



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

Report of the Comptroller and Auditor General of India on State Finances for the year 2024-25

Government of Gujarat
Report No. 2 of 2026
(State Finances Audit Report)

**Report of the
Comptroller and Auditor General of India
on State Finances for the year 2024-25**

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Preface

This Report has been prepared for submission to the Governor of Gujarat under Article 151 of the Constitution.

The State Finances Audit Report of the Government of Gujarat intends to assess the financial performance of the State, during the financial year and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains three Chapters.

Chapter I – Overview of the Finances of the State

This Chapter describes the basis and approach to the Report and provides a broad perspective of the finances of the State. It includes a macro-fiscal analysis of key indices and State's fiscal position including deficits/surplus, debt profile and key Public Account transactions.

Chapter II – Budgetary Management

This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter III – Financial Reporting Practices

This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the State Government.

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 the Revenue Receipts are presented separately.

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 Principal Accountant General (Accounts and Entitlements) compiles the annual Finance Accounts and Appropriation Accounts of the State based on vouchers, challans, and initial and subsidiary accounts submitted by treasuries, offices, and departments under the control of the State Government, as well as statements received from the Reserve Bank of India. These accounts are independently audited by the Principal Accountant General (Audit-II) and certified by the Comptroller and Auditor General of India.

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

- Budget of the State: 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 office of the Accountant General (Audit).
- Other data with departmental authorities and treasuries (accounting as well as MIS)
- GSDP data and other State related statistics
- State's Fiscal Responsibility and Budget Management (FRBM) Act
- Finance Commission recommendations.
- Various audit reports of the CAG of India.
- best practices and guidelines of the Government of India (GoI).

An Entry Conference was held on 12 September 2025, with the Principal Secretary, Finance Department, Government of Gujarat, wherein the audit approach followed in the preparation of the SFAR and focus area for audit were explained. The Exit conference could not be conducted before 04 February 2026 due to the Finance Department's intense engagement with the FY 2026-27 budget preparation exercise, as conveyed to Audit. The process to select a suitable date for the Exit Conference is ongoing. However, the response of the Department has come for various issues raised in the Report, all of which have been suitably incorporated in the Report appropriately.

Structure of the Government Account

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 Reserve Bank of India 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.

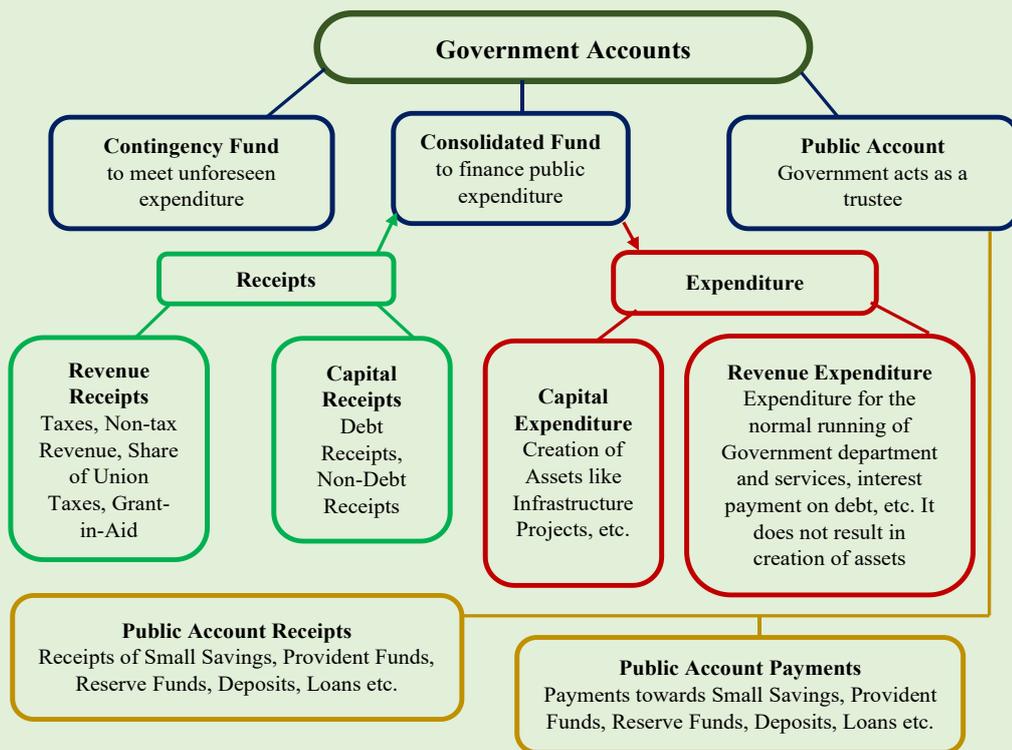
2. Contingency Fund of the State (Article 267 (2) of the Constitution of India)

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 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.

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

Apart from 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.

Structure of Government Accounts



Executive Summary

Executive Summary

This Report on the Finances of the State of Gujarat provides an independent assessment of the fiscal position of Gujarat for FY 2024-25.

GSDP of Gujarat

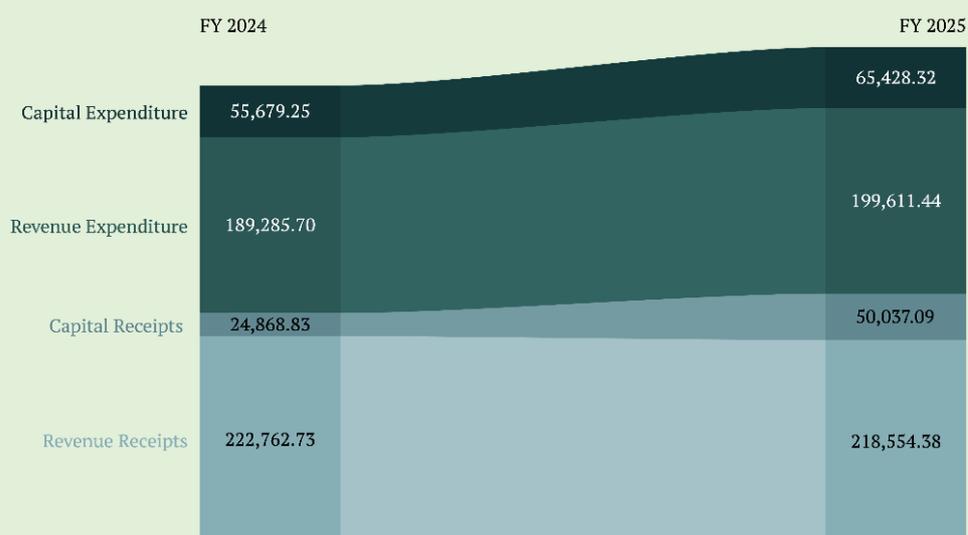
(₹ in crore)



Gujarat's economy showed moderate growth during FY 2024-25, with GSDP registering growth of 10.15 per cent against FY 2023-24. The state's GSDP constituted 8.08 per cent of India's GDP.

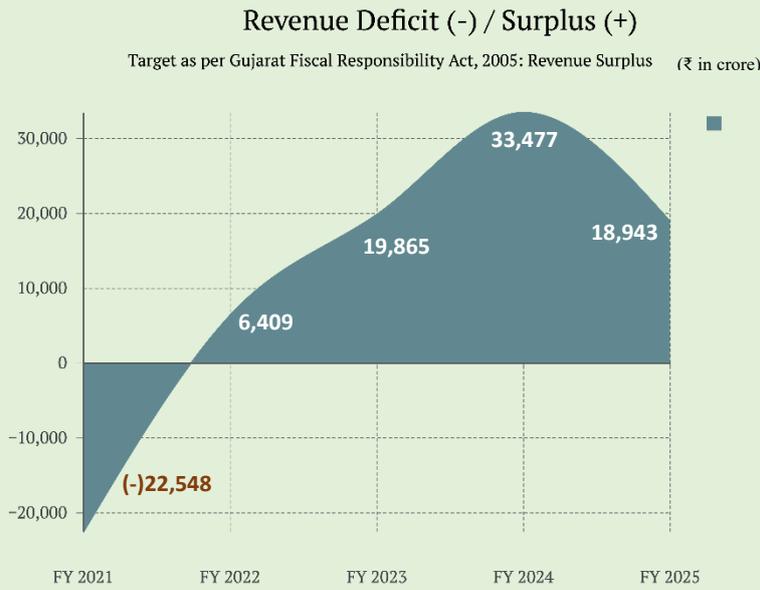
Snapshot of State Finances

Actuals of FY 2025 compared with Actuals of FY 2024 (₹ in crore)



The Revenue Receipts have declined by 1.89 per cent, attributed to the fall in non-tax revenue and decrease in Grants-in-Aid from GoI. Expenditure of the State was dominated by higher growth of revenue expenditure, due to

increase in committed expenditure and subsidies.



The 43.41 per cent decrease in Revenue Surplus was due to ₹ 10,326 crore increase in revenue expenditure and ₹ 4,208 crore decrease in revenue receipts as compared to FY 2023-24. This tightened the fiscal space and thus market borrowings increased to finance the capital expenditure.

Fiscal Deficit as a % of GDP

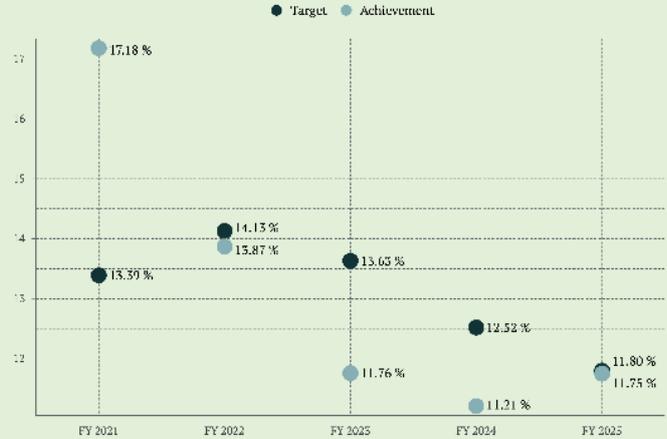
Target under Gujarat FRBM Act, 2005: 3%



Fiscal deficit was 2.50 per cent of the GDP in FY2021 against a target of 3 per cent.

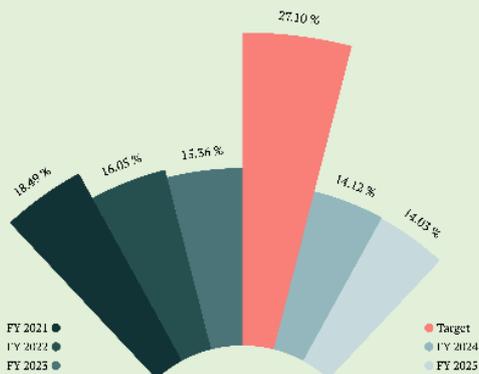
Interest Payment on Public Debt as percentage of Revenue Receipts

(Wider the gap, better the fiscal performance)



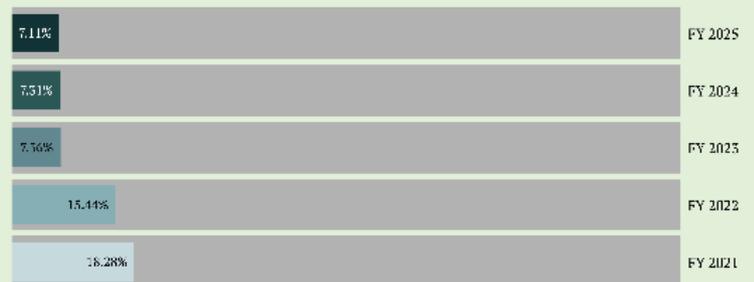
Ratio of Total Public Debt to GDP

Target: 27.10%



Outstanding Guarantees as percentage of Target

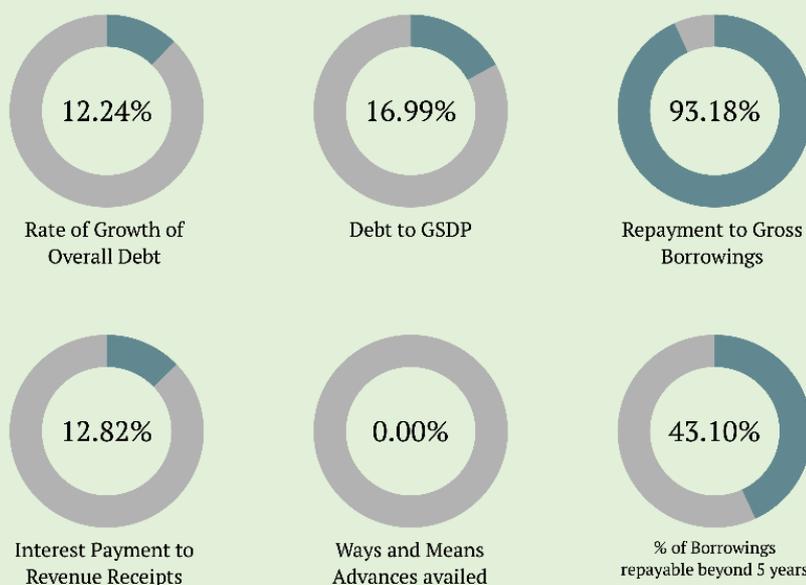
Target: Below Rs. 20,000 crore (lower the percentage, better the fiscal balance)



The State was able to contain the revenue and fiscal deficits within the levels envisaged under the State FRBM framework. The State carried forward significant undischarged liabilities in respect of NPS, Labour Cess to Labour Welfare Board, Gujarat Motor Spirit Cess, Gujarat Rural Development Cess, Consolidated Sinking Fund, interest liabilities to the tune of ₹ 12,383.10 crore in the FY 2024-25, which changes the revenue surplus and fiscal deficit figures.

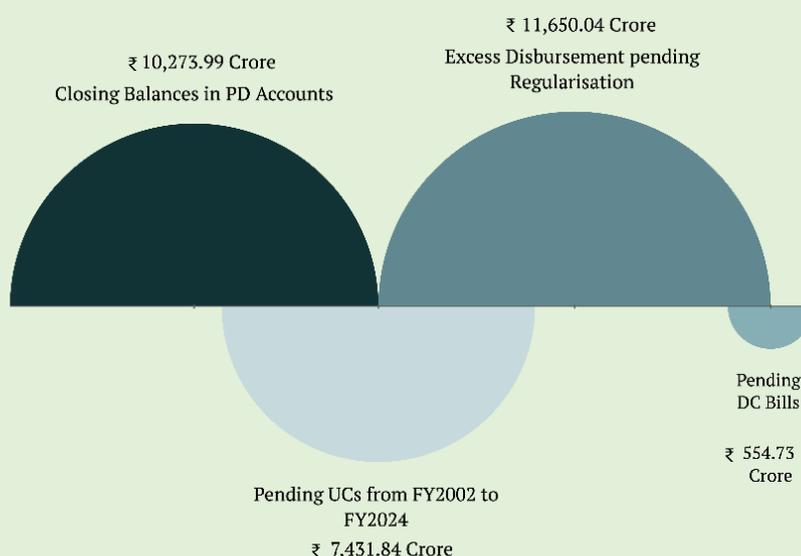
Debt Sustainability

FY2024-25



The state's fiscal health supports debt sustainability, even though the figures from the previous year were better. Thus, caution is to be exercised in the coming years.

Financial Information as on 31 March 2025



Score Card of State of Finances of Gujarat

High Priority Indicators (As per Gujarat Fiscal Responsibility Act, 2005)			
Parameter	FY:2024-25 Value	Benchmark (Criteria)	Remarks
Revenue Surplus (per cent of GSDP)	0.71 per cent	≥ 0 (FRBM objective)	Surplus achieved indicates day-to-day spend covered by current revenue.
Gross fiscal deficit (per cent of GSDP)	1.83 per cent	≤ 3 per cent (FRBM cap)	Below cap; significant fiscal headroom.
Public Debt / GSDP	14.03 per cent	< 27.10 per cent (FRBM objective)	Down from FY 2023-24 (14.12 per cent); improving solvency buffer.
Outstanding guarantees / GSDP	0.05 per cent	Keep low; provide Guarantee Redemption Fund backing (Government Guarantee Policy)	Very low; Contingent-liability risk limited.

Other Priority Indicators

Parameter	FY:2024-25 Value	Benchmark (Criteria)	Remarks
Primary balance (per cent of GSDP) = (Total receipts – Non-interest expenditure) / GSDP	(-) 0.78 per cent	> 0 better (IMF)	Negative indicates debt sustainability faces potential risks.
Interest payments / Revenue Receipts	12.82 per cent	Lower is better; RBI flags risk > 15 per cent (Ministry of Finance)	Interest burden needs to be watched.

Parameter	FY:2024-25 Value	Benchmark (Criteria)	Remarks
Debt service / Revenue Receipts (RR) (Public Debt principal due + interest) ÷ RR	25.08 <i>per cent</i>	Lower is better; watch if persistently >25 <i>per cent</i> (World Bank)	High; Reflects potential fiscal vulnerability.
Growth–interest differential (G–r) (real GSDP growth – real effective interest rate)	4.01 <i>per cent</i>	> 0 supports debt dynamics (IMF and Domar Model)	Positive cushion, though smaller than FY 2023-24 (7.10 <i>per cent</i>).
Capital outlay share = Capital Expenditure ÷ Total Expenditure	24.36 <i>per cent</i>	Higher share = better quality mix (RBI)	Better capex tilt vs 2019–20; asset-creating has increased over past 3 years.
Own-revenue strength = State's Own Revenue ÷ Revenue Expenditure	79.99 <i>per cent</i>	Higher coverage is better (Ministry of Finance)	Own revenues cover ~80 <i>per cent</i> of RE; rest via devolution/grants.

Gujarat's fiscal health is anchored by robust GSDP growth and an adequate revenue surplus, which currently supports a virtuous cycle of high-multiplier capital expenditure.

Nevertheless, given the decrease in the revenue surplus in FY 2024-25, further contraction will necessitate an increased reliance on market borrowings to finance capital expenditure. This generates potential risks to long-term debt sustainability. The fiscal balance is further compounded by audit observations regarding undischarged liabilities exceeding ₹ 12,000 crore, which threatens to further deepen the fiscal deficit and erode the revenue surplus.

Consequently, the current trajectory towards fiscal consolidation may face potential structural headwinds, necessitating cautionary prudence and allocative efficiency in resource management.

CHAPTER I

Overview of the Finances of the State

Chapter I

Overview of the Finances of the State

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 2,340.62 km., which is about 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 6.42 crore in 2015 to 7.32 crore in 2025, recording a decadal growth of 14.02 *per cent*. The State has 33 districts and 251 *talukas*.

1.1.1 Demography of the State

The State's demographic details vis-à-vis national average are presented in the **Table 1.1** below:

Table 1.1: Demographic profile of the State

Sr. No.	Particulars	Gujarat	National average
1.	Rural Population, 2025 (<i>per cent</i>) (Population Projections for India and State 2011-2036)	49.71	64.30
2.	Urban Population, 2025 (<i>per cent</i>) (Population Projections for India and State 2011-2036)	50.29	35.70
3.	Population density, 2025 (<i>per sq km</i>) (Population Projections for India and State 2011-2036)	373	430
4.	Sex Ratio per 1,000 Males, 2025 (Population Projections for India and State 2011-2036)	904	947
5.	Infant Mortality Rate per 1,000 Live births (SRS Bulletin September 2025 (Ref. Year 2023))	20	25
6.	Maternal Mortality Rate per Lakh Women (SRS Bulletin on Maternal Mortality in India 2021-23)	3	5
7.	Total Fertility Rate (NFHS-5, 2019-21)	1.86	1.99
8.	Life Expectancy at Birth (SRS Based Abridged Life Tables 2019-23)	70.4	70.3
9.	Population below Poverty Line (<i>per cent</i>) (<i>Multidimensional Poverty Index, 2023</i> , (NFHS-5, 2019-21) <i>NITI Aayog</i>)	11.66	14.96
10.	Literacy Rate (PLFS, 2023-24)	84.6	80.9

Source: Source of each item is mentioned below it in brackets.

1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and Per Capita GSDP are important indicators of the State’s economy as discussed in succeeding paragraphs.

1.1.2.1 Gross State Domestic Product and Per capita GSDP 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 1.2**.

Table 1.2: Trends in GDP and GSDP (at current prices)

Year	2020-21	2021-22	2022-23	2023-24	2024-25
GDP of India (₹ in crore)	1,98,54,096	2,35,97,399	2,68,90,473	3,01,22,956	3,30,68,145
GSDP of Gujarat (₹ in crore)	16,16,106	19,20,927	22,03,419	24,25,804	26,72,025
Per capita GDP (in ₹)	1,46,480	1,72,422	1,94,451	2,15,935	2,34,859
Per capita GSDP (in ₹)	2,32,862	2,73,290	3,09,691	3,36,875	3,66,700

Source: National Statistical Office Ministry of Statistics and Programme Implementation (MoSPI); Directorate of Economics and Statistics, Gandhinagar.

