<b>Total</b>		<b>9,369.43</b>	<b>94.38</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

It may be seen that the above mentioned ten SPSUs earned 94.38 *per cent* of the total profit earned by 63 SPSUs during 2022-23. Out of these, GSPC is one of the main SPSU in the State which trades in natural gas. GETCO is the transmission company functioning under Power Sector in monopolistic conditions. GMDC earned significant revenue from sale of Lignite. GSFS is registered as a Non-Banking Financial Company that earned profit by providing financial services to GoG entities at a competitive rate. GIDC is the main PSU in the State which has right to develop and allot land for industrial/ institutional purposes on cost plus overhead charges basis. Gujarat Power Corporation Limited is primarily engaged in the business of renewable energy. Gujarat State Investments Limited, which is registered as a core investment company with Reserve Bank of India and has its Debentures listed. Gujarat State Petronet Limited, Gujarat Gas Limited and Sabarmati Gas Limited earn major revenue from sale of natural gas.

Details of sector wise profitability is given in **table 5.11**.

**Table 5.11: Sector wise Profitability**

<i>(₹ in crore)</i>			
Sector	No. of profit earning SPSUs	Profit earned	Percentage of sector's profit to total profit of State SPSU
Power	10	1,594.25	16.06
Finance	11	605.43	6.10
Service	24	2,945.49	29.67
Infra	8	540.71	5.45
Other	10	4,241.41	42.72
<b>Total</b>	<b>63</b>	<b>9,927.30</b>	<b>100.00</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

### 5.10.2 Losses incurred by SPSUs

During the year 2022-23, 30 SPSUs<sup>31</sup> (13 GCCs, two SC and 15 GCOC) reported losses as per their latest FSs. The overall net losses incurred by SPSUs increased from ₹ 1,985.23 crore in 2021-22 to ₹ 2,456.98 crore in 2022-23 as given in Table 5.12.

**Table 5.12: Number of SPSUs that incurred losses**

(₹ in crore)					
Year	Sectors	No. of Loss making SPSUs	Net loss after tax	Accumulated losses	Net Worth
2020-21	Power	NIL	NIL	NIL	NIL
	Finance	3	(-)123.20	(-)2,935.80	(-)2,801.79
	Service	10	(-)471.81	(-)4,156.01	276.66
	Infra	9	(-)851.30	(-)7445.80	66,343.10
	Others	9	(-)437.18	13.73	3,947.66
	<b>Total</b>	<b>31</b>	<b>(-)1,883.49</b>	<b>(-)14,523.88</b>	<b>67,765.63</b>
2021-22	Power	NIL	NIL	NIL	NIL
	Finance	3	(-)128.09	(-)3,063.61	(-)2,929.60
	Service	9	(-)389.26	(-)4,350.58	306.94
	Infra	10	(-)846.16	(-)7,661.05	61,751.74
	Others	8	(-)621.72	(-)1,351.82	(-)198.33
	<b>Total</b>	<b>30</b>	<b>(-)1,985.23</b>	<b>(-)16,427.06</b>	<b>58,930.75</b>
2022-23	Power	NIL	NIL	NIL	NIL
	Finance	3	(-)127.37	(-)3,190.98	(-)3,055.97
	Service	12	(-)264.26	(-)4,523.69	2,285.87
	Infra	8	(-)1,549.30	(-)9,155.15	62,418.80
	Others	7	(-)516.05	(-)1,509.21	(-)255.77
	<b>Total</b>	<b>30</b>	<b>(-)2,456.98</b>	<b>(-)18,379.00</b>	<b>61,392.93</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

The Net loss after tax amounting to (-) ₹ 2,456.98 crore was reported by 13 Government Controlled Companies (₹ 1,851.11 crore), two Statutory Corporations (₹ 158.96 crore) and 15 Government Controlled Other Companies (₹ 446.91 crore).

The list of top loss making SPSUs is given in Table 5.13:

**Table 5.13: Top loss making SPSUs**

(₹ in crore)			
Sr. No.	Name of the State PSU	Net loss after tax	Percentage of loss to total loss incurred by SPSUs
1	Sardar Sarovar Narmada Nigam Limited (SSNNL)	1,156.86	47.08
2	Gujarat Metro Rail Corporation Limited (GMRCL)	320.85	13.06
3	Gujarat State Textile Corporation Limited (Inactive SPSU)	300.58	12.23
4	GSPC LNG Limited (GLL)	214.92	8.75
5	GSPL India Gasnet Limited (GIGL)	158.36	6.45
6	Gujarat State Financial Corporation (GSFC) (Listed SPSU)	125.15	5.09
<b>Total</b>		<b>2,276.72</b>	<b>92.66</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

<sup>31</sup> Includes seven inactive SPSUs.

It may be seen from the above **Table 5.13** that these six SPSUs contributed 92.66 per cent of the total losses incurred by 30 SPSUs.

The 30 SPSUs incurred losses, which include seven inactive SPSUs<sup>32</sup>. State Government has not infused any equity Investment in any of these seven Inactive SPSUs during the last five years *i.e.* 2018-19 to 2022-23. As per the information furnished by the remaining 23 SPSUs, Government of Gujarat has infused equity amounting ₹ 15,660.37 crore during the last five years *i.e.* 2018-19 to 2022-23. The maximum equity contribution (₹15,621.75 crore *i.e.* 99.75 per cent) was made in four SPSUs *viz.* SSNNL (₹13,167.71 crore), GSRTC (₹1,466.54 crore), GMRCL (₹ 572 crore) and GLL (₹415.50 crore).

It was also seen that SSNNL is incurring losses since 2015-16, GMRCL since 2017-18, GLL since 2018-19, GIGL during 2022-23 and GSFC since 2000-01. The active SPSUs *viz.* SSNNL is incurring losses mainly due to decrease in revenue from operations and increase in depreciation expenses *etc.* GMRCL incurred losses due to capitalisation of its assets and deprecation *etc.* particularly in 2022-23. GLL incurred loss of ₹ 281.08 crore due to reduction in revenue, depreciation and amortization *etc.* GIGL generated profit of ₹ 73.36 crore during 2021-22, however, incurred loss during 2022-23 mainly due to increase in depreciation expenses and interest on borrowings. GSFC was incorporated (01 May 1960) to assist the small and medium industrial units for development of industries in the State by providing financial assistance in form of term loans, hire purchase, lease finance and subscription to the shares, bonds and debentures of industrial units *etc.* The Corporation started incurring losses from 2000-01 mainly due to fall in interest income from the loanees which is continued till 2022-23. The major activity of the Corporation as on date is recovery of its outstanding dues.

### 5.11 Net Profit/Loss Ratio

The overall sector-wise Net Profit Ratio of 100 SPSUs<sup>33</sup> is depicted in **Table 5.14** below:

**Table 5.14: Sector wise Net Profit/ Loss Ratio**

Sector	Net Profit/Loss of the Sector	Turnover	Net Profit/Loss Ratio (in percent)
Power	1,594.25	1,47,927.50	1.08
Finance	478.06	3,585.76	13.33
Service	2,681.24	29,883.66	8.97
Infra	(-) 1,008.59	3,056.64	(-) 33.00
Other	3,725.36	32,756.00	11.37

Source: Information compiled as per latest finalised financial statements received from SPSUs.

### 5.12 Dividend pay-out by SPSUs

The Finance Department, GoG issued instructions in October 1994 which required all SPSUs to pay maximum dividend to the Government. The instruction, however, did not

<sup>32</sup> Out of the seven inactive SPSUs, two *i.e.* (i) Gujarat State Textile Corporation Limited and (ii) Alcock Ashdown (Gujarat) Limited are under liquidation.

<sup>33</sup> This does not include the FS of 'Tapi Riverfront Development Corporation Limited (TRDCL)', since its first FS are not due by 31<sup>st</sup> December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013.

prescribe the minimum/ maximum rate of dividend to be paid by the SPSUs. Details of dividend paid/declared during the FY 2020-21 and 2021-22 is shown in **Table 5.15** below.

**Table 5.15: Dividend Payout by active SPSUs for the FY 2020-21 and 2021-22**

*(₹ in crore)*

Year	SPSUs which earned profit during the year and had State Government Equity		SPSUs which declared/paid dividend during the year		GoC Equity	Dividend Payout Ratio (%)
	No. of SPSUs	Amount of profit	No. of SPSUs	Amount paid to GoG		
1	2	3	4	5	6	7=5/6*100
2020-21	32 <sup>34</sup>	2,969.75	6 <sup>35</sup>	82.66	27,656.24	0.30
2021-22	32 <sup>36</sup>	3,547.06	4 <sup>37</sup>	158.52	27,677.29	0.57

Source: Information compiled as per latest finalised financial statements and information received from SPSUs.

Recently, the Finance Department (FD), GoG issued a Government Resolution dated 24 April 2023 regarding Guidelines on Dividend Distribution by SPSUs from the Financial Year ending on 31<sup>st</sup> March 2023. The Guidelines, *inter-alia*, stated that SPSUs shall pay a minimum annual dividend of 30 *per cent* of PAT or five *per cent* of the net worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions. The Guidelines further provided that if lower or Nil dividend is proposed to be paid, the same needs to be justified with the approval of the Finance Department. The Guidelines prescribed that exemption, if any, sought in this regard shall be submitted by the SPSUs through their Administrative Department to Finance Department, Government of Gujarat before the end of second quarter of the concerned financial year. However, these Guidelines shall not be applicable to the Section 8 Companies or to the Companies which had accumulated losses or were otherwise governed under the extant provisions of any other Statute.

Out of 85 active SPSUs in Gujarat, 58 SPSUs reported profit. This new Dividend Guidelines are applicable from financial year 2022-23, wherein 17 SPSUs had earned Profit and did not have accumulated losses during the period. Out of these 17 SPSUs only 6 SPSUs are liable to pay dividend to GoG as the remaining 11 SPSUs had no equity shareholding of the GoG.

<sup>34</sup> As per latest FSs received till 30 September 2021, out of 81 active SPSUs in 2020-21, 48 active SPSUs having equity infused by GoG and out of these 32 earned profit during the year.

<sup>35</sup> (i) Gujarat State Seeds Corporation Limited, (ii) Gujarat State Forest Development Corporation Limited, (iii) GMDCL, (iv) GGL, (v) Gujarat State Financial Services Limited and (vi) GSIL.

<sup>36</sup> As per latest FSs received till 30 September 2022, out of 84 active SPSUs in 2021-22, 48 active SPSUs having equity infused by GoG and out of these 32 earned profit during the year.

<sup>37</sup> (i) Gujarat State Seeds Corporation Limited, (ii) GMDCL, (iii) GSIL and (iv) GGL.

Table 5.16 (a) Dividend Payout of active SPSUs (as per New Guidelines)

(₹ in crore)

Year	SPSUs having GoG Equity Holding, which earned profit during the year and had no accumulated losses		Total Equity (excluding pending allotment)	GoG Equity	Total Dividend payable	Amount paid to GoG	Dividend Payout Ratio (%)
	No. of SPSUs	Amount of profit earned					
2022-23	6	3,318.96	1,417.43	1,232.59	536.80	351.40	28.51

Source: Information compiled as per latest finalised financial statements and information received from SPSUs.

Out of the six SPSUs, only three SPSUs paid dividend during 2022-23, the details of which is given in Table below:

Table 5.16 (b) Details of Dividend paid/declared as per new guidelines

(₹ in crore)

Name of Company	Total paid up capital	State Govt. Equity	Net Profit	Net Worth	Higher of 30% of Net profit or 5% of Net Worth	Dividend payable to GoG as per its equity holding	Dividend paid or declared to GoG	Remarks
I	II	III	IV	V	VI	VII=VI*III/II	VIII	IX
Gujarat Gas Limited	137.68	9.00	1525.47	6241.40	457.64	29.92	29.92	Paid
Gujarat Mineral Development Corporation Limited	63.60	47.06	1,212.48	5,411.75	363.74	269.14	269.34	Paid
Gujarat State Financial Services Limited	138.00	106.28	483.45	4,035.44	201.77	155.39	Nil	Exempted as per the RBI's Guidelines dated 24 June 2021. Exemption letter dated 03 June 2023 written to FD, GoG.
Gujarat State Investments Limited	1,042.77	1,042.77	81.16	1,559.09	77.95	77.95	52.14	Exemption letter written to the Finance Department dtd: 29 <sup>th</sup> September 2023.
Gujarat State Road Development Corporation Limited	5.00	5.00	6.21	42.85	2.14	2.14	Nil	-
Gandhinagar Railway and Urban Development Corporation Limited	30.38	22.48	10.19	42.02	3.06	2.26	Nil	-
<b>Total</b>	<b>1,417.13</b>	<b>1,232.59</b>	<b>3,318.96</b>	<b>17,332.55</b>	<b>1,106.30</b>	<b>536.80</b>	<b>351.40</b>	

Source: Information compiled as per latest finalised financial statements and information received from SPSUs.

As can be seen from the Table above, two SPSUs<sup>38</sup> have not paid the dividend due to the GoG as per its Guidelines.

### 5.13 Debt Servicing

#### 5.13.1 Interest Coverage Ratio

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by comparing a company's earnings before interest and taxes (EBIT) with interest expenses for the same period. A lower ratio signifies lower ability of the Company to pay interest on debt. An ICR below one signifies that the company did not generate sufficient revenues to meet its interest expenses. The details of positive and negative interest coverage ratio of SPSUs, which had outstanding long-term loans during the period from 2020-21 to 2022-23 are given in Table 5.17 below:

**Table 5.17: Interest Coverage Ratio of SPSUs**

Year	Sector	Interest (₹ in crore)	EBIT (₹ in crore)	Number of SPSUs with outstanding loans and interest	Number of SPSUs having Interest Coverage Ratio	
					ICR ≥ 1	ICR < 1
<b>Listed</b>						
2020-21	Power	-	-	-	-	-
	Finance	131.89	64.22	2	1	1
	Service	207.68	3,149.67	2	2	-
	Infra	-	-	-	-	-
	Other	-	-	-	-	-
	<b>Total</b>	<b>339.57</b>	<b>3,213.89</b>	<b>4</b>	<b>3</b>	<b>1</b>
2021-22	Power	-	-	-	-	-
	Finance	133.74	86.81	2	1	1
	Service	55.97	1,769.38	1	1	-
	Infra	-	-	-	-	-
	Other	-	-	-	-	-
	<b>Total</b>	<b>189.71</b>	<b>1,856.19</b>	<b>3</b>	<b>2</b>	<b>1</b>
2022-23	Power	-	-	-	-	-
	Finance	135.62	101.54	2	1	1
	Service	-	-	-	-	-
	Infra	-	-	-	-	-
	Other	-	-	-	-	-
	<b>Total</b>	<b>135.62</b>	<b>101.54</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Unlisted</b>						
2020-21	Power	1,134.60	4,346.84	9	9	-
	Finance	11.78	40.01	10	7	3
	Service	263.74	-125.88	10	7	3
	Infra	214.49	-554.29	4	1	3
	Others	739.73	1,394.59	10	4	6
	<b>Total</b>	<b>2,364.34</b>	<b>5,101.27</b>	<b>43</b>	<b>28</b>	<b>15</b>
2021-22	Power	698.11	3,857.68	9	9	-
	Finance	11.58	39.55	10	7	3
	Service	218.80	6.33	10	7	3
	Infra	220.68	-563.07	4	1	3
	Others	471.61	1,337.99	10	5	5
	<b>Total</b>	<b>1,620.78</b>	<b>4,678.48</b>	<b>43</b>	<b>29</b>	<b>14</b>
2022-23	Power	568.67	3,268.18	7	7	-

<sup>38</sup> (i) Gujarat State Road Development Corporation Limited and (ii) Gandhinagar Railway and Urban Development Corporation Limited.

Year	Sector	Interest (₹ in crore)	EBIT (₹ in crore)	Number of SPSUs with outstanding loans and interest	Number of SPSUs having Interest Coverage Ratio	
					ICR $\geq$ 1	ICR<1
	Finance	12.12	38.47	10	7	3
	Service	371.43	138.68	11	6	5
	Infra	298.95	-1,170.35	3	1	2
	Others	225.53	-5.98	9	3	6
	<b>Total</b>	<b>1,476.70</b>	<b>2,269.00</b>	<b>40</b>	<b>24</b>	<b>16</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

It can be observed from the above Table that the interest coverage ratio in the SPSUs which had long term debt has not varied significantly. The number of SPSUs with ICR equal to one or more has decreased from 65.96 per cent (31 out of 47) in 2020-21 to 59.52 per cent (25 out of 42) in 2022-23 whereas the number of SPSUs with ICR less than one has increased from 34.04 per cent (16 out of 47) in 2020-21 to 40.48 per cent (17 out of 42) in 2022-23.

## 5.14 Financial Performance of SPSUs

### 5.14.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures a company's long-term profitability and the efficiency with which total capital is employed by the company. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed<sup>39</sup>.

The consolidated RoCE of 85 active SPSUs<sup>40</sup> during the period from 2020-21 to 2022-23 is given in Table 5.18 below.

Table 5.18: Return on Capital Employed of SPSUs

Year	Sector	EBIT (₹ in crore)	Capital employed (₹ in crore)	(₹ in crore)
				RoCE (in percentage)
2020-21	Power	4,404.56	67,550.28	6.52
	Finance	3,230.13	4,173.95	77.39
	Service	3,379.79	24,122.38	14.01
	Infra	(-)167.25	74,723.55	(-)0.22
	Others	1,133.83	11,076.73	10.24
	<b>Total</b>	<b>11,981.06</b>	<b>1,81,646.90</b>	<b>6.60</b>
2021-22	Power	3,915.40	69,671.09	5.62
	Finance	2,955.36	4,226.49	71.98
	Service	3,608.23	26,353.76	13.69
	Infra	(-)135.57	77,139.03	(-)0.18
	Others	2,150.31	12,015.86	17.90
	<b>Total</b>	<b>12,493.73</b>	<b>1,89,406.23</b>	<b>6.60</b>

<sup>39</sup> Capital employed = Paid up share capital plus free reserves and surplus plus long term loans minus accumulated losses minus deferred revenue expenditure.

<sup>40</sup> This does not include the FS of 'Tapi Riverfront Development Corporation Limited (TRDCL)', since its first FS are not due by 31<sup>st</sup> December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013.

Year	Sector	EBIT (₹ in crore)	Capital employed (₹ in crore)	RoCE (in percentage)
2022-23	Power	3,588.64	78,942.99	4.55
	Finance	3,648.36	4,492.54	81.21
	Service	3,955.94	29,161.42	13.57
	Infra	(-)685.65	78,816.43	(-)0.87
	Others	4,937.20	12,389.03	39.85
	<b>Total</b>	<b>15,444.49</b>	<b>2,03,802.41</b>	<b>7.58</b>

Source: Information compiled as per latest finalised financial statements received from active SPSUs.

It was observed that RoCE of these SPSUs increased marginally from 6.60 *per cent* during 2020-21 to 7.58 *per cent* during 2022-23. Out of above SPSUs, 57 active Government Controlled Companies, the EBIT was ₹ 11,536.22 crore against the Capital Employed of ₹ 1,74,138.37 crore and hence, RoCE for these worked out to 6.62 *per cent* during 2022-23. In case of 28 active Government Controlled Other Companies, the EBIT was ₹ 3,908.27 crore whereas the Capital Employed was ₹ 29,664.03 crore and hence, RoCE worked out to 13.17 *per cent* during 2022-23. Details of Return on Capital Employed (RoCE) of State PSUs for the three years ended 31 March 2023 given in **Appendix 5.3**.

#### 5.14.2 Return on Equity of SPSUs

Return on Equity (RoE) is a measure of financial performance to assess how effectively the management is using company's assets to create profits and is calculated by dividing net profit after taxes by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund of a Company is calculated by adding paid up capital and free reserves net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a Company's shareholders if all assets were sold and all debts repaid. A positive shareholders' fund reveals that the company has enough assets to cover its liabilities while negative shareholders fund means that liabilities exceed its assets.

RoE has been computed in respect of 85 active SPSUs. The details of shareholders' fund and RoE relating to these SPSUs during the period from 2020-21 to 2022-23 is given in **Table 5.19** below.

**Table 5.19: Return on Equity of SPSUs**

Year	Sector	Number of PSUs for which ROE calculated	Net Income for the year (₹ in crore)	(₹ in crore)	
				Shareholders' fund (₹ in crore)	ROE (in percentage)
2020-21	Power	10	2,169.70	61,171.51	3.55
	Finance	13	417.59	2,720.71	15.35
	Service	32	2,064.51	14,748.78	14.00
	Infra	15	(-)397.73	69,300.79	(-)0.57
	Others	11	710.42	4,777.78	14.87
	<b>Total</b>	<b>81</b>	<b>4,964.49</b>	<b>1,52,719.57</b>	<b>3.25</b>
2021-22	Power	10	1,828.69	65,084.36	2.81
	Finance	13	140.51	2,721.16	5.16
	Service	33	2,455.89	17,657.10	13.91
	Infra	16	(-)378.12	70,840.64	(-)0.53

Year	Sector	Number of PSUs for which ROE calculated	Net Income for the year (₹ in crore)	Shareholders' fund (₹ in crore)	ROE (in percentage)
	Others	11	1,360.19	6,112.19	22.25
	<b>Total</b>	<b>83</b>	<b>5,407.16</b>	<b>1,62,415.45</b>	<b>3.33</b>
2022-23	Power	10	1,594.25	74,893.35	2.13
	Finance	13	471.04	2,974.74	15.83
	Service	36	2,677.48	20,029.77	13.37
	Infra	16	(-)1,003.24	71,918.22	(-)1.39
	Others	10	4,025.15	10,188.39	39.51
	<b>Total</b>	<b>85</b>	<b>7,764.68</b>	<b>1,80,004.47</b>	<b>4.31</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

As can be seen from the above table, RoE of 85 active SPSUs<sup>41</sup> stood at 4.31 *per cent* in 2022-23. These included 58 profit making SPSUs and 23 loss making SPSUs of which RoE stood at 8.42 *per cent* and (-)3.46 *per cent* respectively in 2022-23. Four SPSUs<sup>42</sup> did not report any profit or loss. Further, it can also be seen from the Table above that Net Income of the SPSUs increased significantly from ₹4,964.49 crore in 2020-21 to ₹ 7,764.68 crore in 2022-23, which consequently led to increase in RoE from 3.25 *per cent* in 2020-21 to 4.31 *per cent* in 2022-23. Out of above SPSUs, in case of 57 active Government Controlled Companies, the net profit after tax was ₹ 5,343.57 crore whereas the Shareholders' fund in these SPSUs was ₹1,57,948.81 crore. Similarly, in case of 28 active Government Controlled Other Companies, the net profit after tax was ₹ 2,421.09 crore whereas the Shareholders' fund in these SPSUs was ₹22,055.66 crore. Details of Return on Equity (ROE) of State PSUs for the three years ended 31 March 2023 given in **Appendix 5.4**.

#### 5.14.3 Rate of Real Return on Investment

In view of the significant investment by Government in the SPSUs, Rate of Real Return or RORR on such investment is essential from the perspective of State Government. Traditional calculation of Return on Investment (ROI) is based on historical cost of investment, which may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value (PV) of money. Therefore, in addition to ROI, RORR is calculated considering the PV of historical cost of investment. PV of the State Government investment was computed where funds had been infused by the State Government as equity, grants/ subsidies and interest free loans since inception of these Companies till 31 March 2023.

The RORR of State Government investment in the SPSUs was computed on the basis of the following assumptions:

- Interest free loans (IFL) have been considered as investment infusion by the State Government. However, in case of repayment of loans by SPSUs, the PV was calculated on the reduced balances of IFLs over the period.
- The average rate of interest on State Government borrowings for the relevant financial year<sup>43</sup> was adopted as compound rate for arriving at PV since they

<sup>41</sup> This does not include the FS of 'Tapi Riverfront Development Corporation Limited (TRDCL)', since its first FS are not due by 31<sup>st</sup> December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013.

<sup>42</sup> Four SPSUs namely, (i) Gujarat State Police Housing Corporation Limited (GSPHCL), (ii) Gujarat Women Economic Development Corporation Limited (GWEDCL) (iii) Gujarat Foundation for Mental Health and Allied Sciences (GFMHAS) and (iv) Gujarat State Aviation Infrastructure Company Limited (GUJSAIL).

<sup>43</sup> The average rate of interest on Government borrowings is as depicted in **Table 2.28**.

represent the cost incurred by the Government towards investment of funds for the year.

Of the 100 SPSUs<sup>44</sup>, the State Government has made direct investment in the form of equity, long term loans, grants and subsidies in 72 SPSUs. **Table 5.20** shows the RORR calculation of State Government investment in these 72 SPSUs considering the PV of historical cost of investments, since 2017-18 till 2022-23.

**Table 5.20: Year-wise details of investments made by the State Government in SPSUs and their present value till 2022-23**

(₹ in crore)

Financial year	PV of GoG's investment at beginning of year	Investment made by GoG during the year	Investment of GoG at the end of year	Avg. rate of interest on government borrowings (in per cent)	Present value of total investment of GoG at the end of the year	Min. expected return to recover cost of funds for the year	Total earnings of the SPSUs after tax for the year	RORR in percentage
i	ii	iii	iv=ii+iii	v	vi=iv× (1+(v÷100))	vii=iv×(v+100)	viii	ix=yiii*100/vi
2017-18	2,41,400.63*	17,337.05	2,58,737.68	7.59	2,78,375.88	19,638.19	(1,443.64)	(-)0.52
2018-19	2,78,375.88	18,366.67	2,96,742.55	7.44	3,18,820.20	22,077.65	(530.42)	(-)0.17
2019-20	3,18,820.20	13,285.65	3,32,105.85	7.47	3,56,914.15	24,808.31	(741.29)	(-)0.21
2020-21	3,56,914.15	6,822.88	3,63,737.03	7.19	3,89,889.71	26,152.69	2,117.19	0.54
2021-22	3,89,889.71	12,731.23	4,02,620.94	7.12	4,31,287.56	28,666.61	5,304.96	1.23
2022-23	4,31,287.56	22,703.88	4,53,991.44	6.77	4,84,726.66	30,735.22	7,470.33	1.54

Source: Information provided by SPSUs and latest finalised FSs received up to 30 September 2023.

Note: \*Actual Equity at present value at the beginning of the year.

As can be seen from the above table, RoRR ranged between (-) 0.17 per cent and (-) 0.52 per cent during 2017-18 to 2019-20. However, it increased continuously thereafter and improved to 1.54 per cent in 2022-23. The year wise details of the investment and present value of such investment infused by the State Government for the period 2004-05 to 2022-23 is depicted in **Appendix 5.5**. Rate of Return on State Government Investment (Historical cost viz-a-viz present value) is depicted in **Table 5.21**.

**Table 5.21 Rate of Return on State Government Investment**

Financial Year	Total Earnings/ Loss (-)	Investment by the State Government at historical cost of investment at the end of the year	ROR (%)	Investment by the State Government at present value of investment at end of the year	RORR (%)
2022-23	7,470.33	2,36,525.50	3.16	4,84,726.66	1.54

Source: Information provided by SPSUs and latest finalised FSs received up to 30 September 2023.

#### 5.14.4 Erosion of Net worth in SPSUs

Net worth means the sum of the paid-up capital, free reserves and surplus *minus* accumulated losses and deferred revenue expenditure. It is essentially a measure of what

<sup>44</sup> Excludes Shri K K Shastri Government Colleges Confederation as the information has not been received.

an entity is worth to the owners. A negative net worth indicates that the entire investment of the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As on 31 March 2023, 42 SPSUs had accumulated losses of ₹ 29,379.28 crore, 52 SPSUs had accumulated surplus of ₹ 35,668.58 crore and six SPSUs had neither accumulated losses nor surplus, as per their latest financial statements.

