



# Government of Gujarat



लोकहितार्थं सत्यनिष्ठा  
Dedicated to Truth in Public Interest

## Accounts at a Glance 2017-18



**Principal Accountant General (A&E)  
Gujarat**



# **Accounts at a Glance**

**2017-18**

**Government of Gujarat**



## Preface

The Annual Finance Accounts and Appropriation Accounts of the Government of Gujarat are prepared in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid on the table of the Legislature of the State.

Finance Accounts are summary statements of accounts of the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditure against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

'Accounts at a Glance' provides a broad overview of Government activities, as reflected in the Finance Accounts and Appropriation Accounts. The information is presented through explanations, statements and graphs. While it has been our endeavour to rely on the figures in the certified Finance Accounts and Appropriation Accounts, the certified Annual Accounts should be referred to for authentic figures.

We look forward to suggestions that would help us in improving the publications.



**(Vani Sriram)**  
**Principal Accountant General (A&E)**  
**Gujarat**

**Place : Rajkot**

**Date : 12-February-2019**



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## 1.1 Introduction

The Principal Accountant General (Accounts & Entitlements) compiles the monthly accounts of the Government of Gujarat from the initial accounts rendered by the Treasuries, Pay and Accounts Offices, Public Works Divisions, Forest Divisions, information received from the Government of India and Reserve Bank of India. At the end of the year, the Principal Accountant General (PAG), (A&E) prepares the Finance Accounts and the Appropriation Accounts of the State in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, and after certification by the Comptroller and Auditor General of India (CAG), forwards these to the Governor of Gujarat to be tabled in the State Legislature.

## 1.2 Structure of Accounts

1.2.1 Government accounts are kept in three parts as detailed below.

### Consolidated Fund

The Consolidated Fund comprises all the receipts and expenditure of the Government on Revenue and Capital Accounts, Public Debt and Loans and Advances

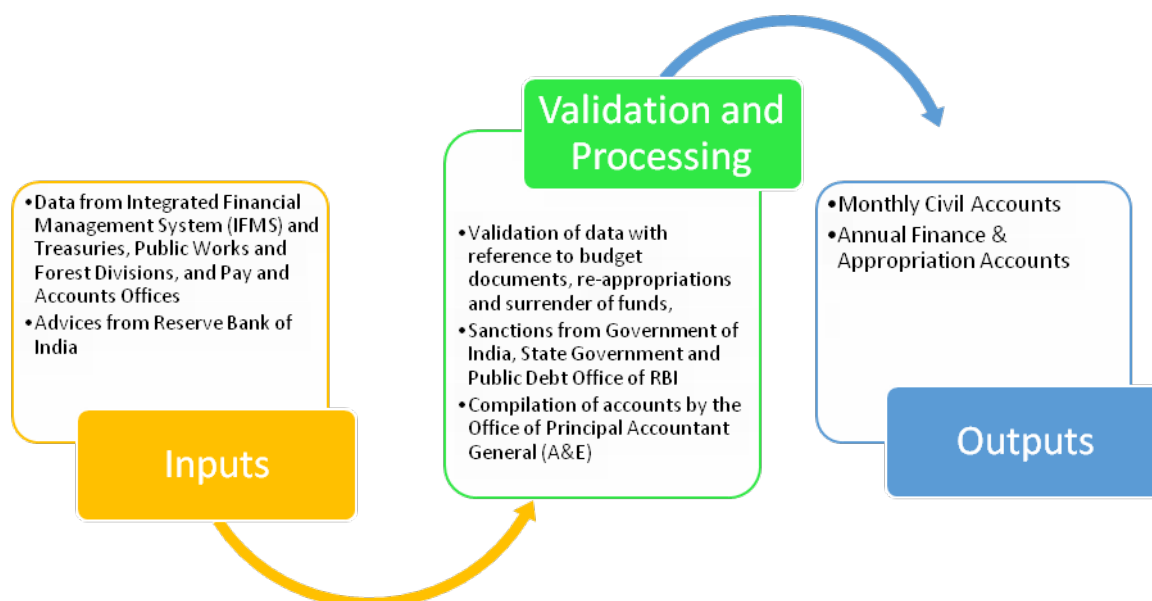
### Contingency Fund

This Fund is intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund. The corpus of this Fund is ₹200 crores in Gujarat

### Public Account

All public money received, other than that credited to the Consolidated Fund, is accounted for under Public Account. The Government acts as a trustee or a banker in respect of such funds. These comprise repayables like Small Savings, Provident Fund, Deposits and Advances, Reserve Funds, Suspense and Miscellaneous transactions and Remittances between accounting entities

## 1.2.2 Process of preparation of accounts



## 1.3 Annual Accounts

### 1.3.1 Finance Accounts

Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt, and public account balances recorded in the accounts. These accounts are prepared in two volumes - Volume I contains the certificate of the Comptroller and Auditor General of India (CAG), summarized statements (13) of overall receipts and disbursements, cash balance position and 'Notes to Accounts' containing summary of significant accounting policies and quality of accounts. Volume II contains detailed statements (9) and appendices.

Receipts and disbursements of the Government of Gujarat for the year 2017-18 and the resulting surplus/deficit as depicted in the Finance Accounts are as follows:

**Table 1.1 Receipts and disbursements of 2017-18** (₹ in crore)

		(₹ in crore)	
<b>Receipts</b>	<b>Revenue</b>	Tax Revenue	92,331
		(a) Own tax revenue	71,549
		(b) Share of net proceeds of taxes	20,782
		Non-tax Revenue	15,074
		Grants-in-aid	15,886
	<b>Capital</b>	Recovery of loans and advances	346
		Other receipts	----
Borrowings and other liabilities*		21,367	
<b>Disbursements</b>	<b>Revenue</b>		1,18,060
	<b>Capital</b>		26,313
	<b>Loans and Advances</b>		631
	<b>Revenue Surplus</b>		5,231
	<b>Fiscal Deficit</b>		(-) 21,367
	<b>Primary Deficit</b>		(-) 2,412

\* 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.

The Union Government transfers substantial funds directly to the State Implementing Agencies/ NGOs for implementation of various schemes and programmes. During the year 2017-18, the Government of India (GoI) released ₹7,510 crore directly to the implementing agencies in Gujarat. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

The following table provides the details of actual financial results *vis-à-vis* budget estimates for the year 2017-18.

**Table 1.2: Actual financial results vis-à-vis budget estimates**

	Budget Estimates	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP*
	(₹ in crore)			
1. Tax Revenue (including Central Share)	97,450	92,331	95	7
2. Non-Tax Revenue	18,400	15,074	82	1
3. Grants-in-aid & Contributions	15,671	15,886	101	1
4. Revenue Receipts (1+2+3)	1,31,521	1,23,291	94	9
5. Recovery of Loans & Advances	286	346	121	0
6. Other Receipts	10	Nil	00	0
7. Borrowings & Other Liabilities**	24,854	21,367	86	2
8. Capital Receipts (5+6+7)	25,150	21,713	86	2
9. Total Receipts (4+8)	1,56,671	1,45,004	93	11
10. Revenue Expenditure	1,35,638	1,18,060	87	9
11. Expenditure on Interest Payments (out of revenue expenditure)	19,396	18,954	98	1
12. Capital Expenditure	29,370	26,313	90	2
13. Loans and Advances Disbursed	816	631	77	0
14. Total Expenditure(10+12+13)	1,65,824	1,45,004	87	11
15. Revenue Surplus(4-10)	(-)4,117	5,231	-127	0
16. Fiscal Deficit (4+5+6-14)	(-)34,007	(-)21,367	63	2

\*GSDP of 2017-18 was ₹13,20,167 crore (Advance).

\*\*Borrowing 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

### 1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. As per the Constitution, Government cannot incur expenditure without authorization from the Legislature. Except for certain expenditure specified in the Constitution as ‘Charged’ on the Consolidated Fund, all other expenditure has to be ‘Voted’ by the Legislature. The Appropriation Accounts depict the expenditure of the State Government against amounts ‘Charged’ on the Consolidated Fund or ‘Voted’ by the State Legislature. There are 2 Charged Appropriations, 80 Voted Grants and 26 combined (Charged and Voted) provisions in the Appropriation Accounts of Gujarat.