GSDP: Provisional Estimates (PE) for 2022-23; Quick Estimates (QE) for 2023-24; Advance Estimates (AE) for 2024-25

GDP: First Revised Estimates (FRE) for 2023-24; Provisional Estimates (PE) for 2024-25

Chart 1.1: Y-o-Y growth of GDP, GSDP and share of GSDP in GDP

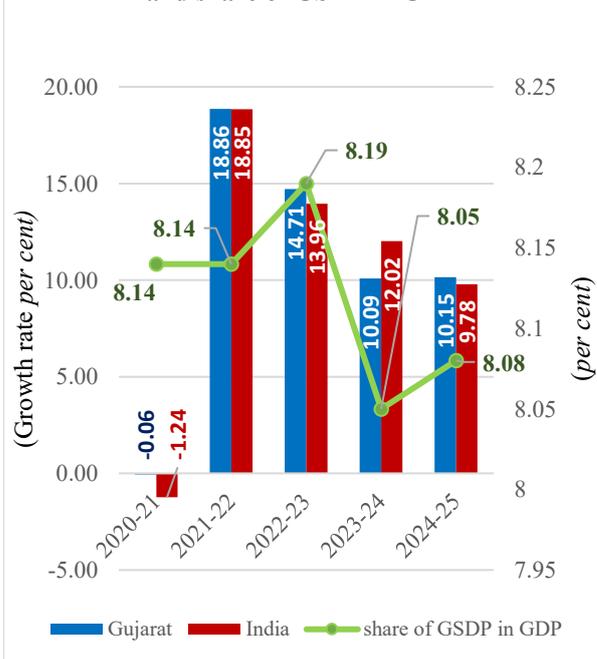
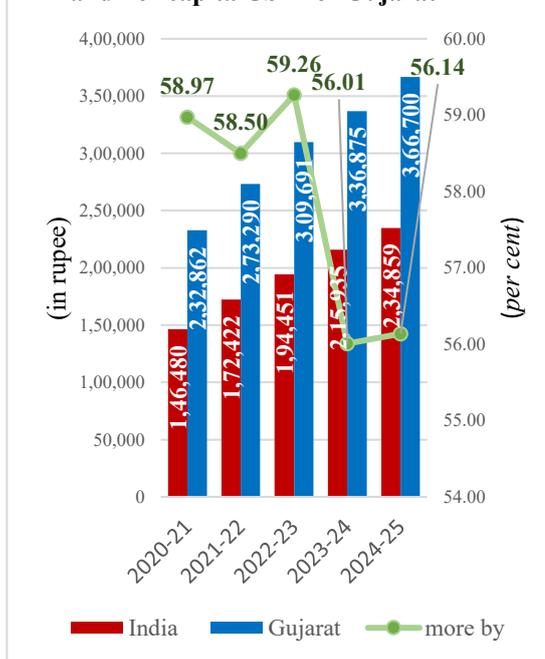


Chart 1.2: Per capita GDP of India and Per capita GSDP of Gujarat



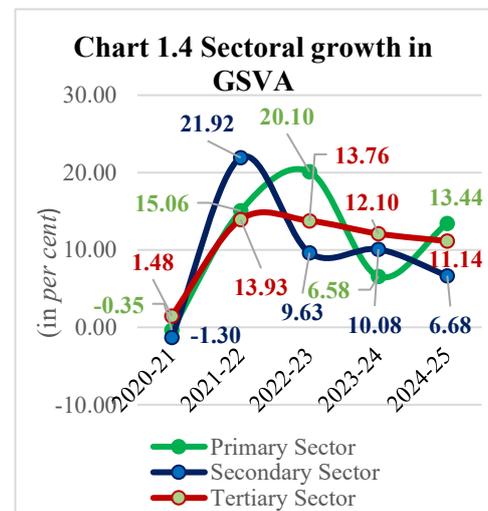
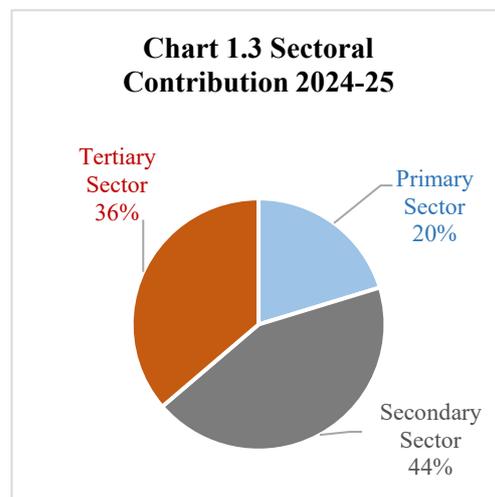
Analysis of the above charts reveals that:

- Compared to the growth rate of national GDP, the GSDP of Gujarat grew at a higher rate during the period 2021-22 to 2024-25, except in 2023-24. During 2021-22, India as well as Gujarat registered their highest growth rate in previous five years;
- State has maintained a 10 *per cent* growth rate in GSDP during past two years. The sustained rise in GSDP and per capita GSDP implies expanding fiscal capacity for the State Government; and
- Per capita GSDP of the State is approximately 1.5 times the Per capita GDP of the country.

1.1.2.2 Sectoral contribution to GSVA

Gross State Value Added (GSVA) reflects the net value added by economic activities within the State and forms the basis for assessing sectoral composition and growth of the State economy.

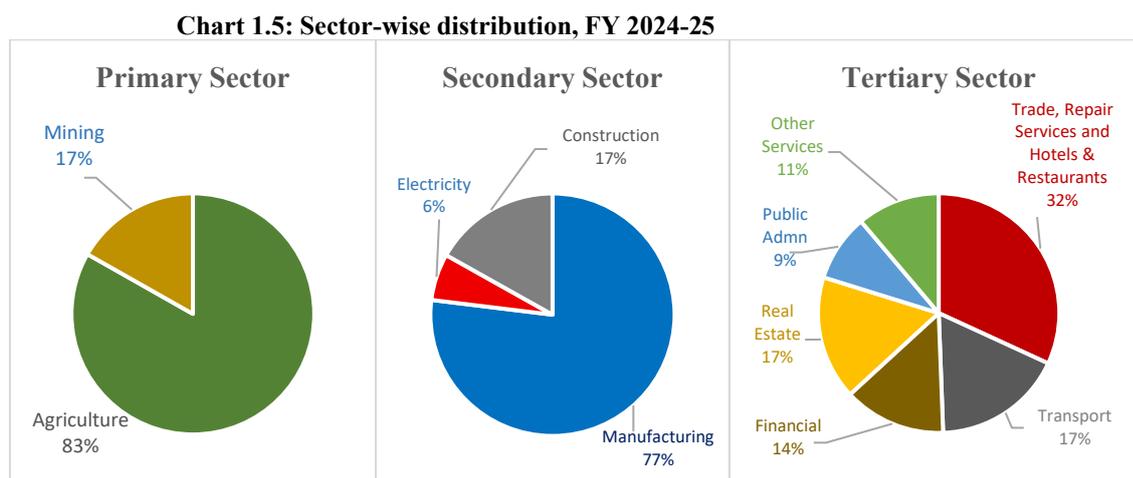
The sectoral contribution by various sectors during 2024-25 and sectoral growth in GSVA during the last five years are depicted in **Chart 1.3** and **Chart 1.4** respectively.



It can be observed from the above charts that:

- Sectoral growth shows sharp volatility in the post-pandemic period (2020-21 to 2024-25), with uneven recovery across sectors;
- While the Tertiary Sector provided consistent support to GSVA growth, and hence acted as a stabilising anchor for the State's economy, the Primary and Secondary sectors experienced fluctuations indicating their sensitivity to the external factors; and
- In 2024-25, the acceleration in Primary Sector growth and deceleration in Secondary Sector growth indicate a shift in sectoral drivers, with Tertiary Sector remaining the most resilient contributor to overall economic growth.

Chart 1.5 shows the composition of each sector during FY 2024-25, in terms of its major contributing segments.



The above chart reflects that during 2024-25:

- Agriculture dominates the Primary Sector, even though vulnerable to climatic and other external factors;
- Manufacturing, leading the Secondary Sector, explains the high growth during economic expansion phases; and
- A well diversified Tertiary Sector, driven by trade-related services, reflects its stability during economic shocks and its consistent growth.

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of the State Government of Gujarat for the years 2023-24 and 2024-25 vis-a-vis Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sr. No.	Components	2023-24	2024-25		Percentage of Actuals to BE	Percentage of Actuals to GSDP	
		(Actuals)	(BE)	(RE)			(Actuals)
1	Tax Revenue	1,73,497.98	1,91,195.00	1,92,383.73	1,85,463.79	83.51	5.98
	(i) Own Tax Revenue	1,34,214.35	1,48,949.76	1,47,625.76	1,40,705.79	94.47	5.27
	(ii) Share of Union Taxes and Duties	39,283.63	42,245.24	44,757.97	44,758.00	105.95	1.68
2	Non-Tax Revenue	23,707.75	19,675.28	20,308.19	18,963.55	96.38	0.71
3	Grants-in-Aid and Contributions	25,557.00	18,782.89	18,839.54	14,127.04	75.21	0.53
4	Revenue Receipts (1+2+3)	2,22,762.73	2,29,653.17	2,31,531.46	2,18,554.38	95.17	8.18

Sr. No.	Components	2023-24	2024-25			Percentage of Actuals to BE	Percentage of Actuals to GSDP
		(Actuals)	(BE)	(RE)	(Actuals)		
5	Recovery of Loans and Advances	1,375.57	292.12	300.00	1,072.20	367.04	0.04
6	Other Receipts	0.00	17,500.00	1,500.00	0.00	0.00	0.00
7	Borrowings and other Liabilities ¹	23,493.26	51,521.46	16,493.50	48,964.89	95.04	1.83
8	Capital Receipts (5+6+7)	24,868.83	69,313.58	18,293.50	50,037.09	72.19	1.87
9	Total Receipts (4+8)	2,47,631.56	2,98,966.75	2,49,824.96	2,68,591.47	89.84	10.05
10	Revenue Expenditure	1,89,285.70	2,19,831.89	2,10,181.22	1,99,611.44	90.80	7.47
11	Interest payments	27,175.63	29,953.56	28,706.96	28,024.73	93.56	1.05
12	Capital Expenditure	55,679.25	75,688.53	70,172.60	65,428.32	86.44	2.45
13	Loan and advances	2,666.61	3,841.77	3,548.03	3,551.71	92.45	0.13
14	Total Expenditure (10+12+13)	2,47,631.56	2,99,362.19	2,83,901.85	2,68,591.47	89.72	10.05
15	Revenue Surplus (+)/ Deficit (-) (4-10)	(+)33,477.03	9,821.28	21,350.24	18,942.94²	192.88	0.71
16	Fiscal Surplus (+)/ Deficit (-) {(4+5+6)-14}	(-)23,493.26	(-)51,916.90	(-)50,570.39	(-)48,964.89	94.31	(-)1.83
17	Primary Deficit (-) / Primary Surplus (+) (16+11)	(+)3,682.37	(-)21,963.34	(-)21,863.43	(-)20,940.16³	95.34	(-)0.78

Source: Finance Accounts of the State Government of respective years and Budget Publication No. 1 for 2024-25 and 2025-26 of Government of Gujarat.

Analysis of the above table reveals that in 2024-25:

- Revenue Receipts of the State declined by 1.89 *per cent* over the previous year. It was lower than budget estimates by 4.83 *per cent* and was 8.18 *per cent* of GSDP; and
- The State recorded a Revenue Surplus of ₹ 18,942.94 crore, about twice the BE figures, reflecting containment of Revenue Expenditure.

Strengths

- Own Tax Revenue showed stable performance against Budget Estimates. (refer Paragraph 1.2.1 A(i))

¹ Borrowings and other Liabilities = Net (Receipts *minus* Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts *minus* Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

² Post Audit adjusted Revenue Surplus is ₹ 7,013.97 crore (Refer Paragraph 1.5.2).

³ Post Audit adjusted Primary Deficit is ₹ 33,252.50 crore (Refer Paragraph 1.5.2).

- Share of Union Taxes exceeded Budget Estimates, partially offsetting shortfalls in other revenue components.
- Revenue surplus was sustained, indicating continued ability to meet routine expenditure from revenue receipts.

Concerns

- Grants-in-Aid registered a significant shortfall against Budget Estimates, due to phasing out of GST Compensation, resulting in a decrease of ₹ 11,429.96 crore over previous year (refer Paragraph 1.2.1 C)
- Capital expenditure, while increased, did not fully materialise as budgeted, moderating its growth-inducing impact.

Risks

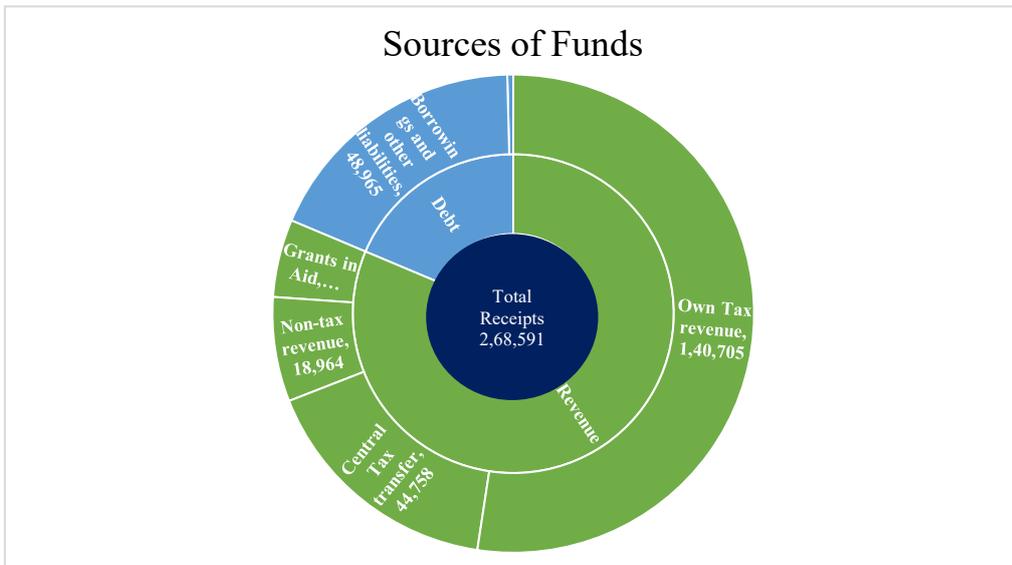
- Fiscal balance was achieved primarily through higher borrowings, increasing future repayment obligations. (refer Paragraph 1.2.2)
- Interest payments remain a committed charge, constraining fiscal flexibility in subsequent years.

The details of State Government Finances for the FY 2015-16 to 2024-25 is given in *Appendix 1.1*.

1.1.4 Sources and Application of Funds

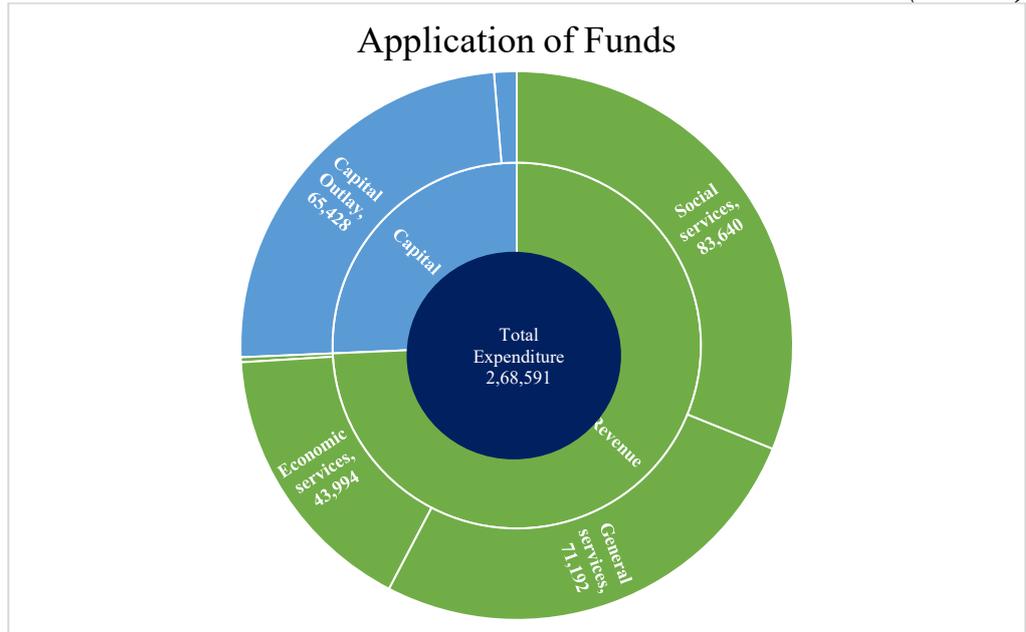
Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.6**.

Chart 1.6: Details of sources and application of funds during 2024-25
(₹ in crore)



* Borrowings and other Liabilities = Net (Receipts minus Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts minus Disbursements) of Public Account + Net of Opening and Closing Cash Balance

₹ in crore)



Source: Finance Accounts of the State Government for 2024-25.

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the State during the current year as well as previous year.

Audit analysis reveals that:

- The State is still able to meet its routine expenditure from revenue receipts, but the buffer available for fiscal shocks has reduced;
- Borrowings are not only funding asset creation but are also being used to roll over existing liabilities;
- While higher capital spending signals growth orientation, delays in large projects/schemes can affect overall outcomes;
- High revenue expenditure in social sector; and
- Comfortable cash balances alongside high borrowings means liquidity is preserved.

The Appendix reveals that while the State's revenue account continues to generate a surplus and liquidity remains adequate, fiscal balance in 2024-25 is increasingly sustained through higher borrowings and large public account operations. The declining revenue surplus, sectoral concentration of capital outlay, and increasing reliance on borrowings indicate emerging structural pressures which merit close fiscal monitoring.

1.1.5 Snapshot 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. **Appendix 1.3** gives an abstract of such Liabilities and Assets, as on 31 March 2025, compared with the corresponding position of the previous year. 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 1.4** gives the summarised position of Assets and Liabilities of the Government.

Table 1.4: Summarised position of Assets and Liabilities*(₹ in crore)*

Liabilities				Assets					
	2023-24	2024-25	Per cent increase/decrease		2023-24	2024-25	Per cent increase/decrease		
Consolidated Fund									
A	Internal Debt	3,35,208.25	3,49,002.04	4.11	A	Gross Capital Outlay	4,24,580.68	4,90,008.99	15.41
B	Loans and Advances from Govt*	23,045.24	31,378.69	36.16	B	Loans and Advances	15,653.86	18,133.37	15.84
Contingency Fund		200.00	200.00	0.00					
Public Account									
A	Small Savings, Provident Funds, etc.	10,019.83	10,121.12	1.01	A	Advances	0.70	0.70	0.00
B	Deposits	46,634.85	63,820.81	36.85	B	Suspense and Miscellaneous	5,017.27	5,425.48	8.14
C	Reserve Funds	18,452.74	21,311.28	15.49	Cash balance (including investment in Earmarked Fund)		37,971.69	31,532.66	(-)16.96
D	Remittances	1,327.97	1,989.00	49.78					
					Total		4,83,224.20	5,45,101.20	12.81
					Cumulative excess of expenditure over receipts⁴		(-)48,335.32	(-)67,278.26	39.19
Total		4,34,888.88	4,77,822.94	9.87	Total		4,34,888.88	4,77,822.94	9.87

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

* 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 and its repayment of ₹ 6,497 crore and ₹ 10,229 crore during 2023-24 and 2024-25.

Table 1.4 indicates that while asset creation has strengthened during 2024-25, it has been accompanied by faster growth in liabilities, significant accumulation under Public Account heads, and a widening cumulative deficit. The decline in cash balances alongside increased borrowings points to emerging pressures on fiscal sustainability.

1.2 Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, Ways and Means Advances extended by the Reserve Bank of

⁴ Cumulative excess of expenditure over receipts = Cumulative excess of expenditure over receipts of previous year + Adjustment to clear old outstanding balances – Revenue Surplus

India and all money received by the State Government in repayment of loans form parts of the Consolidated Fund of the State.