Out of 42 SPSUs which had accumulated losses, the net worth of 21 SPSUs including six inactive SPSUs had been completely eroded. The total negative net worth of these 21 SPSUs was ₹5,121.95 crore against the paid up capital of ₹ 4,158.88 crore as on 31 March 2023. Details regarding the above 42 SPSUs are given in **Appendix 5.6**.

The maximum erosion of net worth was noticed in Gujarat State Financial Corporation (₹ 3,072.60 crore), Alcock Ashdown (Gujarat) Limited (₹ 610.26 crore) and Gujarat Water Infrastructure Limited (₹ 587.87 crore).

In 21 SPSUs whose net worth had been completely eroded, Equity and Outstanding loans of State Government as on 31 March 2023 were ₹ 3,946.37 crore and ₹ 4,434.21 crore respectively as depicted in **Table 5.22**.

**Table 5.22: Details of SPSUs whose net worth has eroded as per their latest finalised Financial Statement**

(₹ in crore)									
Sr. No.	Name of SPSU	Latest year of FS	GCC/ GCOC/ Statutory Corporation (Stat)	Total Paid up capital	Net profit After tax	Accumulated losses	Net Worth	State Govt Equity as on 31 March 2023	State Govt Loan as on 31 March 2023
1	Gujarat State Financial Corporation	2022-23	Stat	89.11	-125.15	-3,180.61	-3,072.61	49.09	661.68
2	Alcock Ashdown (Gujarat) Limited (under liquidation)	2021-22	GCC	51.00	-0.36	-661.26	-610.26	14.50	198.31
3	Gujarat Water Infrastructure Limited	2021-22	GCC	155.02	-64.68	-742.89	-587.87	155.02	-
4	Gujarat State Road Transport Corporation	2019-20	Stat	3,684.15	-33.81	-3,864.53	-180.38	3,577.88	3,423.15
5	Gujarat Water Resources Development Corporation Limited	2021-22	GCC	31.49	1.12	-179.34	-147.85	31.49	-
6	Gujarat Dairy Development Corporation Limited	2021-22	GCC	10.46	-0.02	-124.26	-113.8	10.46	75.32
7	Gujarat State Land Development Corporation Limited	2016-17	GCC	5.88	0.06	-110.83	-104.95	5.88	63.86
8	Gujarat Communications and Electronics Limited (under liquidation)	2000-01	GCC	12.45	-	-104.74	-92.29	12.45	0.9
9	Gujarat Small Industries Corporation Limited (under liquidation)	2006-07	GCC	4.00	6.93	-74.93	-70.93	3.79	8.65
10	Diamond Research and Mercantile City Limited	2021-22	GCC	100.00	31.71	-169.05	-69.05	75.00	-
11	Gujarat State Handloom and Handicrafts Development Corporation Limited	2021-22	GCC	12.06	4.68	-37.01	-24.95	10.23	0.28
12	GIFT SEZ Limited	2021-22	GCOC	0.10	2.2	-14.66	-14.56	0	-
13	GIFT Power Company Limited	2021-22	GCOC	0.10	-3.51	-7.31	-7.21	0	-
14	Gujarat Trans-Receivers Limited	2018-19	GCOC	0.24	-0.001	-6.07	-5.83	0	-
15	Gujarat Leather Industries Limited (under liquidation)	2001-02	GCC	1.50	-	-6.67	-5.17	0	2.06
16	GIFT Collective Investment Management Company Limited	2021-22	GCOC	0.05	-0.01	-5.14	-5.09	0	-

Sr. No.	Name of SPSU	Latest year of FS	GCC/ GCOC/ Statutory Corporation (Stat)	Total Paid up capital	Net profit After tax	Accumulated losses	Net Worth	State Govt Equity as on 31 March 2023	State Govt Loan as on 31 March 2023
17	Gujarat State Rural Development Corporation Limited	2016-17	GCC	0.58	-5.35	-4.27	-3.69	0.58	-
18	Gujarat State Machine Tools Corporation Limited	2022-23	GCOC	0.54	-0.10	-3.68	-3.14	0	-
19	SMART ICT Services Private Limited (SISPL)	2021-22	GCOC	0.05	-0.31	-2.10	-2.05	0	-
20	Gujarat ISP Services Limited	2021-22	GCC	0.10	-0.11	-0.34	-0.24	0	-
21	Gujarat Town Planning Consultancy Limited (GTPCL)	2022-23	GCOC	0.001	-0.04	-0.04	-0.04	0	0
	<b>Total</b>			<b>4,158.88</b>	<b>-186.75</b>	<b>-9,299.73</b>	<b>-5,121.95</b>	<b>3,946.37</b>	<b>4,434.21</b>

Source: As per latest finalised FSs received up to 30 September 2023.

Out of 21 SPSUs whose net worth was eroded, seven SPSUs are Inactive<sup>45</sup>. Further, three SPSUs viz. GIFT SEZ Limited, GIFT Power Company Limited and GIFT Collective Investment Management Company Limited have been merged<sup>46</sup> w.e.f. 01.04.2022 with Gujarat International Finance Tec-City Company Limited (GIFTCL) by Ministry of Corporate affairs vide order dated 26.09.2023. Gujarat Town Planning Consultancy Limited (GTPCL) was incorporated on 22 December 2022<sup>47</sup>. SMART ICT Services Private Limited (SISPL) is under the audit jurisdiction from 2020-21<sup>48</sup>. In the rest 09 SPSUs<sup>49</sup>, net worth is continuously eroded as depicted in the Table 5.23.

**Table 5.23: Details of SPSUs having continuous erosion in net worth**

Sl. No.	Name of SPSUs	Period of latest Financial Statement	Negative Net worth (as per latest Financial Statement)	Negative Net worth since when	Age analysis of Negative Net Worth (In years)	Income/ Revenue as per latest Financial Statement (₹ In crore)	Expenditure as per latest Financial Statement (₹ In crore)
1	Gujarat ISP Services Limited	2021-22	-0.24	2018-19	3	0.75 lakh	14.87 lakh
2	Gujarat State Financial Corporation	2022-23	-3,072.61	Prior to 2012-13	More than 10	14.36	139.51
3	Gujarat State Rural Development Corporation Limited	2016-17	-3.69	2014-15	2	0.56	5.91
4	Gujarat Water Resources Development Corporation Limited	2021-22	-147.85	2015-16	7	70.61	69.83
5	Gujarat State Handloom and Handicrafts Development Corporation Limited	2021-22	-24.95	Prior to 2012-13	More than 10	33.99	27.85
6	Gujarat State Land Development Corporation Limited	2016-17	-104.95	Prior to 2012-13	More than 5	522.68	527.51
7	Diamond Research and Mercantile City Limited	2021-22	-69.05	2019-20	3	39.14	31.70

<sup>45</sup> Out of seven SPSUs, four SPSUs viz. (i) Alcock Ashdown (Gujarat) Limited, (ii) Gujarat Communications and Electronics Limited, (iii) Gujarat Small Industries Corporation Limited and (iv) Gujarat Leather Industries Limited are under liquidation process. Further, three SPSUs viz. (i) Gujarat-Trans-Receiver Limited, (ii) Gujarat State Machine Tools Corporation Limited and (iii) Gujarat Dairy Development Corporation Limited are Inactive SPSUs which are not operational since 1998-99, 1997-98 and 1999 respectively. Thus, the detailed analysis of Net Worth in respect of these seven SPSUs is not done.

<sup>46</sup> As per the FSs for the 2022-23, GIFTCL was having positive net worth, thus, these three SPSUs is not considered for detailed analysis of net worth.

<sup>47</sup> Being the inception year of the SPSU, the detailed analysis of net worth has not been carried out.

<sup>48</sup> The SPSU is in the developmental stage, thus detailed analysis of its net worth has not been done in Audit.

<sup>49</sup> The SPSUs are operating either with the Grant/ Subsidy of Government/ Conversion of loan into equity GoG or having Interest Income and lower generation of income from the regular business of SPSU.

Sl. No.	Name of SPSUs	Period of latest Financial Statement	Negative Net worth (as per latest Financial Statement)	Negative Net worth since when	Age analysis of Negative Net Worth (In years)	Income/ Revenue as per latest Financial Statement (₹ In crore)	Expenditure as per latest Financial Statement (₹ In crore)
8	Gujarat State Road Transport Corporation	2019-20	-180.38	Prior to 2012-13	More than 8	3,526.72	3,563.60
9	Gujarat Water Infrastructure Limited	2021-22	-587.87	2015-16	7	890.13	977.33

Source: As per finalised FSs received up to 30 September 2023.

## 5.15 Oversight Role of CAG

### 5.15.1 Appointment of statutory auditors of SPSUs by CAG

CAG of India appoints the statutory auditors of a Government Controlled Company and Government Controlled Other Company as per Section 139 (5)/(7) of the Companies Act, 2013 (Act), which stipulates that the statutory auditors, in case of a Government Company or Government Controlled Other Company, are to be appointed by the CAG of India within a period of 180 days from the commencement of the financial year and 60 days from the registration in case of first auditor. The CAG of India has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their FSs be audited by the CAG of India and a report submitted to the State Legislature.

### 5.15.2 Submission of financial statements by SPSUs

#### 5.15.2.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the activity and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report must be laid before the Legislative Assembly, together with a copy of the Audit Report and comments of the CAG of India upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the companies.

Section 96 of the Companies Act, 2013 requires every Company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year are to be placed in the said AGM for their consideration. Consequently, the Financial Statements need to be prepared and placed in the AGM by 30 September of the following year.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

### 5.15.2.2 Timeliness in preparation of FSs by SPSUs

As on 31 March 2023, there were 101 SPSUs under the purview of CAG's audit in Gujarat. Out of these 101 SPSUs, 15 are inactive which are either under liquidation or defunct. A total of 29 SPSUs have submitted their FSs for 2022-23 for audit by CAG of India until 30 September 2023. The financial statement of three SPSUs was not due to be submitted and had no arrears. Remaining 69 SPSUs did not provide their 188 Annual Financial Statements by 30 September 2023. Details of FSs received from SPSUs as on 30 September 2023 are given in **Table 5.24** below.

**Table 5.24: Status of FSs for the year ending 31<sup>st</sup> March 2023 received from SPSUs upto 30<sup>th</sup> September 2023**

Particulars		SPSUs under audit jurisdiction of C&AG		
		GCC <sup>50</sup>	GCOC	Total
<b>Total number of SPSUs as on 31 March 2023</b>		<b>69</b>	<b>32</b>	<b>101</b>
Active SPSUs from which FSs for the year 2022-23 were received		14	14	28
Inactive SPSUs from which FSs for the year 2022-23 were received		-	1	1
SPSUs from which FSs for 2022-23 were not due and have no arrears		3 <sup>51</sup>	-	3
SPSUs with arrears in financial statements		<b>52</b>	<b>17</b>	<b>69</b>
<b>No. of financial statements in arrears</b>		<b>146</b>	<b>42</b>	<b>188</b>
Break-up of arrears	SPSUs under Liquidation	12	0	12
	Inactive SPSUs which are not under liquidation	46	27	73
	'Others' (active and due)	88	15	103
Age-wise analysis of arrears against 'Others' category	One year (2022-23)	26	13	39
	Two years (2021-22 and 2022-23)	2	2	4
	Three years and more	60	0	60

Source: As compiled by office of Pr. AG (Audit-I), Gujarat and AG (Audit-II), Gujarat.

The details of the SPSUs and the status of FSs in arrears in respect thereof is indicated in **Appendix 5.1**.

Audit of four<sup>52</sup> Statutory Corporations is conducted by the CAG of India as per provisions of the relevant Act. CAG of India is the sole auditor for Gujarat State Road Transport Corporation and Gujarat Industrial Development Corporation. Of the four Statutory Corporations, only one Statutory Corporation viz., Gujarat State Financial Corporation submitted FSs for 2022-23. The FSs of other three Statutory Corporations were in arrears (including financial year 2022-23) as on 30 September 2023. The extent of arrears is depicted at SI. No 37, 55 and 64 in **Appendix 5.1**.

Delay in submission of Accounts is being brought to the notice of the State Government

<sup>50</sup> Government Controlled Companies include the four Statutory Corporations.

<sup>51</sup> It includes two SPSUs (i) Gujarat State Textile Corporation Limited and (ii) Alcock Ashdown (Gujarat) Limited which are inactive and are under liquidation and have no arrears. While in case of one SPSU viz. Tapi Riverfront Development Corporation Limited, in accordance with Companies Act 2013 Section 2(41) read with Section 96 the First FSs are not due by 31<sup>st</sup> December 2023.

<sup>52</sup> GSWC, GSFC, GSRTC and GIDC.

periodically through Audit Reports. In the absence of annual FSs and their audit, proper utilisation of the grants and loans disbursed to those SPSUs and their accounting cannot be vouched for. Apart from reflecting on the inadequate monitoring by the State Government, absence of FSs indicates lack of accountability from these SPSUs over the funds released by Government of Gujarat.

### **5.15.3 CAG's oversight- Audit of annual Financial Statements and supplementary audit**

#### **5.15.3.1 Financial reporting framework**

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government. The Statutory Corporations are required to prepare their FSs in the format prescribed under their respective rules, framed in consultation with the CAG and any other specific provision relating to FSs in the Act governing such Corporations.

#### **5.15.3.2 Audit of Financial Statements of Government Companies by Statutory Auditors**

The Statutory Auditors appointed by the CAG of India under Section 139 of the Companies Act, 2013, conduct audit of FSs of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG of India plays an oversight role by monitoring the performance of the Statutory Auditors in the audit of public sector undertakings with the overall objective that the Statutory Auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- Issue directions to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 and
- Supplement or comment upon the Statutory Auditor's Report under Section 143(6) of the Companies Act, 2013.

#### **5.15.3.3 Supplementary audit of annual Financial Statements of Government Companies**

The primary responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the Management of an entity.

The Statutory Auditors appointed by the CAG of India under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG of India. The Statutory Auditors are required to submit the Audit Report to the CAG of India under Section 143 of the Companies Act, 2013.

The FSs of selected Government Companies along with the report of the Statutory Auditors are reviewed by CAG of India by conducting a supplementary audit. Based on such review,

significant audit observations, if any, reported under Section 143 (6) of the Companies Act, 2013 are to be placed before the AGM of respective SPSU.

## 5.16 Results of CAG's oversight role

### 5.16.1 Audit of Financial Statements of Government Companies under Section 143 of the Companies Act, 2013

As on 30 September 2023, 29 SPSUs submitted their 29 FSs for the year 2022-23 and two FSs of 2021-22. The remaining 69 SPSUs did not submit their 188 Annual Financial Statements for various reasons by 30 September 2023. However, out of 70 SPSUs<sup>53</sup>, 30 SPSUs submitted 33 FSs for previous years spanning from 2018-19 to 2021-22.

Out of the total 64 FSs<sup>54</sup> received during 2022-23, Non-Review Certificates were issued in respect of 15 FSs and 37 FSs were reviewed upto 30 September 2023. The audit in respect of 12 FSs were in progress as on 30 September 2023. The results of the review are summarised below:

#### 5.16.1.1 Amendment of Financial Statements

As a result of supplementary audit conducted by the CAG of India of the financial statements received till 30 September 2023, no SPSU has amended its Financial Statements.

#### 5.16.1.2 Revision of Auditors Report

As a result of supplementary audit conducted by the CAG of India of the financial statements received till 30 September 2023, the Statutory Auditors of three<sup>55</sup> SPSUs revised their report before laying of the Financial Statements of these Companies in their AGM.

## 5.17 Conclusion

- As on 31 March 2023, there were 101 SPSUs which included 65 Government Companies, (including 11 inactive companies), four Statutory Corporations and 32 Government Controlled Other Companies (including four inactive companies).
- The investment of the State Government in equity and long-term loans in 101 SPSUs was ₹ 1,25,752.14 crore against total investment of ₹ 1,86,494.10 crore at the end of 31 March 2023. As on 31 March 2023, the total long-term loans outstanding in 42 SPSUs was ₹ 24,115.67 crore. This decreased from ₹ 27,364.99 crore during the previous year (2021-22).
- During 2022-23, 58 active Government Companies and Statutory Corporation registered an annual turnover of ₹ 1,94,184.59 crore, which was equal to 8.59 per cent of the GSDP of Gujarat.
- Out of the 68 SPSUs (64 Government Companies and four Statutory Corporations), 46 SPSUs earned profit after tax of ₹ 7,059.23 crore, while 15 SPSUs incurred losses of ₹ 2,010.06 crore and seven SPSUs neither reported profit nor loss. Out of 32 Government controlled other Companies, 17 SPSUs made profit of ₹ 2,868.07 crore

<sup>53</sup> Including one PSU viz. Alcock Ashdown (Gujarat) Limited which submitted its last FS for the year 2021-22 which is considered here.

<sup>54</sup> It includes three FSs of three Statutory Corporations in respect of which Separate Audit Report has been issued.

<sup>55</sup> NCT (2021-22), Gujarat State Handloom and Handicraft Development Corporation Limited (GSHHDCL) (2018-19), GSPC JPDA Limited (2021-22 and 2022-23).

and 15 reported losses of ₹ 446.91 crore during the year 2022-23. As on 31 March 2023, 42 SPSUs had accumulated losses of ₹ 29,379.28 crore.

- Further, 188 financial statements of 69 SPSUs including three Statutory Corporation were in arrears.

### 5.18 Recommendations

- Government of Gujarat may review the functioning of all loss-making SPSUs and take necessary steps to improve their financial performance.
- Government may issue necessary instructions to Administrative Departments to set targets for individual SPSUs to furnish the FSs in time and to strictly monitor the clearance of arrears.
- Government may review the inactive Government Companies and take appropriate decision on their revival/ winding up.

(SAURAV KUMAR JAIPURIYAR)

Principal Accountant General (Audit-II),  
Gujarat

Ahmedabad  
The 10 JUN 2024

*Countersigned*

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi  
The 11 JUN 2024



# **APPENDICES**



**Appendix 1.1**  
**State Profile**  
(Reference: Paragraph 1.1)

Sr. No.	Particulars	Unit	India	Gujarat
1.	Area	Sq. Km.	32,87,469	1,96,244
2.	Population (2013)	in crore	124.29	6.23
	Population projections (2023)	in crore	138.82	7.15
3.	Density of Population (2023)	Persons per Sq. Km.	422	364
4.	Urban Population to total population (2011)	per cent	31.1	42.6
5.	Sex Ratio (2011)	Females per 1000 Males	943	919
6.	Population below poverty line (2011-12)	per cent	21.9	16.6
7.	Literacy (2011)	per cent	73.0	78.0
8.	Infant Mortality Rate (2020)	Per 1000 live births	28.0	23.0
9.	Life Expectancy at Birth (2016-20)	year	70.0	70.5
10.	Population Growth (2013 to 2023)	per cent	11.68	14.73
11.	GDP and GSDP (2022-23) at Current Prices (2011-12 Series)	(₹ in crore)	2,72,40,712	22,61,715

## Source:

1. Forest Survey Report 2021; (Sr. No. 1)
2. Report of the Technical Group on Population projection for India and States (2011-2036) by National commission on Population, Ministry of H&FW; (Sr. Nos. 2, 3 & 10)
3. Socio- Economic Review, Government of Gujarat 2022-23 (Sr. Nos. 4 & 5)
4. Ministry of Statistics and Programme Implementation; (Sr. No. 6)
5. Economic Survey 2022-23 Statistical Appendix, Census of India 2011; (Sr. No. 7)
6. SRS Bulletin, May 2022; (Sr. No. 8)
7. SRS Based Abridged Life Tables 2016-20, Registrar General and Census Commissioner of India; (Sr. No. 9)
8. National Statistical Office Ministry of Statistics and Programme Implementation (MoSPI); and GSDP of Gujarat-Budget Publication No. 30 of Gujarat Fiscal Responsibility Act, 2005 (2023-24) (Sr. No. 11)

**Appendix – 2.1**  
**Time series data on the State Government finances**  
(Reference: Paragraph 2.2)

	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>PART A- Receipts</b>					
<b>1. Revenue receipts</b>	<b>1,36,002</b>	<b>1,42,844</b>	<b>1,28,156</b>	<b>1,66,830</b>	<b>1,99,408</b>
<b>(A) Tax revenue</b>	<b>1,03,592</b>	<b>99,240</b>	<b>90,485</b>	<b>1,28,784</b>	<b>1,57,843</b>
<b>(i) Own Tax revenue</b>	<b>80,103</b>	<b>79,008</b>	<b>70,266</b>	<b>97,678</b>	<b>1,24,809</b>
State Goods and Service Tax (SGST)	34,889	34,107	29,459	43,487	52,154
Taxes on sales, trade, etc.(VAT/Sales Tax)	22,414	21,072	18,800	29,044	36,984
State excise	131	138	134	155	188
Taxes on vehicles	4,119	3,847	2,981	3,889	5,002
Stamps and registration fees	7,781	7,701	7,390	10,433	14,207
Land revenue	2,408	2,359	2,134	2,782	4,480
Taxes on goods and passengers	117	48	104	11	55
Taxes on electricity duty	7,348	8,774	8,319	7,013	10,593
Other taxes	896	962	945	864	1,146
<b>(ii) State's share of Union taxes and duties</b>	<b>23,489</b>	<b>20,232</b>	<b>20,219</b>	<b>31,106</b>	<b>33,034</b>
<b>(B) Non tax revenue</b>	<b>13,417</b>	<b>18,104</b>	<b>10,493</b>	<b>14,018</b>	<b>18,434</b>
<b>(C) Grants in aid from Government of India</b>	<b>18,993</b>	<b>25,500</b>	<b>27,178</b>	<b>24,028</b>	<b>23,131</b>
<b>2. Miscellaneous capital receipts</b>	<b>65</b>	<b>106</b>	<b>9,968</b>	<b>0</b>	<b>0</b>
<b>3. Recoveries of loans and advances</b>	<b>151</b>	<b>330</b>	<b>155</b>	<b>155</b>	<b>254</b>
General Services	-	-	-	-	-
Social Services	12	16	17	37	28
Economic Services	89	271	83	148	173
Loans to Government Servants and Miscellaneous Loans	50	43	56	(-) 30	53
<b>4. Total revenue and non-debt capital receipts (1+2+3)</b>	<b>1,36,218</b>	<b>1,43,280</b>	<b>1,38,280</b>	<b>1,66,985</b>	<b>1,99,662</b>
<b>5. Public debt receipts</b>	<b>43,146</b>	<b>43,491</b>	<b>58,857</b>	<b>46,969<sup>1</sup></b>	<b>52,333</b>
Internal debt (excluding ways and means advances and overdrafts)	40,950	42,694	47,508	33,293	46,463
Net transactions under ways and means advances and overdrafts	-	-	-	-	-
Loans and advances from Government of India	2,196	797	11,349	13,676 <sup>1</sup>	5,870

<sup>1</sup> The figure of 'Public debt receipts' here do not tally with the figures in Table 2.16 and Table 2.43 due to rounding-off difference of ₹ 1.00 crore.

	2018-19	2019-20	2020-21	2021-22	2022-23
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>1,79,364</b>	<b>1,86,771</b>	<b>1,97,137</b>	<b>2,13,954</b>	<b>2,51,995</b>
<b>7. Contingency fund receipts</b>	<b>0</b>	<b>0.25</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8. Public account receipts (Gross)</b>	<b>1,05,720</b>	<b>1,04,862</b>	<b>1,00,214</b>	<b>1,18,597</b>	<b>1,22,483</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>2.85,084</b>	<b>2,91,633</b>	<b>2,97,351</b>	<b>3,32,551</b>	<b>3,74,478</b>
<b>PART B- Expenditure/Disbursements</b>					
<b>10. Revenue Expenditure</b>	<b>1,32,790</b>	<b>1,40,899</b>	<b>1,50,704</b>	<b>1,60,421</b>	<b>1,79,543</b>
State Fund Expenditure	1,17,424	1,21,874	1,30,334	1,42,028	1,65,455
Central assistance including CSS/CS	15,366	19,025	20,370	18,393	14,088
General services (including interest payments)	47,564	49,172	52,074	56,423	61,269
Social services	53,285	59,197	60,816	68,254	75,125
Economic services	31,576	32,115	37,424	35,332	42,672
Grants-in-aid and contributions	365	415	390	412	477
<b>11. Capital Expenditure</b>	<b>28,062</b>	<b>25,650</b>	<b>26,781</b>	<b>28,185</b>	<b>35,499</b>
State Fund Expenditure	23,087	20,539	22,322	22,391	33,970
Central assistance including CSS/CS	4,975	5,111	4,459	5,794	1,529
General services	875	691	485	550	820
Social services	7,696	6,175	7,040	8,373	12,804
Economic services	19,491	18,784	19,256	19,262	21,875
<b>12. Disbursement of loans and advances</b>	<b>1,731</b>	<b>1,312</b>	<b>1,233</b>	<b>1,071</b>	<b>1,466</b>
General Services	-	-	-	-	-
Social Services	924	884	708	924	1,139
Economic Services	756	379	477	114	272
Loans to Government Servants and Miscellaneous Loans	51	49	48	33	55
<b>13. Total expenditure (10+11+12)</b>	<b>1,62,583</b>	<b>1,67,861</b>	<b>1,78,718</b>	<b>1,89,677</b>	<b>2,16,508</b>
<b>14. Repayments of public debt</b>	<b>15,432</b>	<b>16,702</b>	<b>17,922</b>	<b>24,436</b>	<b>22,159</b>
Internal debt (excluding Ways and Means Advances and Overdrafts)	14,719	15,908	17,139	23,518	20,991
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and advances from Government of India	713	794	783	918	1,168
<b>15. Appropriation to Contingency Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>1,78,015</b>	<b>1,84,563</b>	<b>1,96,640</b>	<b>2,14,113</b>	<b>2,38,667</b>
<b>17. Contingency fund disbursements</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>18. Public account disbursements</b>	<b>1,03,998</b>	<b>1,02,635</b>	<b>1,07,893</b>	<b>1,13,609</b>	<b>1,20,935</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>2,82,013</b>	<b>2,87,198</b>	<b>3,04,533</b>	<b>3,27,722</b>	<b>3,59,622</b>

	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Part C- Deficits</b>					
20. Revenue deficit(-) / revenue surplus (+) (1-10)	(+)3,212	(+)1,945	(-)22,548	(+)6,409	(+)19,865
21. Fiscal deficit (-)/fiscal surplus (+) (4-13)	(-)26,365	(-)24,581	(-)40,438	(-)22,692	(-)16,846
22. Primary deficit(-)/primary surplus(+) (21+23)	(-)6,182	(-)2,133	(-)16,235	(+)2,496	(+)8,508
<b>Part D- Other data</b>					
23. Interest payments (included in revenue expenditure)	20,183	22,449	24,203	25,188	25,354
24. Financial assistance to local bodies etc.	59,611	64,262	64,637	69,808	80,753
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means advances/ overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP) <sup>Φ</sup>	14,92,156	16,17,143	16,36,781 (P)	19,57,583 (Q)	22,61,715 (A)
28. Outstanding fiscal liabilities (year-end)	2,85,844	3,15,456	3,57,892	3,80,798 <sup>2</sup>	4,12,378
29. Outstanding guarantees (year-end)	4,699	4,462	3,656	3,089 <sup>3</sup>	1,473
30. Maximum amount guaranteed (during the year)	11,796	11,747	11,751	10,757	9,951
31. Number of Incomplete Projects	118	123	158	176	213
32. Capital blocked in Incomplete Projects	2,207	5,811	6,929	7,478	12,244
<b>Part E- Fiscal Health Indicators</b>					
<b>I. Resource Mobilisation</b>					
Own tax revenue/GSDP (per cent)	5.37	4.89	4.29	4.99	5.52
Own non-tax revenue/GSDP (per cent)	0.90	1.12	0.64	0.72	0.82
Central transfers/GSDP (per cent)	2.85	2.83	2.90	2.82	2.48
<b>II. Expenditure Management</b>					
Total expenditure/GSDP (per cent)	10.90	10.38	10.92	9.69	9.57
Total expenditure/revenue receipts	1.20	1.18	1.39	1.14	1.09
Revenue expenditure/total expenditure	0.82	0.84	0.84	0.85	0.83

<sup>2</sup> Decreased by ₹ 4 crore from previous year's report figure due to proforma correction.