## 1.4 Sources and Application of funds

The sources of funds of the Government of Gujarat during the year 2017-18 and their application were as follows:

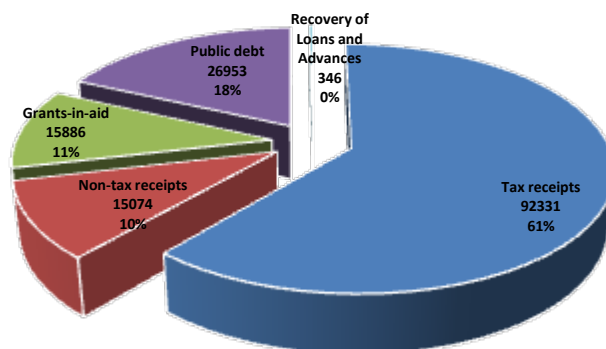
**Table 1.3: Source and application of funds**

<b>Sources</b>	<i>Particulars</i>	<i>Amount ₹ in crore</i>
	Opening Cash Balance as on 01.04.2017	(-) 467
	Revenue Receipts	1,23,291
	Recovery of Loans and advances	346
	Public Debt	26,953
	Small Savings, Provident fund and others	2,341
	Reserves and Sinking Funds	1,797
	Deposits received	50,068
	Suspense Account	3,03,242
	Remittances	18,881
<b>Total</b>	<b>5,26,452</b>	

<b>Application</b>	Revenue Expenditure	1,18,060
	Capital Expenditure	26,313
	Loans given	631
	Repayment of Public debt	13,700
	Small Savings, Provident Fund and Others	2,000
	Reserves & Sinking fund	3,264
	Deposits repaid	48,973
	Suspense Account	2,95,192
	Remittances	18,674
	Closing Cash Balance as on 31.03.2018	(-)355
	<b>Total</b>	<b>5,26,452</b>

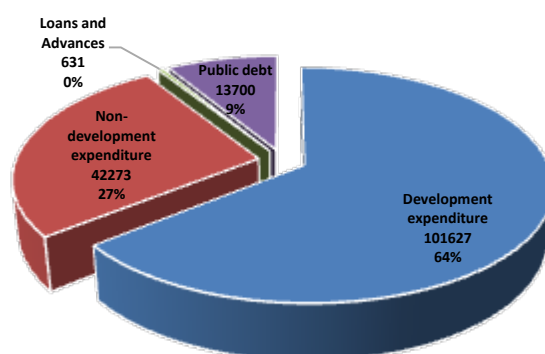
### 1.4.1 Where the funds came from (₹ in crore)

**Chart 1.1**



### 1.4.2 Where the funds were utilised (₹ in crore)

**Chart 1.2**



## 1.5 Fund flow

The State had a revenue surplus of ₹5,231 crore and a fiscal deficit of ₹21,367 crore during the year 2017-18, representing 0.40 *per cent* and 1.62 *per cent* of the Gross State Domestic Product (GSDP) respectively. Fiscal deficit constituted 15 *per cent* of the total expenditure and was met primarily from net of public debt (₹13,253 crore). Around 35 *per cent* of the revenue receipts (₹1,23,291 crore) of the State Government were spent on committed expenditure like salaries (₹10,292 crore), interest payments (₹18,954 crore) and pension (₹13,979 crore).

### 1.5.1 What do the deficit and surplus indicate?

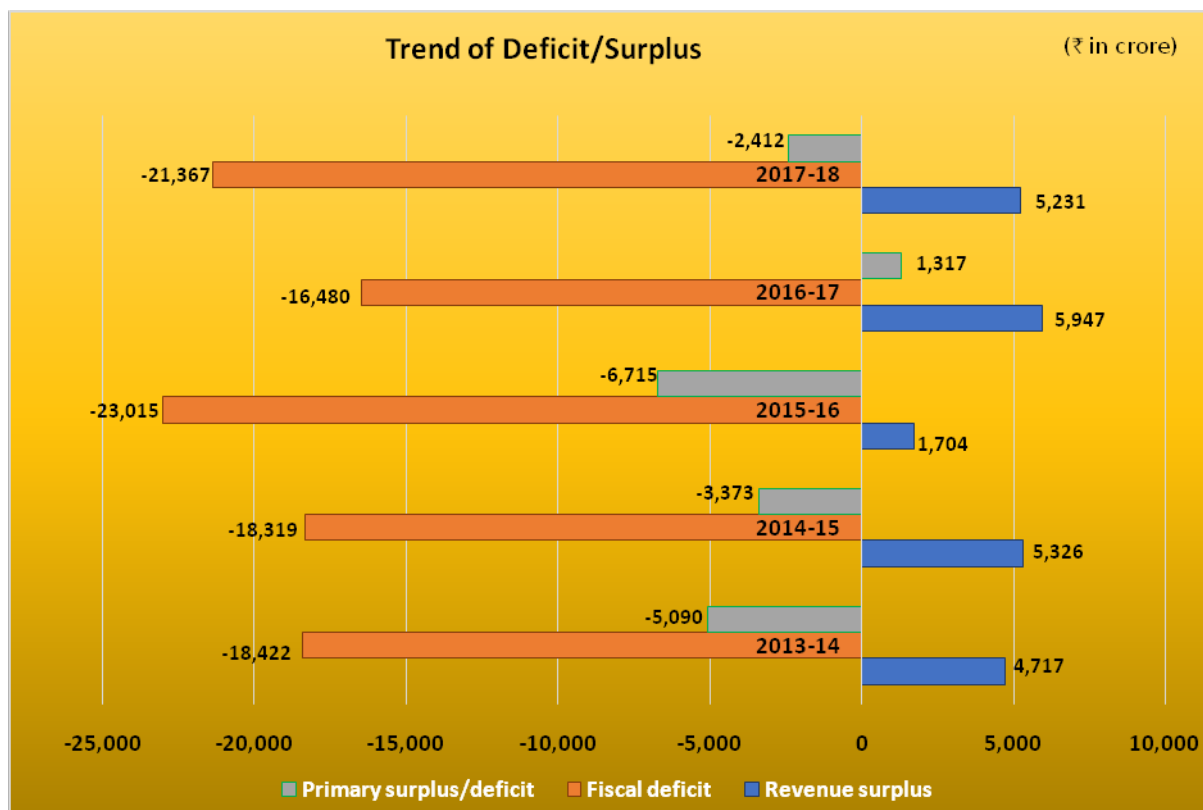
<b>Deficit</b>	<i>Refers to the gap between Revenue and Expenditure. The type of deficit, how it is financed, and application of funds are important indicators of prudence in Financial Management.</i>
<b>Revenue Deficit/ Surplus</b>	<i>Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.</i>
<b>Fiscal Deficit/ Surplus</b>	<i>Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.</i>
<b>Primary Deficit/ Surplus</b>	<i>It indicates the gap in availability of funds for expenditure even without taking into consideration liabilities of past years viz. interest accrued. Primary surplus indicates that funds generated in the current year are available to service past debts.</i>

## 1.6 Trend of Deficit/Surplus

With a view to maintain a stable and sustainable fiscal environment consistent with equitable growth, the 13<sup>th</sup> Finance Commission recommended a fiscal consolidation roadmap for each State. The fiscal consolidation roadmap for Gujarat requires the State to reduce the revenue deficit to zero by FY 2011-12, reduce the fiscal deficit to not more than 3 *per cent* of the estimated GSDP of the year beginning FY 2011-12, cap the total public debt of the State Government to 16.46 *per cent* of estimated GSDP by the end of FY 2017-18, and to cap the outstanding guarantees within the limit (₹20,000 crore) provided in the Gujarat State Guarantees Act, 1963.

Although the State is well within the targets specified by the 13<sup>th</sup> Finance Commission, compared to the previous year, all the major financial indicators deteriorated. The fiscal deficit increased from ₹16,480 crore in 2016-17 to ₹21,367 crore in 2017-18. The primary surplus of ₹1,317 crore for the year 2016-17 has turned into a primary deficit of ₹2,412 crore in the year 2017-18. Revenue surplus decreased from ₹5,947 crore in 2016-17 to ₹5,231 crore in 2017-18. The trend of these surplus and deficit over the five year period 2013-14 to 2017-18 is depicted below.