1.2.1 Revenue Receipts

Trends and growth of Revenue Receipts with respect to Gross State Domestic Product (GSDP) over the five-year period (2020-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts

Parameters	₹ in crore				
	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	1,28,156	1,66,830	1,99,408	2,22,763	2,18,555
Tax Revenue	90,485	1,28,784	1,57,843	1,73,498	1,85,464
Own Tax Revenue	70,266	97,678	1,24,809	1,34,214	1,40,706
State's share in Union Taxes and Duties	20,219	31,106	33,034	39,284	44,758
Non-Tax Revenue	10,493	14,018	18,434	23,708	18,964
Grants- in Aid from GoI	27,178	24,028	23,131	25,557	14,127
State's Own Revenue (Own Tax and Non-Tax Revenue)	80,759	1,11,696	1,43,243	1,57,922	1,59,670
GSDP (2011-12 series)	16,16,106	19,20,927	22,03,419 (P)	24,25,804 (Q)	26,72,025 (A)
Year-on-year growth rates (in per cent)					
Revenue Receipts	(-)10.28	30.18	19.53	11.71	(-)1.89
State's Own Revenue of the State	(-)16.84	38.31	28.24	10.25	1.11
Grants in Aid from GoI	6.58	(-)11.59	(-)3.73	10.49	(-)44.72
GSDP	(-)0.06	18.86	14.71	10.09	10.15
Buoyancy Ratios⁵					
Revenue Buoyancy w.r.t GSDP	*	1.60	1.33	1.16	*
State's Own Revenue Buoyancy w.r.t GSDP	*	2.03	1.92	1.02	0.11

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

Source (GSDP Figures): Directorate of Economics and Statistics, Gandhinagar.

GSDP: Provisional Estimates (PE) for 2022-23; Quick Estimates (QE) for 2023-24; Advance Estimates (AE) for 2024-25

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

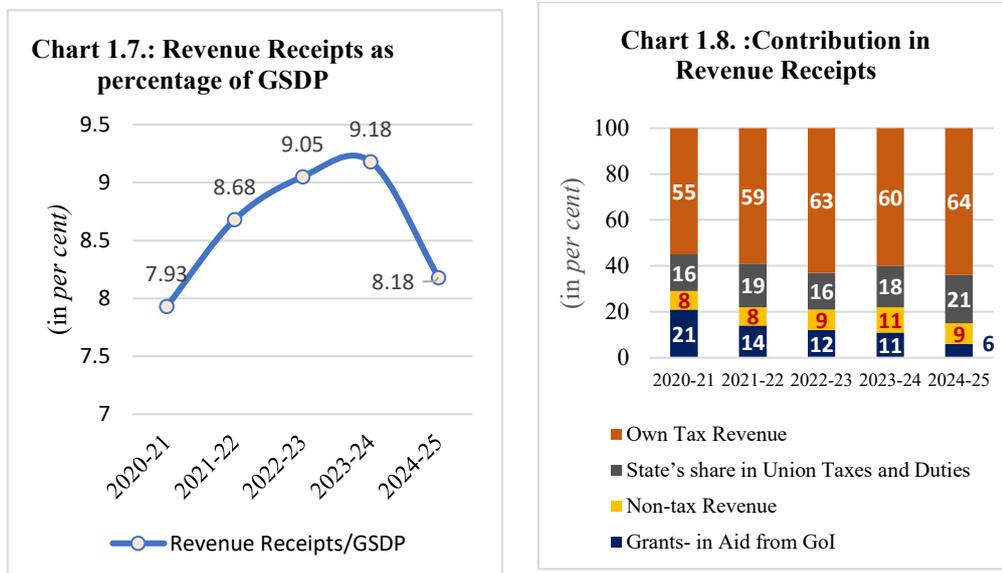
The above table reveals that:

- Revenue Receipts increased by 70.54 per cent (₹ 90,399 crore) from ₹ 1,28,156 crore in 2020-21 to ₹ 2,18,555 crore in 2024-25 at Compound Annual Growth Rate (CAGR) of 14.28 per cent. However, from 2020-21 to 2024-25 CAGR of the State's own revenue and transfers from the Centre was 19.65 per cent; and
- During 2024-25, Revenue Receipts decreased by ₹ 4,208 crore (1.89 per cent) over the previous year.

⁵ Buoyancy ratio 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 1.16 implies that Revenue Receipts tend to increase by 1.16 percentage points, if the GSDP increases by one per cent.

Thus, while Revenue Receipts expanded steadily in the post-pandemic period, growth momentum stagnated in 2024-25, with own revenue showing low buoyancy despite continued economic expansion. The increasing dependence on tax devolution and volatility in grants underline emerging constraints in the State’s revenue mobilisation capacity.

Revenue Receipts as percentage of GSDP and contribution from various sources in Revenue Receipts is given in **Chart 1.7** and **Chart 1.8**.



The trends in Revenue Receipts during 2020-25 as seen from above charts reveal that:

- A significant portion of Revenue Receipts (73.06 per cent) during 2024-25 came from the State’s Own Resources (refer **Paragraph 1.2.1(A)** for component-wise details), while Central Tax Transfers (refer **Paragraph 1.2.1(B)** for component-wise details) and Grants-in-Aid (refer **Paragraph 1.2.1(C)** for component-wise details) together contributed 26.94 per cent; and
- Revenue Receipts as a proportion of GSDP showed an increasing trend during the period 2020-24, before declining from 9.18 per cent in 2023-24 to 8.18 per cent in 2024-25.

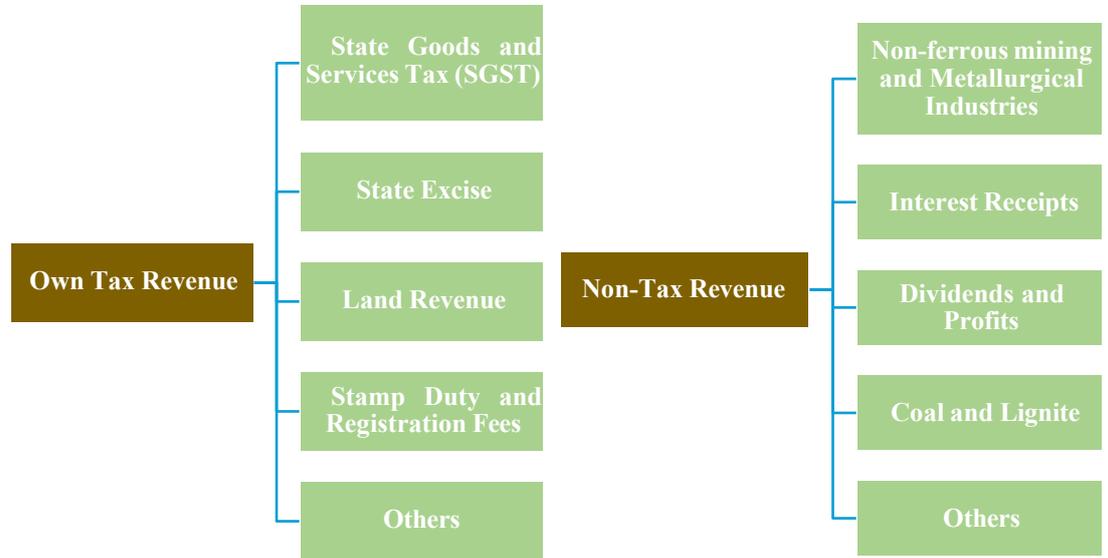
The predominance of the State’s Own Resources in Revenue Receipts indicates a relatively strong degree of fiscal autonomy; however, it also places greater onus on the State to sustain tax and non-tax revenue growth in the absence of commensurate support from Central transfers.

The combined share of Central Tax Transfers and Grants-in-Aid, though significant, remains secondary to own revenue, implying that any moderation in the State’s own revenue performance would have a direct and immediate impact on the overall revenue stability.

The decline in Revenue Receipts as a proportion of GSDP in 2024-25, despite continued economic growth, suggests a weakening of revenue buoyancy, with incremental growth in the economy yielding proportionately lower revenue gains.

A. State's Own Resources

Chart 1.9: Details of State's Own Revenue



(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the State Government through taxes it is empowered to levy under the Constitution. Actuals for FY 2023-24, and the Budget Estimate (BE), Revised Estimate (RE), and Actuals of Own Tax Revenue for the FY 2024-25 is given in **Table 1.6**

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

(₹ in crore)

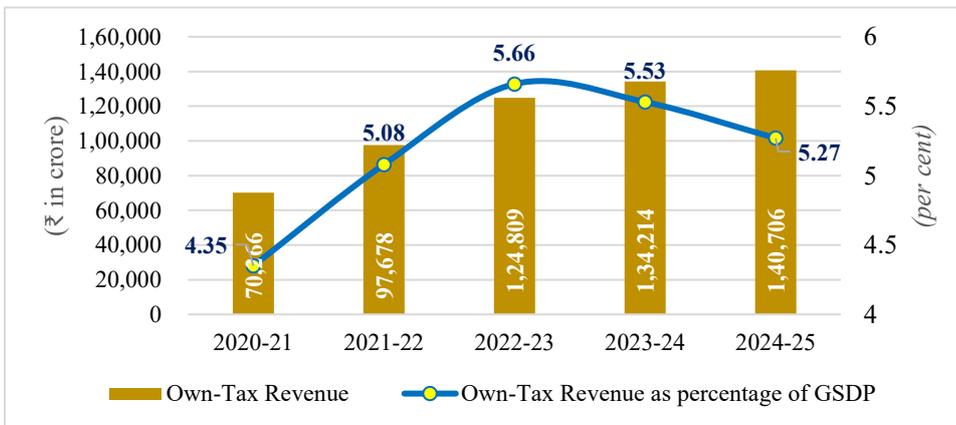
Revenue Head	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax	58,010	74,597	74,750	65,840
Taxes on Sales, Trade etc.	33,127	33,900	33,213	33,112
Stamps and Registration Fees	15,334	16,000	16,500	17,445
Taxes and Duties on Electricity	11,514	11,754	11,749	11,736
Taxes on Vehicles	5,568	5,600	5,677	5,908
Land Revenue	8,558	5,510	4,004	4,801
State Excise	200	155	200	201
Other Taxes	1,903	1,434	1,533	1,663
Own Tax Revenue	1,34,214	1,48,950	1,47,626	1,40,706
Own Tax Revenue as a percentage of GSDP	5.53	5.33	5.52	5.27
Own Tax Revenue as a percentage of Revenue Receipts	60.25	64.86	63.76	64.38

Source: Finance Accounts of the State Government of respective years and Budget Publication No.1 of the Government of Gujarat for the year 2024-25 and 2025-26.

Table 1.6 indicates that the State’s Own Tax Revenue base remains concentrated in SGST. The decrease in Own Tax Revenue as a percentage of GSDP coupled with shortfall against budgeted SGST collection point to potential constraints in revenue generation and highlights the need for continued monitoring of forecasting accuracy and tax base responsiveness.

Trends of Own Tax Revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.10** and **Chart 1.11** respectively.

Chart 1.10: Trends of Own Tax Revenue during FY 2020-21 to FY 2024-25



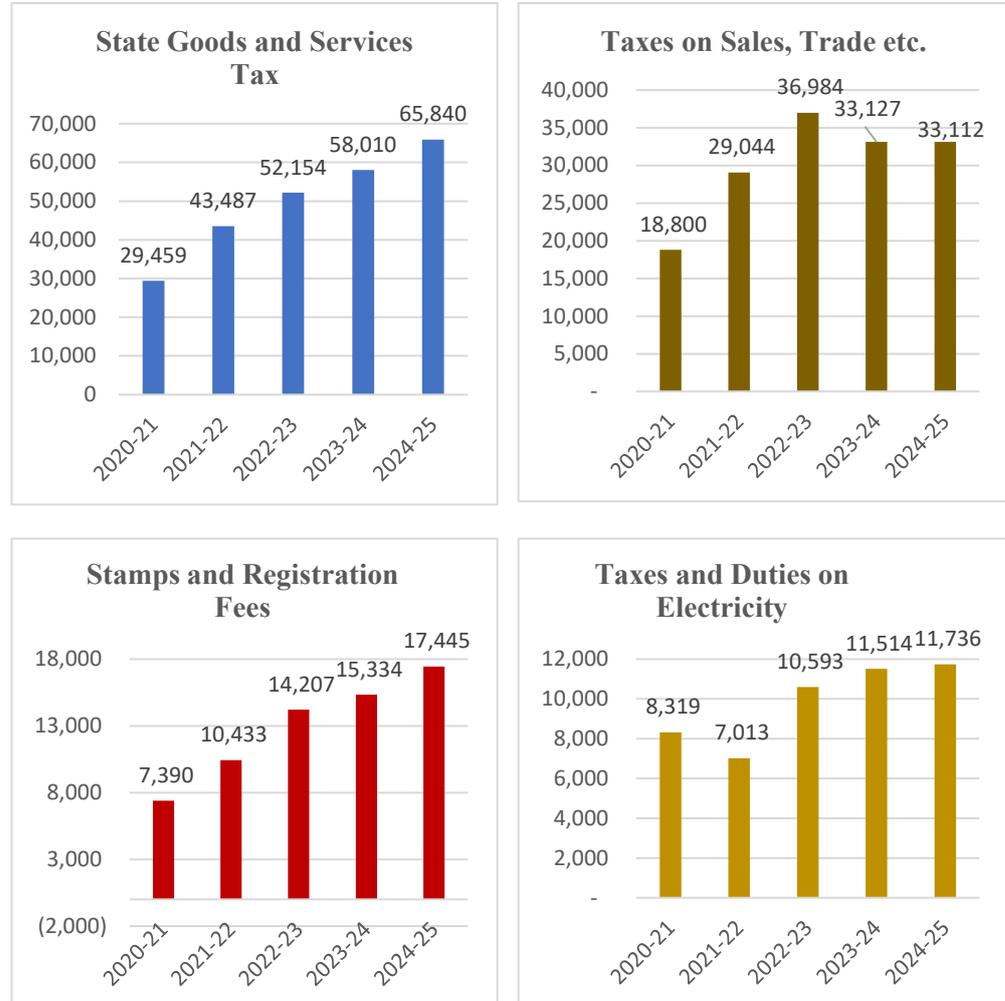
Source: Finance Accounts of the State Government of respective years.

The SGST continued to remain major contributor to OTR of the State with increase in its share to 46.79 per cent in 2024-25 from 43.22 per cent in 2023-

24, followed by Sales Tax/VAT (23.53 per cent), Stamp Duty and Registration Fees (12.40 per cent) and Taxes and Duties on Electricity (8.34 per cent).

Chart 1.11: Major components of State's Own Tax Revenue

(₹ in crore)



It can be observed from the above table and charts that:

- SGST, Taxes on Vehicles, State Excise and Stamps and Registration Fees have shown an increasing trend over the last five years;
- The State's Own Tax Revenue (OTR) from Sales Tax/VAT, after reaching a five year high of ₹ 36,984 crore, declined to ₹ 33,127 crore in 2023-24 and remained at the same level in 2024-25; and
- Further analysis revealed that Land Revenue (**Refer Appendix 1.1**), after a sudden increase to ₹ 8,558 crore in 2023-24, declined to ₹ 4,801 crore in 2024-25, reverting to a level broadly comparable with that of 2022-23 (₹ 4,480 crore).

(ii) Non-Tax Revenue

Non-Tax Revenue of a State refers to the rent, fees, royalties and other receipts, of the State Government from sources other than taxes.

Actuals for FY 2023-24 and the Budget Estimate (BE), Revised Estimate (RE), and Actuals of Non-Tax Revenue for the FY 2024-25 is given in **Table 1.7**.

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE and Actuals)

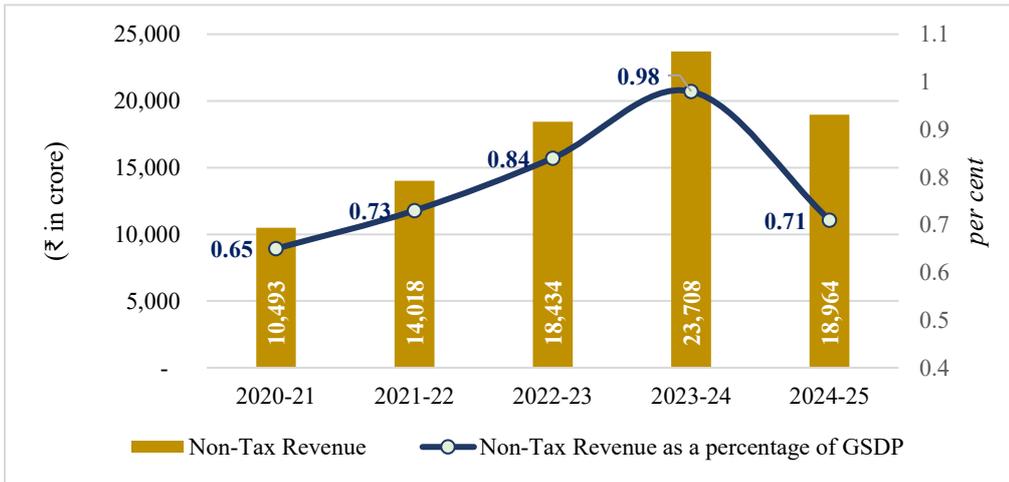
(₹ in crore)

Non-Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Non-Ferrous Mining and Metallurgical Industries	5,815	4,379	5,576	5,814
Dividends and Profits	757	600	2,550	2,396
Major and Medium Irrigation	2,093	2,354	2,026	2,248
Ports and Light Houses	1,478	1,500	1,700	1,800
Interest Receipts	2,703	2,000	1,662	1,587
User charges ⁶	2,977	2,272	1,711	1,109
Others	7,885	6,570	5,083	4,010
Total	23,708	19,675	20,308	18,964

Source: Finance Accounts of the State Government of respective years and Budget Publication No.1 of the Government of Gujarat for the year 2024-25 and 2025-26.

Trends of Non-Tax Revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

Chart 1.12: Trends in Non-Tax Revenue

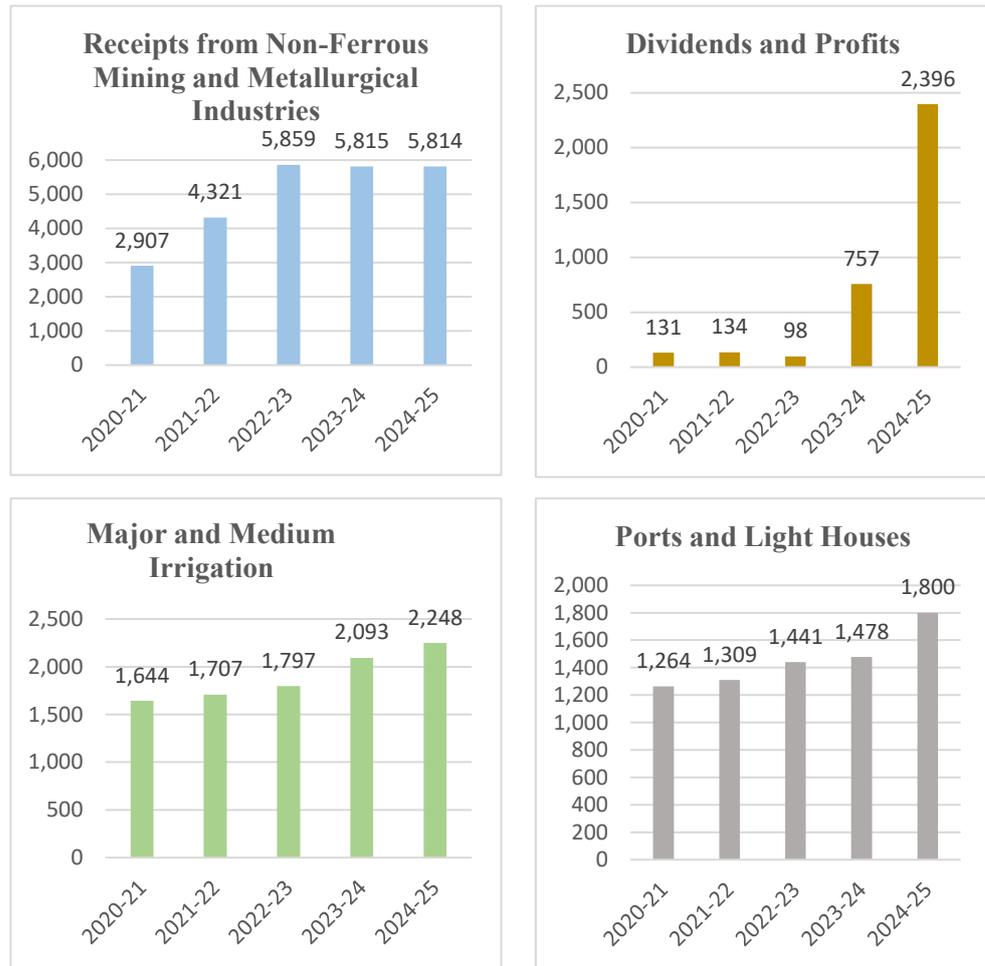


Source: Finance Accounts of the State Government of respective years.