<sup>3</sup> Increased by ₹ 45 crore from previous year's report figure due to proforma correction.

	2018-19	2019-20	2020-21	2021-22	2022-23
Expenditure on social services/total expenditure	0.38	0.39	0.38	0.40	0.41
Expenditure on economic services/total expenditure	0.31	0.30	0.32	0.29	0.30
Capital expenditure/total expenditure	0.17	0.15	0.15	0.15	0.16
Capital expenditure on social and economic services/total expenditure	0.17	0.15	0.15	0.15	0.16
<b>III. Management of fiscal imbalances</b>					
Revenue deficit or surplus/GSDP ( <i>per cent</i> )	0.22	0.12	(-)1.38	0.33	0.88
Fiscal deficit/GSDP ( <i>per cent</i> )	(-)1.77	(-)1.52	(-)2.47	(-)1.16	(-)0.74
Primary deficit (-) or surplus (+) /GSDP ( <i>per cent</i> )	(-)0.41	(-)0.13	(-)0.99	0.13	0.38
Revenue deficit/fiscal deficit	(-)0.12	(-)0.08	0.56	(-)0.28	(-)1.18
<b>IV. Management of fiscal liabilities</b>					
Fiscal liabilities/GSDP ( <i>per cent</i> )	19.16	19.51	21.30 <sup>4</sup>	18.32 <sup>5</sup>	17.25 <sup>5</sup>
Fiscal liabilities/RR ( <i>per cent</i> )	210.18	220.84	272.07 <sup>4</sup>	214.91 <sup>5</sup>	195.64 <sup>5</sup>
Primary deficit <i>vis-à-vis</i> quantum spread ( <i>per cent</i> )	(-)49.99	(-)82.01	84.73	5.74	27.08
<b>V. Other Fiscal Health Indicators</b>					
Return on investment ( <i>per cent</i> )	0.13	0.09	0.12	0.12	0.08
Financial assets/liabilities	0.96	0.99	0.92	0.94	1.00

Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2023-24)

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

<sup>4</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received during 2020-21 has not been considered as public debt here.

<sup>5</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received during 2020-21 and ₹ 13,040 crore received during 2021-22 have not been considered as public debt here.

**Appendix – 2.2**  
**Statement showing difference between Finance Accounts of Government of Gujarat and financial statements of SPSUs as on 31 March 2023**  
(Reference: Paragraph 2.4.3.2)

(Figures in column 3 to 5 are ₹ in crore)

Sr. No.	Name of SPSUs	Shareholding of Government of Gujarat		Differences
		As per Finance Accounts	As per SPSUs records	
1	2	3	4	5
1	Gujarat Energy Transmission Corporation Limited	50.00	0.00 <sup>6</sup>	50.00
2	Gandhinagar Railway and Urban Development Corporation Limited	432.45	446.44	(13.99)
3	Sardar Sarovar Narmada Nigam Limited	70,208.97	69,717.50	491.47
4	Dholera Industrial City Development Limited	2,898.50	0.00	2,898.50
5	Gujarat State Seeds Corporation Limited	20.95	3.75	17.20
6	Gujarat Gas Limited	0.00	9.00	(9.00)
7	Gujarat State Road Development Corporation Limited	263.74	5.00	258.74
8	Gujarat Rural Industries Marketing Corporation Limited	9.17	13.00	(3.83)
9	Gujarat Metro Rail Corporation Limited	2,314.00	2,469.00	(155.00)
10	Gujarat State Financial Corporation	47.69	49.09	(1.40)
11	Gujarat Dairy Development Corporation Limited	7.74	10.46	(2.72)
12	Gujarat State Petroleum Corporation Limited	5,079.62	598.63	4,480.99
13	Gujarat Fisheries Development Corporation Limited	0.77	1.94	(1.17)
14	Dr. Ambedkar Antyoday Development corporation	2.00	9.00	(7.00)
15	Gujarat Water Infrastructure Limited	125.10	155.02	(29.92)
16	Gujarat Unreserved Educational and Economical Development corporation	20.01	15.01	5.00
17	GSPC LNG Limited	537.50	465.50	72.00
18	Gujarat State Aviation Infrastructure Company Limited	58.50	0.05	58.45
19	Gujarat Urban Development Company Limited	126.00	26.00	100.00
20	Gujarat Urja Vikas Nigam Limited	26,894.88	34,001.82	(7,106.94)
21	Gujarat Thakor & Koli Vikas Nigam Limited	13.70	16.11	(2.41)
22	Gujarat Safai Kamdar Vikas Nigam Limited	5.00	14.09	(9.09)
23	Gujarat Gopalak Development Corporation	11.59	14.91	(3.32)
24	Gujarat Informatics Limited	6.00	17.06	(11.06)

<sup>6</sup> State Government has invested ₹ 50 crore in GETCO. After reorganisation of GUVNL in 2005-06, GUVNL is showing the same as investment in GUVNL, but appropriate Government Resolution has not yet been passed.

Sr. No.	Name of SPSUs	Shareholding of Government of Gujarat		Differences
		As per Finance Accounts	As per SPSUs records	
25	Gujarat Growth Centres Development Corporation Limited	35.28	15.00	20.28
26	Gujarat Women Economic Development Corporation Limited	4.72	5.32	(0.60)
27	Gujarat State Civil Supplies Corporation Limited	1.22	70.00	(68.78)
28	Gujarat State Handloom and Handicrafts Development corporation Limited	2.43	10.23	(7.80)
29	Gujarat Sheep and Wool Development Corporation Limited	3.67	2.28	1.39
30	Gujarat State Forest Development Corporation Limited	5.70	3.93	1.77
31	Gujarat Industries Investment Corporation Limited	218.99	256.98	(37.99)
32	Tourism Corporation of Gujarat Limited	1,219.32	20.00	1,199.32
33	Gujarat Water Resources Development Corporation	25.95	31.49	(5.54)
34	Gujarat State Textile Corporation Limited (under liquidation)	18.37	46.47	(28.10)
35	Gujarat Minorities Finance and Development Corporation Limited	10.65	20.00	(9.35)
36	Gujarat State Road Transport Corporation Limited	4,545.52	4,570.00	(24.48)
37	Gujarat State Warehousing Corporation	1.56	2.00	(0.44)
38	Gujarat Agro Industries Corporation Limited	8.93	8.08	0.85
39	Gujarat Small Industries Corporation Limited (under liquidation)	3.12	3.79	(0.67)
40	Gujarat Education Technologies Limited	-	0.01	(0.01)
41	Gujarat Livelihood Promotion Company Limited	-	0.05	(0.05)
42	Tapi Riverfront Development Corporation	-	5.00	(5.00)
43	Gujarat Industrial Corridor Corporation Limited	-	10.00	(10.00)
44	Gujarat Medical Services Corporation Limited	-	2.50	(2.50)
45	Gujarat Student Startup and Innovation Hub	-	0.01	(0.01)
46	Guj-Tour Development Company Limited	-	18.40	(18.40)
47	Gujarat Foundation for Mental Health and Allied Sciences	-	0.02	(0.02)
48	KK Shastri College Confederation	-	0.01	(0.01)
49	Alcock Ashdown Limited (under liquidation)	-	14.50	(14.50)
<b>Total</b>		<b>1,15,239.31</b>	<b>1,13,174.45</b>	<b>2,064.86</b>

Source: Compiled based on latest information/ accounts received from SPSUs and Finance Accounts of the State Government for the year 2022-23

**Appendix – 2.3**  
**Details of expenditure charged to SDRF.**  
(Reference: Paragraph 2.6.2.2)

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure during 2022-23
2245- Relief on Account of Natural Calamities 01- Drought	104- Supply of Fodder	2.06
<b>Subtotal 01</b>		<b>2.06</b>
2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101- Gratuitous Relief	10.56
	105- Veterinary care	3.08
	111- Ex-gratia payments to bereaved families	53.44
	112- Evacuation of population	13.88
	113- Assistance for repairs/reconstruction of Houses	3.91
	196- Assistance to Zilla Parishads / District level Panchayats	119.93
	911- Deduct Recovery of Overpayments	(-)1.26
<b>Subtotal 02</b>		<b>203.54</b>
2245- Relief on Account of Natural Calamities 80- General	001-Direction and Administration	1.96
	102-Management of Natural Disasters, Contingency Plans in disaster prone areas	6.80
	800-Other Expenditure	23.21
<b>Subtotal 80</b>		<b>31.97</b>
<b>Total (Sub Major Head 01, 02 and 80 under MH 2245)</b>		<b>237.57</b>
2245- Relief on Account of Natural Calamities 05-State Disaster Response Fund	101- Transfer to Reserve funds/ Deposit Accounts-State Disaster Response Fund	982.99
	901- Deduct - Amount met from State Disaster Response Fund	(-)205.33
<b>Subtotal 05</b>		<b>777.66</b>
2245- Relief on Account of Natural Calamities 08-State Disaster Mitigation Fund	797- Transfer to Reserve fund Deposit Accounts	538.30
<b>Subtotal 08</b>		<b>538.30</b>
<b>Grand Total – 2245</b>		<b>1,553.53</b>
Expenditure incurred in conformity with items and norms of SDRF approved by State Executive Committee-SEC (Only the amount booked under 2245-01 and 2245-02 is admissible expenditure under SDRF)		<b>205.60</b>

Source: Finance Accounts of the State Government for the year 2022-23.

### Appendix 3.1

#### Glossary of important Budget related terms

(Reference: Paragraph 3.1)

1. **'Accounts' or 'Actuals' of a year.** - are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
2. **'Administrative approval' of a scheme, proposal or work.** - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
3. **'Annual financial statement'** – Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
4. **'Appropriation'** - means the amount authorized by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
5. **'Charged Expenditure'** - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
6. **'Consolidated Fund of India/ State'**- All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
7. **'Contingency Fund'** is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
8. **'Controlling Officer (budget)'**- means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
9. **'Drawing and Disbursing Officer' (DDO)** – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function
10. **'Excess Grant'** – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
11. **'New Service'** – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to

- the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
12. **'New Instrument of Service'**- means relatively large expenditure arising out of important expansion of an existing activity.
  13. **'Public Accounts'**- means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
  14. **'Reappropriation'** - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
  15. **'Revised Estimate'** - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
  16. **'Supplementary Demands for Grants'**- means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
    - a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State.
    - b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilize the savings of one of the Sections for any other Section.
    - c) **Token Supplementary** allows to utilize the savings within the same section of the grant.
  17. **'Major Head'** - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
  18. **'Sub-Major Head'** - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
  19. **'Minor Head'** - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
  20. **'Sub-Head'** - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.

21. **'Major Work'** - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
22. **'Minor Work'** - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
23. **'Modified Grant or Appropriation'** - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
24. **'Supplementary or Additional Grant or Appropriation'** - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
25. **'Schedule of New Expenditure'** - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
26. **'Token demand'** - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

**Appendix – 3.2**  
**Unnecessary Re-appropriations**  
(Reference: Paragraph 3.3.3)

(₹ in lakh)						
Sl. No.	Grant No.	Nomenclature and classification	Original provision	Reappropriation	Actual expenditure	Savings (-) / Excess (+)
1	2	3	4	5	6	7 (6-4)
1	0009	2204 00 102 03 EDN 72 National Cadet Corps training	3,362.51	(+)45.48	3,326.38	(-)36.13
2	0036	2011 02 103 01 Legislative Secretariat	1,860.85	(+)153.00	1,627.03	(-)233.82
3	0039	2210 02 101 01 HLT-20-Directorate of Ayurved	813.01	(+)53.70	527.53	(-)285.48
4	0039	2210 02 101 02 Medical relief-hospitals & dispensaries	2,454.70	(+)50.00	2,356.99	(-)97.71
5	0039	2210 06 003 01 Training of personnel in Public Health	83.87	(+)15.47	71.44	(-)12.43
6	0039	2210 06 003 02 Rural Health Training Centers	431.76	(+)37.12	410.02	(-)21.74
7	0039	2210 80 004 01 HLT-39 Vital statistical organization	437.30	(+)20.75	425.63	(-)11.67
8	0039	4210 02 101 43 Diagnostic infrastructure- sub centers (Finance Commission)	6,749.00	(+)1.00	0	(-)6,749.00
9	0039	4210 02 101 44 Building less sub centres, primary health centres, community health centres (Finance Commission)	117.00	(+)1.00	0	(-)117.00
10	0039	4210 02 101 45 Conversion of rural primary health centres & sub centres into health & wellness centres (Finance Commission)	16,001.00	(+)1.00	0	(-)16,001.00
11	0039	4210 02 103 43 Diagnostic infrastructure for Primary Health Centres (Finance Commission)	7,188.00	(+)1.00	0	(-)7,188.00
12	0039	4210 02 103 44 Establishing block level public health units (Finance Commission)	5,031.00	(+)1.00	0	(-)5,031.00
13	0043	2055 00 115 11 Modernization of Forensic Science Laboratory (60-40 Partially centrally sponsored scheme)	270.00	(+)134.57	0	(-)270.00
14	0043	2055 00 116 01 MEP 10 Forensic Science Laboratory	9,040.18	(+)79.90	4,882.85	(-)4,157.33
15	0046	2062 00 104 02 Gujarat State Human Rights Commission	592.76	(+)8.98	490.84	(-)101.92
16	0046	4055 00 214 02 Border Area Development Programme (60- 40 partially centrally sponsored scheme)	960.00	(+)947.75	0	(-)960.00

Sl. No.	Grant No.	Nomenclature and classification	Original provision	Reappropriation	Actual expenditure	Savings (-)/Excess (+)
1	2	3	4	5	6	7 (6-4)
17	0084	2059 01 051 01 Minor original works	80.00	(+)5.00	55.20	(-)24.80
18	0087	4217 01 051 02 UDP 27 Non-residential buildings	3,513.00	(+)368.00	3,178.95	(-)334.05
19	0092	2225 80 101 04 DNT 1 Incentives for pre-matric education (scholarship uniform cycle etc.)	8,350.25	(+)223.31	8,326.16	(-)24.09
20	0096	2210 04 796 01 HLT 22 opening of new Ayurvedic Dispensaries in rural areas	1,695.99	(+)72.39	1,683.76	(-)12.23
21	0096	4202 01 796 42 EDN 21 Building	1,891.05	(+)301.74	1,614.71	(-)276.34
22	0096	4216 01 796 04 Construction (Health)	368.90	(+)173.00	348.00	(-)20.90
23	0096	4406 01 796 06 FST-8 Gujarat Community Forestry Project	5100.00	(+)378.11	4,381.34	(-)718.66
24	0108	3435 03 102 02 CLC-2 Climate change impact studies & related projects trust Fund	1,325.00	(+)250.00	925.00	(-)400.00
25	0066	4702 00 800 02 Drip Contribution of Pressurize Irrigation Network System for tube wells of GWRDC	1,100.00	(-)650.18	1,266.37	(+)166.37
26	0066	4701 83 800 80 Other expenditure	370.00	(-)7.87	456.97	(+)86.97
27	0096	4202 02 796 42 TED-24 Building	998.00	(-)223.74	1,342.66	(+)344.66
28	0096	4406 01 796 01 Forest Management and Development	10,711.64	(-)378.11	11,088.13	(+)376.49

Source: Appropriation Accounts 2022-23

## Appendix – 3.3

Statements of Grants/Appropriations showing large savings  
(₹ exceeding 100 crore) after surrenders during 2022-23

(Reference: Paragraph 3.3.4.1)

								(₹ in crore)
Sr. No.	Grant No.	Grant name	Classification	Total budget	Actual expenditure	Saving	Surrenders	Savings after surrenders
1	09	Education	Revenue Voted	41,031.21	39,426.69	1,604.52	1,330.41	274.11
2	20	Repayment of Debt Pertaining to Finance Department and its servicing	Revenue Charged	25,851.50	24,229.44	1,622.06	1,401.13	220.93
3	39	Medical and Public Health	Revenue Voted	7,457.00	7,188.69	268.31	15.78	252.53
4	39	Medical and Public Health	Capital Voted	1,888.36	1,535.54	352.82	1.36	351.46
5	40	Family Welfare	Capital Voted	325.87	42.05	283.82	0.00	283.82
6	43	Police	Revenue Voted	6,106.27	5,893.64	212.63	23.52	189.11
7	65	Narmada Development scheme	Capital Voted	2,350.00	1,704.28	645.72	340.50	305.22
8	74	Transport	Capital Charged	156.39	0.00	156.39	0.00	156.39
9	86	Road and Bridges	Revenue Voted	3,751.76	3,540.72	211.04	17.27	193.77
10	93	Welfare of schedule Tribes	Revenue Voted	632.16	401.11	231.05	10.04	221.01
				<b>89,550.52</b>	<b>83,962.16</b>	<b>5,588.36</b>	<b>3,140.01</b>	<b>2,448.35</b>

Source: Appropriation Accounts of 2022-23

## Appendix – 3.4

Statement of Grants/Appropriations showing persistent savings during  
2020-23

(Reference: Paragraph 3.3.4.1)

Sr. No.	Name of Grant and nomenclature	Classification	(₹ in crore)		
			2020-21	2021-22	2022-23
1	02-Agriculture	Revenue-Voted	580.13	1,313.78	1,184.76
2	06-Fisheries	Capital-Voted	141.07	109.76	185.51
3	18-Pension and other retirement benefits	Revenue-Voted	1,047.33	800.18	944.12
4	19-other expenditure pertaining to finance department	Revenue-Voted	9,517.56	8,509.32	13,661.08
5	20-Repayment of debt pertaining to finance department	Revenue charged	207.76	762.86	1,622.05
6	43-Police	Revenue-Voted	753.56	878.39	212.63
7	65-Naramada Development Scheme	Capital -Voted	2,349.07	662.48	645.72
8	66-Irrigation and Soil Conservation	Capital -Voted	1,464.59	2,412.89	730.87
9	71-Rural Housing and Rural Development	Revenue-Voted	1,256.50	853.34	433.57
10	84-Non-Residential Buildings	Capital -Voted	910.02	683.90	499.52
11	85-Residential Buildings	Capital -Voted	119.91	113.85	159.45
12	92-Social Security and welfare	Revenue-Voted	252.26	170.59	379.71
13	95-Scheduled cast sub plan	Revenue-Voted	670.45	472.58	527.33
14	96-Tribal area sub plan	Revenue-Voted	1510	1,091.15	1,454.06
15	96-Tribal area sub plan	Capital -Voted	590.54	388.35	148.47
16	102-Urban development	Revenue-Voted	1,647.12	1,209.22	942.51
<b>Total</b>			<b>23,017.87</b>	<b>20,432.64</b>	<b>23,731.36</b>

Source: Appropriation Accounts of 2020-23

## Appendix – 3.5

## Statements of Grants/Appropriations in which savings were not surrendered

(Reference: Paragraph 3.3.4.1)

(₹ in crore)

Sr. No.	Grant No.	Name of Grant	Classification	Total Grant	Expenditure	Savings
1	04	Animal husbandry	Revenue charged	17.26	14.28	2.98
2	10	Other expenditure pertaining to Education Department	Revenue Voted	4.70	4.52	0.18
3	14	Other expenditure pertaining to Energy and Petro- chemicals Department	Capital Voted	2,100.02	2,100.00	0.02
4	22	Civil Supplies	Revenue Voted	1,477.33	1,473.27	4.06
5	40	Family Welfare	Capital Voted	325.87	42.05	283.82
6	41	Other expenditure pertaining to Health and Family Welfare Department	Capital Voted	0.45	0.20	0.25
7	44	Jails	Revenue Voted	196.77	195.03	1.74
8	46	Other expenditure pertaining to Home Department	Revenue Charged	1.11	0.74	0.37
9	46	Other expenditure pertaining to Home Department	Revenue Voted	621.01	618.68	2.33
10	46	Other expenditure pertaining to Home Department	Capital Voted	1,344.41	1,268.00	76.41
11	74	Transport	Capital Charged	156.39	0.00	156.39
12	75	Other expenditure pertaining to Ports and Transport Department	Revenue Voted	78.27	78.25	0.02
13	91	Social Justice and Empowerment Department	Revenue Charged	0.42	0.00	0.42
<b>Total</b>				<b>6,324.01</b>	<b>5,795.02</b>	<b>528.99</b>

Source: Appropriation Accounts of 2022-23

**Appendix – 3.6**  
**Excess expenditure of previous years requiring regularisation**  
(Reference: Paragraph 3.3.5.3)

Year	No. of Grants/ Appropriations	Grant No./Appropriation No.	Amount of excess	(₹ in crore)
				Status of regularisation by Public Accounts Committee
2009-10	38-Grants	Revenue Voted – 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	1,010.86	Yet to be regularised.
	07-Appropriations	Capital Voted – 65, 93 Revenue Charged – 20, 32, 43, 68, 84 Capital Charged – 81, 86		
2010-11	13-Grants	Revenue Voted – 10, 41, 51, 62, 66, 72, 73, 82, 86, 87, 88, 105	120.25	Yet to be regularised.
	02-Appropriations	Capital Voted- 13 Revenue Charged- 71 Capital Charged- 81		
2011-12	06-Grants	Revenue Voted- 10, 18, 51, 82, 86	660.62	Yet to be regularised.
	04-Appropriations	Capital Voted- 87 Revenue Charged – 26, 96 Capital Charged – 20, 81, 96		
2014-15	04-Grants	Revenue Voted – 73, 85, 88	144.45	Yet to be regularised.
	03-Appropriation	Capital Voted – 26 Revenue Charged – 19, 43, 81		
2015-16	01 Grants	Revenue Voted – 73	299.09	Yet to be regularised.
	03 Appropriations	Revenue Charged – 26, 39 Capital Charged – 20		
2016-17	06 Grants	Revenue Voted – 9, 67, 73, 83	278.11	Yet to be regularised.
	04 Appropriations	Capital Voted – 10, 41 Revenue Charged – 74, 96, 106 Capital Charged - 96		
2017-18	02 Grants	Revenue Voted – 73	333.99	Yet to be regularised.
	01 Appropriation	Capital Voted – 3 Revenue Charged - 18		
2018-19	04 Grants	Revenue Voted – 9, 13, 73, 86	2,394.24	Yet to be regularised.
	01 Appropriation	Revenue Charged - 18		
2019-20	03 Grants	Revenue Voted-9, 73, 86	1,466.84	Yet to be regularised
	01 Appropriation	Capital Charged- 20,		
2020-21	03 Grants	Revenue Voted- 9, 73	1,718.52	Yet to be regularised
	03 Appropriations	Capital Voted- 88 Capital Charged- 20, 66, 96		
2021-22	03 Grants	Revenue Voted-9, 73, 79	3511.09	Yet to be regularised
	01 Appropriation	Revenue Charged- 26		
<b>Total</b>			<b>11,938.06</b>	

Source: Appropriation Accounts of respective years

## Appendix – 3.7

## Limits set by the State PAC in October 1994

(Reference: Paragraph 3.5.2)

<b>Saving</b>	<p>1. If a grant / appropriation has an overall saving of less than 5 per cent of the total provision made there under, no notes or comments on savings/excesses are necessary under individual sub-heads. For this purpose Revenue (Voted), Revenue (Charged), Capital (Voted) and Capital (Charged) should be treated as separate grant / appropriation.</p> <p>2. Even in case, where the overall saving is 5 per cent or more under a grant / appropriation</p> <p>A. No explanation is necessary for saving/excess in respect of the sub-heads where the saving/excess is 10 per cent of the provision made there under or less ;</p> <p>B. Even if the saving/excess under sub-head is more than 10 percent of the total provision made there under, no explanation need be given in the Appropriation Accounts :-</p> <p>i. if the total provision under 'Revenue Voted' below a grant is ;</p> <ol style="list-style-type: none"> <li>1. more than ₹ 30 crores and the saving/excess under sub-head is less than ₹ 30 lakhs;</li> <li>2. between ₹ 10 crores and ₹ 30 crores and the saving/excess under a sub-head is less than ₹ 20 lakhs;</li> <li>3. less than ₹ 10 crores and savings/excess under a sub-head is less than ₹ 10 lakhs.</li> </ol> <p>ii. if the total provision under 'Capital Voted' below grant is</p> <ol style="list-style-type: none"> <li>1. more than ₹ 20 crores and the savings/excess under a sub-head is less than ₹ 25 lakhs;</li> <li>2. between ₹ 10 crores and ₹ 20 crores and the saving/excess under sub-head is less than ₹ 20 lakhs;</li> <li>3. less than ₹ 10 crores and he saving/excess under a sub -head is less than ₹ 10 lakhs.</li> </ol> <p>iii. In respect of 'Revenue Charged' and 'Capital Charged' if the saving/excesses under a sub-head is less than ₹ 5 lakhs.</p>
<b>Excess</b>	<p>If under a grant/appropriation expenditure incurred is more than the provision made there under, the excess requires regularisation.</p> <p>However, in the Appropriation Accounts explanations for excesses/savings under sub-heads need be given only as provided below;</p> <p>1. Explanation need be given if the excess under a sub-head exceeds 10 per cent of the provision made there- under and the excess is more than ₹ 5 lakhs.</p> <p>In the following cases even if the excess is less than 10 per cent provision explanation may be given in the Appropriation Accounts:-</p> <p>A. If the total provision under 'Revenue Voted' below a grant is :-</p> <ol style="list-style-type: none"> <li>i. More than ₹ 30 crores and excess under a sub-heads is more than ₹ 30 lakhs;</li> <li>ii. Between ₹ 10 crores and ₹ 30 crores and the excess under a sub-head is more than ₹ 20 lakhs</li> <li>iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs;</li> </ol> <p>B. If the total provision under 'Capital Voted' below a grants is :-</p> <ol style="list-style-type: none"> <li>i. More than ₹ 20 crores and excess under a sub-heads is more than ₹ 25 lakhs</li> <li>ii. Between ₹ 10 crores and ₹ 20 crores and excess under a sub head is more than ₹ 15 lakhs.</li> <li>iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs</li> </ol> <p>C. In respect of 'Revenue Charged' and 'Capital Charged', if the excess under a subhead is more than ₹ 5 lakhs;</p> <p>2. Explanations for savings under sub-heads may be given as per the forgoing provision for giving explanations for savings under sub-heads under a grant/appropriation where there is an overall saving.</p>

## Appendix – 3.8

## Sub-Heads with variations beyond PAC specified limits and status of explanation

(Reference: Paragraph 3.5.2)