Chart 1.3



As can be seen from the above graph, the State Government maintained revenue surplus during the five year period 2013-14 to 2017-18 although the quantum of surplus varied from year to year. Similarly, fiscal deficit continued during the last five years with an increase during 2015-16 and 2017-18 over the preceding years. Primary surplus was posted only during 2016-17 and primary deficit existed during the remaining four years out of the five year period 2013-14 to 2017-18.

## 1.7 Ways and Means Advances

The State Government has to maintain a minimum balance of ₹2.80 crore in its account with the Reserve Bank of India (RBI) at any given point of time. In case of a shortfall in this regard, the State Governments takes Ways and Means Advances from the RBI. The Government of Gujarat did not avail of Ways and Means Advances during the year 2017-18.

## Chapter 2

## Receipts

## 2.1 Introduction

Receipts of the Government are classified as revenue or capital. The total receipts of the Government of Gujarat during the year 2017-18 were ₹1,45,004 crore.

## 2.2 Revenue Receipts

<b>Tax Revenue</b>	Tax revenue comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution
<b>Non-Tax Revenue</b>	Non-tax revenue includes interest receipts, dividends, profits etc.
<b>Grants-in-aid</b>	Grants-in-aid are essentially a form of Central Assistance to the State Government and includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelized through the Union Government. In turn, the State Government also gives grants-in-aid to institutions like the Panchayati Raj institutions, autonomous bodies etc.

During the year 2017-18, the total revenue receipts of the State were ₹1,23,291 crore as depicted below.

Chart 2.1

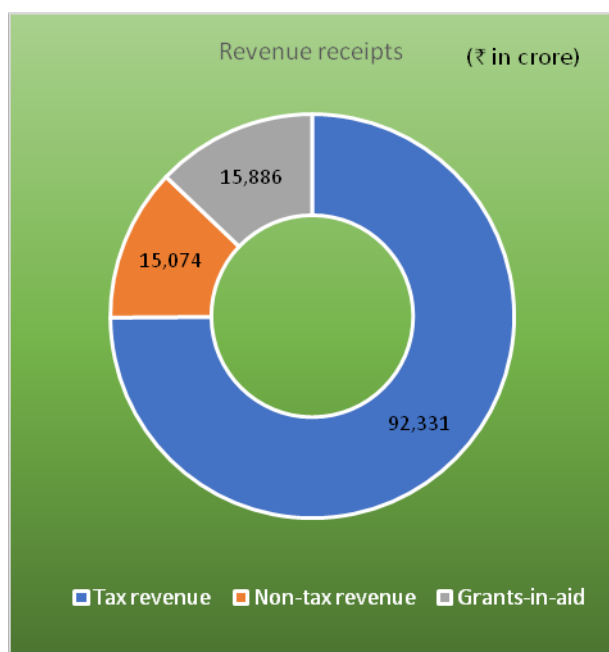


Table 2.1

Components	Amount (₹ in crore)
<b>A. Tax Revenue</b>	<b>92,331</b>
State Goods & Services Tax	21,251
Taxes on Sales, Trade etc.	29,639
Taxes and Duties on Electricity	6,484
Other Own Tax Revenue	14,175
Share of Net Proceeds of Taxes	20,782
<b>B. Non-Tax Revenue</b>	<b>15,074</b>
Interest Receipts, Dividends and Profits	1,178
General Services	670
Social Services	1,184
Economic Services	12,042
<b>C. Grants-in-aid and Contributions</b>	<b>15,886</b>
<b>Total : Revenue Receipts</b>	<b>1,23,291</b>

During the year, the net tax revenue was less than the budget estimates by ₹8,118 crore. The major variations<sup>1</sup> are as under:

<sup>1</sup>The budget estimates did not consider the introduction of Goods & Services Tax with effect from July 2017

Table 2.2: Actual receipts vis-à-vis budget estimates

(₹ in crore)

Where actual receipts were less than budget estimates				Where actual receipts were more than budget estimates			
	Budget	Actual	Difference		Budget	Actual	Difference
Taxes on sales, Trade etc.	56,603	29,639	26,964	Taxes on Income other than Corporation Tax	4,662	5,371	709
Taxes on vehicles	4,050	3,885	165	Service Tax	2,214	2,373	159
Taxes and Duties on Electricity	6,609	6,484	125	Central Goods and Services Tax	0	292	292
Other Taxes and Duties on Commodities and Services.	605	414	191	Integrated Goods and Services Tax	0	2097	2097
Land Revenue	3,619	1,859	1760	State Goods and Services Tax	0	21,251	21,251
Taxes on Wealth	227	0	227	Stamps and Registration Fees	7,000	7,255	255
Taxes on Immovable Property other than Agriculture Land	339	287	52				
Taxes on Goods and Passengers	307	131	176				

## 2.3 Trend of Receipts

Table 2.3

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Tax Revenue	66,075	71,636	78,340	83,278	92,331
Non-Tax Revenue	7,018	9,543	10,194	13,346	15,074
Grants-in-aid and Contributions	6,883	10,799	8,949	13,218	15,886
Total Revenue Receipts	79,976	91,978	97,483	1,09,842	1,23,291
GSDP	8,07,623	9,21,773	10,25,188 (P)	11,58,151 (Q)	13,20,167 (A)

Estimates: P Provisional, Q Quick and A Advance

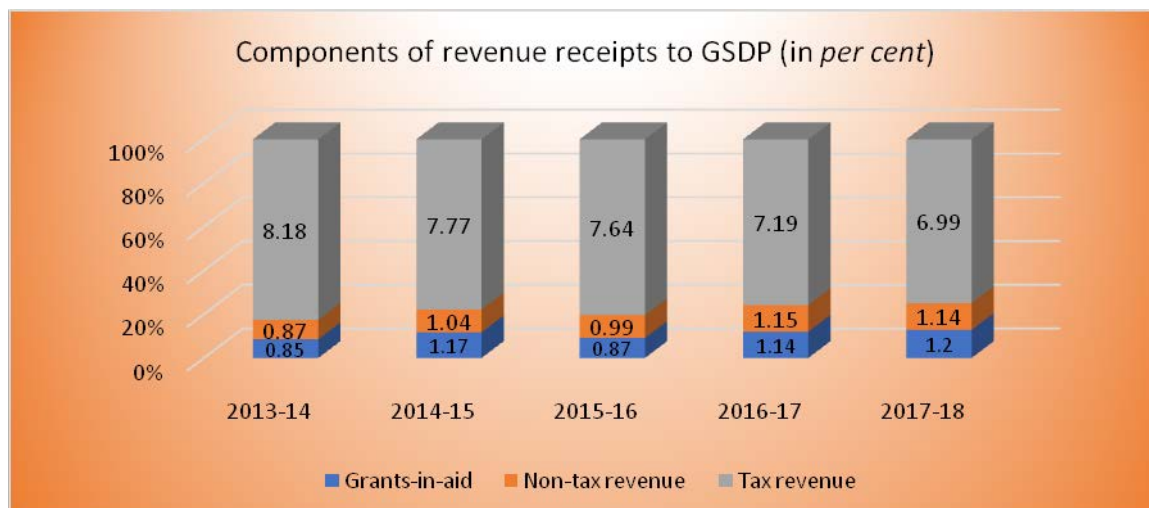
(Source: Directorate of Economics and Statistics Gandhinagar)

## 2.4 Components of Revenue Receipts

Total revenue receipts grew by 12 per cent in 2017-18 over the previous year due to increase in receipts on land revenue, stamps and registration fees, taxes on vehicles, taxes on goods and passengers, interest receipts (other receipts), miscellaneous general services etc. While tax revenues increased by 11 per cent, non-tax revenues also increased by 13 per cent. Grants-in-aid from GoI increased by 20 per cent from ₹13,218 crore in 2016-17 to ₹15,886 crore in 2017-18. The main reason for increase in Grants-in-aid during 2017-18 from the GoI was payment of compensation for loss of revenue arising out of implementation of Goods and Services Tax (GST) amounting to ₹3,687 crore. The components of revenue receipts as a proportion to GSDP during the five year period 2013-14 to 2017-18 are depicted below.