⁶ User charges includes Non-Tax Revenue under Education, Health, Water Supply and Sanitation, Transport and Tourism pertaining to Major Head 0202, 0210, 0215, 1054 and 1452. Non-Tax Revenue under Major and Medium Irrigation (user charges) includes Major Head 0700 and 0701.

Chart 1.13: Major components of State's Non-Tax Revenue

₹ in crore)



The Non-Tax Revenue of the State ranged between 8.19 *per cent* and 10.64 *per cent* of the Revenue Receipts during the last five years. During the year 2024-25, Non-Tax Revenue decreased by ₹ 4,744 crore (20.01 *per cent*) over the previous year. The decline in Non-Tax Revenue was mainly attributable to:

- Education, Sports, Art and Culture: Decrease of ₹ 1,266.03 crore due to less recovery of overpayments, other receipts, and tuition and other fees under General and Technical Education;
- Interest Receipts: Decrease of ₹ 1,116.24 crore due to less interest from General Finance and Trading Institutions, loans for Social Security and Welfare, and investment of Cash Balances;
- Miscellaneous General Services: Decrease of ₹ 1,011.79 crore due to less receipts under Unclaimed Deposits;
- Other Rural Development Programmes: Decrease of ₹ 645.82 crore due to less receipts under Other Receipts; and
- Urban Development: Decrease of ₹ 645.22 crore due to less Other Receipts under Integrated Development of Small and Medium Towns.

However, the above were partially offset by a significant increase in receipts under Dividends and Profits in Dividends from Other Institutions, which rose from ₹ 116 crore in 2023-24 to ₹ 1,969 crore in 2024-25.

Thus, the State's non-tax revenue base weakened in 2024-25, with overall receipts falling short of estimates and remaining heavily dependent on mining-related income. The decline in user charges, interest receipts, and miscellaneous revenues points to limited cost recovery and reduced diversification.

(iii) Non-compliance to Government Instruction

Finance Department vide Circular No. Janav (Vernacular)/10/2011/182190/A dated 05 July 2022 had instructed all government entities to deposit their unutilized funds with Gujarat State Financial Services (GSFS), which offers higher interest rates than those of banks, and GSFS also provides the facility to withdraw the deposited amount at any time. It further mandates that any unutilized funds, after meeting working capital needs, are required to be deposited immediately or within ten days to ensure optimal use of government money and maximize interest earnings.

Case Study 1: The Mission Director, Gujarat State Electronic Mission, Gandhinagar.

During test check in Audit, it was observed Gujarat State Electronic Mission, Gandhinagar (GSEM), kept funds of ₹ 144.62 crore related to the Electronics Policy in HDFC Bank savings account between August 2023 and June 2025, earning only 3.5 per cent interest instead of the 7 per cent given by GSFS. GSEM also failed to utilize the Auto-Fixed Deposit facility, indicating weak internal controls and lack of proactive financial management. As the interest on grant funds should accrue to the State, this resulted in loss to the exchequer. The lapse occurred due to non-adherence to the GoG circular *ibid*, indicating lack of financial prudence.

GSEM replied that the funds were not maintained in GSFS as subsidy is released immediately on receipt of approval from State Government. To avoid delay/ default in payment, fund liquidity was crucial for meeting the core mandate of timely subsidy release. Further, the actual interest earned was credited to the State Consolidated Fund.

The reply is not acceptable as per the rules of deposit and withdrawal of funds followed by GSFS.

Case Study 2: Funds released by Water Resources Department to PSU and Autonomous Body

During the Grant Audit for the period from 2022-23 to 2024-25, in NWRWSKD, it was found that amount of ₹ 135.16 crore and ₹ 9.49 crore were deposited in Bank Accounts of Gujarat Water Resources Development Corporation (GWRDC), a PSU and Water and Land Management Institute (WALMI), an Autonomous Body (AB), respectively, at the end of 31st

March 2025. The PSU and AB did not follow the Finance Department circular *ibid*. Reply is awaited.

Case Study 3: Funds released by General Administration Department to Autonomous Bodies

During the Grant Audit for the period from 2022-23 to 2024-25 of GAD, Audit observed from the records that five Autonomous bodies⁷ held ₹ 22.61 crore in Bank Accounts. Further, Sachivalaya Gymkhana, an AB, has not provided the details of Bank Account and balance held by it. The ABs did not follow the Finance Department circular *ibid*. Reply is awaited.

(iv) 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 drawal from a bill during the same financial year in which such overpayments were made, shall be recorded as ‘Reduction of Expenditure’ under the Service Heads concerned. 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 Major Head of account concerned.

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.

Case Study: Unutilised Balances incorrectly credited as Revenue Receipts

Audit randomly test-checked (July 2025) 71 receipt challans aggregating ₹ 1,396.80 crore, which were credited to Government Accounts as Revenue Receipts during 2024-25. Of these, 41 receipt challans aggregating ₹ 1,108.42 crore (79.35 *per cent* of sample receipt amount), representing unutilised amounts of previous years, was irregularly credited into Government Accounts as Revenue Receipts during 2024-25, instead of ‘Reduction of Expenditure’ under the Service Heads concerned. Subsequently, A&E office carried out transfer entries of ₹ 883.73 crore (July 2025).

This gives an incorrect picture of Revenue Receipts of the State Government and corresponding effect on Budget Estimates of succeeding years.

The system to be followed for correct booking of unutilised balances is under deliberation between the Office of Principal Accountant General (A&E) and the Finance Department. It is pertinent to mention that erroneous booking of

⁷ (i) Sardar Patel Institute of Public Administration (SPIPA), (ii) Gujarat Social Infrastructure Development Society (GSIDS), (iii) Non-Resident Gujarati's Foundation (NRGF), (iv) Gujarat Information Commission (GIC), and (v) Gujarat Rajya Institution for Transformation (GRIT).

unutilised balances in the Government Accounts as Revenue Receipts persisted, despite being pointed out in the previous State Finances Audit Reports of Government of Gujarat since the year 2021-22.

B. State's share in Union Taxes and Duties

Trends in the components of State's share in Union Taxes and Duties are shown in **Table 1.8**.

Table 1.8: State's share in Union Taxes and Duties

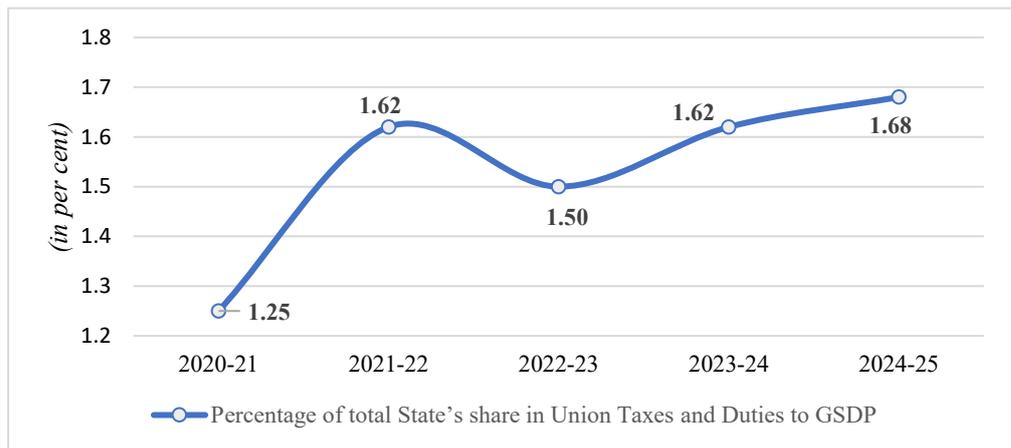
Components	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Direct Taxes					
Corporation Tax	6,083.86	9,242.59	11,079.34	11,791.15	12,700.33
Taxes on income other than Corporation Tax	6,235.13	9,158.49	10,810.28	13,617.32	16,196.81
Taxes on Wealth	0.00	1.90	0.00	0.00	0.00
Sub-total	12,318.99	18,402.98	21,889.62	25,408.47	28,897.14
Indirect Taxes					
Central Goods and Services Tax	6,030.60	8,815.20	9,332.69	11,922.14	13,072.06
Customs	1,088.95	2,243.09	1,298.32	1,376.65	2,277.15
Union Excise Duties	681.76	1,229.22	407.36	520.95	438.22
Service Tax	84.49	384.47	51.65	7.33	1.42
Others	13.74	30.82	54.36	48.09	72.01
Sub-total	7,899.54	12,702.80	11,144.38	13,875.16	15,860.86
Total	20,218.53	31,105.78	33,034.00	39,283.63	44,758.00

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

It can be observed from the above table that:

- The Central Tax transfers at ₹ 44,758.00 crore in 2024-25 registered an increase of 13.94 *per cent* over the previous year;
- Direct Taxes increased by 13.73 *per cent* while Indirect Taxes increased by 14.31 *per cent* over the previous year;
- Direct taxes constituted 64.57 *per cent* of the State's share in Union Taxes and Duties; and
- The devolution was more than last year in Corporation Tax; Taxes on income other than Corporation Tax; Central Goods and Services Tax; Customs; and Other Taxes and Duties on Commodities and Services, under Others.

Trends of Percentage of State's share in Union Taxes and Duties to GSDP during the period 2020-21 to 2024-25 are shown in **Chart 1.14**.

Chart 1.14: Percentage of total State's share in Union Taxes and Duties to GSDP

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

Chart 1.14 shows that the State's share in Union Taxes and Duties to GSDP increased overall from 1.25 *per cent* in 2020-21 to 1.68 *per cent* in 2024-25, despite a dip in 2022-23. This indicates a strengthening trend in central tax devolution relative to the State economy.

C. Grants-in-Aid from Government of India

The components of Grants-in-Aid received from GoI during 2020-25 are shown in **Table 1.9**.

Table 1.9: Grants-in-Aid from GoI

Particulars	₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Centrally Sponsored Schemes	8,166.58	9,450.08	9,549.86	9,468.25	8,624.70
Finance Commission grants	5,672.50	4,002.42	5,304.63	5,257.89	4,159.96
Other grants (including GST compensation)	13,339.21	10,575.09	8,276.64	10,830.86	1,342.38
Total	27,178.29	24,027.59	23,131.13	25,557.00	14,127.04

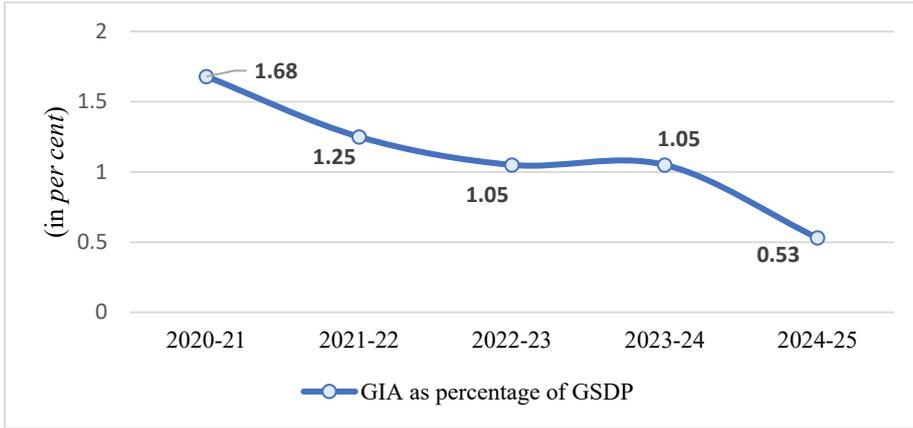
Source: Finance Accounts of the State Government of respective years.

The above table shows that:

- Total Grants-in-Aid declined from ₹ 27,178.29 crore in 2020-21 to ₹ 14,127.04 crore in 2024-25, mainly due to a sharp fall in Other grants; and
- In 2024-25, contributions-under all the three components, namely-Centrally Sponsored Schemes, Finance Commission Grants, and Other Grants have decreased in comparison to contributions in 2023-24.

Trends of Percentage of Grants-in-Aid from Government of India to GSDP during the period 2020-21 to 2024-25 are shown in **Chart 1.15**.

Chart 1.15: Percentage of Grants-in-Aid from Government of India to GSDP



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

Analysis of **Chart 1.15** shows that

- Grants-in-Aid as a percentage of GSDP declined steadily from 1.68 per cent in 2020-21 to 0.53 per cent in 2024-25, with only a brief stabilisation around 1.05 per cent during 2022-23 and 2023-24;
- In 2024-25 the decrease was by nearly 50 per cent as compared to the previous year; and
- This indicates a significant reduction in the relative contribution of grants to the State economy over the period, increasing the State’s reliance on its own revenue mobilisation and borrowings.

With grants forming a shrinking share of the economy, financing of expenditure increasingly depends on State’s own revenues and debt, heightening the importance of revenue buoyancy and prudent debt management.

(i) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹ 8,624.70 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.10**.

Table 1.10: Grants-in-Aid from GoI

Sr. No.	Name of the Scheme	(₹ in crore)		
		2023-24 Amount (₹ in crore)	2024-25 Amount (₹ in crore)	Percentage change over previous year
1	Pradhan Mantri Awas Yojma (PMAY)- Rural	559.25	1,302.49	132.90
2	Samagra Shiksha	1,132.53	1,245.54	9.98
3	Urban Rejuvenation Mission-500 CITIES	317.39	877.30	176.41
4	National Health Programme and National Urban Health Mission	926.97	839.15	(-) 9.47
5	Saksham Anganwadi and POSHAN2.0	1,126.80	601.32	(-) 46.63

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

Analysis in audit revealed that decrease in Saksham Anganwadi and POSHAN 2.0 was mainly attributed to the release of less grant by the Government of India under the Scheme.

(ii) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (15th FC) grants were provided to the States for Panchayati Raj Institutions, Urban Local Bodies, State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and Health sector. Against the recommendation of ₹ 6,437.49 crore for these five grants made by 15th FC, the State Government received⁸ ₹ 5,233.56 crore in the year 2024-25. Details of grants provided by GoI are given in **Table 1.11**.

Table 1.11: Details of amounts recommended by the 15th FC vis-à-vis received by the State Government

(₹ in crore)

Transfers	Recommendation of 15 th FC for 2024-25	Actual release by GoI, during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
(i) Grants to PRIs	2,619.00	2,610.99	2,610.99 (100.00)
(a) Performance/Tied Grants	1,571.40	1,566.59	1,566.59 (100.00)
(b) Untied Grants	1,047.60	1,044.40	1,044.40 (100.00)
(ii) Grants to ULBs	1349.00	630.41	630.41 (46.73)
(a) Million plus cities-Air Quality Grant	236.00	197.56	197.56 (100.00)
(b) Million plus cities-Service Level Benchmark Grant	474.00	432.85	432.85 (100.00)
(c) Other than Million plus cities-Basic Grant (40 per cent)	255.60	0.00	0.00 (NA)
(d) Other than Million plus cities-Tied Grant (60per cent) 30 per cent for Sanitation Solid Waste Management grant and 30 per cent for Drinking Water (including rainwater harvesting and recycling) grant	383.40	0.00	0.00 (NA)
(iii) Grant for Health Sector	692.59	692.59	0.00 (0.00)
Total for Local Bodies (i+ii+iii)	4,660.59	3,933.99	3,241.40 (82.39)
(iv) State Disaster Response Fund (SDRF)-Central Share	1,533.00	1,226.00	1,226.00 (100.00)
(v) State Disaster Mitigation Fund (SDMF)-Central Share	243.90	73.17	73.17 (100.00)
Total for SDRMF (iv+v)	1,776.90	1,299.57	1,299.57 (100.00)
Grand Total⁹	6,437.49	5,233.56	4,540.97 (86.77)

Source: Finance Department of Government of Gujarat.

⁸ Table 1.9 includes FC Grants received during 2024-25, (not exclusively for 2024-25), as per FA for 2024-25. Whereas, Table 1.11 includes only those grants received, which were exclusively meant for FY 2024-25, as provided by Finance Department.

⁹ Grand Total doesn't include matching share of State Government in SDRF & SD MF.

Audit observed that the less release of 15th FC grants by Government of India, against the recommendation of 15th FC was due to non-compliance with terms and conditions related to release of Funds as enumerated below.

In case of grants to ULBs, the Urban Development and Urban Housing Department stated (December 2025) that under ‘Million plus cities-Air Quality Grant’, due to deterioration in air quality, an amount of ₹ 59 crore was allocated less than the eligible amount, and ₹ 20.56 crore was received as performance grant for air quality. The department further stated that the Government of India allocated a reduced grant based on Municipal Corporations’ reported Service Level Benchmark achievements on the prescribed portal. Under ‘Other than Million Plus cities- Basic as well as Tied Grant’, the grant would be disbursed after receipt of the second instalment for 2023-24 from the Government of India and submission of its Grant Transfer Certificate (GTC) to the Government of India.

In case of grants to PRIs, the Panchayats, Rural Development and Rural Housing Department stated (December 2025) that less release of grants was due to receipt of only first instalment during 2024–25 for delayed formation of Fourth State Finance Commission.

In case of SDRF and SD MF grants, the Revenue Department (December 2025), has stated that GoI has released less grants.

Further, in case of Grants for Health Sector, the Health and Family Welfare Department (December 2025) received 100 *per cent* of Grants recommended by 15th FC in November 2025.

(i) 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 73rd 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 the State Finance Commissions, recommendations made by them and recommendations accepted and implemented by the Government of Gujarat are shown in **Table 1.12**.

Table 1.12: Status of constitution of SFCs, recommendations made by them and recommendations accepted and implemented by Government of Gujarat as on 31 March 2025

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	25	02

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

In case of the recommendations of third SFC, which are yet to be implemented, the Panchayat, Rural Housing and Rural Development Department stated (December 2025) that nine recommendations of third SFC are under implementation. The department further informed (December 2025), that the Fourth SFC was constituted by the State Government on 04 November 2024 and its interim Report has been submitted to the Governor on 15 March 2025, but the Final Report and recommendations are yet to be made by the Commission (December 2025).

The information in respect of the implementation of recommendation of the SFC was sought from the Urban Development and Urban Housing Department (June 2025), however, their response was awaited (January 2026), despite repeated reminders (October and November 2025).

1.2.2 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 **Table 1.13** shows the trends in growth and composition of net Capital Receipts.

Table 1.13: Trends in growth and composition of net Capital Receipts

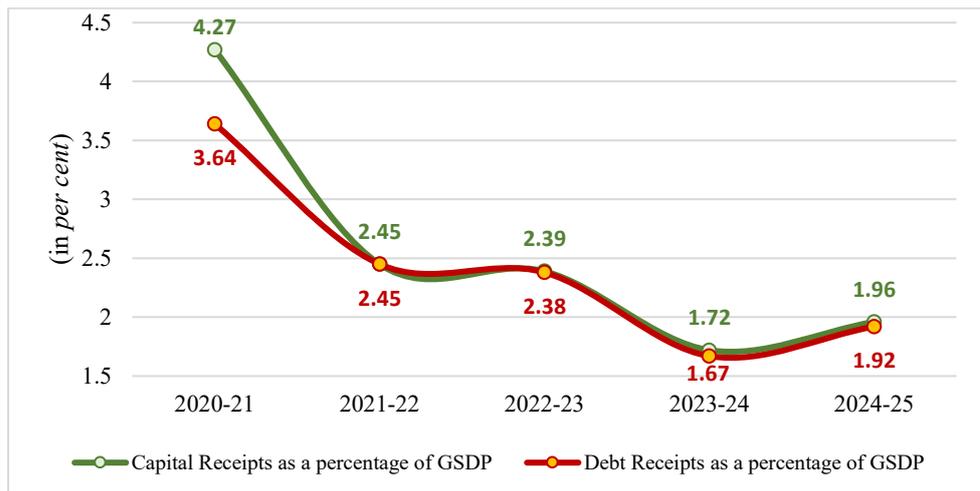
<i>(₹ in crore)</i>					
Sources of State's Receipts	2020-21	2021-22	2022-23	2023-24	2024-25
Capital receipts	68,981	47,123	52,587	41,768	52,325
Public Debt receipts	58,857	46,968	52,333	40,392	51,253
<i>Internal Debt</i>	47,508	33,293	46,463	34,902	42,054
<i>Loans and advances from GoI</i>	11,349	13,675	5,870	5,490	9,199
Public Debt repayment	17,922	24,436	22,159	26,136	29,126
<i>Internal Debt</i>	17,139	23,518	20,991	24,959	28,260
<i>Loans and advances from GoI</i>	783	918	1,168	1,177	866
Net Public Debt Receipts	40,935	22,532	30,174	14,256	22,127
Miscellaneous Capital Receipts	9,968	0	0	0	0
Recovery of Loans and Advances	155	155	254	1,376	1,072
Non-Debt Capital Receipts	10,124	155	254	1,376	1,072
Net Capital Receipts	51,059	22,687	30,428	15,632	23,199
Year-on Year growth rates (in per cent)					
GSDP	(-)0.06	18.86	14.71	10.09	10.15
Capital Receipts	57.04	(-)31.69	11.60	(-)20.57	25.28
Debt Capital Receipts	35.33	(-)20.20	11.42	(-)22.82	26.89
<i>Internal Debt</i>	11.28	(-)29.92	39.56	(-)24.88	20.49
<i>Loans and Advances from GoI</i>	1,323.96	20.50	(-)57.07	(-)6.47	67.56

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

It can be observed from the above table that:

- The Capital Receipts in 2024-25 increased by ₹ 10,557 crore (25.28 per cent) over the previous year;
- The Public Debt receipts increased by ₹ 10,861 crore (26.89 per cent) over the previous year mainly due to more borrowings of market loans; and
- The Public Debt repayments increased by ₹ 2,990 crore (11.44 per cent) over the previous year.