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
01 Agriculture and Co-Operation Department	2	1	1
02 Agriculture	96	51	51
03 Minor Irrigation, Soil Conservation and Area Develop	9	2	2
04 Animal Husbandry	31	21	20
05 Co-operation	37	20	19
06 Fisheries	17	10	10
07 Other Expenditure Pertaining to Agriculture and Co-operation Department	3	0	0
08 Education Department	2	1	1
09 Education	119	1	1
10 Other Expenditure Pertaining to Education Department	8	0	0
11 Energy and Petro-Chemicals Department	3	0	0
12 Tax Collection Charges (Energy and Petro-Chemicals Department)	1	1	1
13 Power Projects	41	0	0
14 Other Expenditure Pertaining to Energy and Petro-Chemicals Department	5	0	0
15 Finance Department	2	1	1
16 Tax Collection Charges (Finance Department)	6	5	5
17 Treasury and Accounts Administration	6	5	5
18 Pension and Other Retirement Benefits	15	8	7
19 Other Expenditure Pertaining to Finance Department	16	6	5
20 Repayment of Debt Pertaining to Finance Department	43	19	16
21 Food, Civil Supplies and Consumer Affairs Department	4	2	2
22 Civil Supplies	25	0	0
23 Food	11	4	4
24 Other Expenditure Pertaining to Food, Civil Supplies and Consumer Affairs Department	2	0	0
25 Forests and Environment Department	2	2	2
26 Forests	44	20	20
27 Environment	5	0	0
28 Other Expenditure Pertaining to Forest and Environment Department	2	0	0
29 Governor	14	0	0
30 Council of Ministers	1	1	1
31 Elections	10	0	0
32 Public Service Commission	2	1	1
33 General Administration Department	13	0	0
34 Economic Advice and Statistics	5	2	2
35 Other Expenditure Pertaining to General Administration Department	19	3	3
36 State Legislature	4	2	2
37 Loans and Advances to Government Servants in Gujarat Legislature Secretariat	2	1	1
38 Health and Family Welfare Department	3	1	1
39 Medical and Public Health	160	12	12
40 Family Welfare	31	3	0
41 Other expenditure pertaining to Health and Family Welfare Department	4	1	0
42 Home Department	5	3	3

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
43 Police	38	0	0
44 Jails	7	0	0
45 State Excise	4	1	1
46 Other expenditure Pertaining to Home Department	42	7	4
47 Industries and Mines Department	2	1	1
48 Stationery and Printing	8	1	0
49 Industries	61	31	31
50 Mines and Minerals	6	4	3
51 Tourism	10	0	0
52 Other Expenditure Pertaining to Industries and Mines Department	15	0	0
53 Information and Broadcasting Department	2	0	0
54 Information and Publicity	6	0	0
55 Other expenditure pertaining to Information and Broadcasting Department	2	2	2
56 Labour and Employment Department	1	1	1
57 Labour and Employment	33	17	17
58 Other expenditure Pertaining to Labour and Employment Department	2	0	0
59 Legal Department	2	0	0
60 Administration of Justice	21	14	13
61 Other expenditure Pertaining to Legal Department	11	6	6
62 Legislative and Parliamentary Affairs Department	3	1	1
63 Other expenditure Pertaining to Legislative and Parliamentary Affairs Department	2	0	0
64 Narmada, Water Resources, Water Supply and Kalpsar Department	1	0	0
65 Narmada Development Scheme	11	6	6
66 Irrigation and Soil Conservation	128	45	42
67 Water Supply	16	0	0
68 Other Expenditure Pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department	3	1	1
69 Panchayats, Rural Housing and Rural Development	3	2	2
70 Community Development	37	1	1
71 Rural Housing and Rural Development	42	23	23
72 Compensation and Assignments	12	7	7
73 Other expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department	14	4	4
74 Transport	11	3	2
75 Other Expenditure Pertaining to Ports and Transports Department	6	0	0
76 Revenue Department	6	5	5
77 Tax Collection Charges (Revenue Department)	39	17	17
78 District Administration	9	5	5
79 Relief On Account of Natural Calamities	95	29	29
80 Dang District	36	0	0
81 Compensation and Assignment	14	0	0
82 Other Expenditure Pertaining to Revenue Department	5	2	2
83 Roads and Building Department	4	1	1
84 Non-Residential building	50	29	29
85 Residential Building	15	8	8
86 Roads and Bridges	37	12	11
87 Gujarat Capital Construction Scheme	8	5	5
88 Other Expenditure Pertaining to Roads and Building	8	2	2

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
Department			
89 Science and Technology Department	8	4	3
90 Other expenditure pertaining to Science and Technology Department	16	5	5
91 Social Justice and Empowerment	3	3	2
92 Social Security and Welfare	92	42	42
94 Other Expenditure Pertaining to Social Justice and Empowerment Department	2	2	2
95 Scheduled Castes Sub-Plan	350	146	143
93 Welfare of Scheduled Tribes	52	14	13
96 Tribal Area Sub-Plan	506	203	195
97 Sports Youth and Cultural Activities Department	4	2	2
98 Youth Services and Cultural Activities	41	0	0
99 Other Expenditure Pertaining to Sports, Youth and cultural Activities Department	4	0	0
100 Urban Development and Urban Housing Department	1	1	1
101 Urban Housing	31	8	8
102 Urban Development	83	42	42
103 Compensation Assignment and Tax Collection Charges	5	0	0
104 Other Expenditure Pertaining to Urban Development and Urban Housing Department	1	1	1
105 Women and Child Development Department	2	1	1
106 Other Expenditure Pertaining to Women and Child Development Department	81	43	42
107 Climate Change Department	1	0	0
108 Other Expenditure Pertaining to Climate Change Department	5	4	4
<b>Total</b>	<b>3,006</b>	<b>1,024</b>	<b>987</b>

Source: Appropriation Accounts of 2022-23

## Appendix – 3.9

**Sub-Heads where 100 per cent expenditure (₹ 10 crore and above) was incurred in March 2023**  
(Reference: Paragraph 3.5.4)

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure incurred during March (₹ in Crore)
1	0007	2049-60-101-01-Interest on Provident Fund of the establishment of Agricultural Universities	18.78
2	0009	2049-60-101-01-Interest on Provident Fund of the staff and Teachers of Non-Government secondary schools	167.72
3	0009	2049-60-101-02-Interest on Provident Fund of the staff and Teachers of Non-Government Colleges	16.50
4	0009	2049-60-101-03-Interest on Provident Fund of the establishment of Universities	22.09
5	0013	4801-05-190-21 Share Capital contribution GUVNL for carrying out related work to protect great Indian bustard & lesser florican bird	50.08
6	0014	4856-00-190-04 Equity share capital to GSPC LNG Ltd for terminal at Mundra	100.00
7	0019	2048-00-101-01-Gujarat State Sinking Fund	2000.00
8	0020	2049-03-104-01-Interest on General Provident Fund (Other than Class IV employees)	493.42
9	0020	2049-03-104-02-Interest on General Provident Fund of Class-IV employees	32.27
10	0020	2049-03-104-07-Interest on Provident Fund of Rojmadar Employees	16.60
11	0020	2049-03-108-02-Savings Fund	137.04
12	0020	2049-03-108-03-Interest on Balance of Insurance Fund	20.60
13	0022	3456-00-190-21 Food Security (50 % State)	142.16
14	0022	3456-00-190-22 Food security (50% Central) (50-50 partially centrally sponsored scheme)	142.16
15	0039	2210-06-101-34 Ashman Bharat health infrastructure mission scheme (60% CSS)	20.90
16	0039	2210-06-101-35 Ashman Bharat health infrastructure mission scheme (60% State)	13.93
17	0039	4210-01-110-56 Capacity building for developing trauma care facilities in Government hospitals on National highway (60% Central)	11.04

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure incurred during March (₹ in Crore)
18	0049	4875-60-800-05-Capital Support for Gujarat Common Effluent Treatment Plant (CETP), Deep sea Pipeline and Allied Infrastructure	30.00
19	0065	4700-33-190-02 IRG 1 Share capital CONTRIBUTION TO Sardar sarovar narmada nigam limited Pradhan mantri Krishi sinchayee yojana AIBP (Accelerated irrigation benefit programme) (60% Central) (60-40 partially central)	61.15
20	0070	4515-00-102-01 CDP 1 Information & Technology	66.14
21	0071	2049-60-101-01-Interest on Provident Fund Deposit of Panchayats	500.00
22	0071	2215-02-105-02 Swachh Bharat mission Gramin scheme (60% Central) (60-40 Partially centrally sponsored scheme)	33.02
23	0071	2215-02-105-03 Swachh Bharat mission Gramin scheme (40% State)	22.02
24	0071	0071-2501-05-101-04 Pradhan Mantri Krishi sinchayee yojana Watershed component (State share 100 %)	50.00
25	071	2501-05-101-05 Pradhan Mantri Krishi sinchayee yojana Watershed component (60% central) (60-40 Partially centrally sponsored scheme)	37.69
26	0071	2501-05-101-06 Pradhan Mantri Krishi sinchayee yojana Watershed component (40 % State share)	25.12
27	0072	3604-00-101-01 Grant in Aid to village panchayats (under section 219 of Gujarat panchayat Act 1993)	11.47
28	0079	2245-08-797-01 Contribution of central Government share to state disaster mitigation fund	403.80
29	0079	2245-08-797-02 Contribution of state Government for state disaster mitigation fund	134.50
30	0085	2216-80-001-05 Expenditure transferred on prorata basis	52.37
31	0086	3054-80-001-05-Expenditure Transferred on Prorata basis to Major Head 2059	106.29
32	0086	3054-80-797-11-Transfer to deposit Accounts of Central Road Fund	249.12

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure incurred during March (₹ in Crore)
33	0086	5054-80-052-02 New Supplies	10.62
34	0096	2225-02-796-07 Swachh Bharat mission Gramin Scheme (60% Central) (60-40 partially centrally sponsored scheme)	16.67
35	0096	2215-02-796-08 Swachh Bharat mission Gramin Scheme (40% State)	11.11
36	0096	2501-05-796-02 Pradhan Mantri Krishi Sinchai Yojna Watershed component (State Share 100%)	17.57
37	0101	2049-60-101-01 Interest on provident fund deposits of municipal corporations	97.49
38	0101	2049-60-101-02-Interest on Provident Fund Deposits of Municipalities	25.30
39	0101	2049-60-101-03-Interest on Deposits of Provident Fund of employees of Municipal School Board	54.25
40	0102	2217-03-191-66 Creation of wild valley bio diversity park under urban development mission smart cities (60-40 partially centrally sponsored scheme)	32.00
41	0103	2202-01-797-01-Transfer to Education Cess Fund	30.00

Source: Appropriation Accounts of 2022-23

## Appendix – 3.10

Statement showing details of Departments registering more than 25 per cent expenditure in March 2023  
(Reference: Paragraph 3.5.4.1)

(₹ in crore)

Sr. No	Name of Department	April-22	May-22	June-22	July-22	Aug-22	Sept-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
1	Agriculture, Farmers Welfare and Co-operation Department	207.61	108.01	267.67	520.80	156.35	1099.09	442.97	264.90	201.37	443.63	252.12	2012.55	5977.07
2	Energy and Petrochemicals Department	2.17	14.68	3129.94	1239.79	692.91	2100.29	60.62	3448.35	156.46	1724.59	690.61	4485.58	17745.99
3	Food, Civil Supplies and Consumer Affairs Department	6.85	8.60	51.20	65.19	37.63	90.14	334.22	244.78	162.03	109.68	77.67	487.97	1675.96
4	Narmada, Water Resources & Water Supply & Kalpsar Department	80.99	1727.81	881.18	303.31	393.30	1020.57	1090.85	671.12	314.30	1275.11	390.89	3354.68	11504.11
5	Panchayats, Rural Housing & Rural Development Department	258.17	168.46	916.70	393.22	411.64	821.95	536.03	153.26	509.58	1249.55	292.15	2425.37	8136.08
6	Revenue Department	47.03	86.87	161.78	117.77	177.64	109.26	144.27	937.79	95.11	115.63	85.38	1111.30	3189.83
7	Roads and Buildings Department	297.04	793.43	1055.45	688.58	509.27	541.25	1768.94	634.53	604.81	798.46	884.53	2942.69	11518.98
8	Science and Technology Department	0.84	141.30	0.90	1.05	54.87	88.66	2.07	2.25	120.00	21.60	12.66	306.94	753.15
9	Sports, Youth and Cultural Activities	10.30	53.06	11.65	62.17	6.34	61.02	31.90	4.78	16.42	60.26	17.73	164.58	500.21

Source: Information furnished by Office of the Accountant General (A &amp; E) Rajkot

**Appendix – 4.1**  
**Department-wise break-up of outstanding UCs for GIA**  
**disbursed up to 2021-22**  
(Reference: Paragraph 4.4)

(₹ in crore)

Sr. No.	Name of Department	No. of pending UCs	Amount
1.	Agriculture, Farmer's Welfare and Cooperation	174	1,676.60
2.	Climate Change	27	1,137.35
3.	Women and Child Development	214	107.91
4.	Education	310	1,240.49
5.	Food and Civil Supplies	13	0.49
6.	General Administration	3	1.01
7.	Health and Family Welfare	531	3,054.59
8.	Home Department	12	26.73
9.	Industries and Mines	41	16.52
10.	Labour and Employment	17	2.86
11.	Legal	8	0.23
12.	Narmada, Water Resources, Water Supply and Kalpsar	8	21.85
13.	Ports and Transport	1	1.24
14.	Panchayat Rural Housing and Rural Development	161	72.43
15.	Revenue	1	0.25
16.	Social Justice and Empowerment	1,211	685.51
17.	Sports, Youth and Cultural Activities	131	32.72
18.	Tribal Development Department	756	1,186.84
19.	Urban Development and Urban Housing	113	1,142.36
<b>Total</b>		<b>3,732</b>	<b>10,407.98</b>

Source: Information provided by O/o the Accountant General (A&amp;E), Gujarat

**Appendix – 4.2**  
**Department-wise details of pending DC bills as on 31 March 2023**  
(Reference: Paragraph 4.5)

Sr. No.	Name of Department	No. of pending DC bills	Amount (₹ in crore)
1.	Agriculture Farmer's Welfare and Cooperation	5	0.07
2.	Women and Child Development	12	101.37
3.	Education	910	14.50
4.	Food, Civil Supplies and Consumer Affairs	5	0.25
5.	Finance	19	15.29
6.	General Administration	153	28.36
7.	Gujarat Legislature Secretariat	1	0.00*
8.	Health and Family Welfare	62	0.59
9.	Home	719	46.72
10.	Industries and Mines	12	1.69
11.	Information and Broadcasting	1	0.00*
12.	Labour and Employment	1	0.00*
13.	Legal	142	0.40
14.	Narmada, Water Resources, Water Supply and Kalpsar	2	0.10
15.	Panchayats, Rural Housing and Rural Development	763	213.76
16.	Revenue	65	3.51
17.	Social Justice and Empowerment	161	2.79
18.	Sports, Youth and Cultural Activities	128	12.04
19.	Tribal Development	177	3.02
20.	Science and Technology	01	0.00*
21.	Forests and Environment	01	0.00*
22.	Energy and Petrochemicals	01	0.00*
23.	Climate Change	01	0.00*
<b>Total</b>		<b>3,342</b>	<b>444.48</b>

Source: Information provided by Office of the Accountant General (A&E), Gujarat

\* Amount is less than ₹ 50,000; hence rounded-off to zero.

**Appendix – 4.3**  
**Year-wise details of pending DC bills as on 31 March 2023**  
(Reference: Paragraph 4.5)

Year	No. of pending DC bills	Amount (₹ in crore)
2000-01	105	1.19
2001-02	133	2.36
2002-03	165	1.02
2003-04	196	0.82
2004-05	88	0.86
2005-06	97	1.35
2006-07	136	1.11
2007-08	72	0.82
2008-09	65	0.63
2009-10	47	0.98
2010-11	104	2.95
2011-12	76	1.92
2012-13	30	1.08
2013-14	42	0.77
2014-15	16	0.49
2015-16	50	1.69
2016-17	39	2.41
2017-18	19	0.67
2018-19	28	1.01
2019-20	140	31.34
2020-21	42	2.15
2021-22	133	16.64
2022-23	1,519	370.22
<b>Total</b>	<b>3,342</b>	<b>444.48</b>

Source: Information provided by Office of the Accountant General (A&E), Gujarat

**Appendix - 4.4**  
**Instances of inappropriate use of Minor Head 800 where suitable Minor Head was available during 2022-23**  
(Reference: Paragraph 4.7)

Grant No.	Budget Classification	Suitable Minor Head and remarks
02	2401.00.800.01-Soil testing laboratory & soil survey land analysis.	Minor Head 131 Technology Advancement
08	2251-00-800-01 EDN-128-Training.	Minor Head 003 – Training
09	2202.80.800.01-Improvement of Science Training.	Minor Head 004 Research & Training
13	2801.80.800.03-PWR-25-Assistance to Sardar Patel Renewable Energy Research Institute	2810.00.104.Research, Design & Development in Renewable Energy
21	3451-00-800-02 Expenditure on training. Training expenses relate to staff of department.	Minor Head 003 Training.
22	3456.00.800.01 Testing fees & petroleum products.	Minor Head 101 Inspection. Testing is a part of inspection.
26	2406.01.800.06-Department working of coupes & depots.	Minor Head 111 Departmental working of forest coupes and depots
26	2406.02.800.01-GIA to GEER foundation.	Minor Head 190 Assistance to ABs
40	4211.00.800.42-Buildings	Minor Head 102 Urban Family Welfare Services. Use of this Minor Head may be reviewed as this activity is construction of urban community health center, primary health centers.
49	2852.80.800.24-IND-5 Promotional efforts for Industrial Development	Minor Head 104 Industrial Promotion
49	2852.80.800.26-IND-9 Development of textile Industries	2852.08.202-Textiles
50	2853-02-800-01-GIA to local bodies on accounts of fees credited to Government.	Use of Minor Head 800 is not proper. Minor Head 191-Assistance to Municipal Corporations, 192-Assistance to Municipalities, 193- Assistance to Notified areas may be used as per requirements.
57	4250.00.800.01-Craftsman Training Institute	Minor Head 203 Employment Since the scheme is related to employment generation.
67	2215-01-800-01- Machinery & Equipment & 2215-01-800-06-Machinery & equipment	Minor Head 052 Machinery & equipment
67	2215-01-800-07-Advance technology	Minor Head 004 Research
67	2215-01-800-08- Assistance to GWSSB.	Minor head 190 Assistance to ABs
67	2215-01-800-10-Since this is Mahila Pani Samiti Protsahan Yojana,	Minor Head 101 (Urban water supply programmes) or 102 (Rural water supply programmes) depending on where the scheme is being implemented
78	2053.00.800.01-District records office under revenue department.	Minor Head 093 District Establishment.
84	4202.03.800.42-EDN-102 Buildings	Minor Head 102 Sports Stadia
86	5054.80.800.01-RBD-103 Planning and Research	Minor Head 004 Research
87	4217.01.800.02-Activities planned are for development & water supply drainage in state capital region	Minor Head 051 Construction
90	4075.00.800.03-Settling up of EPABX	Minor Head 052 Machinery and Equipment

Source: Scheme details as per budget estimates and List of Major and Minor Heads.

## Appendix – 4.5

Statement showing pendency in submission of Accounts by ABs  
(Section 19 and 20 cases; Status as on 31 July 2023)

(Reference: Paragraph 4.12)

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2023
<b>Legal Department</b>						
1.	Gujarat State Legal Service Authority, Ahmedabad	Not required	19 (2)	2020-21	2020-21	2
2.	District Legal Services Authority, Porbandar	Not required	19 (2)	2019-20	2019-20	3
3.	District Legal Services Authority, Anand	Not required	19 (2)	2019-20	2019-20	3
4.	District Legal Services Authority, Navsari	Not required	19 (2)	2015-16	2015-16	7
5.	District Legal Services Authority, Kheda Nadiad	Not required	19 (2)	2015-16	2015-16	7
6.	District Legal Services Authority, Himmatnagar	Not required	19 (2)	2017-18	2017-18	5
7.	District Legal Services Authority, Bharuch	Not required	19 (2)	2015-16	2015-16	7
8.	District Legal Services Authority, Dahod	Not required	19 (2)	2017-18	2017-18	5
9.	District Legal Services Authority, Bhavnagar	Not required	19 (2)	2015-16	2015-16	7
10.	District Legal Services Authority, Amreli	Not required	19 (2)	2018-19	2018-19	4
11.	District Legal Services Authority, Valsad	Not required	19 (2)	2017-18	2017-18	5
12.	District Legal Services Authority, Vadodara	Not required	19 (2)	2014-15	2014-15	8
13.	District Legal Services Authority, Tapi Vyara	Not required	19 (2)	2018-19	2018-19	4
14.	District Legal Services Authority, Surendranagar	Not required	19 (2)	2017-18	2017-18	5
15.	District Legal Services Authority, Rajpipla-Narmada	Not required	19 (2)	2015-16	2015-16	7
16.	District Legal Services Authority, Palanpur	Not required	19 (2)	2015-16	2015-16	7
17.	District Legal Services Authority, Jamnagar	Not required	19 (2)	2017-18	2017-18	5
18.	District Legal Services Authority, Jamkhambhaliya	Not required	19 (2)	2018-19	2018-19	4
19.	District Legal Services Authority, Aravali	Not required	19 (2)	No Accounts received till date		6
20.	District Legal Services Authority, Girsomnath	Not required	19 (2)	No Accounts received till date		6

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2023
21.	District Legal Services Authority, Mahisagar	Not required	19 (2)	No Accounts received till date		5
22.	District Legal Services Authority, Chhotaudepur	Not required	19 (2)	No Accounts received till date		6
23.	District Legal Services Authority, Botad	Not required	19 (2)	No Accounts received till date		4
24.	District Legal Services Authority, Morbi	Not required	19 (2)	2020-21	2020-21	2
25.	District Legal Services Authority, Junagadh	Not required	19 (2)	2020-21	2020-21	2
26.	District Legal Services Authority, Godhra	Not required	19 (2)	2019-20	2019-20	3
27.	District Legal Services Authority, Ahmedabad Rural	Not required	19 (2)	2019-20	2019-20	3
28.	District Legal Services Authority, Kachchh, Bhuj	Not required	19 (2)	2020-21	2020-21	2
29.	District Legal Services Authority, Mehsana	Not required	19 (2)	2020-21	2020-21	2
30.	District Legal Services Authority, Rajkot	Not required	19 (2)	2020-21	2020-21	2
31.	District Legal Services Authority, Surat	Not required	19 (2)	2021-22	2021-22	1
32.	District Legal Services Authority, Patan	Not required	19 (2)	2021-22	2021-22	1
33.	District Legal Services Authority, Gandhinagar	Not required	19 (2)	2022-23	2021-22	No Arrears
<b>Forests and Environment Department</b>						
34.	Compensatory Afforestation Management Authority	Not required	19 (2)	2013-14	2013-14	9
<b>Energy and Petro-chemicals Department</b>						
35.	Gujarat Electricity Regulatory Commission	Not required	19 (2)	2022-23	2021-22	No Arrears
<b>Ports and Transport Department</b>						
36.	Gujarat Maritime Board	2026-27	20 (1)	2021-22	2021-22	1
<b>Labour and Employment Department</b>						
37.	Gujarat Building and other Construction Workers' Welfare Board, Ahmedabad	Not required	19 (2)	2017-18	2017-18	5
<b>Social Justice and Empowerment Department</b>						
38.	Gujarat State Fund for person with disabilities, Gandhinagar	Not required	19 (2)	2022-23	2020-21	No Arrears
<b>Urban Development and Urban Housing Department</b>						
39.	Gujarat Real Estate Regularity Authority, Gandhinagar	Not required	19 (2)	2022-23	2021-22	No Arrears
40.	Gujarat Housing Board, Ahmedabad	2026-27	19 (3)	2021-22	2020-21	1

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2023
41	Gujarat Slum Clearance cell	2026-27	19 (3)	2019-20	2019-20	3
42	Gujarat Municipal Finance Board, Gandhinagar	2023-24	20 (1)	2021-22	2021-22	1
43.	Ahmedabad Urban Development Authority	2026-27	20 (1)	2021-22	2021-22	1
44.	Vadodara Urban Development Authority	2026-27	20 (1)	2021-22	2020-21	1
45.	Rajkot Urban Development Authority	2026-27	20 (1)	2021-22	2021-22	1
46.	Surat Urban Development Authority	2026-27	20 (1)	2020-21	2020-21	2
47.	Jamnagar Area Development Authority	2026-27	20 (1)	2020-21	2020-21	2
48.	Bhavnagar Area Development Authority	2026-27	20 (1)	2018-19	2018-19	4
49.	Bhuj Area Development Authority	2026-27	20 (1)	2018-19	2018-19	4
50.	Rapar Area Development Authority	2026-27	20 (1)	2020-21	2020-21	2
51.	Gandhinagar Urban Development Authority	2026-27	20 (1)	2021-22	2021-22	1
52.	Anjar Area Development Authority	2026-27	20 (1)	2019-20	2019-20	3
53.	Bhachau Area Development Authority	2026-27	20 (1)	2021-22	2021-22	1
54.	Junagadh Area Development Authority	2026-27	20 (1)	2020-21	2020-21	2
55.	Ambaji Area Development Authority	2026-27	20 (1)	2021-22	2021-22	1#
56.	Alang Area Development Authority	2026-27	20 (1)	2020-21	2020-21	2
57.	Bharuch / Ankleshwar Urban Area Development Authority.	2026-27	20 (1)	2019-20	2019-20	3
58	Morbi / Vankaner Urban Area Development Authority	2026-27	20 (1)	2016-17	2016-17	6
59.	Anand /Vallabh Vidyanagar / Karamsad Urban Area Development Authority.	2026-27	20 (1)	2017-18	2017-18	5
60.	Surendranagar / Dudhrej / Wadhavan Urban Area Development Authority.	2026-27	20 (1)	2020-21	2018-19	2
61.	Himatnagar Urban Area Development Authority	2026-27	20 (1)	2017-18	2017-18	5*
62.	G.I.F.T. Urban Area Development Authority	2026-27	20 (1)	2021-22	2021-22	1

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2023
63.	Shamlaji Urban Area Development Authority	2026-27	20 (1)	2021-22	2021-22	1
64.	Khambhalia Urban Area Development Authority	2026-27	20 (1)	2019-20	2019-20	3
65.	Navsari Area Development Authority, Navsari	2026-27	20 (1)	2020-21	2020-21	2
66.	Bardoli Area Development Authority, Bardoli	2026-27	20 (1)	2021-22	2021-22	1
67.	Khajod Area Development Authority, Khajod	2026-27	20 (1)	2017-18	--	5
68.	Gandhidham Development Authority, Gandhidham	2024-25	20(1)	2020-21	2020-21	2
<b>Panchayats, Rural Housing and Rural Development Department</b>						
69.	Gujarat Rural Housing Board	2022-23	19 (3)	2021-22	2020-21	1
<b>Narmada, Water Supply, Water Resources and Kalpsar Department</b>						
70.	Water and Sanitation Management Organisation, Gandhinagar	2025-26	20 (1)	2021-22	2021-22	1
<b>Total</b>						<b>225</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II)

- #Sr. No.55: Ambaji Area Development Authority has ceased to exist from 25.03.2023 and a new authority by the name Ambaji Area Development and Tourism Governance Authority has been created by the State Government. Entrustment of audit u/s 20 (1) of CAG's DPC Act, 1971 was yet to be received.
- \*Sr. No. 61: Accounts of Himatnagar Urban Area Development Authority for the year 2013-14 to 2017-18 were received in July 2019. However, Accounts for the year 2012-13 were still pending.