Chart 2.2



\* Percentage for the years 2013-14 to 2016-17 changed due to revision in GSDP.

## 2.5 Sector-wise Tax Revenue

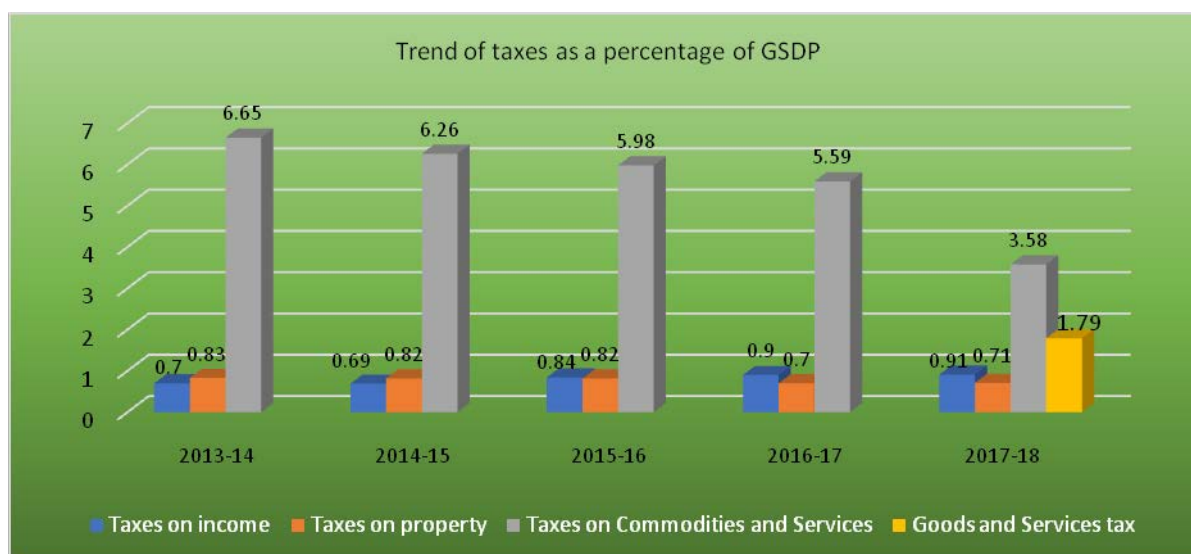
Table 2.4

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Goods and Services Tax <sup>2</sup>	---	---	---	---	23,640
Taxes on Income and Expenditure	5,634	6,394	8,593	10,465	11,992
Taxes on Property and Capital Transactions	6,706	7,566	8,421	8,055	9,400
Taxes on Commodities and Services	53,735	57,676	61,326	64,758	47,299
<b>Total Tax Revenue</b>	<b>66,075</b>	<b>71,636</b>	<b>78,340</b>	<b>83,278</b>	<b>92,331</b>

The trend of major taxes in proportion to GSDP is given below.

Chart 2.3



\* Percentage for years from 2013-14 to 2016-17 changed due to revision in GSDP.

<sup>2</sup>Including SGST, CGST and IGST

## 2.6 Performance of State's own tax revenue collection

**Table 2.5** (₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP *
2013-14	66,075	9,702	56,373	6.98
2014-15	71,636	10,296	61,340	6.65
2015-16	78,340	15,690	62,650	6.11
2016-17	83,278	18,835	64,443	5.56
2017-18	92,331	20,782	71,549	5.42

\* Percentage for the years 2013-14 to 2016-17 changed due to revision in GSDP

## 2.7 Efficiency of Tax Collection

### 2.7.1 Taxes on Property and Capital Transactions

**Table 2.6** (₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Collection	6,706	7,566	8,421	8,055	9,400
Expenditure on Collection	209	220	224	227	263
Efficiency of Tax collection (in per cent)	3	3	3	3	3

### 2.7.2 Taxes on Commodities and Services

**Table 2.7** (₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Collection	53,735	57,676	61,326	64,758	47,299
Expenditure on Collection	359	378	388	414	460
Efficiency of Tax collection (in per cent)	1	1	1	1	1

## 2.8 Trends in State share of Union taxes

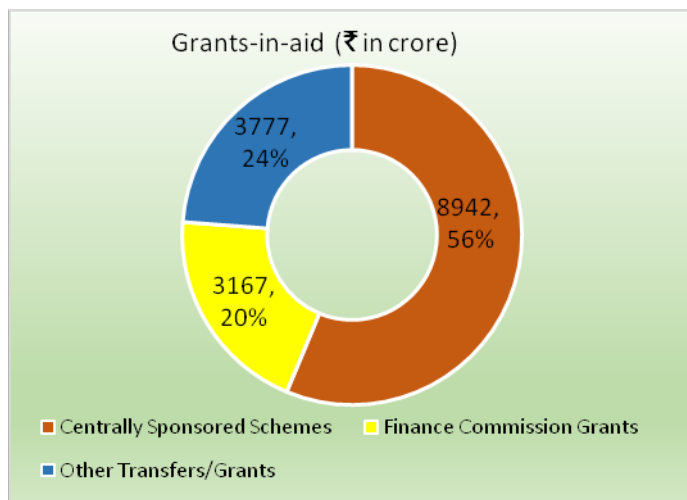
**Table 2.8** (₹ in crore)

Major Head Description	2013-14	2014-15	2015-16	2016-17	2017-18
Central Goods and Services Tax (CGST)	---	---	---	---	292
Integrated Goods and Services Tax (IGST)	---	---	---	---	2097
Corporation Tax	3,263	3,595	4,929	6,027	6,361
Taxes on Income other than Corporation Tax	2,148	2,568	3,424	4,189	5,371
Taxes on Wealth	9	10	1	13	---
Customs	1,583	1,665	2,506	2,593	2,096
Union Excise Duties	1,118	940	2,087	2,961	2,191
Service Tax	1,581	1,518	2,732	3,052	2,373
Other Taxes on Income and Expenditure	---	---	---	---	---
State share of Union taxes	9,702	10,296	15,690	18,835	20,782
Total Tax Revenue	66,075	71,636	78,340	83,278	92,331
Percentage of Union taxes to total tax revenue	15	14	20	23	22

## 2.9 Grants-in-aid

Grants-in-aid represent assistance received from GoI and comprise grants for Centrally Sponsored Schemes, Finance Commission and other transfer/ grants approved by the erstwhile Planning Commission (Niti Ayog now). Total receipts during 2017-18 under Grants-in-aid were ₹15,886 crore as given alongside.

Chart 2.4



## 2.10 Public Debt

The trend of outstanding Public Debt over the past five years is as follows:

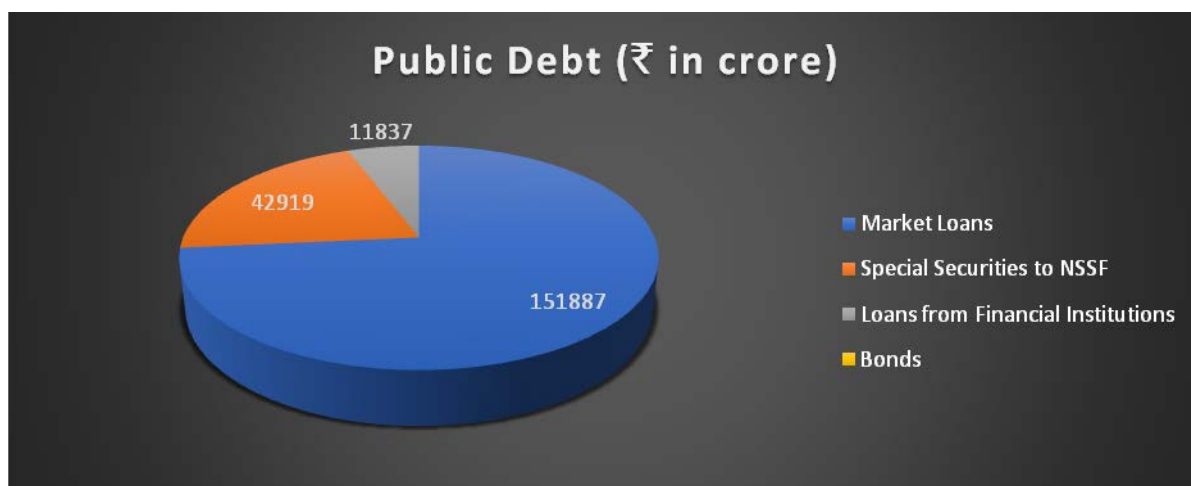
Table 2.9

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Internal Debt	1,41,700	1,55,981	1,73,681	1,92,772	2,06,644
Central Loans	7,806	7,470	7,062	6,566	5,947
<b>Total Public Debt</b>	<b>1,49,506</b>	<b>1,63,451</b>	<b>1,80,743</b>	<b>1,99,338</b>	<b>2,12,591</b>