Capital and Debt Receipts as percentage of GSDP is depicted in **Chart 1.16**.

Chart: 1.16 Capital and Debt Receipts as a percentage of GSDP

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

It can be observed from **Chart 1.16** that:

- Capital Receipts as a percentage of GSDP declined from 4.27 *per cent* in 2020-21 to 1.96 *per cent* in 2024-25, and
- Debt Receipts as a percentage of GSDP also fell from 3.64 *per cent* to 1.92 *per cent* during the same period.

Thus, Capital Receipts remain volatile and are predominantly debt-financed. A growing share of new borrowings are being used to service principal repayment, while non-debt capital sources remain weak. The increasing reliance on internal debt underscores potential pressures on debt sustainability.

1.2.3 Finance Commission Projections and Actuals

As per the Fifteenth Finance Commission (15th FC), the State's share in the net proceeds of Central Tax was fixed at 3.398 *per cent* for 2020-21 and 3.478 *per cent* for the period 2021-25.

The projected revenue, deficits and GSDP by the 15th Finance Commission and actuals for the FY 2020-21 to FY 2024-25 are given in the **Table 1.14**.

Table 1.14 : 15th FC Projection *vis-à-vis* actuals

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual								
GSDP (2011-12 Series-Current Prices)	16,33,455	16,16,106	14,51,704	19,20,927	15,89,616	22,03,419	17,79,070	24,25,804	19,99,513	26,72,025
Own Revenue Receipts	1,34,196	80,759	95,401	1,11,696	1,06,354	1,43,243	1,21,677	1,57,922	1,39,905	1,59,670

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
State's Own Tax Revenue	1,13,732	70,266	80,705	97,678	90,122	1,24,809	1,03,317	1,34,214	1,19,043	1,40,706
State's Own Non-Tax Revenue	20,464	10,493	14,696	14,018	16,232	18,434	18,360	23,708	20,862	18,964
State's share in Union Taxes/Duties	29,059	20,219	22,906	31,106	25,481	33,034	28,672	39,284	32,574	44,758
Revenue Deficit (-)/ Surplus (+) as percentage of GSDP	(-)2.50	(-)1.40	(-)0.60	0.33	(-)1.00	0.90	(-)1.40	1.38	(-)2.00	0.71
Fiscal Deficit (-)/ Surplus (+) as percentage of GSDP	(-)4.50	(-)2.50	(-)4.00	(-)1.18	(-)3.50	(-)0.76	(-)3.00	(-)0.97	(-)3.00	(-)1.83

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

1.2.4 Expenditure

Government expenditure is classified into Revenue Expenditure, Capital Expenditure, and Loans and Advances. Revenue Expenditure includes costs for maintenance, repairs, and day-to-day functioning of Departments, including administrative and establishment expenses. Capital Expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and Advances comprise funds provided by the government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components is given in **Table 1.15**, **Chart 1.17** and **Chart 1.18** respectively.

Table 1.15.: Total expenditure and its composition

Parameters	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	1,78,718	1,89,677	2,16,508	2,47,632	2,68,592
Revenue Expenditure (RE)	1,50,704	1,60,421	1,79,543	1,89,286	1,99,612
Capital Expenditure (CE)	26,781	28,185	35,499	55,679	65,428
Loans and Advances	1,233	1,071	1,466	2,667	3,552
Appropriation to contingency fund	-	-	-	-	-

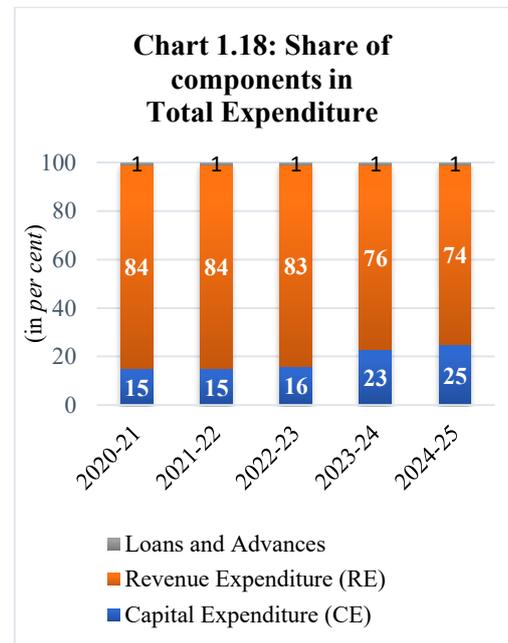
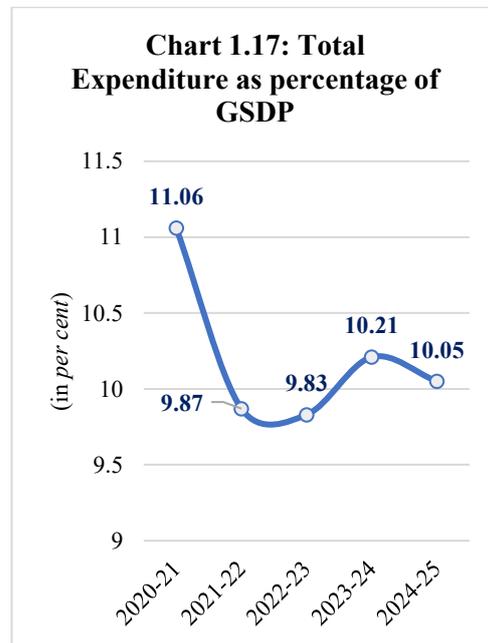
Source: Finance Accounts of the State Government of respective years.

Out of the Total Expenditure of ₹ 2,68,592 crore incurred by the State during the financial year 2024-25, a portion of ₹ 14,127 crore pertained to pass-through

transactions such as Finance Commission grants, Grants for Centrally Sponsored Schemes, etc.

Further analysis of the table revealed that:

- Total Expenditure of the State increased by 50.29 per cent from ₹ 1,78,718 crore in 2020-21 to ₹ 2,68,592 crore in 2024-25, and
- During 2024-25, it increased by 8.46 per cent over the previous year.



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

Audit observed that

- Revenue Expenditure remained the major component of Total Expenditure during 2020-25, accounting for 74 per cent of Total Expenditure in 2024-25;
- the share of Capital Expenditure increased from 15 per cent in 2020-21 to 25 per cent in 2024-25;
- as percentage of GSDP, Total Expenditure remained the lowest at 9.83 per cent in 2022-23 during the period 2020-25; and
- on the other hand, Revenue Expenditure as percentage of GSDP decreased gradually from 9.33 per cent in 2020-21 to 7.47 per cent in 2024-25.

Sector-wise Total Expenditure

Sector-wise composition of Expenditure is given in **Table 1.16** and relative share of various sectors in Total Expenditure is depicted in **Chart 1.19**.

Table 1.16: Sector-wise Total expenditure

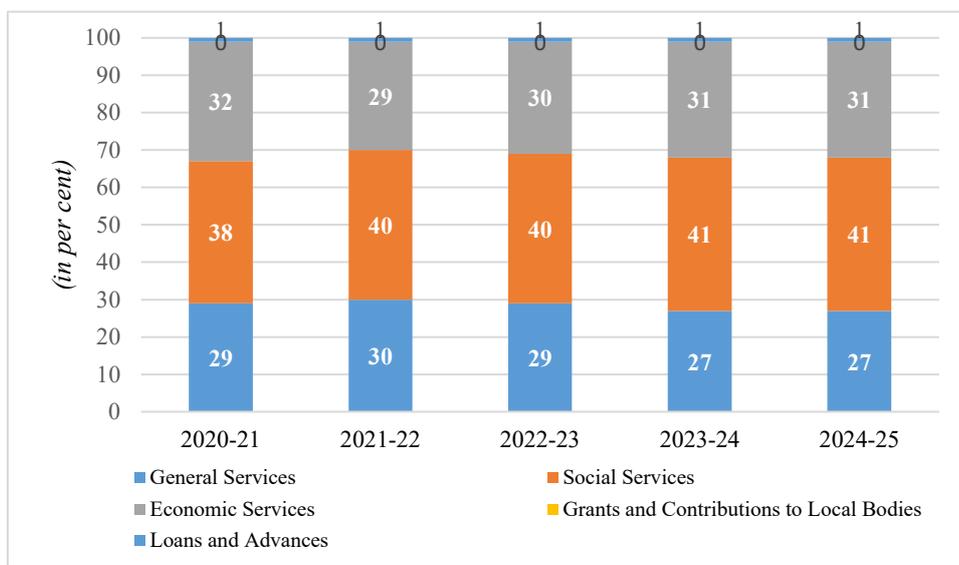
(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	52,559	56,973	62,089	67,857	72,221
Social Services	67,856	76,627	87,929	1,00,955	1,09,365
Economic Services	56,680	54,594	64,547	75,598	82,669
Loans and Advances	1,233	1,071	1,466	2,667	3,552
Grants-in-Aid and contributions to Local Bodies & PRIs	390	412	477	555	785

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

Table 1.16 indicates a steady expansion in sectoral expenditure, with increasing emphasis on Social and Economic Services alongside rising committed expenditure under General Services which reflects policy prioritisation and developmental intent.

Chart 1.19: Relative share of various sectors in Total expenditure



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

From the above chart it may be seen that the movement of the relative share of General, Social and Economic Services exhibited stability during 2020-25, with marginal inter-year variations.

1.2.4.1 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. Growth of Revenue Expenditure, its ratio to total expenditure, GSDP and Revenue Receipts are shown in **Table 1.17**.

Table 1.17: Revenue Expenditure – Basic Parameters

(₹ in crore)					
Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	1,78,718	1,89,677	2,16,508	2,47,632	2,68,592
Revenue Expenditure (RE)	1,50,704	1,60,421	1,79,543	1,89,286	1,99,612
RE as percentage of Revenue Receipts	117.59	96.16	90.04	84.97	91.33
RE as percentage of TE	84.33	84.58	82.93	76.44	74.32
RE/GSDP (<i>per cent</i>)	9.33	8.35	8.15	7.80	7.47
Year-on-year growth (in per cent)					
Revenue Expenditure	6.96	6.45	11.92	5.43	5.46
GSDP Growth	(-).006	18.86	14.71	10.09	10.15

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

- Revenue Expenditure increased continuously from ₹ 1,50,704 crore in 2020-21 to ₹ 1,99,612 crore in 2024-25, with an increase of ₹ 48,908 crore (5.46 *per cent*) during the period (2020-25);
- In the year 2024-25, Revenue Expenditure as a percentage of GSDP was 7.47 *per cent* and as percentage of Revenue Receipts was at 91.33 *per cent*; and
- The increase in Revenue Expenditure in 2024-25 over the previous year was mainly on account of more expenditure on General Education by ₹ 2,584.86 crore; Pensions and Other Retirement Benefits by ₹ 2,159.01 crore; Family Welfare by ₹ 1,424.13 crore; Other Rural Development Programmes by ₹ 1,382.64 crore and Industries by ₹ 1,216.66 crore.

The steady increase in Revenue Expenditure over the period indicates a gradual expansion in recurring expenditure commitments, which may moderate the flexibility available for expenditure adjustment in the medium term.

Revenue Expenditure constituting over 91 *per cent* of Revenue Receipts in 2024-25 suggests the importance of sustaining revenue growth to support both revenue and capital expenditure needs.

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue Expenditure is given in **Table 1.18** and relative share of various sectors in Revenue Expenditure is depicted in **Chart 1.20**. Detailed Sector-wise Expenditure is given in **Appendix 1.2**.

Table 1.18: Sector-wise Revenue Expenditure

(₹ in crore)					
Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	52,074	56,423	61,269	66,705	71,192
Social Services	60,816	68,254	75,125	78,686	83,640
Economic Services	37,424	35,332	42,672	43,340	43,995
Grants-in-Aid And Contributions	390	412	477	555	785

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

Chart 1.20: Relative share of various sectors in Revenue Expenditure

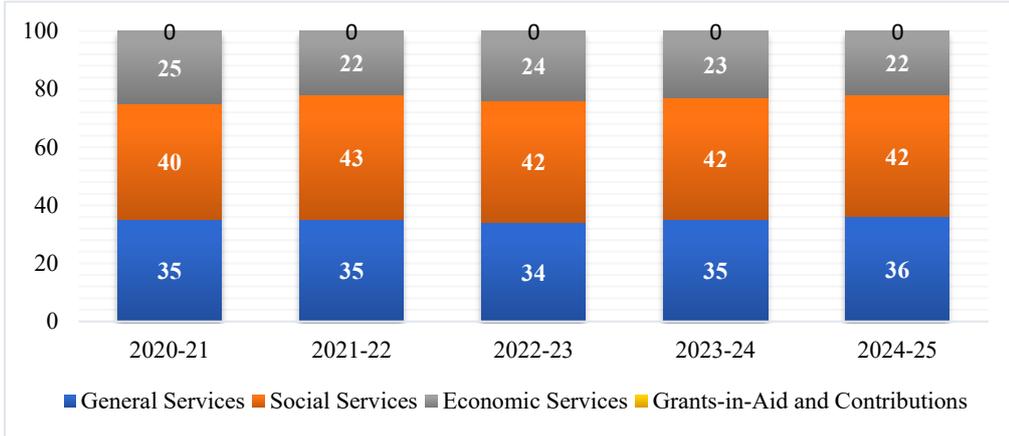


Table 1.18 and Chart 1.20 show that:

- General Services maintained a stable share of 35–36 per cent during 2020-21 to 2024-25, with expenditure increasing from ₹ 52,074 crore in 2020-21 to ₹ 71,192 crore in 2024-25;
- Social Services constituted the largest component throughout the period, with the share rising from 40 per cent in 2020-21 to 42 per cent in 2024-25 and expenditure increasing from ₹ 60,816 crore to ₹ 83,640 crore;
- Economic Services witnessed a decline in share from 25 per cent in 2020-21 to 22 per cent in 2024-25, despite an increase in expenditure from ₹ 37,424 crore to ₹ 43,995 crore; and
- Grants-in-Aid and Contributions remained negligible in percentage terms during 2020-21 to 2024-25, though expenditure increased from ₹ 390 crore to ₹ 785 crore.

The increasing share of Social Services reflects sustained emphasis on social sector outcomes, while also indicating a rise in recurring expenditure commitments. Further, the marginal share of Grants-in-Aid and Contributions suggests limited fiscal decentralisation through direct transfers.

B. Major Changes in Revenue Expenditure

Table 1.19 details the significant variations under various Heads of Account regarding Revenue Expenditure of the State during the current year and the previous year.

Table 1.19: Variations in Revenue Expenditure during 2024-25 compared to 2023-24

(₹ in crore)

Major Heads of Account	2023-24	2024-25	Variation	
			Amount	Per cent
2202-General Education	32,501.67	35,086.52	2,584.85	7.95
2071-Pension and Other Retirement Benefits	24,371.35	26,530.36	2,159.01	8.86

Major Heads of Account	2023-24	2024-25	Variation	
			Amount	Per cent
2211-Family Welfare	4,412.39	5,836.51	1,424.12	32.28
2515-Other Rural Development Programmes	2,804.75	4,187.39	1,382.64	49.30
2852-Industries	4,830.74	6,047.40	1,216.66	25.19
2210-Medical and Public Health	9,465.71	10,375.56	909.85	9.61
2049-Interest Payments	27,175.63	28,024.73	849.10	3.12
2810-New and Renewable Energy	233.61	1,004.83	771.22	330.13
2055-Police	7,070.93	7,617.47	546.54	7.73
3435-Ecology and Environment	600.41	163.55	(-)436.86	(-)72.76
2505-Rural Employment	1,104.91	645.18	(-)459.73	(-)41.61
2401-Crop Husbandry	3,532.17	2,972.32	(-)559.85	(-)15.85
2245-Relief on account of Natural Calamities	1,746.75	947.75	(-)799.00	(-)45.74
3054-Roads and Bridges	4,552.91	2,916.39	(-)1,636.52	(-)35.94

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

Revenue Expenditure under Major Heads of Account relating to General Education, Pensions and other Retirement Benefits, Family Welfare, Other Rural Development Programmes, Industries, Medical and Public Health, Interest Payments, New and Renewable Energy, and Police increased during the year as compared to the corresponding expenditures in previous year.

The increase was primarily due to the increase in expenditure on Teachers and other Services (under General Education); Superannuation and Retirement Allowances (under Pensions and other Retirement Benefits); Maternity and Child Health (under Family Welfare); Community Development (Other Rural Development Programmes); Other Expenditure (under Industries) and District Police (under Police).

On the other hand, Roads and Bridges, Relief on account of Natural Calamities, Crop Husbandry, Rural Employment, and Ecology and Environment recorded a decrease in Revenue Expenditure during 2024-25 compared to the previous year due to decrease in expenditure on Road Works, Transfer to Reserve Funds/Deposit Accounts (SDRF), Crop Insurance, National Rural Employment Guarantee Scheme, and Environmental Planning and Coordination, and Prevention of pollution of rivers respectively.

C. 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. The components of Committed Expenditure are given in **Table 1.20** and Committed Expenditure as a percentage of Revenue Receipts and remaining fiscal space for other expenditure is given in **Chart 1.21**.

Table 1.20: Components of Committed Expenditure

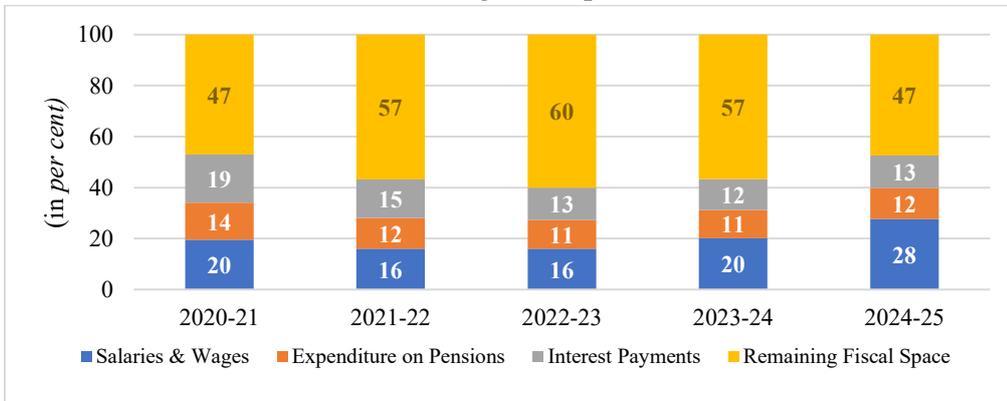
(₹ in crore)

Components of Committed Expenditure	2020-21	2021-22	2022-23	2023-24	2024-25
Salaries & Wages	25,046	26,694	31,995	45,035	60,427
Expenditure on Pensions	18,570	20,160	22,435	24,371	26,530
Interest Payments	24,203	25,188	25,354	27,176	28,025
Total	67,819	72,042	79,784	96,582	1,14,982
Committed Expenditure as a percentage of Revenue Expenditure	45.00	44.91	44.44	51.03	57.60

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

In **Table 1.20**, Salaries & Wages also includes Grants-in-aid to Panchayats/Local Bodies/Others for pay and allowances. The Departments have introduced separate object heads for pay and allowances to Urban Local Bodies and Other bodies from 2024-25 onwards, which was booked with Grants-in-aid General in previous years.