## Appendix – 4.6

Statement showing pendency in submission of Accounts by ABs  
(Section 14 cases; Status as on 31 July 2023)

(Reference: Paragraph 4.13)

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
<b>2006-07 onwards</b>			
1	G.K. General Hospital Society, Kachch	17	Health and Family Welfare
2	Gujarat Council of Education Research & Technology, Gandhinagar	17	Education
<b>2008-09 onwards</b>			
3	Forest Development Agency, Rajkot	15	Forests and Environment
4	Narayan Eye Hospital (Arogya Dham Sanchalit) Halol Panchmahal	15	Health and Family Welfare
5	Sports Authority of Gujarat, Gandhinagar	15	Sports, Youth and Cultural Activities
<b>2009-10 onwards</b>			
6	Mandvi Taluka Kshaya Nivaran Sangh, Kachchh	14	Health and Family Welfare
7	Forest Development Agency, Jamnagar	14	Forest and environment
<b>2013-14 onwards</b>			
8	Bala Hanuman Ayurved Mahavidyalaya, Mansa, Gandhinagar	10	Education
9	Gujarat Landless Laborers & Halpati Housing Board, Gandhinagar	10	Panchayats, Rural Housing and Rural Development
10	Gujarat Medicinal Plants Board, Gandhinagar	10	Health and Family Welfare
11	Gujarat Scheduled Castes Development Corporation, Gandhinagar	10	Social Justice and Empowerment
12	Rogi Kalyan Samiti Guru Gobindsinh, Jamnagar	10	Health and Family Welfare;
13	Rogi Kalyan Samiti, New Civil Hospital, Surat	10	Health and Family Welfare
14	Rogi Kalyan Samiti, Sir T. General Hospital, Bhavnagar	10	Health and Family Welfare
15	Sardar Vallabhbhai Patel Memorial Society Ahmedabad	10	Sports, Youth and Cultural Activities
16	School of Architecture, CEPT University, Ahmedabad	10	Education
17	School of Building Science & Technology, CEPT University, Ahmedabad	10	Education
18	School of Interior Design, CEPT University, Ahmedabad	10	Education
19	School of Planning CEPT University Ahmedabad	10	Education
20	Sentinel Surveillance Unit, Surat	10	Health and Family Welfare

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
21	State Health Society, Commissionerate of Health, Medical Services and Medical Education, Gandhinagar	10	Health and Family Welfare
<b>2015-16 onwards</b>			
22	Gujarat State Social Welfare Board, Ahmedabad	8	Social Justice and Empowerment
23	Forest Development Agency, Kutch-East	8	Forests and Environment
<b>2016-17 onwards</b>			
24	Gau Sewa ayog & Gaucher Vikas Board, Gandhinagar	7	Agriculture, Farmer's Welfare and Co-operation
25	P.D. Malviya College of Commerce, Rajkot	7	Education
26	Gujarat State Watershed Management Agency (GSWMA), Gandhinagar	7	Panchayats, Rural Housing and Rural Development
27	Sanjivani Hospital, Surat	7	Health and Family Welfare
28	Smt. A.J. Savia Homeopathic Medical College, Mehsana	7	Health and Family Welfare
29	Society for Education Welfare & Action (Rural), Bharuch	7	Social Justice and Empowerment
30	Gujarat Rural Workers Welfare Board Gandhinagar	7	Labour and Employment
31	Unorganised Labour Welfare Board Gandhinagar	7	Labour and Employment
32	Gujarat State Social Security Board, Gandhinagar	7	Labour & Employment
33	Forest Development Agency, S. K. Himmatnagar (South)	7	Forests and Environment
<b>2017-18 onwards</b>			
34	Gujarat Medical Education and Research Society (GMERS), Gandhinagar	6	Health and Family Welfare
35	Institute of Kidney Diseases & Research Centre, Ahmedabad	6	Health and Family Welfare
<b>2018-19 onwards</b>			
36	Institute for Post Graduate Teaching & Research in Ayurveda (IPGTRA), Jamnagar	5	Education
37	State Literacy Mission Authority, Gandhinagar	5	Education
38	Gujrat Council of Elementary (Primary) Education, Sarva Shiksha Abhiyan mission (SSA), Sector 17, Gandhinagar.	5	Education
39	Gujarat Council of Secondary Education, 1st Floor, Commissionerate of Schools, Block No.9, Sector 10 Gandhinagar	5	Education
<b>2019-20 onwards</b>			
40	B.V. Patel Pharmaceutical Education Research Development (PERD) Centre, Ahmedabad	4	Education
41	Blind Men's/Peoples Association, Ahmedabad	4	Social Justice and Empowerment
42	Employment Extension Bureau, Gandhinagar	4	Labour and Employment

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
43	Gujarat Backward Classes Development Corporation, Gandhinagar	4	Social Justice and Empowerment
44	Gujarat State AIDS Control Society, Ahmedabad	4	Health and Family Welfare
45	Maharaja Sayajirao University, Fatehgunj, Vadodara	4	Education
46	Veer Narmad South Gujarat University, Surat	4	Education
47	Gujarat School Quality Accreditation Council Gandhinagar	4	Education
48	Gujarat State Board Text book Gandhinagar	4	Education
49	Rajesh Mehta Technical School for Blind, C/o Blind People's Association, Ahmedabad	4	Social Justice and Empowerment
50	Gujarat Technological University Ahmedabad	4	Education
51	Gujarat Institute of Educational Technology, Ahmedabad.	4	Education
52	Gujarat Knowledge Society, Directorate of Technical Education, Gandhinagar	4	Education
53	Shri Pragna Chakshu Mahila Sevakunj, Surendranagar	4	Health & Family Welfare
54	Gujarat Council of Vocational Training, Gandhinagar	4	Labour and Employment
55	Gujarat Secondary and Higher Secondary Education Board, Gandhinagar	4	Education
56	Gujarat State Sangeet Natak Academy, Gandhinagar	4	Sports, Youth and Cultural Activities
57	AIDS Control Society, Behind Lal Bungalow, Near Navarangpura Telephone Exchange, .G. Road, Ahmedabad	4	Health & Family Welfare
58	Bhagubhai Mafatlal Hospital (Sevashram), Bharuch.	4	Health & Family Welfare
59	Forest Development Agency, Banaskantha	4	Forest and Environment
<b>2020-21 onwards</b>			
60	Tribal Research and Training Institute, Ahmedabad	3	Tribal Development
61	C.U. Shah T. B. Hospital, Surendranagar	3	Health and family welfare
62	Cambay General Hospital, Khambhat	3	Health and family welfare
63	D.S. Patel Technical Institute, Sunav, Anand	3	Education
64	Dr. Rasiklal Shah Sarvajanic Hospital, Sabarkantha	3	Health and family welfare
65	Gujarat ayurveda University, Jamnagar	3	Education
66	Gujarat State Child Protection Society, Birsa Munda Bhavan, Gandhingar	3	Social Justice & Empowerment
67	Jan Shikshan Sansthan, Surat	3	Education
68	Janak Smarak Hospital. Vyara , Tapi	3	Health and family welfare
69	Lions Cancer Detection Centre Trust, Surat	3	Health and family welfare
70	Medical College Development Committee, Surat	3	Health and family welfare
71	Water and land management Institute, Anand	3	Water supply
72	Gujarat Skill Development Society, Gandhinagar	3	Labour and Employment

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
73	Society for Creation of Opportunity through Proficiency in English (SCOPE), Ahmedabad	3	Education
74	Kashiben Gordhandas Patel Children Hospital, Vadodara	3	Health and Family Welfare
75	R K M Technical Institute, Borsad, Anand	3	Education
76	Shree Gathani General Jain Hospital, Visavdar	3	Health and Family Welfare
77	Gujarat Sahitya Academy, Gandhinagar	3	Sports, Youth and Cultural Activities
78	Dr. V.H. Dave Homoeopathic Medical College & Hospital, Anand	3	Education
79	Trimurti Hospital, Bavla, Ahmedabad	3	Health and Family Welfare
80	Sabarmati Ashram Preservation & Memorial Trust, Ahmedabad	3	Sports, youth and Cultural Activities
81	Saurashtra University, Rajkot	3	Education
82	Akshar Purushottam Arogya Mandir (Muni Seve Ashram), Taluka-Vaghodia, Post-Goraj, Vadodara.	3	Health & Family Welfare
83	Gandhi Lincoln Hospital, Near Municipal Graden, Deesa	3	Health & Family Welfare
84	Gujarat State Tribal Education Society, Birsa Munda Bhavan, Sector 10/A, Gandhinagar	3	Tribal Development
85	S.K. Patel Industrial Training Institute, Sarva Vidyalaya Campus, Kadi, Mehsana	3	Labour & Employment
86	Suraksha Setu Society, Ahmedabad Rural	3	Home
87	Forest Development Agency, Godhra	3	Forest and Environment
88	Forest Development Agency, S`nagar	3	Forest and Environment
89	Forest Development Agency, Bhavnagar	3	Forest and Environment
90	Forest Development Agency, Devgadbaria (Dahod)	3	Forest and Environment
91	Forest Development Agency, Vyara	3	Forest and Environment
92	Forest Development Agency, Aravalli, Modasa	3	Forest and Environment
93	Development Support Agency of Gujarat, Gandhinagar	3	Tribal Development
<b>2021-22 onwards</b>			
94	Forest Development Agency, Ahwa Dang (South)	2	Forest and Environment
95	Forest Development Agency, Dang North	2	Forest and Environment
96	Gujarat Council of School education	2	Education
97	Anand Agriculture University, Anand	2	Agriculture, Farmer's Welfare and Co-operation
98	Junagadh Agriculture University, Junagadh	2	Agriculture, Farmer's Welfare and Co-operation
99	Gujarat Livestock Development Board, Gandhinagar	2	Agriculture, Farmer's Welfare and Co-operation
100	Gujarat Horticulture Mission, Gandhinagar	2	Agriculture, Farmer's Welfare and Co-operation

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
101	Kacheria Mojilal Gordhandas General Hospital, Kheda	2	Health and Family Welfare
102	Revabai General Hospital, Gandhinagar	2	Health and Family Welfare
103	Smt. S.C. & Sheth D.M. Sarvajanic Hospital & Maternity Home, Mahesana	2	Health and Family Welfare
104	ITI College, Lunawada	2	Labour and Employment
105	Apang Manav Mandal, Ahmedabad	2	Social Justice and Empowerment
106	Adult Training Centre (Trust) for the Blind, Ahmedabad	2	Social Justice and Empowerment
107	Centre for Social Studies, Veer Narmad South Gujarat University, Surat	2	Education
108	Sardar Patel Institute of Economic & Social Research, Thaltej Road, Ahmedabad	2	Education
109	Sharda School for the Mentally Retarded Children, Ashram Road, Ahmedabad	2	Social Justice and Empowerment
110	U. N. Mehta Institute of Cardiology and Research Centre, Ahmedabad	2	Health and Family Welfare
111	Indian Red Cross Society, Ahmedabad	2	Health and Family Welfare
112	Sardar Vallabhai Patel Rashtriya Ekta Trust, Statue of Unity, Kevadia	2	Sports, Youth and Cultural Activities
113	Tolani Institute of Pharmacy, Adipur, Kutch	2	Education
114	Ebrahim Bawany Technical Institute, Ajwa, Vadodara	2	Education
115	Industrial Training Centre, Karjan, Vadodara	2	Labour and Employment
116	Technical Training Centre, Amreli	2	Labour and Employment
117	Matrushri V B Manvar Technical Institute, Dumiyani, Upleta	2	Education
118	Anand Technical Institute, Anand	2	Education
119	Rajkot Rajya Foundation, Rajkot	2	Sports, Youth and Cultural Activities
120	Sadvichar Pariwar Viklang Punarvas Kendra Sanchalit ITC, Ubarsad, Gandhinagar	2	Labour and Employment
121	Indian Institute of Teachers Education, Gandhinagar	2	Education
122	Shivanand Mission, Saurashtra Central Hospital, Rajkot	2	Health and Family Welfare
123	Children's University, Gandhinagar	2	Education
124	Smt. B. H. Shah (Karjanwala) Industrial Training Institute, Kamrej Char Rasta, Surat	2	Labour and Employment
125	Shri Kathiawar Nirashrit balashram, Rajkot	2	Social Justice and Empowerment
126	Shri K K Shah Sabarkantha Arogya mandal, Sabarkantha	2	Health and Family Welfare

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
127	Anand Homoeopathic Medical college & Research institute, Anand	2	Health and Family Welfare
128	Gujarat Homoeopathic Medical Collage, Smalaya-Sivil Road, Near old Bus Stand, Savli	2	Education
129	ITI College, Varadhari, Lunawada.	2	Labour & Employment
130	Knowledge Consortium of Gujarat, Ahmedabad	2	Education
131	Medical College Development Society, SSG Hospital Campus, Roupura, Vadodara	2	Health & Family Welfare
132	Vitthalbhai patel & Rajratna P.T. Patel Science collage, Vallabh Vidyanagar, Anand	2	Education
133	Sardar Krushinagar Dantiwada Agricultural University, NH 8, Sardarkrushinagar, Dantiwada Taluka, Banaskantha District, Satsan, Gujarat	2	Agriculture & co-operative
134	Samjulaxmi Maternity Hospital, Pij Bhagol, Nadiad	2	Health & Family Welfare
135	Shree Somabhai J.Patel Sarvajanik Hospital Paliad ta. Kalol, Dist : Gandhinagar	2	Health & Family Welfare
136	Smt. Savitaben Ramabhai Dahyalal Shah Sarvajanik Hospital & Prashutigruh, AT, & Po Ambasan, Ta & Dist Mehsana	2	Health & Family Welfare
137	Gujarat Rajya Khadi Gramodhyog Board	2	Industries and Mines
138	Gujarat Pavitra Yatratham Vikas Board	2	Industries and Mines
139	Forest Development Agency, Chhota Udepur	2	Forest and Environment
140	Forest Development Agency, Junagadh	2	Forest and Environment
141	Forest Development Agency, Narmada(Rajpipla EAST)	2	Forest and Environment
142	Forest Development Agency, Kutch-West	2	Forest and Environment
143	Gujarat State Biodiversity Board (GSBB)	2	Forest and Environment
144	Gujarat Social Infrastructure Development Society (GSIDS) Gandhinagar.	2	GAD
145	Bhavan's shri C.T. Sutaria III dakor Taluka Thasra, Kheda	2	Labour and Employment
146	Bhavnagar University, Sardar Vallabhbhai Patel Campus, Bhavnagar	2	Education
147	Gujarat State Lalit Kala Academy, Ahmedabad	2	Sports, youth and Cultural activities
148	Gujarat Water Supply and Sewerage Board, Gandhinagar	2	Narmada, Water Resources, Water Supply & Kalpsar
149	Gurjreshwar Kumarpal Jain Sarvoday Technical Institute, Vadodara	2	Labour and Employment

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
150	Krantiguru Shyamji Krishna Verma Kutch University, Kachchh	2	Education
151	Maniben Pithawala I.T.I Navyug College, Surat	2	Labour and Employment
152	Seth J B Upadhyaya Deaf-Mute School, Sabarkantha	2	Social justice and Empowerment
<b>2022-23</b>			
153	Gujarat Tribal Development Corporation, Birsa Munda Bhavan, Ground Floor, Sector 10/A, Gandhinagar	1	Tribal Development
154	Gujarat University, Ahmedabad	1	Education
155	Centre for Entrepreneurship Development Gandhinagar	1	Industries and Mines
156	Gujarat Industrial Research & Development agency, Vadodara	1	Industries and mines
157	INDEXT-C Gandhinagar	1	Industries and mines
158	INDEXT-B Gandhinagar	1	Industries and mines
159	Electrical Research Development Agency Vadodara	1	Industries and mines
160	Gujarat Industrial Development Board Gandhinagar	1	Industries and mines
161	Gujarat Matikam kalalari & Rural Technology Institute Gandhinagar	1	Industries and mines
162	Dholera Special Investment Region Authority	1	Industries and mines
163	Suraksha Setu Society, Nadiad, Dist-Kheda	1	Home
164	Suraksha Setu Society, Narmada	1	Home
165	Suraksha Setu Society, State Level, Gandhinagar	1	Home
166	Suraksha Setu Society, Surendranagar	1	Home
167	Suraksha Setu Society, Bhavnagar	1	Home
168	Suraksha Setu Society, Vadodara	1	Home
169	Suraksha Setu Society, Ahmedabad City	1	Home
170	Suraksha Setu Society, West-Kutch	1	Home
171	Suraksha Setu Society, Dangs-Ahwa	1	Home
172	Suraksha Setu Society, Surat	1	Home
173	Suraksha Setu Society, Mehsana	1	Home
174	Suraksha Setu Society, Kutch (East), Khavda Police Station	1	Home
175	Suraksha Setu Society, Gir Somnath	1	Home
176	Suraksha Setu Society, Rajkot	1	Home
177	Suraksha Setu Society, Amreli	1	Home
178	Suraksha Setu Society, Godhara	1	Home
179	Suraksha Setu Society, Devbhumi Dwarka	1	Home
180	Suraksha Setu Society, Palanpur	1	Home
181	Suraksha Setu Society, Himmatnagar	1	Home
182	Gujarat National Law University (Ab)	1	Legal

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
183	Gujarat State Biotechnology Mission	1	Science and Techonology
184	Institute of Seismological Research	1	Science and Techonology
185	Gujarat Council of Science & Technology	1	Science and Techonology
186	Gujarat Council of Science City, Ahmedabad	1	Science and Techonology
187	Gujarat Biotechnology University	1	Science and Techonology
188	Gujarat Ecology Commission, G'nagar	1	Forest and Environment
189	Gujarat Ecology Education & Research (GEER) Foundation, Gandhinagar	1	Forest and Environment
190	Gujarat State Lion Conservation Society, Wild Life Circle, Sardarbagh, Junagarh	1	Forest and Environment
191	Gujarat Marine National Park and Marine Sanctuary Conservation Society	1	Forest and Environment
192	Gujarat Forest Research Foundation (GFRF)	1	Forest and Environment
193	Forest Development Agency, Gir-West	1	Forest and Environment
194	Forest Development Agency, S. K. H.nagar (North)	1	Forest and Environment
195	Forest Development Agency, Valsad(North)	1	Forest and Environment
196	Forest Development Agency, Valsad South	1	Forest and Environment
197	Forest Development Agency, Kheda	1	Forest and Environment
198	Forest Development Agency, Gir-East	1	Forest and Environment
199	Gujarat Environment Management Institute, Gandhinagar (GEMI)	1	Forest and Environment
200	Gujarat Pollution Control Board (GPCB)	1	Forest and Environment
201	Gujarat Energy Development Agency (GEDA), Gandhinagar	1	Climate change
202	Gujarat State Non- Resident Gujaratis' Foundation (GSNRGF) Gandhinagar.	1	GAD
203	Gandhinagar Gymkhana.	1	GAD
204	A. R. College of Pharmacy & G. H. Patel Institute of Pharmacy, Anand	1	Education
205	Andh Apang Kalyan Kendra, Ahmedabad	1	Social Justice and Empowerment
206	Andh Kanya Prakash Gruh, Ahmedabad	1	Social justice and empowerment
207	B. M. Institute of Mental Health, Ahmedabad	1	Social Justice and Empowerment
208	B.S. Nathwani T.B. Hospital, Keshod, Junagadh	1	Health and Family Welfare
209	Bhagwat Vidyapith Ashok III, Ahmedabad	1	Labour and Employment
210	Bhailalbhai & Bhikhabhai Institute of Technology, Anand	1	Education
211	Bhavan's shri Swaminarayan Technical Institute, Dakor kheda	1	Education
212	Birla Vishwakarma Mahavidalaya Engineering College, Anand	1	Education

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
213	Blind welfare council, Dahod	1	Social Justice & Empowerment
214	C. L. Patel Technical Institute, Kheda	1	Education
215	Chikhli Education Society, Chikhali	1	Labour and Employment
216	Chimanlal Nagindas Technical Centre, Ahmedabad	1	Education
217	Dharmsinh Desai Institute of Technology, Nadiad	1	Education
218	Disable Welfare Trust of India, Surat	1	Social Justice & Empowerment
219	Dr. Dayaram Patel Pharmacy College, Surat	1	Education
220	GIA (Grant-in-Aid) Industrial Training Center, Morva-Rena, Panchmahal	1	Labour & Employment
221	Gujarat Cancer & Research Center, Ahmedabad	1	Health and Family welfare
222	Gujarat State Council for Blood Transfusion,	1	Health and Family Welfare
223	Gujarat Urban Development Mission, Gandhinagar	1	Urban Development & Urban Housing
224	Hemchandracharya North Gujarat University, Patan	1	Education
225	International Centre for Entrepreneurship and Career Development, Ahmedabad	1	Education
226	K.V. Patel I.T.I, Chansama, Patan	1	Labour and Employment
227	L. M. College of Pharmacy, Ahmedabad.	1	Education
228	M.N. College of Pharmacy, Anand	1	Education
229	Mahatma Gandhi Labour Institute, Ahmedabad	1	Labour and Employment
230	Methodist Technical Institute, Vadodara	1	Education
231	O. H. Nazar Ayurved Mahavidalaya and Ayurved Hospital, Surat	1	Health and Family Welfare
232	R. B. Patel Technical Institute, Navsari	1	Education
233	R.K. Technical (ITI), Anand	1	Labour and Employment
234	R. K. Patel Technical Institute, Kheda	1	Education
235	Ravishankar Maharaj Eye Hospital, Gujarat Blind Relief & Health Association, Anand	1	Health and Family Welfare
236	Rogi Kalyan Samiti, Civil Hospital Asarwa Ahmedabad	1	Health and Family Welfare
237	Rogi Kalyan Samiti, Government Spine Institute & Physiotherapy College, New Civil Hospital, Ahmedabad	1	Health and Family Welfare
238	Sardar Smarak Hospital, Bardoli, Surat	1	Health and Family Welfare
239	Sardar Patel University, Vallabh Vidyanagar, Anand	1	Education
240	School for Deaf - Mutes Society, Ashram Road, Ahmedabad	1	Social Justice and Empowerment
241	Seth Vadilal Sarabhai General Hospital & Seth Chinai Maternity Hospital, Ahmedabad	1	Health and Family Welfare

Sr. No.	Name of AB and year from which accounts not received (up to 2022-23)	No. of accounts pending as of 31 July 2023	Grants-in-aid releasing Department
242	Shamlaji Hospital, CHC Shamlaji, Taluka Bhiloda, Dist Arvalli	1	Health and Family Welfare
243	Shanti Lal Shah college of Pharmacy, Bhavnagar	1	Education
244	Tolani Foundation Gandhidham Polytechnic, Adipur, Kutch	1	Education
245	Veraval People's Cooperative Bank Silver Jubilee Industrial Training Centre, Veraval	1	Labour and Employment
246	Xavier Technical Institute, Sevasi, Vadodara	1	Education
247	Navsari Agriculture University, Navsari	1	Agriculture, Farmer's Welfare and Co-operation
248	Shree Somnath Sanskrit University, Somnath	1	Education
249	Shree Bhogilal Mohanlal Bhatt General Hospital, Gandhinagar	1	Health and Family Welfare
250	Kaka-Ba Hospital, Bharuch	1	Health and Family Welfare
251	Excel Udyog Vidhyalaya, Himmatnagar	1	Labour and Employment
252	Shri K K School and Home for Blind Trust, Vidyanagar	1	Education
253	The Lady Navajibai Ratan Tata Technical Institute, Nargol, Valsad	1	Education
254	Akshar Purshottam Technical Institute, Mogri, Anand	1	Education
255	Shri C U Shah Technical Institute, Wadhwan City	1	Education
256	Shri B M Shah College of Pharmacy, Modassa	1	Education
257	Bayad people education trust, Bayad Sabarkantha	1	Education
258	Rogi kalyan samiti, I D Hospital Vadodara	1	Health and family welfare
259	Rogi kalyan samiti, Rajkot	1	Health and family welfare
<b>Total</b>		<b>772</b>	

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II)

## Appendix – 4.7

## Department-wise/category-wise details of losses due to theft, misappropriation/loss of Government material and fire/accidents as on 31 March 2023

(Reference: Paragraph 4.15)

Sr. No.	Name of Department	Theft cases		Misappropriation/ Loss of Government material		Fire/Accident cases		Total	
		No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)
1	Agriculture, Farmer's Welfare and Co-operation	1	3.21	1	1.41	0	0.00	2	4.62
2	Education	9	5.11	9	478.98	0	0.00	18	484.09
3	Food, Civil Supplies and Consumer Affairs	1	0.11	1	61.65	0	0.00	2	61.76
4	Forests & Environment	8	3.47	8	188.92	19	186.28	35	378.67
5	GAD	0	0	0	0	1	0 <sup>1</sup>	1	0
6	Health and Family Welfare	6	2.93	6	147.38	0	0.00	12	150.31
7	Home	0	0.00	12	119.55	0	0.00	12	119.55
8	Industries and Mines	1	0.46	2	77.62	0	0.00	3	78.08
9	Labour and Employment	2	9.13	0	0.00	0	0.00	2	9.13
10	Legal	1	11.68	5	3.53	1	8.00	7	23.21
11	Narmada, Water Resources, Water Supply and Kalpsar	11	6.46	17	37.70	0	0.00	28	44.16
12	Panchayats, Rural Housing and Rural Development	0	0.00	8	156.82	0	0.00	8	156.82
13	Ports and Transport	0	0	2	5.79	0	0.00	2	5.79
14	Revenue	0	0.00	24	14.41	0	0.00	24	14.41
15	Roads and Buildings	3	1.57	4	347.39	0	0.00	7	348.96
16	Science and Technology	0	0.00	1	699.05	0	0.00	1	699.05
17	Social Justice and Empowerment	0	0.00	1	14.87	0	0.00	1	14.87
18	Tribal Development	0	0.00	1	147.19	0	0.00	1	147.19
19	Urban Development and Urban Housing	0	0.00	2	24.40	0	0.00	2	24.40
	<b>Total</b>	<b>43</b>	<b>44.13</b>	<b>104</b>	<b>2,526.66</b>	<b>21</b>	<b>194.28</b>	<b>168</b>	<b>2,765.07</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit – I) and Accountant General (Audit – II) from data furnished by the Departments concerned.

<sup>1</sup> Records were lost due to fire in District Statistical Office, Gandhinagar.