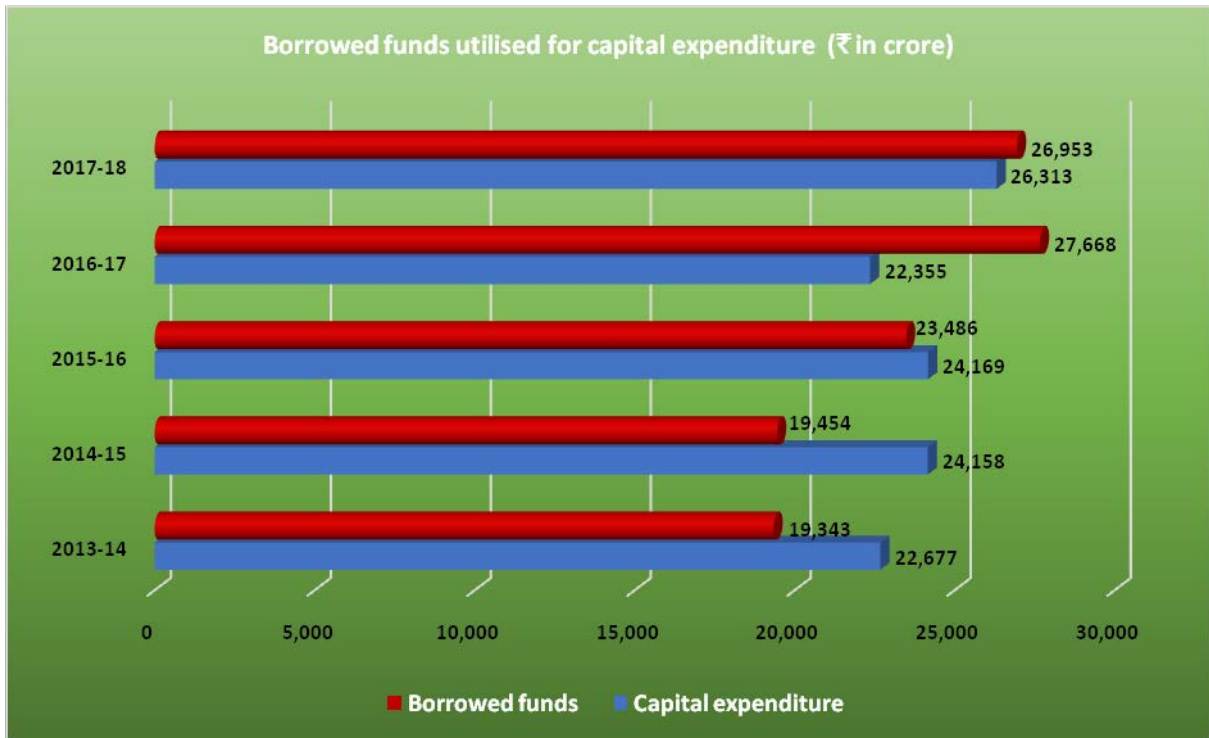
The composition of the outstanding Public Debt as of 31 March 2018 was as follows:

Chart 2.5



Against the gross internal debt of ₹26,863 crore and central loan of ₹90 crore received by the State Government in 2017-18, capital expenditure was ₹26,313 crore. The proportion of borrowed funds utilised for capital expenditure during the five years period ending 2017-18 is given below.

Chart 2.6



## Chapter 3

## Expenditure

### 3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the government. Capital expenditure is used to create permanent assets, or enhance the utility of such assets, or reduce permanent liabilities. Depending on the departments and areas where it is incurred, expenditure is classified as pertaining to general services, social services and economic services. Significant departments, which are included as a part of each of these services are detailed below.

General Services	Includes Justice, Police, Jail, Public Works, Pension, etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of Scheduled Castes & Scheduled Tribes etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc.

### 3.2 Revenue Expenditure

Revenue Expenditure of ₹1,18,060 crore for 2017-18 fell short of budget estimates by ₹17,578 crore. The shortfall of expenditure against budget estimates under Revenue Section during the past five years is given below:

**Table 3.1 Shortfall of revenue** (₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Total Budget Estimates</b>	83,914	1,01,896	1,08,198	1,16,493	1,35,638
<b>Actual</b>	75,259	86,652	95,779	1,03,895	1,18,060
<b>Gap</b>	8,655	15,244	12,419	12,598	17,578
<b>Percentage of gap over BE</b>	<b>10.31</b>	<b>14.96</b>	<b>11.48</b>	<b>10.81</b>	<b>12.96</b>

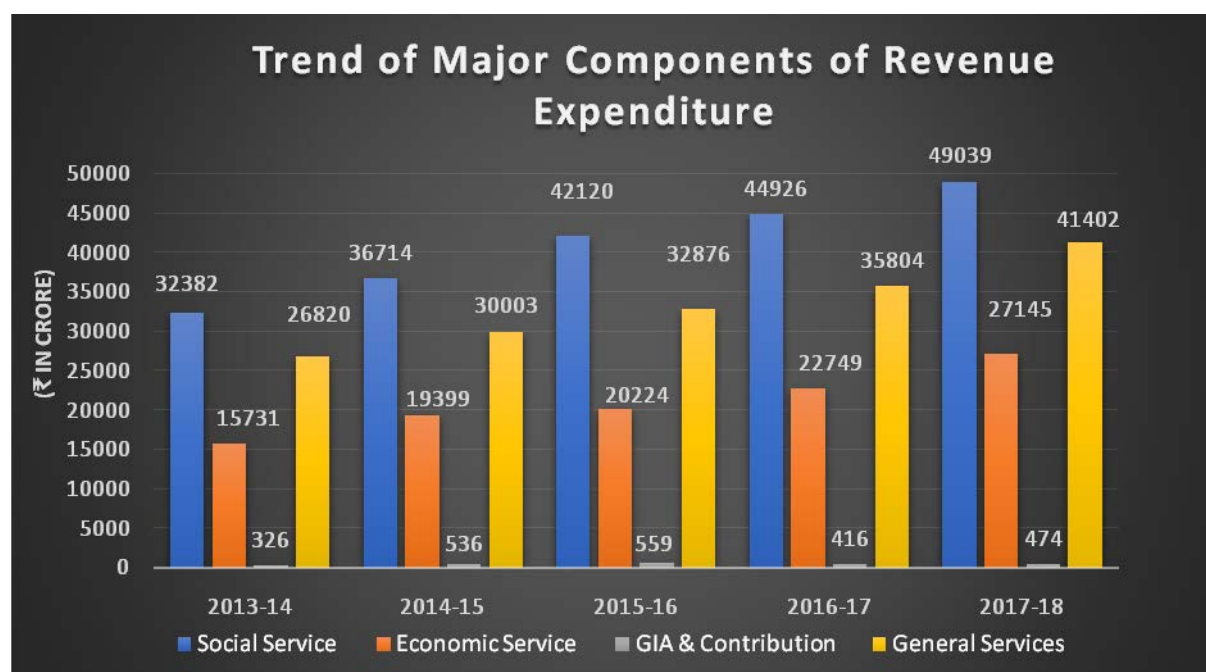
### 3.2.1 Sectoral distribution of Net Revenue Expenditure

Table 3.2

Components	Amount (₹ in crore)	Percentage
<b>A .Fiscal Services</b>	726	1
(i) Collection of Taxes on Property and Capital transactions	263	-
(ii) Collection of Taxes on Commodities and Services	460	-
(iii)Other Fiscal Services	3	-
<b>B. Organs of State</b>	1,229	1
<b>C. Interest Payments and Servicing of debt</b>	18,954	16
<b>D. Administrative Services</b>	6,478	5
<b>E. Pensions and Miscellaneous General Services</b>	14,015	12
<b>F. Social Services</b>	49,039	42
<b>G. Economic Service</b>	27,145	23
<b>H. Grants-in-aid and Contributions</b>	474	-
<b>Total Expenditure ( Revenue Account)</b>	<b>1,18,060</b>	100

### 3.2.2 Major components of Revenue Expenditure

Chart 3.1



There has been a steady increase in expenditure on all services, except for GIA and Contributions, which covers compensation and assignment to Local Bodies and PRIs. The maximum increase in revenue expenditure has been on Economic Services, which increased by 73 per cent over the five year period.