Chart 1.21: Committed Expenditure as a percentage of Revenue Receipts and remaining fiscal space



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

Chart 1.21 indicates

- Committed Expenditure as a percentage of Revenue Receipts decreased from 53 per cent in 2020-21 to 40 per cent in 2022-23 and again increased to 53 per cent in 2024-25; and
- Committed Expenditure as a percentage of Revenue Receipts increased from 43 per cent in 2023-24 to 53 per cent in 2024-25, leading to a corresponding reduction in the remaining fiscal space.

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 ₹ 35,381 crore (141.26 per cent) from ₹ 25,046 crore in 2020-21 to ₹ 60,427 crore in 2024-25. It accounted for

27.65 per cent of Revenue Receipts and 30.27 per cent of Revenue Expenditure during 2024-25.

Interest payments

Interest payments increased by ₹ 3,822 crore (15.79 per cent) from ₹ 24,203 crore in 2020-21 to ₹ 28,025 crore in 2024-25. During 2024-25, interest payments on market loans stood at 78.92 per cent of the total interest payments while interest payments on special securities issued to National Small Savings Fund accounted for 7.27 per cent of the total interest payments. As a percentage of the Revenue Receipts, expenditure on interest payments increased from 12.20 per cent in 2023-24 to 12.82 per cent in 2024-25. Also, the share of interest payment in Revenue Expenditure decreased marginally from 14.36 per cent in 2023-24 to 14.04 per cent in 2024-25.

Pension payments

There were 5.36 lakh pensioners¹⁰ in Gujarat State (February 2024). Expenditure on pension continuously increased during 2020-25.

In its disclosures made under Gujarat Fiscal Responsibility Act, 2005, the State Government estimated (February 2024) the pension payments as percentage of Revenue Receipts at 11.90 per cent for 2024-25. However, it stood higher at 12.14 per cent during the year. The pension payments as percentage of Revenue Expenditure accounted for 13.29 per cent of Revenue Expenditure during 2024-25. Further, the pension payments as a percentage of Revenue Receipts were at their lowest level in 5 years (2020-2025) at 10.94 per cent in 2023-24.

The trends in Committed Expenditure indicate a gradual increase in the rigidity of the State's expenditure structure. The significant rise in expenditure on salaries and wages, points to expanding recurring obligations. The increase in interest payments, largely driven by market loans, reflects growing debt servicing commitments and a higher absorption of revenue resources.

Further, the continuous growth in pension expenditure, which exceeded the levels estimated under the Gujarat Fiscal Responsibility Act, 2005 during 2024-25, underscores rising long-term liabilities.

D. Subsidies

Department-wise major subsidies for FYs 2020-21 to 2024-25, are shown in **Table 1.21**.

¹⁰ As per Fiscal Policy Strategy Statement under Gujarat Fiscal Responsibility Act, 2005 for 2024-25 (February 2024), there were 5.36 lakh pensioners in the State. These are pensioners of Gujarat Government and aided institutions and do not include Social Security Pensioners.

Table 1.21: Department-wise Subsidies during FYs 2020-21 to 2024-25*(₹ in crore)*

Sl. No.	Departments	2020-21	2021-22	2022-23	2023-24	2024-25
1	Agriculture Farmer's Welfare & Co-Operation	2,265	1,835	2,345	11,706	11,807
2	Industries And Mines Department	5,443	4,530	4,095	5,835	6,700
3	Food Civil Supplies and Consumer	896	633	1,429	1,304	1,737
4	Science And Technology Department	-	-	59	715	1,184
5	Energy And Petrochemicals Department	9,178	10,834	12,104	720	1,123
6	Other Departments	4,359	4,503	5,717	7,753	3,661
Total Subsidy		22,141¹¹	22,335	25,749	28,033	26,212

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

The subsidies during the current year decreased by ₹ 1,821 crore (6.50 per cent) from the previous year. The decrease was mainly in Social Justice and Empowerment (₹ 1,711 crore); Urban Development and Urban Housing (₹ 829 crore); Tribal Development (₹ 631 crore) and Narmada Water Resources Water Supply (₹ 447 crore).

Agriculture, Farmer's Welfare and Co-operation Department received a subsidy of ₹ 11,807 crore during 2024-25 (45 per cent of total expenditure on subsidy). The major portion of this subsidy was on account of fuel price and power purchase adjustment charges (₹ 6,147 crore); compensation for GERC agriculture tariff (₹ 1,794 crore); financial assistance to farmers for subvention of interest (₹ 1,392 crore); and horsepower-based tariff to agriculturists (₹ 1,100 crore).

In Industries and Mines Department, of the total subsidy of ₹ 6,700 crore received during 2024-25 (26 per cent of total expenditure on subsidy), ₹ 2,097 crore was for development of textile industry, ₹ 2,005 crore was given as assistance to large industries and ₹ 1,405 crore was given as assistance to industries.

Of ₹ 1,737 crore (7 per cent of total expenditure on subsidy) received as subsidy by Food, Civil Supplies and Consumer Affairs Department during 2024-25, ₹ 405 crore was provided as assistance to Food Security (50 per cent Central) Scheme and ₹ 375 crore was provided as assistant to Extended State PNG-LPG Sahay Yojana.

The Gujarat State Road Transport Corporation was also given a subsidy of ₹ 984 crore in 2024-25 to compensate for operations on uneconomic routes, student concessions, etc.

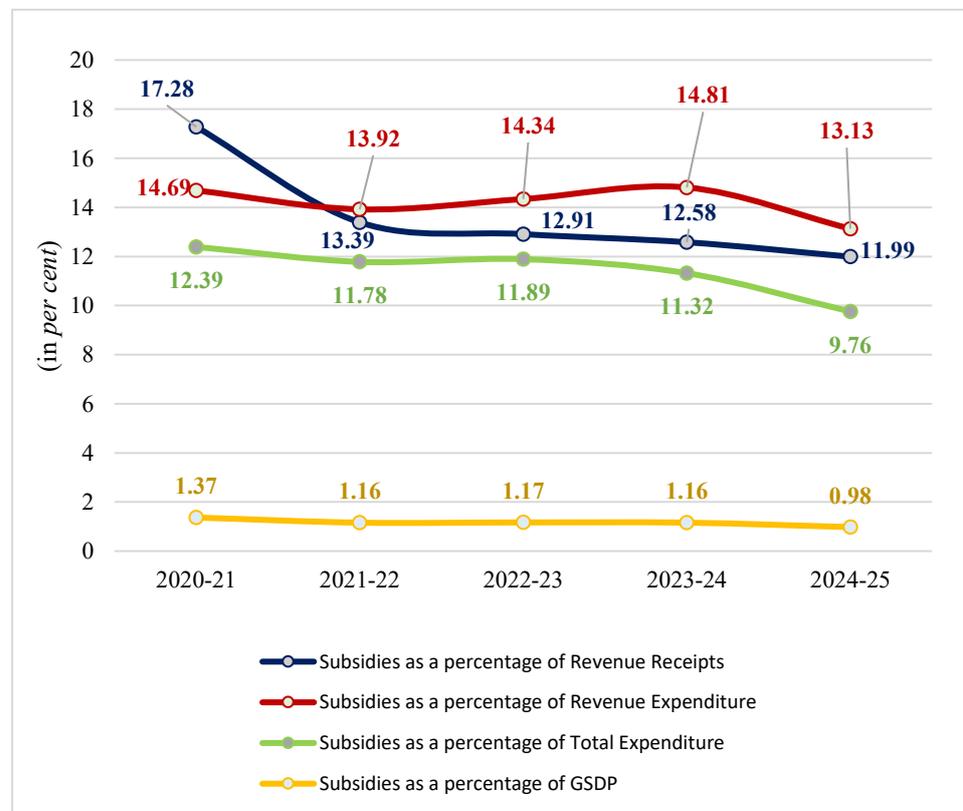
¹¹ In the year 2020-21 in Agriculture, Farmer's Welfare and Co-operation Department provision for Subsidy amounting to ₹ 36.38 crore was also done under Capital Account.

Table 1.21 indicates a reorientation of subsidy expenditure over the period 2020-21 to 2024-25, characterised by a pronounced increase in agricultural subsidies, steady support to industrial sectors, and a restructuring of energy-related subsidies. While the overall subsidy burden moderated in 2024-25, the changing composition highlights evolving policy priorities and underscores the need for continued monitoring of the subsidy programmes.

As subsidies form part of Revenue Expenditure, their expansion adds to recurring fiscal commitments and reduces the share of Revenue Receipts available for non-committed and Capital Expenditure. The changing composition of subsidies also has implications for committed expenditure. Although subsidies are policy-driven and, in principle, more adjustable than salaries, pensions, and interest payments, the scale and continuity of recent subsidy increases, especially in agriculture and industry, suggest the emergence of quasi-committed expenditure pressures. Further, the restructuring of energy-related subsidies and the emergence of subsidies in new areas such as science and technology indicate shifting policy priorities.

Trends of Subsidies as a percentage of Revenue Receipts, Revenue Expenditure, Total Expenditure and GSDP are shown in **Chart 1.22**.

Chart 1.22: Trend analysis of subsidies



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

The above chart shows a declining trend in subsidies relative to Revenue Receipts, Total Expenditure, and GSDP during 2020-21 to 2024-25, with minor fluctuations in between.

E. 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 2020-25 are given in **Table 1.22**.

Table 1.22: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies					
Municipal Corporations and Municipalities	8,719.10	11,652.14	14,640.21	10,412.29	10,324.35
GIA for creation of Capital assets to Municipal Corporations and Municipalities	620.01	1,130.37	8,121.2	2,218.31	3,327.64
Zilla parishads and other Panchayati Raj Institutions	24,322.86	24,388.47	33,654.64	33,155.54	47,620.16
GIA for creation of Capital assets to PRIs	34.58	75.39	931.99	1,999.5	2,429.64
Total (A)	33,041.96	36,040.61	48,294.85	43,567.83	57,944.51
(B) Others					
Universities	3,409.24	3,349.94	3,255.89	1,944.98	1,530.61
Development Authorities	1,901.53	1,887.62	170.88	215.25	1,473.69
Co-Operative Institutions	202.87	367.93	46.63	73.89	792.84
Other Autonomous Bodies	697.88	926.74	1,003.62	5,177.19	4,037.77
Public Sector Undertakings	95.03	118.61	189.39	1,234.38	823.69
Non-Government Organisations	1,596.89	2,351.80	1,514.92	2,385.33	2,879.45
Others	23,691.95	24,764.54	26,276.92	27,581.85	15,854.51
Total (B)	31,595.39	33,767.18	32,458.25	38,612.87	27,392.56
Total (A+B)	64,637.35	69,807.79	80,753.10	82,180.70	85,337.07
Total GIA for creation of Capital assets	1,208.22	2,077.86	9,400.13	4,675.14	6,241.38
Revenue Expenditure	1,50,704	1,60,421	1,79,543	1,89,286	1,99,612
Assistance as percentage of Revenue Expenditure	0.80	1.30	5.24	2.47	3.13

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

As can be seen from Table above, financial assistance to Local Bodies and other institutions has continuously increased over the five-year period from ₹ 64,637.35 crore in 2020-21 to ₹ 85,337.07 crore in 2024-25, i.e. by 32 per cent from 2020-21.

The State Government received ₹ 1,272 crore and ₹ 1,555 crore as Finance Commission grants¹² from Central Government during 2024-25 for onward transmission to Panchayati Raj Institutions (PRIs) and Urban Local Bodies

¹² The Finance Commission Grants here don't tally with the figures in Table 1.9, as figures in this para pertain to the release of Grants which were exclusively meant for FY 2024-25.

(ULBs), respectively¹³. In addition, the PRIs also received ₹ 3,927.18 crore and ULBs ₹ 53.25 crore as other Central assistance. Besides these, the State Government also provided financial assistance of ₹ 42,421 crore to PRIs and ₹ 8,716 crore to ULBs during 2024-25 from State Fund expenditure by way of Grants-in-Aid.

During 2024-25, major recipients of financial assistance were

- Maintenance Grant for Primary Education to Zilla Parishads (₹ 16,405.94 crore);
- Superannuation and Retirement Allowance to Primary Panchayats Teachers in Zilla Parishads (₹ 7,733.16 crore);
- Provision of Educational facilities- Maintenance Grant to Gram Panchayats (₹ 3,411.32 crore);
- UDP-49-Incentive Grant to Corporation for Development Work to Municipal Corporations (₹ 2,572.65 crore);
- Maintenance Grant for Primary Education to Municipal Councils (₹ 2,312.05 crore);
- Grants for Higher Secondary Schools in Gram Panchayats (₹ 1,324.37 crore);
- Assistance to small farmers/marginal farmers to Zilla Parishads (₹ 1,248.57 crore);
- Gratuities to Primary Panchayats Teachers to Zilla Parishads (₹ 1,225.71 crore); and
- Tied Grant for Strengthening of PRIs on the recommendation of the 15th Finance Commission to Zilla Parishads (₹ 1,062.66 crore).

Further, grantee institutions under 'Others' category received financial assistance from the State Government (about 19 *per cent*) during 2024-25. 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.

The overall quantum of financial assistance to the Local Bodies and other institutions as percentage to Revenue Expenditure increased from 2.47 *per cent* in 2023-24 to 3.13 *per cent* in 2024-25.

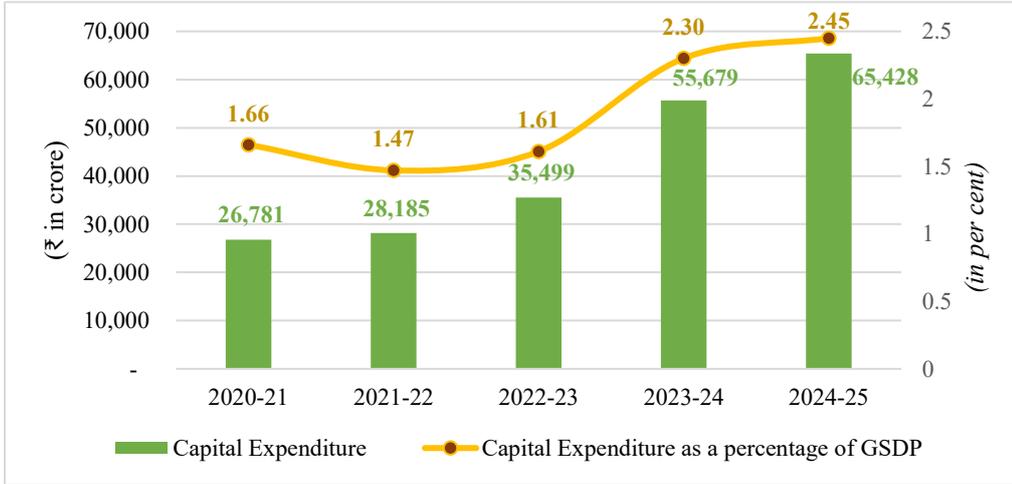
The observed pattern of financial assistance suggests a gradual strengthening of the role of Local Bodies, particularly Panchayati Raj Institutions, in the delivery of public services. At the same time, the variability in assistance to Municipal Corporations, other institutions, and capital asset creation indicates the need to ensure that such transfers are planned across a longer time frame and made in a more predictable manner. The increasing share of assistance within Revenue Expenditure also implies a growing call on revenue resources, underscoring the importance of monitoring the sustainability and effectiveness of these.

¹³ It includes ₹ 377.49 crore to ULBs relating to previous years' FC Grants.

1.2.4.2 Capital Expenditure

Capital Expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, etc. Capital Expenditure, in both the Centre and the State, is being met from budgetary support and extra budgetary resources/off-budget borrowings. It also includes investments made by the State Government in Companies/Corporations. Trend of Capital Expenditure in the State over the last five years, i.e. 2020-25, is given in **Chart 1.23**.

Chart 1.23: Capital Expenditure in the State



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

During 2024-25, apart from Capital Expenditure of ₹ 65,428 crore, State Government also transferred ₹ 6,241.38 crore as Grant-in-Aid for creation of capital assets to the Local Bodies and other institutions. Further, percentage of Capital Expenditure as compared to Debt receipts was 127.66 per cent, which indicates that the borrowings were proportionately converted to infrastructural development.

Capital Expenditure in the State exhibited an overall upward trend, indicating continued emphasis on asset creation and infrastructure development; however, the year-to-year increase was uneven. The increase in capital spending has coincided with rising Revenue Expenditure and committed liabilities, suggesting greater potential reliance on borrowings to support such investments.

A. Sector-wise Capital Expenditure

Sector-wise composition of Capital Expenditure is given in **Table 1.23**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

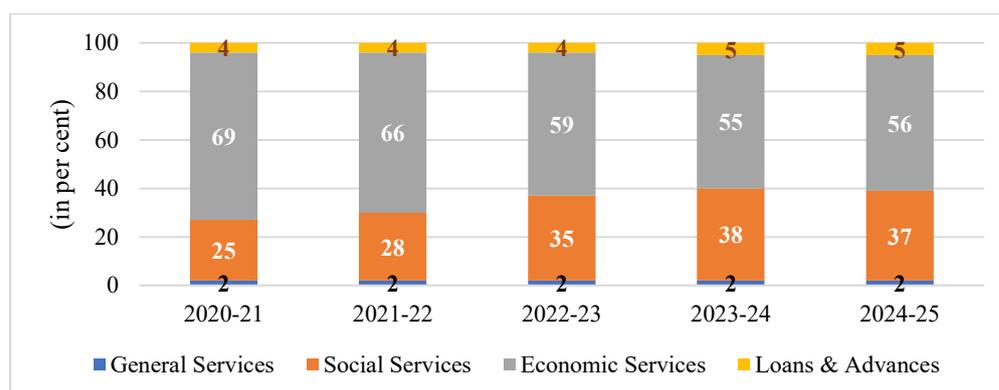
Table 1.23: Sector-wise Capital expenditure

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	485	550	820	1,152	1,029
Social Services	7,040	8,373	12,804	22,269	25,725
Economic Services	19,256	19,262	21,875	32,258	38,674
Loans & Advances	1,233	1,071	1,466	2,667	3,552

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

From the above table it can be seen that Capital Expenditure is continuously increasing in Social Services and Economic Services.

Chart 1.24: Relative share of various sectors in Capital expenditure



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

From the above Chart it is observed that as a percentage of Capital Expenditure, expenditure in Economic Services is decreasing whereas it is increasing in General and Social Services.

B. Major Changes in Capital Expenditure

Table 1.24 highlights significant variations under various Heads of Account regarding Capital Expenditure of the State during 2023-24 and 2024-25.

Table 1.24: Variations in Revenue Expenditure during 2024-25 compared to 2023-24

Major Heads of Account	2023-24	2024-25	Variation	
			Amount	Per cent
5054-Capital Outlay on Roads and Bridges	11,146.00	16,513.22	5,367.22	48.15
4210-Capital Outlay on Medical and Public Health	2,003.49	3,480.38	1,476.89	73.72
4856-Capital Outlay on Petrochemical Industries	0.00	1,000.00	1,000.00	NA
4875-Capital Outlay on Other Industries	364.32	1,271.01	906.69	248.87
5452-Capital Outlay on Tourism	720.18	1,433.26	713.08	99.01
4202-Capital Outlay on Education, Sports, Art and Culture	3,494.62	4,093.74	599.12	17.14
4215-Capital Outlay on Water Supply and Sanitation	5,463.68	5,989.13	525.45	9.62
4217-Capital Outlay on Urban Development	9,859.61	10,281.06	421.45	4.27
4711-Capital Outlay on Flood Control Projects	389.92	691.30	301.38	77.29
4702-Capital Outlay on Minor Irrigation	1,871.60	2,164.62	293.02	15.66

Major Heads of Account	2023-24	2024-25	Variation	
			Amount	Per cent
4406-Capital Outlay on Forestry and Wild Life	887.20	1,175.16	287.96	32.46
4250-Capital Outlay on other Social Services	212.54	478.24	265.70	125.01
4801-Capital Outlay on Power Projects	4,325.59	4,132.19	(-)193.40	(-)4.47
4059-Capital Outlay on Public Works	730.34	317.95	(-)412.39	(-)56.47
4701-Capital Outlay on Medium Irrigation	4,810.75	4,204.09	(-)606.66	(-)12.61
4700-Capital Outlay on Major Irrigation	2,718.60	1,386.55	(-)1,332.05	(-)49.00

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

Capital Expenditure under Major Heads of Account relating to Capital Outlay on Roads and Bridges, Medical and Public Health, Petrochemical Industries, Other Industries, Tourism, Education, Sports, Art and Culture, Water Supply and Sanitation, Urban Development, Flood Control Projects, Minor Irrigation, Forestry and Wild Life, and other Social Services increased during the year as compared to the corresponding expenditure in previous year.