## Appendix 5.1

## Statement showing list of State Public Sector Undertakings (SPSUs) of Government of Gujarat under audit jurisdiction of C&amp;AG of India and status of their annual financial statements as on 30 September 2023

(Reference: Paragraph 5.4, 5.15.2.2)

Sr. No.	Name of PSU	Date of Incorporation	FSs finalised up to	Year for which FSs not finalised/ received	No. of FSs in arrears
<b>A</b>	<b>Power sector</b>				
	<b>Government company</b>				
1	Dakshin Gujarat Vij Company Limited	15 September 2003	2022-23	Nil	0
2	Gujarat Energy Transmission Corporation Limited	19 May 1999	2022-23	Nil	0
3	Gujarat Power Corporation Limited	01 August 1993	2021-22	2022-23	1
4	Gujarat State Electricity Corporation Limited	12 August 1993	2022-23	Nil	0
5	Gujarat Urja Vikas Nigam Limited (standalone and consolidated)	22 December 2004	2021-22	2022-23	1
6	Madhya Gujarat Vij Company Limited	15 September 2003	2022-23	Nil	0
7	Paschim Gujarat Vij Company Limited	15 September 2003	2022-23	Nil	0
8	Uttar Gujarat Vij Company Limited	15 September 2003	2022-23	Nil	0
<b>B</b>	<b>Finance Sector</b>				
	<b>Government Company</b>				
9	Dr. Ambedkar Antyodaya Vikas Nigam	01 October 2014	2018-19	2019-20 to 2022-23	4
10	Gujarat Minorities Finance and Development Corporation Limited	24 September 1999	2020-21	2021-22 to 2022-23	2
11	Gujarat Gopalak Development Corporation Limited	18 May 2001	2021-22	2022-23	1
12	Gujarat Industrial Investment Corporation Limited (Standalone & Consolidated)	12 August 1968	2021-22	2022-23	1
13	Gujarat Livelihood Promotion Company Limited	21 April 2010	2018-19	2019-20 to 2022-23	4
14	Gujarat Nomadic and Denotified Tribes Development Corporation	14 August 2015	2021-22	2022-23	1
15	Gujarat Safai Kamdar Vikas Nigam Limited	24 October 2001	2017-18	2018-19 to 2022-23	5
16	Gujarat State Financial Services Limited	20 November 1992	2022-23	Nil	0
17	Gujarat State Handloom And Handicrafts Development Corporation Limited	10 August 1973	2021-22	2022-23	1
18	Gujarat State Investments Limited	29 January 1988	2022-23	Nil	0

Sr. No.	Name of PSU	Date of Incorporation	FSs finalised up to	Year for which FSs not finalised/ received	No. of FSs in arrears
19	Gujarat Thakor and Koli Vikas Nigam Limited	19 September 2003	2019-20	2020-21 to 2022-23	3
20	Gujarat Women Economic Development Corporation Limited	16 August 1988	2018-19	2019-20 to 2022-23	4
	<b>Statutory corporation</b>				
21	Gujarat State Financial Corporation	01 May 1960	2022-23	Nil	0
	<b>Inactive Company</b>				
22	Gujarat Leather Industries Limited (under liquidation)	18 April 1978	2001-02	2002-03	1
23	Gujarat Small Industries Corporation Limited (under liquidation)	26 March 1962	2006-07	2007-08	1
<b>C</b>	<b>Infrastructure Sector</b>				
	<b>Government Company</b>				
24	Dholera Industrial City Development Limited	28 January 2016	2021-22	2022-23	1
25	Diamond Research and Mercantile City Limited	10 July 2015	2021-22	2022-23	1
26	Gandhinagar Railway and Urban Development Corporation Limited	05 January 2017	2022-23	Nil	0
27	Gujarat Growth Centre Development Corporation Limited	11 December 1992	2021-22	2022-23	1
28	Gujarat Metro Rail Corporation Limited	04 February 2010	2022-23	Nil	0
29	Gujarat Rail Infrastructure Development Corporation Limited	06 January 2017	2021-22	2022-23	1
30	Gujarat State Aviation Infrastructure Company Limited	07 July 2010	2019-20	2020-21 to 2022-23	3
31	Gujarat State Police Housing Corporation Limited	01 November 1988	2021-22	2022-23	1
32	Gujarat State Road Development Corporation Limited	12 May 1999	2022-23	Nil	0
33	Gujarat Urban Development Company Limited	27 May 1999	2021-22	2022-23	1
34	Gujarat Water Infrastructure limited	25 October 1999	2021-22	2022-23	1
35	Sardar Sarovar Narmada Nigam Limited	24 March 1988	2021-22	2022-23	1
36	Tapi Riverfront Development Corporation Limited	02 February 2022	-	2022-23	0 <sup>1</sup>
	<b>Statutory corporation</b>				
37	Gujarat Industrial Development Corporation	04 August 1962	2021-22	2022-23	1
	<b>Inactive Company</b>				
38	Gujarat Industrial Corridor Corporation Limited	30 March 2009	2019-20	2020-21, 2021-22, 2022-23	3
39	Gujarat State Rural Development Corporation Limited	07 July 1977	2016-17	2017-18 to 2022-23	6

<sup>1</sup> In accordance with Companies Act 2013 Section 2(41) read with Section 96 the First FSs not due to be received by 31<sup>st</sup> December 2023.

Sr. No.	Name of PSU	Date of Incorporation	FSS finalised up to	Year for which FSSs not finalised/ received	No. of FSSs in arrears
<b>D</b>	<b>Service sector</b>				
	<b>Government Company</b>				
40	Shri K K Shastri Government Colleges Confederation	16 June 2021	16.06.2021 to 31.03.2022	2022-23	1
41	Gujarat Education Technologies Limited	09 March 2021	2021-22	2022-23	1
42	Gujarat Fibre Grid Network Limited	30 September 2016	2021-22	2022-23	1
43	Gujarat Informatics Limited (standalone and consolidated)	19 February 1999	2018-19	2019-20 to 2022-23	4
44	Gujarat ISP Services Limited	05 December 2016	2021-22	2022-23	1
45	Gujarat Medical Services Corporation Limited	23 August 2012	2018-19	2019-20 to 2022-23	4
46	Gujarat Rural Industries Marketing Corporation Limited	16 May 1979	2021-22	2022-23	1
47	Gujarat State Civil Supplies Corporation Limited	26 September 1980	2020-21	2021-22 to 2022-23	2
48	Gujarat State Forest Development Corporation Limited	20 August 1976	2021-22	2022-23	1
49	Gujarat State Handicapped (Divyang) Finance and Development Corporation	13 April 2020	2021-22	2022-23	1
50	Gujarat Student Startup and Innovation Hub	16 May 2019	2021-22	2022-23	1
51	Gujarat Unreserved Education & Economical Development Corporation	11 May 2018	2019-20	2020-21 to 2022-23	3
52	Gujarat Water Resources Development Corporation Limited	03 May 1971	2021-22	2022-23	1
53	Guj-Tour Development Company Limited	07 April 2011	2021-22	2022-23	1
54	Tourism Corporation of Gujarat Limited	10 June 1975	2020-21	2021-22, 2022-23	2
	<b>Statutory Corporation</b>				
55	Gujarat State Road Transport Corporation	01 May 1960	2019-20	2020-21 to 2022-23	3
	<b>Inactive Company</b>				
56	BISAG Satellite Communication	23 August 2012	2014-15	2015-16 to 2022-23	8
57	Gujarat Foundation for Mental Health and Allied Sciences	29 April 2003	2010-11	2011-12 to 2022-23	12
<b>E</b>	<b>Other Sectors</b>				
	<b>Government Company</b>				
58	Gujarat Agro Industries Corporation Limited	05 September 1969	2019-20	2020-21 to 2022-23	3
59	Gujarat Mineral Development Corporation Limited	15 May 1963	2022-23	Nil	0
60	Gujarat Sheep and Wool Development Corporation Limited	10 September 1979	2020-21	2021-22 to 2022-23	2
61	Gujarat State Land Development Corporation Limited	28 March 1978	2016-17	2017-18 to 2022-23	6

Sr. No.	Name of PSU	Date of Incorporation	FSs finalised up to	Year for which FSs not finalised/ received	No. of FSs in arrears
62	Gujarat State Petroleum Corporation Limited	29 January 1979	2022-23	Nil	0
63	Gujarat State Seeds Corporation Limited	16 April 1975	2021-22	2022-23	1
	<b>Statutory corporation</b>				
64	Gujarat State Warehousing Corporation	05 December 1960	2014-15	2015-16 to 2022-23	8
	<b>Inactive Company</b>				
65	Alcock Ashdown Gujarat Limited ( <b>under liquidation</b> )	05 September 1994	2021-22	Nil	0
66	Gujarat Communication & Electronics Corporation Limited ( <b>under liquidation</b> )	30 May 1975	2000-01	2001-02 to 2002-03	2
67	Gujarat Dairy Development Corporation Limited	29 March 1973	2021-22	2022-23	1
68	Gujarat Fisheries Development Corporation Limited	17 December 1971	1998-99	1999-2000 to 2022-23	24
69	Gujarat State Textile Corporation Limited ( <b>under liquidation</b> )	13 November 1968	1996-97	Nil	0
	<b>Government Controlled Other Companies</b>				
<b>A</b>	<b>Power sector</b>				
70	GSPC Pipavav Power Company Limited	22 February 2006	2022-23	Nil	0
71	Gujarat State Energy Generation Limited	30 December 1998	2022-23	Nil	0
<b>B</b>	<b>Service Sector</b>				
72	Dahej SEZ Limited	21 September 2004	2021-22	2022-23	1
73	GIFT Collective Investment Management Company Limited	07 May 2008	2021-22	2022-23	1
74	GIFT District Cooling Systems Limited	16 September 2008	2021-22	2022-23	1
75	GIFT ICT Services Limited	18 September 2008	2021-22	2022-23	1
76	GIFT Power Company Limited	11 September 2008	2021-22	2022-23	1
77	GIFT SEZ Limited	09 September 2008	2021-22	2022-23	1
78	GIFT Waste Management Services Limited	11 September 2008	2021-22	2022-23	1
79	GIFT Water Infrastructure Limited	12 September 2008	2021-22	2022-23	1
80	GSPL India Gasnet Limited	13 October 2011	2022-23	Nil	0
81	GSPL India Transco Limited	13 October 2011	2022-23	Nil	0
82	Guj Info Petro Limited	15 January 2001	2022-23	Nil	0
83	Gujarat Gas Limited	30 March 2015	2022-23	Nil	0
84	Gujarat Industrial and Technical Consultancy Organisation Limited	28 December 1978	2021-22	2022-23	1
85	Gujarat International Finance Tec-City Company Limited	21 June 2007	2021-22	2022-23	1

Sr. No.	Name of PSU	Date of Incorporation	FSs finalised up to	Year for which FSs not finalised/ received	No. of FSs in arrears
86	Gujarat State Petronet Limited	23 December 1998	2022-23	Nil	0
87	Narmada Clean Tech	04 December 2014	2021-22	2022-23	1
88	Sabarmati Gas Limited	06 June 2006	2022-23	Nil	0
89	Sarigam Clean Initiative	08 June 2015	2020-21	2021-22, 2022-23	2
90	Smart ICT Services Private Limited	01 January 2013	2021-22	2022-23	1
91	Gujarat Town Planning Consultancy Limited	22 December 2022	2022-23	Nil	0
<b>C</b>	<b>Infrastructure Sector</b>				
92	Bahucharaji Rail Corporation Limited	10 December 2018	2021-22	2022-23	1
93	G-ride Bedi Port Rail Limited	27 August 2021	2022-23	Nil	0
94	Gujarat Ports Infrastructure and Development Company Limited	27 August 1982	2022-23	Nil	0
<b>D</b>	<b>Finance Sector</b>				
	<b>Inactive Company</b>				
95	Infrastructure Finance Company Gujarat Limited	03 February 2000	2010-11	2011-12 to 2022-23	12
<b>E</b>	<b>Others</b>				
96	GSPC (JPDA) Limited	13 October 2006	2022-23	Nil	0
97	GSPC Energy Limited	18 December 2015	2022-23	Nil	0
98	GSPC LNG Limited	27 February 2007	2022-23	Nil	0
	<b>Inactive Company</b>				
99	Gujarat State Machine Tools Corporation Limited	15 February 1974	2022-23	Nil	0
100	Gujarat Trans Receivers Limited	26 March 1981	2018-19	2019-20 to 2022-23	4
101	Naini Coal Company Limited	09 October 2009	2011-12	2012-13 to 2022-23	11
<b>Total</b>					<b>188</b>

Source: Information compiled as per the latest finalised financial statements received from SPSUs upto 30<sup>th</sup> September 2023.

Above does not include FSs for the period 01.04.2020 to 10.11.2020 of Gujarat State Construction Corporation Limited as the SPSU has been dissolved.

## Appendix – 5.2

## Summarised financial position and working results of SPSUs as per latest finalised Financial Statement (FS) as on 30 September 2023

(Reference: paragraph 5.5.1)

(figures in col. 5 to 11 are ₹ in crore)

Sr. No.	Type & Name of the Company	Period of Accounts	Year in which finalised	Paid up Capital <sup>a</sup>	Accumulated Profit (+)/ Loss (-)	Net Worth	Turnover	Net profit/ loss before Interest and tax	Net profit/ loss after Tax	Capital employed
1	2	3	4	5	6	7	8	9	10	11
<b>A. Power Sector</b>										
<b>Government Companies</b>										
1.	Dakshin Gujarat Vij Company Limited	2022-23	2023-24	531.24	545.61	3,337.65	21,342.30	173.91	43.53	3,337.65
2.	Gujarat Energy Transmission Corporation Limited	2022-23	2023-24	994.05	5,911.98	13,088.17	5,041.72	2,608.72	1,256.73	16,780.29
3.	Gujarat Power Corporation Limited	2021-22	2022-23	513.23	697.03	1,210.64	453.25	125.34	91.24	1,210.64
4.	Gujarat State Electricity Corporation Limited	2022-23	2023-24	3,020.20	1,446.59	9,687.45	13105.77	95.24	28.32	9,708.28
5.	Gujarat Urja Vikas Nigam Limited	2021-22	2022-23	30,542.36	546.28	28,566.93	55,491.78	89.68	64.55	28,653.71
6.	Madhya Gujarat Vij Company Limited	2022-23	2023-24	505.73	417.71	2,742.03	9,198.00	121.84	32.08	2,749.58
7.	Paschim Gujarat Vij Company Limited	2022-23	2023-24	8,653.85	(-)299.88	10,819.17	24,360.42	170.77	34.11	10,849.29
8.	Uttar Gujarat Vij Company Limited	2022-23	2023-24	695.78	271.94	4,061.76	18,414.50	146.37	37.18	4,065.63
<b>Total A</b>				<b>45,456.44</b>	<b>9,537.26</b>	<b>73,513.80</b>	<b>1,47,407.74</b>	<b>3,531.87</b>	<b>1,587.74</b>	<b>77,355.07</b>
<b>B. Finance Sector</b>										
<b>Government Companies</b>										
9.	Dr. Ambedkar Antyodaya Development Corporation	2018-19	2021-22	5.00	3.17	6.17	0.00	2.64	1.10	18.85
10.	Gujarat Minorities Finance and Development Corporation Limited	2020-21	2023-24	20.00	(-)10.58	9.42	1.80	0.43	(-)2.21	124.63
11.	Gujarat Gopalak Development Corporation Limited	2021-22	2022-23	14.91	22.69	37.64	0.00	5.79	4.54	117.25
12.	Gujarat Industrial Investment Corporation Limited	2021-22	2022-23	256.98	63.62	320.60	18.07	15.47	16.11	381.42
13.	Gujarat Livelihood Promotion Company Limited	2018-19	2020-21	0.05	2.68	2.73	0.00	1.68	1.21	2.73

Sr. No.	Type & Name of the Company	Period of Accounts	Year in which finalised	Paid up Capital <sup>f</sup>	Accumulated Profit (+)/ Loss (-)	Net Worth	Turnover	Net profit/ loss before Interest and tax	Net profit/ loss after Tax	Capital employed
14.	Gujarat Nomadic and Denotified Tribes Development Corporation	2021-22	2022-23	7.00	0.21	7.21	2.49	1.96	(-)0.01	68.69
15.	Gujarat Safai Kamdar Vikas Nigam Limited	2017-18	2020-21	14.09	0.00	51.72	2.59	4.78	3.15	142.84
16.	Gujarat State Financial Services Limited	2022-23	2023-24	138.00	2,476.28	4,035.44	3,452.68	3,503.05	483.45	4,035.44
17.	Gujarat State Handloom and Handicrafts Development Corporation Limited	2021-22	2023-24	12.06	(-)37.01	(-)24.95	12.03	7.22	4.68	(-)24.67
18.	Gujarat State Investments Limited	2022-23	2023-24	1,042.77	516.32	1,559.09	93.12	91.07	81.16	1,919.09
19.	Gujarat Thakor and Koli Vikas Nigam Limited	2019-20	2022-23	15.11	20.15	35.26	2.43	3.80	3.01	110.17
20.	Gujarat Women Economic Development Corporation Limited <sup>g</sup>	2018-19	2022-23	7.02	0.00	7.02	0.00	\$	\$	7.02
<b>Inactive Government Companies</b>										
21	Gujarat Leather Industries Limited (under liquidation)	2001-02	2002-03	1.50	(-)6.67	-5.17	0.00	0.00	-	(-)3.11
22	Gujarat Small Industries Corporation Limited (under liquidation)	2006-07	2007-08	4.00	(-)74.93	-70.93	0.00	(-)3.62	6.93	(-)47.86
<b>Statutory Corporations</b>										
23	Gujarat State Financial Corporation	2022-23	2023-24	89.11	(-)3,180.61	(-)3,072.60	0.55	10.47	(-)125.15	(-)2,410.92
<b>Total B</b>				1,627.60	(-)204.68	2,898.65	3585.76	3,644.74	477.97	4,441.57
<b>C. Service Sector</b>										
<b>Government Companies</b>										
24	Gujarat Education Technologies Limited	09.03.2021 to 31.03.2022	2022-23	0.01	0.01	0.02	0.00	0.02	0.01	0.02
25	Gujarat Fibre Grid Network Limited	2021-22	2022-23	0.10	52.98	53.08	154.89	7.20	2.12	53.08
26	Gujarat Informatics Limited	2018-19	2020-21	18.51	117.11	135.62	13.83	35.34	5.18	144.22
27	Gujarat ISP Services Limited	2021-22	2022-23	0.10	(-)0.34	(-)0.24	0.00	(-)0.14	(-)0.11	(-)0.24
28	Gujarat Medical Services Corporation Limited	2018-19	2019-20	2.50	3.01	5.51	2.42	1.11	0.58	5.51
29	Gujarat Rural Industries Marketing Corporation Limited	2021-22	2022-23	13.00	56.00	70.82	209.68	19.84	14.12	70.82
30	Gujarat State Civil Supplies Corporation Limited	2020-21	2022-23	70.00	93.46	163.46	4,007.87	49.35	35.51	163.46

Sr. No.	Type & Name of the Company	Period of Accounts	Year in which finalised	Paid up Capital <sup>a</sup>	Accumulated Profit (+)/ Loss (-)	Net Worth	Turnover	Net profit/ loss before Interest and tax	Net profit/ loss after Tax	Capital employed
31	Gujarat State Forest Development Corporation Limited	2021-22	2022-23	6.32	87.90	94.40	33.68	13.67	12.71	94.40
32	Gujarat State Handicapped (Divyang) Finance and Development Corporation	2021-22	2022-23	2.00	0.13	1.38	0.00	0.13	0.13	1.38
33	Gujarat Student Startup and Innovation Hub	2021-22	2022-23	0.01	2.01	2.02	0.05	0.46	0.46	2.02
34	Gujarat Unreserved Educational & Economical Development Corporation	2019-20	2022-23	10.01	0.00	10.01	0.00	0.00	0.00	408.79
35	Gujarat Water Resources Development Corporation Limited	2021-22	2023-24	31.49	(-)179.34	(-)147.85	2.27	4.56	1.12	(-)147.85
36	Guj-Tour Development Company Limited	2021-22	2022-23	18.40	11.39	29.79	0.00	1.56	1.17	29.79
37	Shri K K Shastri Government Colleges Confederation	16.06.2021 to 31.03.2022	2022-23	0.01	0.10	0.11	0.00	0.10	0.10	0.11
38	Tourism Corporation of Gujarat Limited	2020-21	2022-23	20.00	176.55	196.55	42.94	14.86	9.36	196.59
<b>Inactive Government Companies</b>										
39	BISAG Satellite Communication	2014-15	2015-16	39.08	6.70	6.75	0.00	3.78	3.78	7.02
40	Gujarat Foundation for Mental health and Allied Sciences <sup>b</sup>	2010-11	2013-14	0.02	0.00	0.02	0.00	β	β	0.02
<b>Statutory Corporations</b>										
41	Gujarat State Road Transport Corporation	2019-20	2022-23	3,684.15	(-)3,864.53	(-)180.38	3,320.41	(-)32.69	(-)33.81	3,260.64
<b>Total C</b>				<b>3,915.71</b>	<b>(-)3,436.86</b>	<b>441.07</b>	<b>7,788.04</b>	<b>119.15</b>	<b>52.43</b>	<b>4,289.78</b>
<b>D. Infrastructure sector</b>										
<b>Government Companies</b>										
42	Dholera Industrial City Development Limited	2021-22	2022-23	5,683.33	191.80	5,875.13	29.70	34.39	25.55	5,875.13
43	Diamond Research and Mercantile City Limited	2021-22	2022-23	100.00	(-)190.32	(-)69.05	0.00	31.70	31.71	(-)69.05
44.	Gandhinagar Railway and Urban Development Corporation Limited	2022-23	2023-24	546.25	11.64	42.02	113.04	13.67	10.19	42.02

Sr. No.	Type & Name of the Company	Period of Accounts	Year in which finalised	Paid up Capital <sup>f</sup>	Accumulated Profit (+)/ Loss (-)	Net Worth	Turnover	Net profit/ loss before Interest and tax	Net profit/ loss after Tax	Capital employed
45	Gujarat Growth Centres Development Corporation Limited	2021-22	2022-23	36.35	(-)0.48	35.87	0.00	(-)0.02	(-)0.02	35.87
46.	Gujarat Metro Rail Corporation Limited	2022-23	2023-24	4,571.11	(-)499.42	3,466.56	11.74	(-)186.10	(-)320.85	8,592.39
47	Gujarat Rail Infrastructure Development Corporation Limited	2021-22	2022-23	91.23	1.05	52.05	14.24	-0.02	-0.05	52.05
48	Gujarat State Aviation Infrastructure Company Limited	2019-20	2022-23	0.05	0.06	0.11	0.05	0.00	0.00	0.11
49	Gujarat State Police Housing Corporation Limited**	2021-22	2022-23	50.00	0.00	50.00	1.86	##	##	50.00
50	Gujarat State Road Development Corporation Limited	2022-23	2023-24	5.00	37.85	42.85	276.49	8.33	6.21	1,077.17
51	Gujarat Urban Development Company Limited	2021-22	2022-23	26.00	35.88	61.88	0.14	0.08	0.05	61.88
52	Gujarat Water Infrastructure Limited	2021-22	2022-23	155.02	(-)742.89	(-)587.87	531.31	(-)64.63	(-)64.68	(-)587.87
53	Sardar Sarovar Narmada Nigam Limited	2021-22	2022-23	68,399.33	(-)7,898.28	59,386.70	978.41	(-)992.58	1,156.86	60,124.76
54	Tapi Riverfront Development Corporation@	First FS not due	-	-	-	-	-	-	-	-
<b>Inactive Government Companies</b>										
55	Gujarat Industrial Corridor Corporation Limited	2019-20	2021-22	10.00	(-)8.62	1.38	0.00	(-)0.02	-0.003	1.38
56	Gujarat State Rural Development Corporation Limited	2016-17	2020-21	0.58	(-)4.27	(-)3.69	0.00	(-)5.35	(-)5.35	(-)3.69
<b>Statutory Corporations</b>										
57	Gujarat Industrial Development Corporation*	2021-22	2022-23	0.00	2,956.07	2,956.07	1052.79	465.01	465.01	2,956.07
<b>Total D</b>				<b>79,674.25</b>	<b>(-)6,109.93</b>	<b>71,310.01</b>	<b>3009.77</b>	<b>(-)695.54</b>	<b>(-)1,009.09</b>	<b>78,208.22</b>
<b>E. Other Sector</b>										
<b>Government Companies</b>										
58	Gujarat Agro Industries Corporation Limited	2019-20	2022-23	8.08	181.64	189.72	462.05	21.55	12.44	209.72
59	Gujarat Mineral Development Corporation Limited	2022-23	2023-24	63.60	2,628.86	5,411.75	3,501.45	1,657.23	1,212.48	5,411.75
60	Gujarat Sheep and Wool Development Corporation Limited	2020-21	2022-23	4.31	2.05	6.36	0.00	0.51	0.27	6.35

Sr. No.	Type & Name of the Company	Period of Accounts	Year in which finalised	Paid up Capital <sup>a</sup>	Accumulated Profit (+)/ Loss (-)	Net Worth	Turnover	Net profit/ loss before Interest and tax	Net profit/ loss after Tax	Capital employed
61	Gujarat State Land Development Corporation Limited	2016-17	2019-20	5.88	(-)110.83	(-)104.95	507.99	1.97	0.06	(-)41.09
62	Gujarat State Petroleum Corporation Limited	2022-23	2023-24	1,075.65	(-)9,909.38	3,883.19	27,698.31	3,210.75	2,987.01	3,883.19
63	Gujarat State Seeds Corporation Limited	2021-22	2022-23	3.93	315.13	319.06	209.02	32.93	23.71	319.06
<b>Inactive Government Companies</b>										
64	Alcock Ashdown (Gujarat) Limited (under liquidation)	2021-22	2022-23	51.00	(-)661.26	-610.26	0.00	(-)0.36	-0.36	(-)411.95
65	Gujarat Communications and Electronics Limited (under liquidation)	2000-01	2001-02	12.45	(-)104.74	-92.29	5.57	(-)34.13	-	(-)82.70
66	Gujarat Dairy Development Corporation Limited	2021-22	2022-23	10.46	(-)124.26	(-)113.80	0.00	(-)0.02	(-)0.02	(-)38.48
67	Gujarat Fisheries Development Corporation Limited	1998-99	2002-03	1.94	4.01	5.95	28.13	(-)0.90	1.20	8.24
68	Gujarat State Textile Corporation Limited (under liquidation)	1996-97	1997-98	46.47	0.00	3.93	7.57	(-)248.80	(-)300.58	3.93
<b>Statutory Corporations</b>										
69	Gujarat State Warehousing Corporation	2014-15	2016-17	4.00	3.53	8.52	14.46	5.85	3.91	8.52
<b>Total E</b>				<b>1,287.77</b>	<b>(-)7,775.25</b>	<b>8,907.18</b>	<b>32,434.55</b>	<b>4,646.58</b>	<b>3,940.12</b>	<b>9,276.55</b>
<b>Grand Total (54 Government Companies)</b>				<b>1,28,007.01</b>	<b>(-)2,929.88</b>	<b>1,58,237.21</b>	<b>1,89,796.38</b>	<b>11,087.58</b>	<b>5,033.61</b>	<b>1,70,324.07</b>
<b>Grand Total (11 Inactive Government Companies)</b>				<b>177.50</b>	<b>(-)974.04</b>	<b>(-)878.11</b>	<b>41.27</b>	<b>(-)289.42</b>	<b>-294.40</b>	<b>(-)567.20</b>
<b>Grand Total (4 Statutory Corporations)</b>				<b>3,777.26</b>	<b>(-)4,085.54</b>	<b>(-)288.39</b>	<b>4,388.21</b>	<b>448.64</b>	<b>309.96</b>	<b>3,814.31</b>
<b>1. Grand Total (A to E) (69 PSUs)</b>				<b>1,31,961.77</b>	<b>(-)7,989.47</b>	<b>1,57,070.71</b>	<b>1,94,225.86</b>	<b>11,246.80</b>	<b>5,049.17</b>	<b>1,73,571.18</b>
<b>F Power sector</b>										
<b>Government Controlled other Companies)</b>										
70	GSPC Pipavav Power Company Limited	2022-23	2023-24	861.84	(-)40.85	820.99	374.44	35.56	2.52	1,029.36
71	Gujarat State Energy Generation Limited	2022-23	2023-24	568.70	5.10	558.56	145.32	21.21	3.99	558.56
<b>Total F</b>				<b>1,430.54</b>	<b>(-)35.75</b>	<b>1,379.55</b>	<b>519.76</b>	<b>56.77</b>	<b>6.51</b>	<b>1,587.92</b>
<b>G Finance Sector</b>										
<b>Government Controlled other Companies</b>										
<b>Inactive Government Controlled Other Company</b>										