### 3.3 Capital Expenditure

Capital disbursements for 2017-18 were 2 per cent of GSDP. It was less than the Budget Estimates by ₹3242 crore.

#### 3.3.1 Sectoral distribution of Capital Expenditure

During 2017-18 the Government spent ₹9,012 crore on various projects (₹5,206 crore on Major Irrigation of which ₹4,565 crore was spent on Narmada Project, ₹2,748 crore on Medium Irrigation and ₹1058 crore on Minor Irrigation). Apart from above, the Government spent ₹1,527 crore on Medical and Public Health, ₹3,159 crore on Water Supply and Sanitation and ₹2,939 crore on Power Projects.

Table 3.3

Sector	Amount (₹ in crore)	Per cent
General Services - Police, Land Revenue etc.	870	3
Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	6,813	26
Economic Services - Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries , Transport etc.	18,630	69
Loans and Advances Disbursed	631	2
<b>Total</b>	<b>26,944</b>	<b>100</b>

#### 3.3.2 Sectoral distribution of capital expenditure over the past five years

Table 3.4

(₹ in crore)

Sector	2013-14	2014-15	2015-16	2016-17	2017-18
General Services	816	888	808	623	870
Social Services	6,650	7,185	6,417	6,215	6,813
Economic Services	15,211	16,084	16,944	15,517	18,630
Loans and Advances	603	350	675	478	631
<b>Total</b>	<b>23,280</b>	<b>24,507</b>	<b>24844</b>	<b>22,833</b>	<b>26,944</b>

The increase in capital expenditure over the five year period has been marginal, as can be seen above. As a percentage of GDP, capital expenditure has come down. The biggest area of increase is in Economic Services, with Social Services getting insignificant increase.

## Chapter 4

## Appropriation Accounts

### 4.1 Introduction

The Appropriation Act of the Government of Gujarat for the year 2017-18 provided for gross expenditure of ₹1,82,971 crore and reduction of expenditure (recoveries) of ₹1,347 crore. Against this, the actual gross expenditure was ₹1,61,063 crore and reduction of expenditure was ₹2,359 crore, resulting in a net saving of ₹21,908 crore (12 per cent).

### 4.2 Summary of Appropriation Accounts

The following table summarizes the amounts of Grants originally appropriated, Supplementary Grants, actual expenditure against the appropriations and the amount saved or exceeded the budget.

Table 4.1

(₹ in crore)

Nature of expenditure	Original grant / Appropriation	Supplementary grant/ Appropriation	Total	Actual Expenditure	Saving(-) / Excess(+)
I- Revenue	107,152.66	10,117.02	117,269.68	101,112.35	-16,157.33
II- Capital	28,936.09	389.52	29,325.61	26,366.64	-2,958.97
III- Loans and Advances	649.58	166.54	816.12	631.07	-185.05
<b>Total Voted</b>	<b>136,738.33</b>	<b>10,673.08</b>	<b>147,411.41</b>	<b>128,110.06</b>	<b>-19,301.35</b>
IV- Revenue	19,589.00	65.31	19,654.31	19,177.73	-476.58
V- Capital	52.10	53.69	105.79	75.07	-30.72
VI- Public Debt- Repayment	15,799.81	0.00	15,799.81	13,700.23	-2,099.58
VII- Loans and Advances	0.01	0.00	0.01	0.00	-0.01
<b>Total Charged</b>	<b>35,440.92</b>	<b>119.00</b>	<b>35,559.92</b>	<b>32,953.02</b>	<b>-2,606.90</b>
<b>Grand total</b>	<b>172,179.25</b>	<b>10,792.08</b>	<b>182,971.33</b>	<b>161,063.08</b>	<b>-21,908.24</b>

### 4.3 Trend of Savings/Excess

Table 4.2

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2013-14	(-) 8,942	(-) 3,469	(-) 14	(-) 318	(-) 12,743
2014-15	(-) 15,336	(-) 5,882	(-) 3	(-) 393	(-) 21,614
2015-16	(-) 1,22,94	(-) 5,308	(+) 267	(-) 56	(-) 17,391
2016-17	(-) 13,315	(-) 5,281	(-) 4,361	(-) 629	(-) 23,586
2017-18	(-)16,634	(-)2,989	(-) 2,100	(-) 185	(-) 21,908



## 4.4 Significant Savings

Substantial savings under a Grant indicate either non-implementation or slow implementation of certain planned schemes/ programmes apart from indicating inadequate budgetary control. An illustrative list of Grants with persistent and significant savings is given below:

**Table 4.3** (Percent)

Grant No.	Description	2013-14	2014-15	2015-16	2016-17	2017-18
19	Other Expenditure Pertaining to Finance Department	98.75	98.52	86.33	99.11	99.17
76	Revenue Department	41.61	43.49	35.41	32.99	33.67
77	Tax Collection Charges (Revenue Department)	39.69	45.33	30.76	22.57	16.61
78	District Administration	35.27	22.95	19.40	12.96	11.29
84	Non-Residential Buildings	30.84	33.76	29.01	44.63	32.79
85	Residential Buildings	46.90	22.03	25.49	17.42	15.03

At the Sub-Head (Scheme) level, there were significant savings under several heads as detailed below.

**Table 4.4** (₹ in crore)

Details	Number	Original Budget	Supplementary Budget	Total Budget	Expenditure	Saving
Total sub-heads /schemes where budget was allocated	2667	1,72,179.24	10,792.08	1,82,971.32	1,61,061.09	21,910.23
Sub-heads /schemes where there was saving	1819	1,06,326.03	3,076.00	1,09,402.03	82,003.32	27,398.71
Sub-heads /schemes where saving was over 50% of Budget	666	18,214.29	1.00	18,215.29	2,650.52	15,564.77
Sub-heads /schemes where saving was over 100% of Budget	347	9,110.45	0.00	9,110.45	0.00	9,110.45

The main Schemes involved in the above savings are implementation of Solar Agriculture Pump Sets scheme, construction under RIDF scheme, Sardar Krushi Jyoti Yojna, food grains to parents of tribal daughters studying in public primary school under Anna Triveni Yojana, National Cyclone Risk Mitigation project, Solar based decentralized electrification in non-electrified areas of the State etc.

There were substantial savings in several grants during the year 2017-18. Out of the 108 grants of Government of Gujarat, there were savings of over 50 per cent in 14 grants. There were significant savings in several Departments of the Government; illustrative cases where the savings were more than ₹100 crore are given below.