The increase was primarily due to the increase in expenditure on Road Works and Tribal Area Sub-Plan (under Roads and Bridges); Hospital and Dispensaries (under Medical and Public Health); Investments in Public Sector and Other Undertakings (under Petrochemical Industries); Other Expenditure (under Other Industries); and Promotion and Publicity (under Tourism); Elementary and Secondary Education (under Education, Sports, Art and Culture), and Rural Water Supply (under Water Supply and Sanitation) .

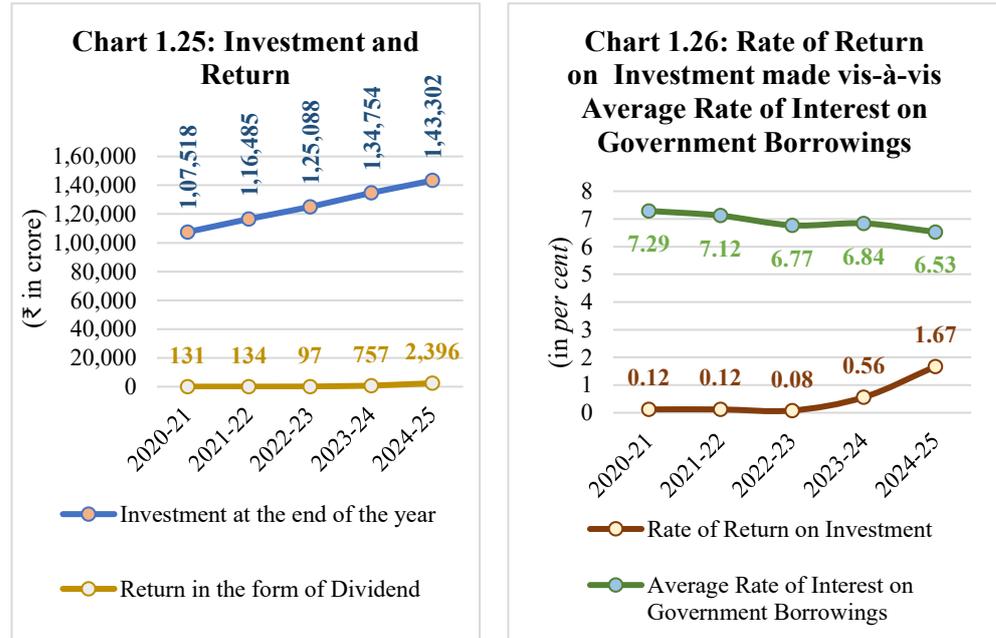
On the other hand, Capital Outlay on Major Irrigation, Medium Irrigation, Public Works and Power Projects recorded a decrease in Capital Expenditure during 2024-25 compared to the previous year due to decrease in expenditure on Investments in Public Sector and Other Undertakings (Narmada Project Group), Works related to Irrigation in Lift Irrigation Schemes and Other Works (NABARD), Construction of Office Building, and Investments in Public Sector and Other Undertakings in Transmission and Distribution respectively.

Overall, the pattern reflects a reoriented expansion of Capital Expenditure, with increased focus on connectivity, social infrastructure, and selected industries, alongside moderation in traditional infrastructure heads.

C. Quality of investments in the Companies, Corporations and other bodies

As of 31 March 2025, the State Government's investment in Companies, Corporations and other bodies stood at ₹ 1,43,302 crore, comprising Government Companies (₹ 1,34,613 crore), Co-operative Societies (₹ 430 crore), Statutory Corporations (₹ 8,169 crore), Other Joint Stock Companies and Partnerships (₹ 76 crore) and Rural Banks (₹ 14 crore).

Trends of investment at the end of the year in Companies, Corporations, and Co-operative Banks and Societies, and return on these investments, is depicted in **Chart 1.25**. Rate of return on investment made *vis-à-vis* average rate of interest on government borrowing is depicted in **Chart 1.26**.



During 2024-25, the return on investment was ₹ 2,396 crore¹⁴ (6.53 per cent) (based on historical cost and not on net present value basis). The return was only between 0.08 per cent and 1.67 per cent during 2020-25 while the average rate of interest¹⁵ paid by the State Government on its borrowings was between 6.53 per cent and 7.29 per cent during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in PSUs was to the tune of ₹ 7,931 crore¹⁶.

It was found that ₹ 1,24,629 crore was invested in 63 SPSUs upto FY 2024-25. Out of 63 SPSUs, only six¹⁷ SPSUs gave return of ₹ 2,188.26 crore during the FY 2024-25, which was 1.76 per cent of total investment. However, government borrowed funds at an average rate of interest of 6.53 per cent.

The data above indicates that while the State's investments increased steadily over the period, the returns generated from these investments remained modest. The rate of return on investment was consistently lower than the average rate of

¹⁴ Government Companies (₹ 2,359.76 crore); Co-operative institutions and Local Bodies (₹ 1.27 crore); and Other Joint stock Companies and Partnerships (₹ 35.37 crore).

¹⁵ Average rate of interest on Outstanding Debt (per cent) without Back to Back Loan in lieu of GST Compensation.

¹⁶ Average of the the difference in cost of Government borrowings and return on investments during 2020-21 to 2024-25.

¹⁷ (i) Gujarat State Investment Limited, (ii) Gujarat Mineral Development Corporation Limited, (iii) Gandhinagar Railway and Urban Development Corporation Limited, (iv) Gujarat Rural Industries Marketing Corporation Limited, (v) Gujarat Gas Limited, and (vi) Gujarat Urja Vikas Nigam Limited.

interest on government borrowings in all years, although some improvement was observed in 2023-24 and 2024-25.

Dividend income increased noticeably in the last two years, even though the investment base grew only gradually, indicating that the improvement in returns may have been impacted by GoG Government Resolution dated 24 April 2023 regarding Guidelines on Dividend Distribution by SPSUs from the Financial Year ending on 31st March 2023 (as detailed in subsequent paragraph).

Overall, the trends indicate that while the State has continued to expand its investment portfolio, the financial returns have grown at a slower pace than the cost of borrowing.

Dividend Policy and Its Impact

A well-defined Dividend Policy mandating a minimum return from profit-making enterprises, enables the State Government to optimise its returns from investments in SPSEs and enhances monitoring of financial performances of the SPSEs. 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 prescribe the minimum/ maximum rate of dividend to be paid by the 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 31st 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 FD. The Guidelines prescribed that exemption, if any, sought in this regard shall be submitted by the SPSUs through their Administrative Department to FD, GoG before the end of second quarter of the financial year concerned. 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.

Forgone Revenue from Non-realisation of Dividends

During the previous financial year 2023-24, out of 80 active SPSUs in Gujarat, 53 SPSUs reported profits. Out of these 53 SPSUs, 20 SPSUs had earned Profit and did not have accumulated losses, as per their Financial Statements of 2023-24. Out of these, only eight SPSUs were liable to pay dividend to GoG as the remaining 12 SPSUs had no equity shareholding of the GoG.

As per the existing State policy, a minimum of 30 *per cent* of PAT or five *per cent* of the net worth, whichever is higher, is required to be paid as dividend by profit-making SPSUs. Total eligible dividend of ₹ 558.13 crore was due from eight profit-making SPSUs.

Only ₹ 487.46 crore was received from five¹⁸ SPSUs. Of these, only two¹⁹ SPSUs paid the prescribed dividend in full, while three SPSUs²⁰ paid more than due payable.

Further, of the remaining three profit-making SPSUs, two²¹ SPSUs asked for exemption from Finance Department and one²² SPSU did not pay any dividend. The amount of dividend which remained unrealised during the FY 2023-24 in these three SPSUs worked out to ₹ 193.54 crore.

Case Study: Incorrect accounting classification of investment in Smart City Project

As per Smart Cities Mission Statement and Guidelines issued by Ministry of Urban Development Government of India dated June, 2015, “The Special Purpose Vehicle (SPV) will be a limited company incorporated under the Companies Act, 2013 at the city-level, in which the State/UT and the ULB will be the promoters having 50:50 equity shareholding. The private sector or financial institutions could be considered for taking equity stake in the SPV, provided the shareholding pattern of 50:50 of the State/UT and the ULB is maintained and the State/UT and the ULB together have majority shareholding and control of the SPV.”

Six smart city companies namely, (i) Smart City Ahmedabad Development Limited; (ii) Dahod Smart City Development Limited; (iii) Gandhinagar Smart City Development Limited; (iv) Rajkot Smart City Development Limited; (v) Surat Smart City Development Limited; and (vi) Vadodara Smart City Development Limited were formed in Gujarat. It was observed that share contribution of the State Government in these companies are not being shown under capital head of expenditure and also not reflected in ‘Statement 19 – Detailed statement of the Investments of the Government’ in the Finance Accounts.

E. Loans and advances by State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 1.25** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during the last five years.

¹⁸ (i) Gujarat State Investment Limited, (ii) Gujarat Mineral Development Corporation Limited, (iii) Gujarat Gas Limited, (iv) Gujarat Rural Industries Marketing Corporation Limited, and (v) Gandhinagar Railway and Urban Development Corporation Limited.

¹⁹ (i) Gujarat Gas Limited, and (ii) Gandhinagar Railway and Urban Development Corporation Limited.

²⁰ (i) Gujarat State Investment Limited, (ii) Gujarat Mineral Development Corporation Limited, and (iii) Gujarat Rural Industries Marketing Corporation Limited.

²¹ (i) Gujarat State Financial Services Limited, and (ii) Gujarat Urban Development Company Limited.

²² Gujarat State Sheep and Wool Development Corporation Limited.

Table 1.25: Quantum of loans disbursed and recovered during 2020-25*(₹ in crore)*

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2020-21	2021-22	2022-23	2023-24	2024-25
Opening Balance of outstanding loans	10,485	12,235*	13,151	14,363	15,654
Loans advanced during the year	1,233	1,071	1,466	2,667	3,552
Loans recovered during the year	155	155	254	1,376	1,072
Closing Balance of outstanding loans	11,563	13,151	14,363	15,654	18,134
Loans for which terms and conditions have not been settled	632	446	674	1,684	2,565
Net addition during the year	1,078	916	1,212	1,291	2,480
Interest Receipts on loans advanced	63	77	45	79	84
Interest receipts as a <i>percentage</i> of outstanding Loans and Advances	0.57	0.61	0.33	0.53	0.50
Interest payments on outstanding borrowings of Government (Cost of borrowing)	24,203	25,188	25,354	27,176	28,025
Average Rate of Interest paid on the outstanding borrowings of the Government (<i>per cent</i>)	7.29	7.12	6.77	6.84	6.53
Difference between the rate of interest paid and rate of interest received (<i>per cent</i>)	6.72	6.51	6.44	6.31	6.03

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 disbursed by the Government, increased from ₹ 15,654 crore at the end of 2023-24 to ₹ 18,134 crore at the end of 2024-25. Of the total loans and advances disbursed during the year (₹ 3,552 crore), ₹ 3,139 crore were advanced for Social Services, ₹ 296 crore for Economic Services and ₹ 117 crore were advanced for Government Servants and Miscellaneous purposes. Major portion of loans advanced under Social Services were used for Urban Development (₹ 1,460 crore); Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities (₹ 971 crore). Loans advanced under Economic Services went to Transport Sector (₹ 253 crore).

Recovery of loans and advances was ₹ 1,072 crore in 2024-25. Interest receipts on loans and advances disbursed during the year increased by ₹ five crore.

Further, of the total loans advanced during the year (₹ 3,552 crore), loans amounting to ₹ 2,565 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 2024-25) as loans advanced (₹ 253.29 crore) to GSRTC. However, the relevant sanction

orders did not prescribe repayment schedule and rate of interest payable by GSRTC. As of 31 March 2025, GSRTC had an outstanding loan balance of ₹ 2,930.69 crore.

An examination of **Table 1.25** indicates that the State's outstanding loans and advances increased steadily during the period 2020-21 to 2024-25, driven by higher disbursements that consistently exceeded recoveries. While loan recoveries improved in recent years, they remained modest in relation to fresh advances, resulting in a growing closing balance of outstanding loans.

A significant and increasing portion of loans continued to remain without settled terms and conditions, which has implications for monitoring and recovery. Interest receipts on loans remained low and accounted for less than one *per cent* of outstanding loans, while the average cost of the State's borrowings remained above six *per cent* throughout the period. Consequently, the widening gap between the rate of interest paid and the rate of interest received indicates that lending operations generated limited financial returns relative to borrowing costs.

F. Inoperative loan accounts

A substantial amount of ₹ 833.30 crore remains outstanding in inoperative loan accounts across multiple sectors over the period 2009–25, with particularly high balances under Consumer Industries and Water Supply and Sanitation as shown in **Table 1.26**.

Table 1.26: Inoperative loan accounts

Major Head		(₹ in crore) 2009-25
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
Total outstanding balances		833.30

Source: Finance Accounts of respective years.

The persistence of these inoperative balances over a long period suggests limited recovery and follow-up action, with funds remaining locked without generating returns or being recycled for productive use. The spread of such accounts across social, economic, and industrial sectors points to systemic issues in loan monitoring, closure, or settlement mechanisms.

1.3 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 functional Major Head concerned relating to the Consolidated Fund of the State. The Contingency Fund of the Government of Gujarat has a corpus of ₹ 200 crore. As on 01 April 2025, there was no unrecouped balance. Further, during 2024-25, ₹ 33.15 crore amount was withdrawn out of the Contingency Fund for meeting unforeseen expenditure and the same was recouped during the year.

1.4 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.

1.4.1 Net Balances in Public Account

The component-wise net balances in Public Account of the State at the end of March 2025 were as follows:

Table 1.27: Component-wise Net Balances in Public Account as of 31 March of the year

		(₹ in crore)				
Sector	Sub-Sector	2020-21	2021-22	2022-23	2023-24	2024-25
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	10,445.80	10,179.76	9,993.84	10,019.83	10,121.12
J. Reserve Funds	(a) Reserve Funds bearing Interest	1,073.02	1,527.94	2,673.90	3,487.90	3,135.79
	(b) Reserve Funds not bearing Interest	6,911.30	9,216.94	12,054.35	14,964.84	18,175.49
K. Deposits and Advances	(a) Deposits bearing Interest	14,476.68	14,476.34	14,127.01	13,964.53	16,916.01
	(b) Deposits not bearing Interest	22,478.03	22,415.43	23,177.28	32,669.99	46,904.47
	(c) Advances	(-)0.70	(-)0.70	(-)0.70	(-)0.70	(-)0.70
L. Suspense and Miscellaneous	(a) Suspense	(-)321.72	(-)296.69	(-)295.85	(-)369.33	(-)249.88
	(b) Other Accounts ²³	(-)2,704.49	(-)267.37	(-)2,945.47	(-)4,647.37	(-)5,174.26
	(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

²³ Other Accounts under L - Suspense and Miscellaneous does not include Cash Balance Investment Account, Permanent Cash Imprest & Departmental Balances.

Sector	Sub-Sector	2020-21	2021-22	2022-23	2023-24	2024-25
M. Remittances	(a) Money Orders, and other Remittances	868.58	963.11	977.53	1,329.59	1,990.75
	(b) Inter- Governmental Adjustment Account	(-)1.94	(-)1.99	(-)1.70	(-)1.62	(-)1.75
TOTAL		53,223.97	58,212.18	59,759.60	71,417.07	91,816.45

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 ₹ 53,233.97 crore in 2020-21 to ₹ 91,816.45 crore in 2024-25. During 2024-25, net balances in Public Account increased by 28.56 *per cent* over the previous year.

Table 1.27 indicates a substantial and steady increase in Net Balances under the Public Account, rising from ₹ 53,223.97 crore in 2020-21 to ₹ 91,816.45 crore in 2024-25, driven largely by accumulation under Reserve Funds and Deposits not bearing interest. While balances under Small Savings and Provident Funds remained broadly stable, non-interest-bearing Reserve Funds and Deposits recorded a marked increase, indicating a higher accumulation of funds outside the Consolidated Fund.

At the same time, negative balances under Suspense and Miscellaneous heads widened over the years, pointing to pending adjustments and reconciliation issues. Overall, the growing size of Public Account balances reflects higher fiduciary liabilities and underscores the importance of timely reconciliation, settlement, and monitoring.

1.4.2 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.

The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.28**.

Table 1.28: Details of Major Reserve Funds

(₹ in crore)						
Sl. No..	Name of Reserve Fund	Opening Balance as on 1 April 2024	Receipts during the year	Interest receipts	Repayments during the year	Balance as on the 31 March 2025
A Reserve Funds bearing Interest						
1	State Compensatory Afforestation Fund	1,136.22	477.48	0.00	309.99	1,303.71
2	State Disaster Mitigation Fund	1,076.60	73.17	78.27	121.65	1,106.39
3	State Disaster Response Fund	1,275.04	803.85	121.53	1,474.76	725.66
Total		3,487.87	1,354.50	199.80	1,906.41	3,135.76

B Reserve Funds not bearing Interest						
1	Sinking Fund	12,878.39	2,945.93 ²⁴	0.00	0.04	15,824.28
2	Guarantee Redemption Fund	892.18	46.77	0.00	0.00	938.95
3	General Insurance Fund	554.57	253.35	0.00	120.08	687.84
4	Development Funds for Agricultural Purposes	542.62	88.20	0.00	0.22	630.60
5	Depreciation Reserve Funds of Govt. Non-Commercial Departments-Presses	27.76	0.00	0.00	0.71	27.05
6	Development Funds for Educational Purposes	60.92	30.00	0.00	33.11	57.81
	Total	14,956.44	3,364.25	0.00	154.16	18,166.53

Source: Finance Accounts of the State Government for the year 2024-25 and information from PAG (A&E), Gujarat.

During 2024-25, the State operated 18 Reserve Funds under the Public Account, with an accumulated balance of ₹ 21,311.28 crore as on 31 March 2025, of which ₹ 16,173.35 crore was invested, of which about three-fourths was invested, indicating active fund management. The balances were predominantly held in 13 non-interest-bearing Reserve Funds, which accounted for ₹ 18,175.49 crore, while five interest-bearing Reserve Funds accounted for ₹ 3,135.79 crore.

Within the interest-bearing category, the Disaster Response and Disaster Mitigation Funds recorded significant inflows and outflows during the year, reflecting their operational use, whereas balances under the Compensatory Afforestation Fund showed net accretion. Among non-interest-bearing funds, the Sinking Fund constituted the largest component and recorded substantial additions during the year, while other funds showed relatively modest movements.

Overall, the composition and growth of Reserve Funds indicate increasing earmarking of resources for specific purposes, underscoring the importance of continued monitoring of fund utilisation, investment, and alignment with their intended objectives.

1.4.2.1 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 defining the scope of CSF to include Internal Debt and Public Account Liabilities of the Government from the financial year 2007-08. Further, as per the State Government Resolution (2017-18) for CSF, the minimum corpus of the fund be five *per cent* of State's outstanding liabilities from the year 2018-19 and thereafter to maintain it on rolling basis.

²⁴ Includes ₹ 2,000 crore of State Government contribution to Consolidated Sinking Fund under M.H 2048-101 and ₹ 945.93 crore on account of adjustment of accrued interest.

During 2024-25, the Government contributed ₹ 2,945.93 crore in the CSF. There was short contribution²⁵ in the CSF by ₹ 4,396.48 crore during 2024-25, as the closing balance in the fund was ₹ 15,824.27 crore against the minimum corpus of ₹ 20,220.75 crore. As a result, there was an overstatement of Revenue Surplus and understatement of Fiscal Deficit during the year.

As on 31 March 2025, out of the total Fund of ₹ 15,824.27 crore, an amount of ₹ 15,494.44 crore was invested with the RBI. The State Government credited an accrued interest of ₹ 945.93 crore to the Fund during 2024-25.

1.4.2.2 Funds for Disaster Risk Management

As per recommendations of the 13th 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 15th 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.