Sr. No.	Type & Name of the Company	Period of Accounts	Year in which finalised	Paid up Capital <sup>#</sup>	Accumulated Profit (+)/ Loss (-)	Net Worth	Turnover	Net profit/ loss before Interest and tax	Net profit/ loss after Tax	Capital employed
72	Infrastructure Finance Company Gujarat Limited	2010-11	2016-17	2.50	(-)0.66	1.84	--	0.1	0.09	1.84
<b>Total G</b>				<b>2.50</b>	<b>(-)0.66</b>	<b>1.84</b>	<b>--</b>	<b>0.1</b>	<b>0.09</b>	<b>1.84</b>
<b>H Service Sector</b>										
<b>Government Controlled other Companies</b>										
73	Dahej SEZ Limited	2021-22	2022-23	46.05	218.29	264.34	66.61	54.22	46.98	514.34
74	GIFT Collective Investment Management Company Limited	2021-22	2022-23	0.05	(-)5.14	-5.09	0.00	(-)0.01	(-)0.01	(-)5.09
75	Gift District Cooling System Limited	2021-22	2022-23	0.10	(-)0.05	0.05	0.00	0.00	(-)0.003	0.05
76	GIFT ICT Services Limited	2021-22	2022-23	0.85	(-)0.017	0.83	0.00	0.01	0.01	0.83
77	GIFT Power Company Limited	2021-22	2022-23	0.10	(-)7.31	(-)7.21	20.73	(-)3.51	(-)3.51	(-)7.21
78	GIFT SEZ Limited	2021-22	2022-23	0.10	(-)14.66	(-)14.56	4.10	(-)13.85	2.20	(-)14.56
79	GIFT Waste Management Services Limited	2021-22	2022-23	0.10	(-)0.10	0.00	0.00	0.00	(-)0.0029	0.00
80	GIFT Water Infrastructure Limited	2021-22	2022-23	0.10	0.0024	0.10	0.00	0.01	0.0052	0.10
81	Gujarat International Finance Tec City Company Limited	2021-22	2022-23	565.42	(-)247.08	318.34	118.59	9.54	(-)50.15	937.26
82	GSPL India Gasnet Limited	2022-23	2023-24	1,892.02	(-)127.04	1,764.98	212.80	9.98	(-)158.36	5,508.68
83	GSPL India Transco Limited	2022-23	2023-24	607.00	(-)267.87	339.13	103.71	32.59	(-)11.85	1,000.45
84	Guj Info Petro Limited	2022-23	2023-24	0.05	35.49	64.81	23.33	7.68	5.73	64.81
85	Gujarat Gas Limited	2022-23	2023-24	137.68	6,101.00	6,241.40	17,306.16	2,063.44	1,525.47	6,241.40
86	Gujarat Industrial and Technical Consultancy Limited	2021-22	2022-23	0.20	7.03	7.23	6.00	2.52	1.89	7.23
87	Gujarat State Petronet Limited	2022-23	2023-24	564.21	8,278.61	9,263.99	1,761.80	1,232.81	944.95	9,263.99
88	Narmada Clean Tech	2021-22	2022-23	85.57	(-)26.66	58.91	77.03	11.10	9.98	67.69
89	Sabarmati Gas Limited	2022-23	2023-24	20.00	1,076.25	1,241.92	2,383.84	433.45	321.93	1,241.92
90	Sarigam Clean Initiative	2020-21	2021-22	60.47	(-)2.09	58.38	10.22	0.84	(-)6.10	58.38
91	SMART ICT Services Private Limited	2021-22	2022-23	0.05	(-)2.10	(-)2.05	0.70	(-)0.21	(-)0.31	(-)2.05
92	Gujarat Town Planning Consultancy Limited	2022-23	2023-24	0.00	(-)0.04	(-)0.04	0.00	(-)0.04	(-)0.04	0.46
<b>Total H</b>				<b>3,980.12</b>	<b>15,016.52</b>	<b>19,595.47</b>	<b>22,095.62</b>	<b>3,840.57</b>	<b>2,628.81</b>	<b>24,878.68</b>
<b>I Infrastructure Sector</b>										
<b>Government Controlled other Companies</b>										
93	Bahucharaji Rail Corporation Limited	2021-22	2022-23	496.92	(-)3.04	493.88	43.92	1.50	0.53	493.88

Sr. No.	Type & Name of the Company	Period of Accounts	Year in which finalised	Paid up Capital <sup>a</sup>	Accumulated Profit (+)/ Loss (-)	Net Worth	Turnover	Net profit/ loss before Interest and tax	Net profit/ loss after Tax	Capital employed
94	G-ride Bedi Port Rail Limited	2022-23	2023-24	70.04	(-)2.24	67.80	2.93	1.44	(-)1.49	67.80
95	Gujarat Ports Infrastructure and Development Company Limited	2022-23	2023-24	18.00	26.22	44.22	0.03	1.58	1.46	44.22
<b>Total I</b>				<b>584.96</b>	<b>20.94</b>	<b>605.90</b>	<b>46.88</b>	<b>4.52</b>	<b>0.50</b>	<b>605.90</b>
<b>J Other Sector</b>										
<b>Government Controlled other Companies</b>										
96	GSPC (JPDA) Limited	2022-23	2023-24	117.14	(-)114.71	2.43	0.00	(-)0.07	(-)0.07	2.43
97	GSPC Energy Limited	2022-23	2023-24	0.05	1.37	1.42	89.38	0.36	0.27	1.42
98	GSPC LNG Limited	2022-23	2023-24	1,070.13	(-)599.23	470.90	232.07	6.12	(-)214.92	2,587.68
<b>Inactive Government Controlled Other Companies</b>										
99	Gujarat State Machine Tools Corporation Limited	2022-23	2023-24	0.54	(-)3.68	(-)3.14	0.00	(-)0.06	(-)0.10	0.11
100	Gujarat Trans-Receiver Limited	2018-19	2019-20	0.24	(-)6.07	(-)5.83	0.00	0.00	(-)0.001	(-)2.25
101	Naini Coal Company Limited	2011-12	2013-14	0.05	0.05	0.10	0.00	0.10	0.07	0.10
<b>Total J</b>				<b>1,188.15</b>	<b>(-)722.27</b>	<b>465.88</b>	<b>321.45</b>	<b>6.45</b>	<b>(-)214.75</b>	<b>2,589.49</b>
<b>Total (28 Government Controlled other Companies)</b>				<b>7,182.94</b>	<b>14,289.14</b>	<b>22,055.66</b>	<b>22,983.71</b>	<b>3,908.27</b>	<b>2,421.10</b>	<b>29,664.03</b>
<b>Grand Total (4 Inactive Government Controlled Other Companies)</b>				<b>3.33</b>	<b>(-)10.36</b>	<b>(-)7.03</b>	<b>0.00</b>	<b>0.14</b>	<b>0.059</b>	<b>(-)0.20</b>
<b>Grand Total (F to J) (32 PSUs)</b>				<b>7,186.27</b>	<b>14,278.78</b>	<b>22,048.63</b>	<b>22,983.71</b>	<b>3,908.41</b>	<b>2,421.16</b>	<b>29,663.83</b>
<b>Grand Total (1+2)</b>				<b>1,39,148.04</b>	<b>6,289.32</b>	<b>1,79,119.34</b>	<b>2,17,209.57</b>	<b>15,155.21</b>	<b>7,470.33</b>	<b>2,03,235.01</b>

Source: Information compiled as per the latest finalised financial statements received from SPSUs upto 30<sup>th</sup> September 2023.

(A) The turnover of the Company represents the main source of income of the SPSU based on the nature of activity undertaken. It represents the revenue from operations.

(B) Net worth represents paid up capital excluding share application money pending allotment plus accumulated profit/ loss plus free reserve.

(C) Capital employed in case of Companies/ Corporation preparing their financial statement is the sum of "Shareholders' Funds" and "Long Term Borrowings". However, Shareholders' Funds here does not include Share Application money pending allotment.

\$ Excess of expenditure over income adjusted against capital reserve and Non-plan grant by Company (SI. No. 20).

# Paid-up capital includes share application money pending allotment.

## Neither profit or loss is shown by the Company as excess of expenditure over income are transferred to works completed. (SI. No. 49)

β Expenditure incurred set off from grants income taken to Statement of Profit and Loss. (SI. No. 40)

\* Government of Gujarat made capital contribution in the form of loan, hence, paid-up capital is Nil. However, even loans have now been repaid. (SI. No. 57)

@ This does not include the FS of 'Tapi River Front Development Corporation Limited (TRDCL)', since its first FS are not due by 31st December 2023 in accordance with Section 2(41) read with Section 96 of the Companies Act 2013. (SI. No. 54)

### Appendix 5.3

#### Details of Return on Capital Employed (ROCE) of State PSUs for the three years ended 31 March 2023

(Reference: Paragraph 5.14.1)

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
<b>A. Government Companies and Statutory Corporations</b>										
1	Dakshin Gujarat Vij Company Limited	241.81	2,560.06	9.45	205.12	2,875.69	7.13	173.91	3,337.65	5.21
2	Dholera Industrial City Development Limited	(-)8.87	5,374.31	(-)0.17	34.39	5,875.13	0.59	34.39	5,875.13	0.59
3	Diamond Research and Mercantile City Limited	158.21	(-)100.75	(-)157.03	158.21	(-)100.75	(-)157.03	31.70	(-)69.05	(-)45.91
4	Dr. Ambedkar Antyodaya Development Corporation	2.64	18.85	14.01	2.64	18.85	14.01	2.64	18.85	14.01
5	Gandhinagar Railway and Urban Development Corporation Limited	(-)3.41	35.01	(-)9.73	(-)3.96	31.83	(-)12.44	13.67	42.02	32.52
6	Gujarat Minorities Finance and Development Corporation Limited	2.27	102.08	2.22	2.27	102.08	2.22	0.43	124.63	0.35
7	Gujarat Agro Industries Corporation Limited	40.5	203.58	19.89	40.5	203.58	19.89	21.55	209.72	10.28
8	Gujarat Education Technologies Limited	-	-	-	-	-	-	0.02	0.022	73.59
9	Gujarat Energy Transmission Corporation Limited	2,226.48	13,602.72	16.37	2,062.13	13,761.95	14.98	2,608.72	16,780.29	15.55
10	Gujarat Fibre Grid Network Limited	3.66	50.95	7.18	3.66	50.95	7.18	7.20	53.08	13.56
11	Gujarat Gopalak Development Corporation Limited	5.47	108.57	5.04	5.47	108.57	5.04	5.79	117.25	4.94
12	Gujarat Growth Centres Development Corporation Limited	(-)0.01	35.88	(-)0.03	(-)0.01	35.88	(-)0.03	(-)0.02	35.87	(-)0.06
13	Gujarat Industrial Investment Corporation Limited	15.49	368.60	4.20	15.49	368.60	4.20	15.47	381.42	4.06
14	Gujarat Informatics Limited	35.34	144.21	24.51	35.34	144.21	24.51	35.34	144.21	24.51
15	Gujarat ISP Services Limited	(-)0.05	(-)0.13	38.23	(-)0.05	(-)0.13	38.23	(-)0.14	(-)0.24	58.04
16	Gujarat Livelihood Promotion Company Limited	1.68	2.73	61.54	1.68	2.73	61.54	1.68	2.73	61.54

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
17	Gujarat Medical Services Corporation Limited	1.11	5.51	20.15	1.11	5.51	20.15	1.11	5.51	20.15
18	Gujarat Metro Rail Corporation Limited	(-)41.08	5,897.28	(-)0.70	(-)35.47	7,109.58	(-)0.50	(-)186.10	8,592.39	(-)2.17
19	Gujarat Mineral Development Corporation Limited	-344.44	3,867.10	(-)8.91	736.08	4,272.53	17.23	1,657.23	5,411.75	30.62
20	Gujarat Nomadic and Denotified Tribes Development Corporation	1.51	6.92	21.83	1.51	59.08	2.56	1.96	68.69	2.85
21	Gujarat Power Corporation Limited	57.72	1,119.39	5.16	57.72	1,119.39	5.16	125.34	1,210.64	10.35
22	Gujarat Rail Infrastructure Development Corporation Limited	1.69	52.09	3.24	(-)0.02	52.05	(-)0.04	(-)0.02	52.05	(-)0.04
23	Gujarat Rural Industries Marketing Corporation Limited	8.27	56.88	14.54	19.84	70.82	28.01	19.84	70.82	28.01
24	Gujarat Safai Kamdar Vikas Nigam Limited	4.78	142.84	3.35	4.78	142.84	3.35	4.78	142.84	3.35
25	Gujarat Sheep and Wool Development Corporation Limited	0.48	6.09	7.88	0.48	6.09	7.88	0.51	6.36	8.00
26	Gujarat State Aviation Infrastructure Company Limited	0.00	0.11	0.00	0.00	0.11	0.00	0.00	0.11	0.00
27	Gujarat State Civil Supplies Corporation Limited	29.78	127.96	23.27	29.78	127.96	23.27	49.35	163.46	30.19
28	Gujarat State Electricity Corporation Limited	778.73	7,635.30	10.20	574.53	8,470.84	6.78	95.24	9,708.28	0.98
29	Gujarat State Financial Services Limited	3,120.60	3,571.08	87.39	2,823.70	3,648.69	77.39	3,503.05	4,035.44	86.81
30	Gujarat State Forest Development Corporation Limited	11.04	82.18	13.43	11.04	82.18	13.43	13.67	94.40	14.48
31	Gujarat State Handicapped (Divyang) Finance and Development Corporation	0.00	0.01	0.00	0.00	0.01	0.00	0.13	1.38	9.48
32	Gujarat State Handloom and Handicrafts Development Corporation Limited	7.67	(-)29.28	(-)26.20	7.21	12.34	58.43	7.22	(-)24.67	(-)29.27
33	Gujarat State Investments Limited	55.25	1,922.34	2.87	80.88	1931.30	4.19	91.07	1,919.09	4.75
34	Gujarat State Land Development Corporation Limited	1.97	(-)41.09	(-)4.79	1.97	(-)41.09	(-)4.79	1.97	(-)41.09	(-)4.79
35	Gujarat State Petroleum Corporation Limited	1,180.14	3,856.33	30.60	1,403.99	4,525.96	31.02	3,210.75	3,883.19	82.68

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
36	Gujarat State Police Housing Corporation Limited <sup>**</sup>	##	50.00		##	50.00	0.00	##	50.00	0.00
37	Gujarat State Road Development Corporation Limited	17.00	576.00	2.95	2.61	913.40	0.29	8.33	1,077.17	0.77
38	Gujarat State Seeds Corporation Limited	51.63	295.75	17.46	32.93	319.06	10.32	32.93	319.06	10.32
39	Gujarat Student Startup and Innovation Hub	1.61	1.56	103.21	1.61	1.56	103.21	0.46	2.02	22.77
40	Gujarat Thakor and Koli Vikas Nigam Limited	3.80	110.17	3.45	3.80	110.17	3.45	3.80	110.17	3.45
41	Gujarat Unreserved Educational & Economical Development Corporation	0	110.4	0.00	0	110.4	0	0	408.79	0.00
42	Gujarat Urban Development Company Limited	0.97	63.90	1.52	0.97	63.90	1.52	0.08	61.88	0.13
43	Gujarat Urja Vikas Nigam Limited	127.94	25,588.47	0.50	127.94	25,588.47	0.50	89.68	28,653.71	0.31
44	Gujarat Water Infrastructure Limited	(-)50.46	(-)523.19	9.64	(-)50.46	(-)523.19	9.64	(-)64.63	(-)587.87	10.99
45	Gujarat Water Resources Development Corporation Limited	9.35	(-)148.97	(-)6.28	9.35	(-)148.97	(-)6.28	4.56	(-)147.85	(-)3.08
46	Gujarat Women Economic Development Corporation Limited <sup>‡</sup>	\$	7.02		\$	7.02		\$	7.02	
47	Guj-Tour Development Company Limited	1.81	28.62	6.32	1.81	120.62	1.50	1.56	29.79	5.24
48	Madhya Gujarat Vij Company Limited	179.57	2,348.99	7.64	190.18	2,556.38	7.44	121.84	2,749.58	4.43
49	Paschim Gujarat Vij Company Limited	348.35	9,310.93	3.74	338.77	9,924.47	3.41	170.77	10,849.29	1.57
50	Sardar Sarovar Narmada Nigam Limited	(-)530.75	60,454.82	(-)0.88	(-)530.75	60,454.82	(-)0.88	(-)992.58	60,124.76	(-)1.65
51	Shri K K Shastri Government Colleges Confederation <sup>**</sup>	-	-	-	-	-	-	0.10	0.11	90.91
52	Tapi Riverfront Development Corporation Limited <sup>^</sup>	-	-	-	-	-	-	-	-	-
53	Tourism Corporation of Gujarat Limited	14.86	196.59	7.56	14.86	196.59	7.56	14.86	196.59	7.56
54	Uttar Gujarat Vij Company Limited	216.85	3,407.30	6.36	204.74	3,583.87	5.71	146.37	4,065.63	3.60
55	Gujarat Industrial Development Corporation	286.73	2,577.60	11.12	286.73	2,577.60	11.12	465.01	2,956.07	15.73
56	Gujarat State Financial Corporation	8.97	(-)2,157.96	(-)0.42	5.93	(-)2,285.77	(-)0.26	10.47	(-)2,410.92	(-)0.43
57	Gujarat State Road Transport Corporation	(-)172.5	2,739.58	(-)6.30	(-)172.5	2,739.58	(-)6.30	(-)32.69	3,260.64	(-)1.00
58	Gujarat State Warehousing Corporation	5.85	8.52	68.66	5.85	8.52	68.66	5.85	8.52	68.66
	<b>Total A</b>	<b>8,118.01</b>	<b>1,55,831.81</b>		<b>8,756.38</b>	<b>1,61,443.86</b>		<b>11,536.22</b>	<b>1,74,138.38</b>	

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
<b>B. Government Controlled Other Companies</b>										
59	Bahucharaji Rail Corporation Limited	0.70	188.81	0.37	1.50	493.88	0.30	1.50	493.88	0.30
60	Dahej SEZ Limited	42.29	467.56	9.04	54.22	514.34	10.54	54.22	514.34	10.54
61	GIFT Collective Investment Management Company Limited	(-)0.03	(-)5.08	0.59	(-)0.01	(-)5.09	0.20	(-)0.01	(-)5.09	0.20
62	Gift District Cooling System Limited	(-)0.01	0.06	(-)16.67	0.00	0.05	(-)6.00	0.00	0.05	(-)6.00
63	GIFT ICT Services Limited	0.00	0.07	(-)5.75	0.01	0.83	1.20	0.01	0.83	1.20
64	GIFT Power Company Limited	(-)1.91	(-)3.67	52.04	(-)3.51	(-)7.21	48.68	(-)3.51	(-)7.21	48.68
65	GIFT SEZ Limited	(-)15.10	(-)16.75	90.15	(-)13.85	(-)14.56	95.12	(-)13.85	(-)14.56	95.12
66	GIFT Waste Management Services Limited	0.00	0.01	(-)21.00	0.00	0.00	0.00	0.00	0.00	0.00
67	GIFT Water Infrastructure Limited	0.01	0.10	6.79	0.01	0.10	4.98	0.01	0.10	4.98
68	G-ride Bedi Port Rail Ltd*	-	-	-	(-)0.74	62.04	(-)1.19	1.44	67.80	2.12
69	GSPC (JPDA) Limited	(-)12.10	(-)57.36	21.09	(-)0.06	(-)55.05	0.11	(-)0.07	2.43	(-)2.74
70	GSPC Energy Limited	0.76	0.99	76.77	0.22	1.16	18.97	0.36	1.42	25.11
71	GSPC LNG Limited	209.05	2,937.15	7.12	(-)71.64	2,775.43	(-)2.58	6.12	2,587.68	0.24
72	GSPC Offshore Limited®	(-)0.01	(-)0.33	2.49	(-)0.01	(-)0.33	2.49	NA	NA	NA
73	GSPC Pipavav Power Company Limited	120.72	1,324.51	9.11	91.67	1,192.29	7.69	35.56	1,029.36	3.45
74	GSPL India Gasnet Limited	101.60	4,871.81	2.09	167.54	5,416.81	3.09	9.98	5,508.68	0.18
75	GSPL India Transco Limited	(-)35.84	1,171.17	(-)3.06	(-)117.55	1,026.54	(-)11.45	32.59	1,000.45	3.26
76	Guj Info Petro Limited	5.68	56.18	10.11	4.33	59.40	7.29	7.68	64.81	11.85
77	Gujarat Gas Limited	1,811.65	4,472.73	40.50	1,769.38	5,242.28	33.75	2,063.44	6,241.40	33.06
78	Gujarat Industrial and Technical Consultancy Limited	0.30	5.36	5.63	0.30	5.36	5.60	2.52	7.23	34.85
79	Gujarat International Finance Tec City Company Limited	(-)121.46	925.41	(-)13.12	9.54	937.26	1.02	9.54	937.26	1.02
80	Gujarat Ports Infrastructure and Development Company Limited	2.02	41.68	4.85	1.43	42.75	3.35	1.58	44.22	3.57
81	Gujarat State Energy Generation Limited	106.39	652.61	16.30	62.60	597.74	10.47	21.21	558.56	3.80
82	Gujarat State Petronet Limited	1,338.02	7,859.66	17.02	1,305.33	8,432.35	15.48	1,232.81	9,263.99	13.31
83	Gujarat Town Planning Consultancy Limited**	-	-	-	-	-	-	(-)0.04	0.46	(-)8.03
84	Narmada Clean Tech	6.05	50.56	11.96	11.10	67.69	16.40	11.10	67.69	16.40

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
85	Sabarmati Gas Limited	303.43	813.47	37.30	464.91	1,119.98	41.51	433.45	1,241.92	34.90
86	Sarigam Clean Initiative	0.84	58.38	1.44	0.84	58.38	1.44	0.84	58.38	1.44
87	SMART ICT Services Private Limited*	-	-	-	(-)0.21	(-)2.05	10.24	(-)0.21	(-)2.05	10.24
<b>Total B</b>		<b>3,863.05</b>	<b>25,815.09</b>		<b>3,737.35</b>	<b>27,962.37</b>		<b>3,908.27</b>	<b>29,664.03</b>	
<b>Grand Total (A+B)</b>		<b>11,981.06</b>	<b>1,81,646.90</b>		<b>12,493.73</b>	<b>1,89,406.23</b>		<b>15,444.49</b>	<b>2,03,802.41</b>	

Source: Information compiled as per the latest finalised financial statements received from SPSUs upto 30<sup>th</sup> September 2023.

Note:

- § Excess of expenditure over income adjusted against capital reserve and Non-plan grant by Company (SI. No. 46)
- ## Neither profit or loss is shown by the Company as excess of expenditure over income are transferred to works completed. (SI. No. 36)
- @ The name of GSPC Offshore Limited was struck-off from the Register of Companies during F.Y. 2021-22. Thus, RoCE for the SPSU not included. (SI. No. 72)
- \* The SPSUs came under the audit jurisdiction during the F.Y. 2021-22, thus previous year figure is not considered. (SI. No. 68 and 87)
- \*\* The SPSUs came under the audit jurisdiction during the F.Y. 2022-23, thus previous year figure is not considered. (SI. No. 51 and 83)
- ^ In accordance with Companies Act 2013 Section 2(41) read with Section 96 the First FSs not due to be received by 31<sup>st</sup> December 2023. (SI. No. 52)

## Appendix 5.4

## Details of Return on Equity

(ROE) of State PSUs for the three years ended 31 March 2023

(Reference: Paragraph 5.14.2)

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100
<b>A. Government Companies and Statutory Corporations</b>										
1	Dakshin Gujarat Vij Company Limited	126.28	2,555.89	4.94	94.74	2,873.89	3.30	43.53	3,337.65	1.30
2	Dholera Industrial City Development Limited	(-)7.00	5,374.31	(-)0.13	25.55	5,875.13	0.43	25.55	5,875.13	0.43
3	Diamond Research and Mercantile City Limited	145.60	(-)100.75	(-)144.52	145.59	(-)100.75	(-)144.51	31.71	(-)69.05	(-)45.92
4	Dr. Ambedkar Antyodaya Development Corporation	1.10	6.17	17.83	1.10	6.17	17.83	1.10	6.17	17.83
5	Gandhinagar Railway and Urban Development Corporation Limited	(-)2.67	35.01	(-)7.63	(-)3.18	31.83	(-)9.99	10.19	42.02	24.25
6	Gujarat Minorities Finance and Development Corporation Limited	(-)0.26	11.63	(-)2.24	(-)0.26	11.63	(-)2.24	(-)2.21	9.42	(-)23.46
7	Gujarat Agro Industries Corporation Limited	25.16	183.58	13.71	25.16	183.58	13.71	12.44	189.72	6.56
8	Gujarat Education Technologies Limited	-	-	-	-	-	-	0.01	0.02	54.20
9	Gujarat Energy Transmission Corporation Limited	1,103.83	8,409.57	13.13	971.46	9,838.66	9.87	1,256.73	13,088.17	9.60
10	Gujarat Fibre Grid Network Limited	2.81	50.95	5.52	2.81	50.95	5.52	2.12	53.08	3.99

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100
11	Gujarat Gopalak Development Corporation Limited	4.37	33.10	13.20	4.37	33.10	13.20	4.54	37.64	12.06
12	Gujarat Growth Centres Development Corporation Limited	(-)0.01	35.88	(-)0.03	(-)0.01	35.88	(-)0.03	(-)0.02	35.87	(-)0.06
13	Gujarat Industrial Investment Corporation Limited	39.82	307.71	12.94	39.82	307.71	12.94	16.11	320.60	5.02
14	Gujarat Informatics Limited	5.18	135.62	3.82	5.18	135.62	3.82	5.18	135.62	3.82
15	Gujarat ISP Services Limited	0.01	(-)0.13	(-)7.69	0.01	(-)0.13	(-)7.69	(-)0.11	(-)0.24	45.83
16	Gujarat Livelihood Promotion Company Limited	1.21	2.73	44.32	1.21	2.73	44.32	1.21	2.73	44.32
17	Gujarat Medical Services Corporation Limited	0.58	5.51	10.53	0.58	5.51	10.53	0.58	5.51	10.53
18	Gujarat Metro Rail Corporation Limited	(-)45.98	2,376.29	(-)1.93	(-)46.54	3,048.33	(-)1.53	(-)320.85	3,466.56	(-)9.26
19	Gujarat Mineral Development Corporation Limited	(-)36.89	3,867.10	(-)0.95	404.28	4,272.53	9.46	1,212.48	5,411.75	22.40
20	Gujarat Nomadic and Denotified Tribes Development Corporation	(-)0.02	6.22	(-)0.32	(-)0.02	6.22	(-)0.32	(-)0.01	7.21	(-)0.17
21	Gujarat Power Corporation Limited	41.24	1,119.39	3.68	41.24	1,119.39	3.68	91.24	1,210.64	7.54
22	Gujarat Rail Infrastructure Development Corporation Limited	1.24	52.09	2.38	(-)0.05	52.05	(-)0.10	(-)0.05	52.05	(-)0.10
23	Gujarat Rural Industries Marketing Corporation Limited	5.74	56.88	10.09	14.12	70.82	19.94	14.12	70.82	19.94
24	Gujarat Safai Kamdar Vikas Nigam Limited	3.15	51.72	6.09	3.15	51.72	6.09	3.15	51.72	6.09
25	Gujarat Sheep and Wool Development Corporation Limited	0.33	6.09	5.42	0.33	6.09	5.42	0.27	6.36	4.20