**Table 4.5** (₹ in crore)

Department	Original Budget	Supplementary Budget	Total Budget	Expenditure	Saving
Agriculture and Co-Operation Department	5556.26	2018.5	7574.76	6906.2	668.56
Education Department	22804.22	2905.54	25709.76	25311.25	398.51
Energy and Petro-chemicals Department	7571.21	1024.34	8595.55	8319.17	276.38
Finance Department	53296.74	5.26	53302	40885.26	12416.74
Food, Civil Supplies and Consumer Affairs Department	821.56	16.19	837.75	665.26	172.49
Health and Family Welfare Department	7368.17	79.6	7447.77	7198.37	249.40
Home Department	4952.39	800.19	5752.58	5564.61	187.97
Industries and Mines Department	3563.99	492.41	4056.40	3863.17	193.23

Department	Original Budget	Supplementary Budget	Total Budget	Expenditure	Saving
Legal Department	1215.19	0.00	1215.19	948.93	266.26
Narmada, Water Resources, Water Supply and Kalpsar Department	11619.75	95.00	11714.75	11221.27	493.48
Panchayats, Rural Housing and Rural Development Department	4954.62	509.60	5464.22	5061.21	403.01
Revenue Department	2885.08	1564.28	4449.36	4059.86	389.50
Roads and Buildings Department	8586.05	380.73	8966.78	8092.50	874.28
Social Justice and Empowerment Department	6193.17	22.42	6215.59	5408.76	806.83
Tribal Development Department	12559.34	20.89	12580.23	11061.64	1518.59
Urban Development and Urban Housing Department	10160.11	302.66	10462.77	8856.41	1606.36
Women and Child Development Department	2056.95	0.00	2056.95	1343.92	713.03

During 2017-18, Supplementary Grants totalling ₹10,792.08 crore (6.70 per cent of total expenditure) proved to be unnecessary in some cases, since there were significant savings at the end of the year even against original allocations. Illustrative instances are given below:

Table 4.6

(₹ in crore)

Grant No	Description	Section	Original Budget	Supplementary Budget	Actual Expenditure
18	Pension and Other Retirement Benefits	Revenue	10315.20	5.26	8665.07
22	Civil Supplies	Revenue	615.05	16.15	561.56
26	Forests	Revenue	422.53	8.15	420.48
66	Irrigation and Soil Conservation	Capital	3527.47	50.00	3491.45
71	Rural Housing and Rural Development	Revenue	2166.65	48.37	1715.75
79	Relief On Account of Natural Calamities	Capital	116.25	6.10	45.77
86	Roads and Bridges	Revenue	3269.91	35.53	3180.62
92	Social Security and Welfare	Revenue	1489.52	1.98	1351.65
95	Scheduled Castes Sub-Plan	Revenue	3582.43	20.45	3234.39
101	Urban Housing	Revenue	1256.84	7.60	681.36

## Chapter 5

## Assets and Liabilities

### 5.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not present the overall impact of liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total Investment as share capital in Statutory Corporations, Govt. Companies, Rural Banks, Joint Stock Companies, Co-operatives and Public Sector Undertakings (PSUs) stood at ₹86,114 crore at the end of 2017-18. However, return on investment received during the year was ₹96 crore (i.e. 0.11 per cent). During 2017-18, investments increased by ₹8,281 crore while dividend income decreased by ₹14 crore.

### 5.2 Debt and Liabilities

The details of Public Debt, Public Account and Total liabilities of the State Government are as under:

**Table 5.1** **(₹ in crore)**

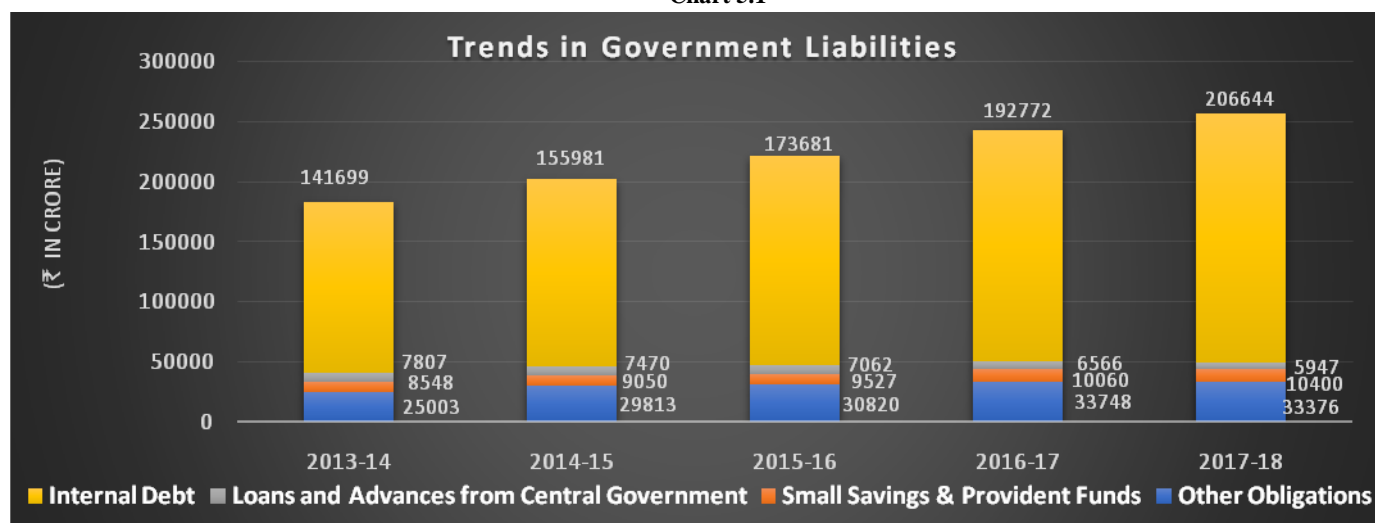
Year	Public Debt	Per cent of GSDP	Public Account (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2013-14	1,49,506	19	33,551	4	1,83,057	23
2014-15	1,63,451	18	38,862	4	2,02,313	22
2015-16	1,80,743	18	40,347	4	2,21,090	22
2016-17	1,99,338	17	43,807	4	2,43,145	21
2017-18	2,12,590	16	43,776	3	2,56,366	19

Note: Figures are progressive balances to end of the year. Percentage for the years from 2013-14 to 2016-17 changed due to revision in GSDP

(\*) Excludes Suspense and Remittance balances

There is a net increase of ₹13,221 crore (7 per cent) in Public Debt and Other Liabilities during 2017-18 as compared to 2016-17 as shown below.

Chart 5.1



### 5.3 Public Account

The Public Account consists of Small Savings & Provident Funds, Reserve Funds, Deposits & Advances, Suspense and Remittances. The receipts and disbursements during the year and balances of Public Account of the State Government<sup>3</sup> as of 31 March 2018 are as under.

Table 5.2

(₹ in crore)

Category	Receipts	Disbursements	Balance as of 31 March 2018
Small Savings & Provident Funds	2,341	2,000	10,400
Reserve Funds bearing Interest	667	1,805	2,355
Reserve Funds not bearing Interest	1,130	1,460	891
Deposits bearing Interest	4,300	3,433	12,954
Deposits not bearing Interest	45,768	45,540	17,176

Balances of the Public Account of the State Government are as under:

Table 5.3

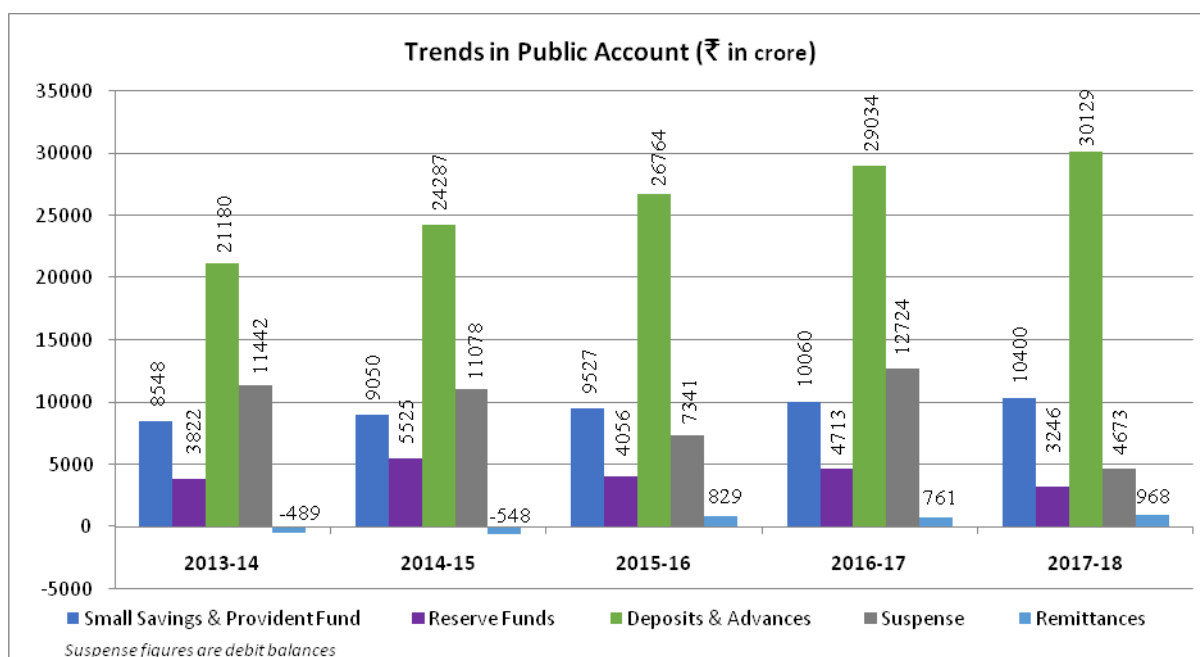
(₹ in crore)

Year	I - Small Savings & Provident Fund	J - Reserve Funds	K - Deposits & Advances	L-Suspense* (Debit)	M-Remittances
2013-14	8,548	3,822	21,180	11,442	-489
2014-15	9,050	5,525	24,287	11,078	-548
2015-16	9,527	4,056	26,764	7,341	829
2016-17	10,060	4,713	29,034	12,724	761
2017-18	10,400	3,246	30,129	4,674	968

\* This includes the closing balance under Cash Balance Investment Account (₹5198 crore Dr as of 31 March 2018)

<sup>3</sup>Excluding Suspense and Remittances

Chart 5.2



## 5.4 Guarantees

The position of guarantees given by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies etc. is given below:

Table 5.4

(₹ in crore)

At the end of the year	Maximum amount Guaranteed (Principal only)	Amount outstanding as on 31 March 2018 (Principal only)
2013-14	11,175	6,549
2014-15	11,235	5,984
2015-16	11,333	5,236
2016-17	11,333	4,804
2017-18	11,796	4,834

## Chapter 6

## Other Items

## 6.1 Overview

This chapter includes several items which provide supplementary information to that provided in the earlier chapters.

## 6.2 Loans and Advances by the State Government

Total Loans and Advances given by the State Government outstanding at the end of 2017-18 was ₹7,923 crore. During the year 2017-18, the State Government disbursed loans and advances amounting to ₹631 crore and recovered outstanding loans amounting to ₹346 crore.

## 6.3 Financial Assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹36,161 crore in 2013-14 to ₹54,807 crore in 2017-18. Grants to Zilla Parishads, Municipal Corporation and Gram Panchayats and Panchayat Samitis (₹26,707 crore) represented 49 *per cent* of total grants given during the year.

Table 6.1

(₹ in crore)

Year	Zilla Parishads	Municipalities and Municipal Corporations	Gram Panchayats and Panchayat Samitis	Others	Total
2013-14	15,889	2,264	1,406	16,602	36,161
2014-15	12,229	5,852	5,274	16,609	39,964
2015-16	14,499	6,350	7,586	15,613	44,048
2016-17	2,554	6,570	13,570	25,361	48,055
2017-18	2,655	7,020	17,032	28,100	54,807

## 6.4 Cash Balance and Investment of Cash Balance

Table 6.2

(₹ in crore)

Component	As on 1 April 2017	As on 31 March 2018	Net Increase (+)/ Decrease (-)
Cash Balances	(-) 467	(-) 355	(+) 112
Investments from Cash Balances (GoI Treasury bills)	12,750	5,198	(-) 7,552
Investments from earmarked balances:	10,966	11,686	(+) 720
(i) Sinking Fund	10,586	11,280	(+) 694
(ii) Other Funds	380	406	(+) 26
Interest realised on investment of cash balances	510	554	(+) 44

## 6.5 Reconciliation of Accounts

Timely reconciliation of accounts (figures of Accountant General with those of the Government) ensures accuracy and reliability of accounts. Such reconciliation has been completed for an amount of ₹1,47,298 crore (97.81 *per cent*) in respect of Receipts and for an amount of ₹1,54,327 crore (97.24 *per cent*) in respect of expenditure.

## 6.6 Abstract Contingent Bills

The Controlling and Disbursing Officers are authorized to draw money by presenting Abstract Contingent (AC) bills by debiting the Service Heads. They are required to present the Detailed Contingent (DC) bills (vouchers in support of final expenditure) to the Principal Accountant General (A&E) within three months from the date of drawal of the AC bills as per Rule 211 of Gujarat Treasury Rules, 2000. At the end of 31 March 2018, 4,476 DC bills for an amount of ₹515 crore were outstanding for submission.

## 6.7 Utilization Certificates in respect of Grants-in-aid given by the Government

In terms of the Gujarat Financial Rules, 1971 and Finance Department's Notification dated 12 April 1985, Controlling Officers who draw Grants-in-aid bills, are required to submit Utilization Certificates (UCs) to the Principal Accountant General (A&E) within twelve months after the end of financial year in which the grant is paid. At the end of 2017-18, 4,223 UCs for an amount of ₹14,068 crore were outstanding for submission.

## 6.8 Commitments on incomplete works

A total expenditure of ₹4,278 crore was incurred up to 31 March 2018 by the State Government on various incomplete projects costing ₹10 crore or more taken up by the Roads and Buildings Department and the Narmada, Water Resources, Water Supply and Kalpsar Department.

## 6.9 Rush of expenditure

Financial rules regard rush of expenditure, particularly in the closing month of the financial year as a breach of financial regularity and advice avoidance. However, the expenditure incurred by the State Government under certain heads of account during March 2018 ranged between 50 per cent and 100 per cent of the expenditure during the year indicating a tendency to utilize the budget at the close of the financial year. The flow of expenditure during the four quarters of 2017-18 in respect of selected Major Heads of Account is tabulated below.

**Table 6.3**

Major Head of Account	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total	During March	%age of exp. in March to total exp. of 2017-18
		(₹ in crore)						
4860	Capital Outlay on Consumer Industries	0	0	0	2	2	2	100
4853	Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	0	0	0	2	2	2	100
4070	Capital Outlay on Other Administrative Services	0	0	0	1	1	1	100
5051	Capital Outlay on Ports and Light Houses	3	16	15	87	121	87	72
5055	Capital Outlay on Road Transport	0	158	14	401	574	401	70

Major Head of Account	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total	During March	%age of exp. in March to total exp. of 2017-18
		(₹ in crore)						
2853	Non – ferrous Mining and Metallurgical Industries	7	14	12	110	144	99	69
3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	2	28	85	358	473	312	66
3435	Ecology and Environment	29	2	17	101	151	97	64
2075	Miscellaneous General Services	0	6	7	23	36	21	59
4055	Capital Outlay on Police	12	34	41	272	359	208	58
4075	Capital Outlay on other Special Areas Programmes	0	1	0	1	2	1	58
3051	Ports and Light Houses	0	18	0	22	40	22	55

## 6.10 Personal Deposit (PD) Accounts

The purpose of PD Accounts is to enable the Drawing Officers to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. The status of PD Accounts as of 31 March 2018 was as follows:

Table 6.4

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
478	395	4	1383	NIL	1331	482	447

Out of ₹447 crore, ₹3.94 crore pertaining to 56 PD Accounts was lying unspent for more than one year. Further there were 29 inoperative PD Accounts as of 31 March 2018 with a total balance of ₹2.63 crore lying unspent for more than three years. The amount of ₹2.63 crore lying in these inoperative PD Accounts need to be transferred to the Consolidated Fund of the State.

## 6.11 Minor Head 800 – Other Expenditure

Minor Head 800 – Other Expenditure is to be operated either due to non-availability of a specific head of account or due to incorrect identification of expenditure under the available heads of account at the budget preparation stage. Routine operation of Minor Head 800 is to be discouraged, since it renders the accounts opaque. During 2017-18, the State Government booked ₹11,017 crore constituting 6.94 per cent of the total expenditure (₹1,58,704 crore) relating to 67 Revenue and Major Capital Heads under Minor Head 800 – Other Expenditure.





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