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100
26	Gujarat State Aviation Infrastructure Company Limited	0.00	0.11	0.00	0.00	0.11	0.00	0.00	0.11	0.00
27	Gujarat State Civil Supplies Corporation Limited	18.93	127.96	14.79	18.93	127.96	14.79	35.51	163.46	21.72
28	Gujarat State Electricity Corporation Limited	278.81	7455.67	3.74	283.03	8,400.01	3.37	28.32	9687.45	0.29
29	Gujarat State Financial Services Limited	428.08	3,571.08	11.99	140.10	3,648.69	3.84	483.45	4,035.44	11.98
30	Gujarat State Forest Development Corporation Limited	9.15	82.18	11.13	9.15	82.18	11.13	12.71	94.40	13.46
31	Gujarat State Handicapped (Divyang) Finance and Development Corporation	0.00	0.01	0.00	0.00	0.01	0.00	0.13	1.38	9.48
32	Gujarat State Handloom and Handicrafts Development Corporation Limited	4.79	(-)29.63	(-)16.17	4.68	12.06	38.81	4.68	(-)24.95	(-)18.76
33	Gujarat State Investments Limited	55.26	1,537.34	3.59	71.16	1,546.30	4.60	81.16	1,559.09	5.21
34	Gujarat State Land Development Corporation Limited	0.06	(-)104.95	(-)0.06	0.06	(-)104.95	(-)0.06	0.06	(-)104.95	(-)0.06
35	Gujarat State Petroleum Corporation Limited	738.77	(-)288.42	(-)256.14	1,183.73	895.86	132.13	2,987.01	3,883.19	76.92
36	Gujarat State Police Housing Corporation Limited**	##	50.00	##	##	50.00	##	##	50.00	##
37	Gujarat State Road Development Corporation Limited	12.00	34.62	34.66	2.02	36.65	5.51	6.21	42.85	14.49
38	Gujarat State Seeds Corporation Limited	38.10	295.75	12.88	23.71	319.06	7.43	23.71	319.06	7.43
39	Gujarat Student Startup and Innovation Hub	1.61	1.56	103.21	1.61	1.56	103.21	0.46	2.02	22.77

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100
40	Gujarat Thakor and Koli Vikas Nigam Limited	3.01	35.26	8.54	3.01	35.26	8.54	3.01	35.26	8.54
41	Gujarat Unreserved Educational & Economical Development Corporation	0.00	5.01	0.00	0.00	5.01	0.00	0.00	10.01	0.00
42	Gujarat Urban Development Company Limited	0.70	63.90	1.10	0.70	63.90	1.10	0.05	61.88	0.09
43	Gujarat Urja Vikas Nigam Limited	94.88	25,491.91	0.37	94.88	25,491.91	0.37	64.55	28,566.93	0.23
44	Gujarat Water Infrastructure Limited	(-)50.47	(-)523.19	9.65	(-)50.47	(-)523.19	9.65	(-)64.68	(-)587.87	11.00
45	Gujarat Water Resources Development Corporation Limited	4.11	(-)148.97	(-)2.76	4.11	(-)148.97	(-)2.76	1.12	(-)147.85	(-)0.76
46	Gujarat Women Economic Development Corporation Limited <sup>§</sup>	\$	7.02		\$	7.02		\$	7.02	
47	Guj-Tour Development Company Limited	1.35	28.62	4.72	1.36	120.62	1.13	1.17	29.79	3.93
48	Madhya Gujarat Vij Company Limited	56.14	2,279.46	2.46	103.49	2,539.09	4.08	32.08	2,742.03	1.17
49	Paschim Gujarat Vij Company Limited	172.05	9,170.51	1.88	96.60	9,877.75	0.98	34.11	10,819.17	0.32
50	Sardar Sarovar Narmada Nigam Limited	(-)739.32	59,094.43	(-)1.25	(-)739.32	59,094.43	(-)1.25	(-)1,156.86	59,386.70	(-)1.95
51	Shri K K Shastri Government Colleges Confederation**	-	-	-	-	-	-	0.10	0.11	90.91
52	Tapi Riverfront Development Corporation Limited <sup>^</sup>	-	-	-	-	-	-	-	-	-
53	Tourism Corporation of Gujarat Limited	9.36	196.55	4.76	9.36	196.55	4.76	9.36	196.55	4.76
54	Uttar Gujarat Vij Company Limited	74.29	3,381.05	2.20	78.00	3,570.37	2.18	37.18	4,061.76	0.92
55	Gujarat Industrial Development Corporation	286.73	2,577.60	11.12	286.73	2,577.60	11.12	465.01	2,956.07	15.73
56	Gujarat State Financial Corporation	(-)122.92	(-)2,819.64	4.36	(-)127.81	(-)2,947.45	4.34	(-)125.15	(-)3,072.60	4.07
57	Gujarat State Road Transport Corporation	(-)173.62	(-)406.49	42.71	(-)173.62	(-)406.49	42.71	(-)33.81	(-)180.38	18.74

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100
58	Gujarat State Warehousing Corporation	3.91	8.52	45.89	3.91	8.52	45.89	3.91	8.52	45.89
	<b>Total (A)</b>	<b>2,620.58</b>	<b>1,35,757.39</b>		<b>3,059.75</b>	<b>1,42,496.09</b>		<b>5,343.57</b>	<b>1,57,948.81</b>	
<b>B. Government Controlled Other Companies</b>										
59	Bahucharaji Rail Corporation Limited	0.15	188.81	0.08	0.53	493.88	0.11	0.53	493.88	0.11
60	Dahej SEZ Limited	34.49	217.56	15.85	46.98	264.34	17.77	46.98	264.34	17.77
61	GIFT Collective Investment Management Company Limited	(-)0.03	(-)5.08	0.59	(-)0.01	(-)5.09	0.20	(-)0.01	(-)5.09	0.20
62	Gift District Cooling System Limited	(-)0.01	0.06	(-)16.67	0.00	0.05	(-)6.00	0.00	0.05	(-)6.00
63	GIFT ICT Services Limited	0.00	0.07	(-)5.75	0.01	0.83	1.12	0.01	0.83	1.12
64	GIFT Power Company Limited	(-)1.91	(-)3.67	52.04	(-)3.51	(-)7.21	48.68	(-)3.51	(-)7.21	48.68
65	GIFT SEZ Limited	(-)18.19	(-)16.75	108.60	2.20	(-)14.56	(-)15.11	2.20	(-)14.56	(-)15.11
66	GIFT Waste Management Services Limited	0.00	0.01	(-)21.00	0.00	0.00		0.00	0.00	
67	GIFT Water Infrastructure Limited	0.01	0.10	5.76	0.01	0.10	5.08	0.01	0.10	5.08
68	G-ride Bedi Port Rail Limited*	-	-	-	(-)0.74	62.04	(-)1.19	(-)1.49	67.80	(-)2.20
69	GSPC (JPDA) Limited	(-)12.10	(-)57.36	21.09	(-)0.06	(-)55.05	0.11	(-)0.07	2.43	(-)2.74
70	GSPC Energy Limited	0.57	0.99	57.58	0.17	1.16	14.66	0.27	1.42	18.70
71	GSPC LNG Limited	(-)47.48	866.81	(-)5.48	(-)281.09	585.72	(-)47.99	(-)214.92	470.90	(-)45.64
72	GSPC Offshore Limited@	(-)0.01	(-)0.33	2.49	(-)0.01	(-)0.33	2.49	-	-	-
73	GSPC Pipavav Power Company Limited	162.86	784.86	20.75	33.81	818.69	4.13	2.52	820.99	0.31
74	GSPL India Gasnet Limited	16.21	1,551.02	1.05	73.36	1,924.45	3.81	(-)158.36	1,764.98	(-)8.97
75	GSPL India Transco Limited	(-)65.09	481.52	(-)13.52	(-)155.56	351.01	(-)44.32	(-)11.85	339.13	(-)3.49
76	Guj Info Petro Limited	4.23	56.18	7.53	3.24	59.40	5.45	5.73	64.81	8.84
77	Gujarat Gas Limited	1,268.15	3,702.78	34.25	1,285.64	4,851.31	26.50	1,525.47	6,241.40	24.44

Sr. No.	Name of PSU	2020-21			2021-22			2022-23		
		Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100	Net profit/loss after Tax	Shareholders Fund	Return on Equity = (Net Profit after tax/ Shareholders funds) *100
78	Gujarat Industrial and Technical Consultancy Limited	0.21	5.36	3.92	0.21	5.36	3.92	1.89	7.23	26.14
79	Gujarat International Finance Tec City Company Limited	(-)212.35	168.61	(-)125.94	(-)50.15	318.34	(-)15.75	(-)50.15	318.34	(-)15.75
80	Gujarat Ports Infrastructure and Development Company Limited	1.30	41.68	3.12	1.07	42.75	2.50	1.46	44.22	3.30
81	Gujarat State Energy Generation Limited	59.32	523.20	11.34	31.44	554.60	5.67	3.99	558.56	0.71
82	Gujarat State Petronet Limited	924.24	7,534.97	12.27	1,009.75	8,432.35	11.97	944.95	9,263.99	10.20
83	Gujarat Town Planning Consultancy Limited**	-	-	-	-	-	-	(-)0.04	(-)0.04	102.56
84	Narmada Clean Tech	4.94	48.93	10.09	9.98	58.91	16.94	9.98	58.91	16.94
85	Sabarmati Gas Limited	225.01	813.47	27.66	346.55	1,119.98	30.94	321.93	1,241.92	25.92
86	Sarigam Clean Initiative	(-)0.61	58.38	(-)1.04	(-)6.10	58.38	(-)10.45	(-)6.10	58.38	(-)10.45
87	SMART ICT Services Private Limited*	-	-	-	(-)0.31	(-)2.05	15.12	(-)0.31	(-)2.05	15.12
	<b>Total (B)</b>	<b>2,343.91</b>	<b>16,962.18</b>		<b>2,347.41</b>	<b>19,919.36</b>		<b>2,421.11</b>	<b>22,055.66</b>	
	<b>Grand Total (A+B)</b>	<b>4,964.49</b>	<b>1,52,719.57</b>		<b>5,407.16</b>	<b>1,62,415.45</b>		<b>7,764.68</b>	<b>1,80,004.47</b>	

Source: Information compiled as per the latest finalised financial statements received from SPSUs upto 30<sup>th</sup> September 2023.

Note:

- \$ Excess of expenditure over income adjusted against capital reserve and Non-plan grant by Company (SI. No. 46)
- ## Neither profit or loss is shown by the Company as excess of expenditure over income are transferred to works completed. (SI. No. 36)
- @ The name of GSPC Offshore Limited was struck-off from the Register of Companies during F.Y. 2021-22. Thus, RoCE for the SPSU not included. (SI. No. 72)
- \* The SPSUs came under the audit jurisdiction during the F.Y. 2021-22, thus previous year figure is not considered. (SI. No. 68 and 87)
- \*\* The SPSUs came under the audit jurisdiction during the F.Y. 2022-23, thus previous year figure is not considered. (SI. No. 51 and 83)
- ^ In accordance with Companies Act 2013 Section 2(41) read with Section 96 the First FSs not due to be received by 31<sup>st</sup> December 2023. (SI. No. 52)

## Appendix – 5.5

Statement showing year-wise details of the investment *vis-à-vis* present value of the investment infused by the State Government for the period 2004-05 to 2022-23

(Reference: Paragraph 5.14.3)

## Assumptions for computing present value of the State Government investment

- Interest free loans have been considered as investment infusion by the State Government as none of the interest free loans have been repaid by the power sector undertaking. Further, in those cases where interest free loans given to the power sector undertaking were converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year.
- The average rate of interest on government borrowings for the concerned financial year<sup>2</sup> was adopted as compounded rate for arriving at PV since they represent the cost incurred by the government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the government.

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Amount infused by State Government during the year				Total investment during the year	Investment at the end of the year	Average rate of interest on government borrowings (in %)	Net present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year
		Equity	Interest free loans/ (Net Repayment)	Converted into equity	Grants/ Subsidies for operation and administrative expenses						
i	ii	iii	iv	v	vi	vii= iii+iv-v+vi	viii=ii+vii	ix	x=viii×(1+(ix÷100))	xi=(viii×(ix÷100))	xii
Upto 2004-05	0	14,107.20	21.15	-	2,143.43	16,271.78	16,271.78	9.08	17,749.26	1,477.48	0
2005-06	17,749.26	3,124.54	0.05	-	2,432.36	5,556.95	23,306.21	8.06	25,184.69	1,878.48	405.37
2006-07	25,184.69	3,321.00	227.34	150.00	2,966.28	6,364.62	31,549.31	8.19	34,133.20	2,583.89	238.87
2007-08	34,133.20	3,218.23	-0.43	-	3,402.59	6,620.39	40,753.59	8.12	44,062.78	3,309.19	783.60
2008-09	44,062.78	5,524.94	(-)11.04	-	4,955.36	10,469.26	54,532.04	7.80	58,785.54	4,253.50	736.39
2009-10	58,785.54	2,326.56	15.73	-	5,430.18	7,772.47	66,558.01	7.64	71,643.04	5,085.03	684.98

<sup>2</sup> The average rate of interest on government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of Gujarat) for the concerned year wherein the average rate for interest paid=Interest Payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/ 2]\*100.

Financial year	Present value of total investment at the beginning of the year	Amount infused by State Government during the year				Total investment during the year	Investment at the end of the year	Average rate of interest on government borrowings (in %)	Net present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year
		Equity	Interest free loans/ (Net Repayment)	Converted into equity	Grants/ Subsidies for operation and administrative expenses						
i	ii	iii	iv	v	vi	vii= iii+iv-v+vi	viii=ii+vii	ix	x=viii×(1+(ix+100))	xi=(viii×(ix+100))	xii
2010-11	71,643.04	2,922.52	497.84	-	5,349.56	8,769.92	80,412.96	7.56	86,492.18	6,079.22	1,089.45
2011-12	86,492.19	3,824.42	130.67	-	4,517.76	8,472.85	94,965.04	7.63	1,02,210.87	7,245.83	1,636.27
2012-13	1,02,210.87	7,076.43	(-)8.74	-	6,777.61	13,845.30	1,16,056.17	7.66	1,24,946.07	8,889.90	1,823.74
2013-14	1,24,946.08	6,709.97	27.11	-	7,142.97	13,880.05	1,38,826.13	7.62	1,49,404.68	10,578.55	1,187.35
2014-15	1,49,404.68	6,713.58	333.35	-	7,752.47	14,799.40	1,64,204.08	7.76	1,76,946.32	12,742.24	873.79
2015-16	1,76,946.32	7,675.04	323.82	-	7,547.66	15,546.52	1,92,492.84	7.69	2,07,295.54	14,802.70	(-)1,105.34
2016-17	2,07,295.54	8,357.37	(-)84.30	-	8,635.57	16,908.64	2,24,204.18	7.67	2,41,400.64	17,196.46	(-)16,371.63
2017-18	2,41,400.63	8,739.64	41.25	-	8,556.16	17,337.05	2,58,737.68	7.59	2,78,375.87	19,638.19	(-)1,443.64
2018-19	2,78,375.88	6,826.14	926.03	-	10,614.50	18,366.67	2,96,742.55	7.44	3,18,820.20	22,077.65	(-)530.42
2019-20	3,18,820.20	7,275.23	512.10	-	5,498.32	13,285.65	3,32,105.85	7.47	3,56,914.15	24,808.31	(-)741.29
2020-21	3,56,914.15	4,431.53	103.21	-	2,288.13	6,822.87	3,63,737.02	7.19	3,89,889.71	26,152.69	2,117.19
2021-22	3,89,889.71	7,006.30	682.99	-	5,041.94	12,731.23	4,02,620.94	7.12	4,31,287.56	28,666.61	5,304.96
2022-23	4,31,287.56	5,569.98	(-)4.14	-	17,138.04	22,703.88	4,53,991.44	6.77	4,84,726.66	30,735.22	7,470.33
<b>Total</b>	<b>1,14,750.62</b>	<b>1,14,750.62</b>	<b>3,733.99</b>	<b>150.00</b>	<b>1,18,190.89</b>	<b>2,36,525.50</b>					

Source: Information compiled as per the latest finalised financial statements received from SPSUs upto 30<sup>th</sup> September 2023 and Information provided by SPSUs.

## Appendix- 5.6

Details of SPSUs having accumulated losses as per their latest finalised financial statement.

(Reference: Paragraph 5.14.4)

(₹ in crore)

Sr. No.	Name of SPSUs	Active/ Inactive	Sector	Period of accounts	Year in which finalised	Total paid up Capital	Net Profit/ Loss after Tax (-)	Long Term loans	Free reserves	Accumulated Losses (-)	Net worth	Capital employed
i	ii	iii	iv	v	vi	vii	viii	ix	x	xi	xii (vii+x+xi)	xiii (vii+ix+x+xi)
<b>A. Government Controlled Companies</b>												
1	Gujarat State Petroleum Corporation Limited	Active	others	2022-23	2023-24	1,075.65	2,987.01	0.00	12,716.92	-9,909.38	3,883.19	3,883.19
2	Sardar Sarovar Narmada Nigam Limited*	Active	Infra	2021-22	2022-23	68,399.33	(-)1,156.86	738.06	0.00	(-)7,898.28	59,386.70	60,124.76
3	Gujarat Water Infrastructure Limited	Active	Infra	2021-22	2022-23	155.02	(-)64.68	0.00	0.00	(-)742.89	(-)587.87	(-)587.87
4	Alcock Ashdown (Gujarat) Limited (under liquidation)	Inactive	others	2021-22	2022-23	51.00	(-)0.36	198.31	0.00	(-)661.26	(-)610.26	(-)411.95
5	Gujarat Metro Rail Corporation Limited*	Active	Infra	2022-23	2023-24	4,571.11	(-)320.85	5,125.84	0.00	(-)499.42	3,466.56	8,592.40
6	Paschim Gujarat Vij Company Limited	Active	Power	2022-23	2023-24	8,653.85	34.11	30.12	2465.20	(-)299.88	10,819.17	10,849.29
7	Gujarat Water Resources Development Corporation	Active	Service	2021-22	2023-24	31.49	1.12	0.00	0.00	(-)179.34	(-)147.85	(-)147.85
8	Diamond Research and Mercantile City Limited	Active	Infra	2021-22	2022-23	100.00	31.71	0.00	0.00	(-)169.05	(-)69.05	(-)69.05
9	Gujarat Dairy Development Corporation Limited	Inactive	others	2021-22	2022-23	10.46	(-)0.02	75.32	0.00	(-)124.26	(-)113.80	(-)38.48
10	Gujarat State Land Development Corporation Limited	Active	others	2016-17	2019-20	5.88	0.06	63.86	0.00	(-)110.83	(-)104.95	(-)41.09

Sr. No.	Name of SPSUs	Active/ Inactive	Sector	Period of accounts	Year in which finalised	Total paid up Capital	Net Profit/ Loss after Tax (-)	Long Term loans	Free reserves	Accumulated Losses (-)	Net worth	Capital employed
i	ii	iii	iv	v	vi	vii	viii	ix	x	xi	xii (vii+x+xi)	xiii (vii+ix+x+xi)
11	Gujarat Communications and Electronics Limited ( <b>under liquidation</b> )	Inactive	others	2000-01	2001-02	12.45	-	9.59	0.00	(-)104.74	(-)92.29	(-)82.70
12	Gujarat Small Industries Corporation Limited ( <b>under liquidation</b> )	Inactive	Finance	2006-07	2007-08	4.00	6.93	23.07	0.00	(-)74.93	(-)70.93	(-)47.86
13	Gujarat State Handloom and Handicrafts Development Corporation Limited	Active	Finance	2021-22	2023-24	12.06	4.68	0.28	0.00	(-)37.01	(-)24.95	(-)24.67
14	Gujarat Industrial Corridor Corporation Limited	inactive	Infra	2019-20	2021-22	10.00	(-)0.0030	0.00	0.00	(-)8.62	1.38	1.38
15	Gujarat Minorities Finance and Development Corporation Limited	Active	Finance	2020-21	2023-24	20.00	(-)2.20	115.21	0.00	(-)8.37	11.63	126.84
16	Gujarat Leather Industries Limited ( <b>under liquidation</b> )	Inactive	Finance	2001-02	2002-03	1.50	-	2.06	0.00	(-)6.67	(-)5.17	(-)3.11
17	Gujarat State Rural Development Corporation Limited	Inactive	Infra	2016-17	2020-21	0.58	(-)5.35	0.00	0.00	(-)4.27	(-)3.69	(-)3.69
18	Gujarat Growth Centres Development Corporation Limited	Active	Infra	2020-21	2021-22	36.35	(-)0.01	0.00	0.00	(-)0.47	35.88	35.88
19	Gujarat ISP Services Limited	Active	Service	2021-22	2022-23	0.10	(-)0.11	0.00	0.00	(-)0.34	(-)0.24	(-)0.24
<b>Total A</b>						<b>83,150.83</b>	<b>1,515.18</b>	<b>6,381.72</b>	<b>15,182.12</b>	<b>(-)20,840.01</b>	<b>75,773.46</b>	<b>82,155.18</b>
<b>B. Statutory Corporation</b>												
20	Gujarat State Road Transport Corporation	Active	Service	2019-20	2022-23	3,684.15	(-)33.81	3,441.02	0.00	(-)3,864.53	(-)180.38	3,260.64
21	Gujarat State Financial Corporation	Active	Finance	2022-23	2023-24	89.11	(-)125.15	661.68	18.90	(-)3,180.61	(-)3,072.60	(-)2,410.92
<b>Total B</b>						<b>3,773.26</b>	<b>(-)158.96</b>	<b>4,102.70</b>	<b>18.90</b>	<b>(-)7,045.14</b>	<b>(-)3,252.98</b>	<b>849.72</b>

Sr. No.	Name of SPSUs	Active/ Inactive	Sector	Period of accounts	Year in which finalised	Total paid up Capital	Net Profit/ Loss after Tax (-)	Long Term loans	Free reserves	Accumulated Losses (-)	Net worth	Capital employed
i	ii	iii	iv	v	vi	vii	viii	ix	x	xi	xii (vii+x+xi)	xiii (vii+ix+x+xi)
<b>C. Government controlled other Companies</b>												
22	GSPC LNG Limited	Active	others	2022-23	2023-24	1,070.13	(-)214.92	2,116.78	0.00	(-)599.23	470.90	2,587.68
23	GSPL India Transco Limited	Active	Service	2022-23	2023-24	607.00	(-)11.85	661.32	0.00	(-)267.87	339.13	1,000.45
24	Gujarat International Finance Tec City Company Limited	Active	Service	2021-22	2022-23	565.42	(-)50.15	618.92	0.00	(-)247.08	318.34	937.26
25	GSPL India Gasnet Limited	Active	Service	2022-23	2023-24	1,892.02	(-)158.36	3,743.70	0.00	(-)127.04	1,764.98	5,508.68
26	GSPC (JPDA) Limited	Active	others	2022-23	2023-24	117.14	(-)0.07	0.00	0.00	(-)114.71	2.43	2.43
27	GSPC Pipavav Power Company Limited	Active	Power	2022-23	2023-24	861.84	2.52	208.37	0.00	(-)40.85	820.99	1,029.36
28	Narmada Clean Tech	Active	Service	2021-22	2022-23	85.57	9.98	8.78	0.00	(-)26.66	58.91	67.69
29	GIFT SEZ Limited	Active	Service	2021-22	2022-23	0.10	2.20	0.00	0.00	(-)14.66	(-)14.56	(-)14.56
30	GIFT Power Company Limited	Active	Service	2021-22	2022-23	0.10	(-)3.51	0.00	0.00	(-)7.31	(-)7.21	(-)7.21
31	Gujarat Trans-Receiver Limited	Inactive	others	2018-19	2019-20	0.24	(-)0.001	3.58	0.00	(-)6.07	(-)5.83	(-)2.25
32	GIFT Collective Investment Management Company Limited	Active	Service	2021-22	2022-23	0.05	(-)0.01	0.00	0.00	(-)5.14	(-)5.09	(-)5.09
33	Gujarat State Machine Tools Corporation Limited	Inactive	others	2022-23	2023-24	0.54	(-)0.10	3.25	0.00	(-)3.68	(-)3.14	0.11
34	Bahucharaji Rail Corporation Limited	Active	Infra	2021-22	2022-23	496.92	0.53	0.00	0.00	(-)3.04	493.88	493.88
35	SMART ICT Services Private Limited	Active	Service	2021-22	2022-23	0.05	(-)0.31	0.00	0.00	(-)2.10	(-)2.05	(-)2.05
36	Sarigam Clean Initiative	Active	Service	2020-21	2021-22	60.47	(-)6.10	0.00	0.00	(-)2.09	58.38	58.38
37	Infrastructure Finance Company Gujarat Limited	Inactive	Finance	2010-11	2016-17	2.50	0.09	0.00	0.00	(-)0.66	1.84	1.84
38	GIFT Waste Management Services Limited	Active	Service	2021-22	2022-23	0.10	(-)0.0029	0.00	0.00	(-)0.10	0.00	0.00

Sr. No.	Name of SPSUs	Active/ Inactive	Sector	Period of accounts	Year in which finalised	Total paid up Capital	Net Profit/ Loss after Tax (-)	Long Term loans	Free reserves	Accumulated Losses (-)	Net worth	Capital employed
i	ii	iii	iv	v	vi	vii	viii	ix	x	xi	xii (vii+x+xi)	xiii (vii+ix+x+xi)
39	Gift District Cooling System Limited	Active	Service	2021-22	2022-23	0.10	(-)0.0030	0.00	0.00	(-)0.05	0.05	0.05
40	GIFT ICT Services Limited	Active	Service	2021-22	2022-23	0.85	0.0093	0.00	0.00	(-)0.017	0.83	0.83
41	Gujarat Town Planning Consultancy Limited	Active	Service	2022-23	2023-24	0.001	(-)0.04	0.50	0.00	(-)0.04	(-)0.04	0.46
42	G-Ride Bedi Port Rail Limited	Active	Infra	2022-23	2023-24	70.04	(-)1.49	0.00	0.00	(-)2.24	67.80	67.80
<b>Total C</b>						<b>5,831.18</b>	<b>(-)431.59</b>	<b>7,365.20</b>	<b>0.00</b>	<b>(-)1,470.64</b>	<b>4,360.54</b>	<b>11,725.74</b>
<b>Grand Total (A+B+C)</b>						<b>92,755.27</b>	<b>924.63</b>	<b>17,849.62</b>	<b>15,201.02</b>	<b>(-)29,355.79</b>	<b>76,881.02</b>	<b>94,730.64</b>

Source: Information compiled as per the latest finalised financial statements received from SPSUs upto 30<sup>th</sup> September 2023.

\* The Paid-up capital may be reduced with the amount of Share Application Money Pending Allotment in respect of Sardar Sarovar Narmada Nigam Limited (₹1,114.35 crore) and Gujarat Metro Rail Corporation Limited (₹605.13 crore) for the purpose of calculation of Net Worth and Capital Employed.





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