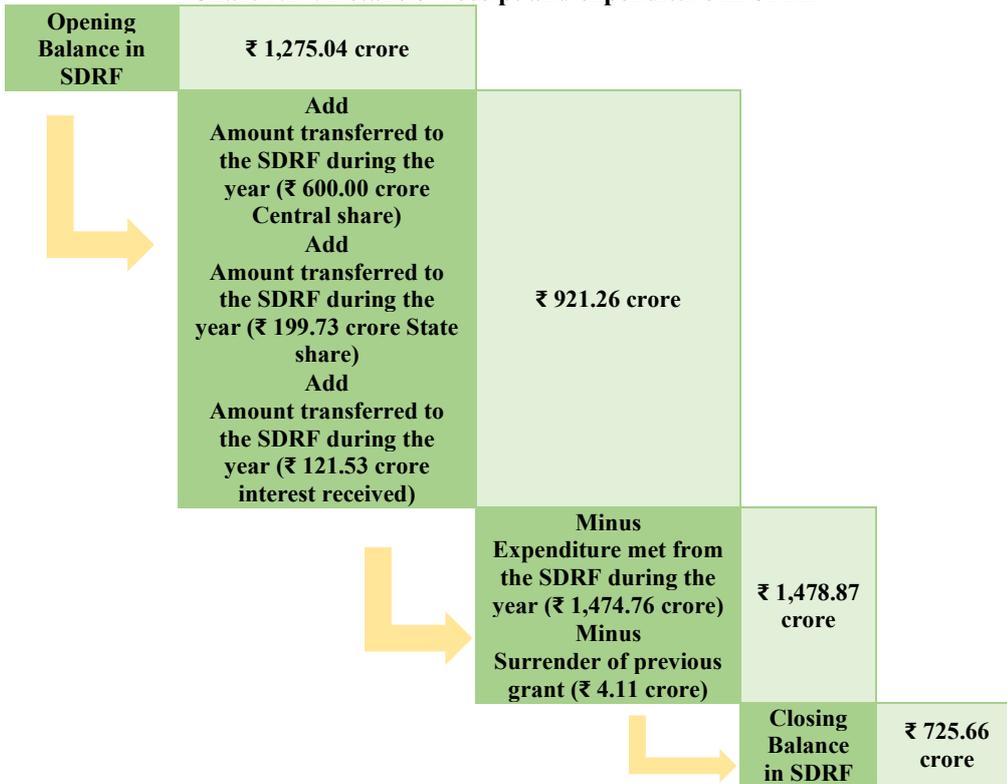
State Disaster Response Fund

As on 01 April 2024, the SDRF had an opening balance of ₹ 1,275.04 crore. During 2024-25, the State Government transferred ₹ 799.73 crore (₹ 600.00 crore Central share and ₹ 199.73 crore State share) to the fund. Out of the total available fund of ₹ 2,074.77 crore, the State Government incurred an expenditure of ₹ 1,474.76 crore from the SDRF on natural calamities during the year. It also received interest of ₹ 121.53 crore and surrendered previous year unutilised grant of ₹ 4.11 crore leaving a balance of ₹ 725.66 crore in the fund at end of March 2025. Additionally, the State Government also met an expenditure of ₹ 74.85 crore from the state budget on account of natural calamities. Thus, the State Government incurred an expenditure of ₹ 1,549.61 crore during the year on this account.

Details of receipt and expenditure in SDRF during the year are given in **Chart 1.27** below.

²⁵ ₹ 4,396.48 crore = ₹ 20,220.75 crore (minimum corpus of 5 *per cent* of State Liabilities of ₹ 4,04,415.04 crore to be maintained for the year 2023-24) minus ₹ 15,824.27 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 and its repayment of ₹ 6,497 crore and ₹ 10,229 crore during 2023-24 and 2024-25 has not been considered as outstanding liabilities here.

Chart 1.27: Details of receipt and expenditure in SDRF



Source: Finance Accounts of the State Government for the year 2024-25.

State Disaster Mitigation Fund

In addition to SDRF, the State Government also maintains the State Disaster Mitigation Fund (SDMF). The fund was constituted in February 2023. During 2024-25, the State Government did not receive any amount from Central Government towards SDMF but received ₹ 73.17 crore from the Central Government towards NDMF and earned ₹ 78.27 crore as interest on the investment from the fund. These were transferred to the SDMF.

As on 01 April 2024, the SDMF had an opening balance of ₹ 1,076.60 crore. ₹ 121.65 crore was set off in the Major Head 2245 as expenditure met from the SDMF during the year.

Case study: Understatement of balance of State Disaster Response Fund

The State Disaster Response Fund (SDRF) had been constituted under Section 48 (1) (a) of the Disaster Management Act, 2005. The Guidelines issued by the Ministry of Home Affairs for administration of SDRF stipulate that the SDRF shall be used for meeting the expenditure for providing immediate relief to the victims of disasters.

During 2020–21 to 2022–23, Gujarat faced several disasters—floods, heavy rains, Cyclone *Tauktae*, and COVID-19—requiring emergency relief funded through SDRF/SDMF/NDRF as per the Disaster Management Act, 2005. Under Rule 154 of the Gujarat Financial Rules (1971), grants received for a specific purpose must be used only for that purpose.

During test-check of records of office of the Director of Relief and Ex-officio Secretary, Revenue Department, Government of Gujarat (GoG) for the period 2020-21 to 2022-23, Audit noticed that offices such as the DDOs and Mamlatdars had deposited unutilised SDRF grants amounting to ₹ 58.27 crore under the wrong Receipt Head (0250-00-800-01/02) instead of the correct Fund Head (8121-00-122-SDRF).

Thus, crediting the unutilized grant in Receipt Head 0250-00-800-02 which was meant for Other Social Services instead of crediting it to the Fund Head 8121-00-122-SDRF led to inflated expenditure of ₹ 58.27 crore in SDRF.

As a result, the balance of SDRF remains understated every year from 2022-23 onwards by ₹ 58.27 crore in Finance Accounts.

Similar matter had been brought to the notice of the Department in the SFAR for the year 2021-22. Rectification action, if any, taken by the Department has not been provided to Audit.

The Department should issue necessary instructions so that unutilised amounts which have been utilised or taken from the Reserve Funds are credited back to the Reserve Fund concerned and not as Revenue Receipts.

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

During the year 2024-25, the user agencies deposited ₹ 530.53 crore into National Compensatory Afforestation Deposits. Out of this, ₹ 477.48 crore (₹ 387.04 crore in the previous year) was received by the State Government in State Compensatory Afforestation Fund. The Government incurred ₹ 309.99 crore from the Fund and did not invest any amount during the year. The balance in the State Compensatory Afforestation Fund as on 31 March 2025 was ₹ 1,303.71 crore.

1.4.2.4 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.

As on 31 March 2025, the closing balance in the Fund was ₹ 938.95 crore against the minimum required corpus²⁶ of ₹ 71.05 crore. An accrued interest of ₹ 46.77 crore was credited to the Fund during 2024-25. Out of the total Fund of ₹ 938.95 crore, an amount of ₹ 675.26 crore was invested with the RBI.

1.4.3 Cash Balances

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 ways and means advances to the State Government was ₹ 2,518 crore upto 30 June 2024 and ₹ 3,092 crore with effect from 01 July 2024 which remained unchanged as on 31 March 2025.

The State Government maintained the minimum daily cash balance with the RBI during 2024-25 and no WMA/SWMA/OD was availed of during the year.

1.4.3.1 Investment of Cash Balances

Details of cash balances and investment made by the State Government out of cash balances during 2024-25 are shown in **Table 1.29**.

Table 1.29: Cash balances and investment of cash balances

(₹ in crore)			
Cash balances and investment of cash balances	Opening balance on 1 April 2024	Closing balance on 31 March 2025	Increase (+)/ Decrease (-)
(A) General cash balance			
Deposits with Reserve Bank of India	263.95	(-)7.21	(-)271.16
Investments held in Cash Balance Investment Account (Treasury Bills)	24,524.60	15,366.25	(-)9,158.35
Total (A)	24,788.55	15,359.04	(-)9,429.51
(B) Other Cash balances and investments			
Cash with Departmental Officers viz. Public Works, Forest, District Collectors etc.	1.85	(-)0.38	(-)2.23
Permanent advances with Departmental Officers for contingent expenditure	0.30	0.30	0.00
Investment of earmarked funds	13,180.99	16,173.70	2,992.71
Total (B)	13,183.14	16,173.62	2,990.48
Total Cash Balances (A)+ (B)	37,971.69	31,532.66	(-)6,439.03
Interest realised	1,785 ²⁷	1,503 ²⁸	(-)282

Source: Finance Accounts of the State Government for the year 2024-25.

²⁶ ₹ 71.05 crore = 5 per cent of outstanding guarantee at the end of the year 2024-25 (₹ 1,420.94 crore)

²⁷ Interest realised on Sinking Fund – Investment Account: ₹ 758 crore; Interest realised on Guarantee Redemption Fund – Investment Account: ₹ 43 crore; and Interest realised on investment of Cash Balances (Treasury Bills): ₹ 984 crore.

²⁸ Interest realised on Sinking Fund – Investment Account: ₹ 946 crore; Interest realised on Guarantee Redemption Fund – Investment Account: ₹ 47 crore; and Interest realised on investment of Cash Balances (Treasury Bills): ₹ 510 crore.

Table 1.29 indicates a decline in the State's overall cash balances during 2024-25, with total cash balances decreasing from ₹ 37,971.69 crore as on 1 April 2024 to ₹ 31,532.66 crore as on 31 March 2025. This reduction was primarily due to a significant drawdown of investments held under the Cash Balance Investment Account, while deposits with the Reserve Bank of India also declined during the year.

In contrast, investments of earmarked funds increased, partially offsetting the reduction in general cash balances. Interest realised on cash balances declined in line with the lower level of investible surplus. Overall, the movement in cash balances reflects active cash management during the year, with increased utilisation of general cash balances alongside higher investment of earmarked funds, underscoring the need for continued monitoring to ensure optimal liquidity management.

The cash balance investments of the State during the five-year period (2020-25) are given below.

Table 1.30: Cash Balance Investment Account (Major Head-8673)

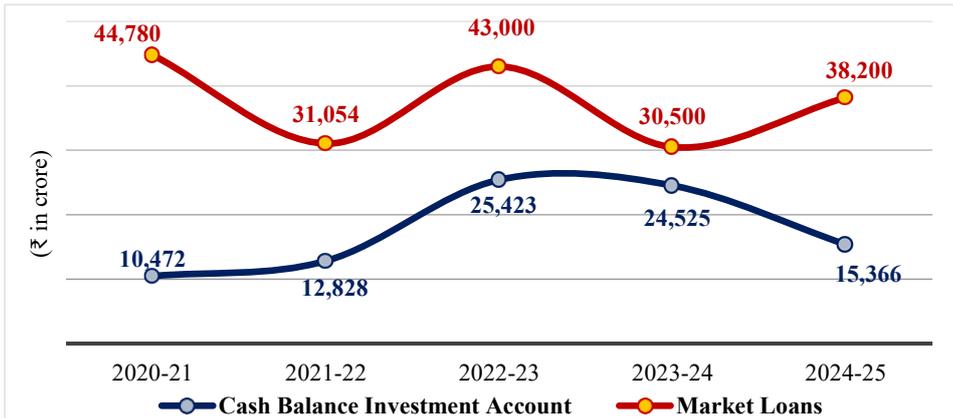
<i>(₹ in crore)</i>				
Year	Opening Balance	Closing Balance	Increase (+)/decrease (-)	Interest earned
2020-21	10,347.99	10,472.20	124.21	96.86
2021-22	10,472.20	12,828.49	2,356.29	130.57
2022-23	12,828.49	25,422.96	12,594.47	138.07
2023-24	25,422.96	24,524.60	(-)898.36	983.89
2024-25	24,524.60	15,366.25	(-)9,158.35	510.39

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

The trend analysis of the cash balance investment of the State Government during 2020-25 revealed that investment decreased during 2024-25. During the current year, investments held in Cash Balance Investment Account (₹ 15,366.25 crore) stood at 4.62 *per cent* of the annual budget estimates of the State (₹ 3,32,465.05 crore).

Chart 1.28 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 2020-25.

Chart 1.28: 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 1.28** above, during 2024-25, the State Government raised ₹ 38,200 crore from the market. On the other hand, balance available in Cash Balance Investment Account as on 31 March 2025 was ₹ 15,366 crore. It was further noticed that during the year 2024-25, interest of ₹ 22,118.17 crore was paid on outstanding Market Loans whereas, interest of ₹ 510.39 crore was earned on investments made from Cash Balance Investment Account.

Chart 1.28 shows that the State generally had enough cash on hand throughout the period and did not need to take an overdraft from the Reserve Bank of India. Changes in cash balances appear to be mainly due to the timing of receipts and spending, rather than any shortage of funds. Overall, the pattern suggests that cash was managed reasonably well, while highlighting the need to keep monitoring liquidity to ensure that day-to-day payment needs continue to be met smoothly.

1.4.4 Deposits not bearing interest

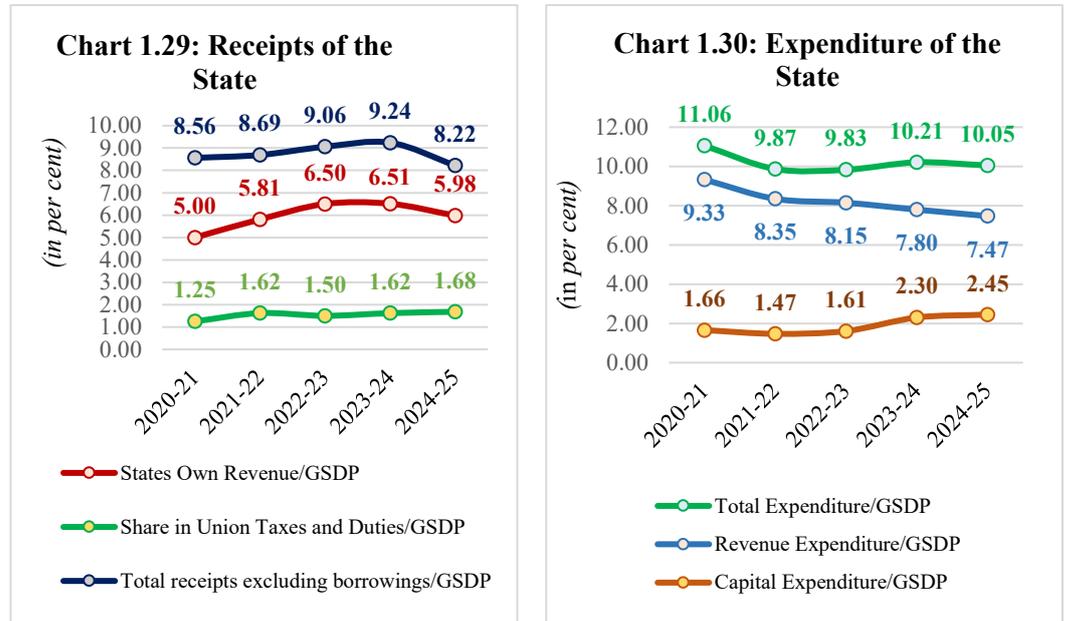
The Courts receive money as deposit in respect of various cases pursuant to the orders given by the judges. These deposits, not bearing interest, are classified into two categories, viz. (i) Civil Deposits, and (ii) Criminal Court Deposits, and are kept in the Public Account of the State Government. The Hon'ble High Court of Gujarat had directed all the courts in 2009 that amounts so held in PLAs should be invested in fixed deposits in Nationalised Banks by the Registrars of the courts concerned.

Audit observed that the Legal Department/Finance Department did not issue Government Resolution/Notification to create a system to record the amounts invested in fixed deposits.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future

obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.29** and **Chart 1.30** shows Receipts and Expenditure of the State as a percentage of GSDP, during FY 2020-25 respectively.



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

An analysis of **Chart 1.29** indicates that:

- State's Own Revenue as percentage of GSDP, increased from five *per cent* in 2020-21 to 6.51 *per cent* in 2023-24, and thereafter declined to 5.98 *per cent* in 2024-25;
- Share in Union Taxes and Duties as percentage of GSDP, remained broadly stable between 1.25 *per cent* and 1.68 *per cent*; and
- Consequently, total receipts excluding borrowings relative to GSDP increased from 8.56 *per cent* in 2020-21 to 9.24 *per cent* in 2023-24, before moderating to 8.22 *per cent* in 2024-25.

A reading of the Chart suggests that the State managed its short-term liquidity needs largely within normal limits, with no reliance on Ways and Means Advances and without persistent overdraft stress. The pattern indicates that any short-term gaps between receipts and expenditure were addressed through routine cash management mechanisms rather than sustained borrowing. Overall, the trend reflects orderly liquidity management, while also underscoring the importance of continued monitoring to ensure that short-term financing arrangements remain temporary and do not translate into structural cash stress.

As evident from the **Chart 1.30**:

- Total Expenditure as a percentage of GSDP, declined from 11.06 per cent in 2020-21 to 9.83 per cent in 2022-23, and thereafter remained broadly stable at around 10.05 per cent in 2024-25;
- Revenue Expenditure decreased consistently from 9.33 per cent in 2020-21 to 7.47 per cent in 2024-25; and
- Capital Expenditure increased from 1.47 per cent in 2021-22 to 2.45 per cent in 2024-25, indicating a shift towards capital formation.

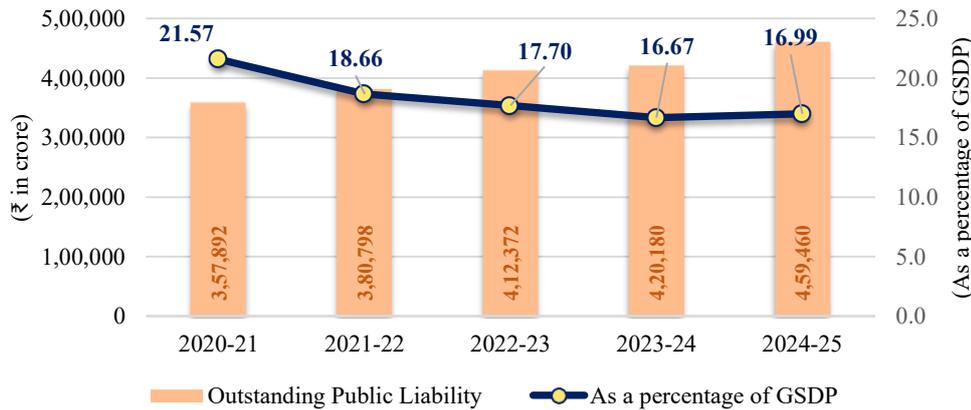
A review of the Chart indicates that the State did not experience sustained liquidity stress, with cash management remaining within acceptable limits over the period. Instances of short-term cash pressure, if any, appear to have been temporary and promptly regularised, without prolonged reliance on overdraft. Overall, the trend suggests prudent management of cash flows and adequate coordination between receipts and expenditure.

1.5.1 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 Outstanding Public Liability²⁹ of the State along with its percentage to GSDP for the years 2020-21 to 2024-25 is depicted in **Chart 1.31**.

Chart 1.31: Trend of Outstanding Public Liability



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

Source (GSDP figures): Directorate of Economics & Statistics, Government of Gujarat.

²⁹ 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 and repayment of ₹ 6,497 crore during 2023-24 and ₹ 10,229 crore during 2024-25, though included in the outstanding public liability but have not been considered here for calculation of percentage of outstanding public liability to GSDP.

Chart 1.31 shows that:

- The State's Outstanding Public Liabilities increased from ₹ 3,57,892 crore in 2020-21 to ₹ 4,59,460 crore in 2024-25;
- However, the Outstanding Public Liabilities to GSDP ratio, declined from 21.57 *per cent* in 2020-21 to 16.67 *per cent* in 2023-24, indicating an improvement in the relative debt position; and
- In 2024-25, the ratio marginally increased to 16.99 *per cent*, despite the continued rise in Outstanding Liabilities.

1.5.1.1 Liability Profile: Components

Total liabilities of the State Government typically constitute the internal debt of the State (Market Loans, Ways and Means Advances from RBI, Special Securities issued to National Small Savings Fund, Loans from Financial Institutions, *etc.*), Loans and Advances from the Central Government, and Public Account Liabilities. The component-wise liability trends of the State during last five years (2020-25) are presented in **Table 1.31**.

Table 1.31: Component-wise liability trends

Components of Fiscal Liability	2020-21	2021-22	2022-23	2023-24	2024-25
Outstanding Public Liability	3,57,892	3,80,798	4,12,372	4,20,180	4,59,460
Public Debt	3,08,029	3,30,557	3,60,725	3,58,253	3,80,381
<i>Internal Debt</i>	<i>2,90,030</i>	<i>2,99,801</i>	<i>3,25,267</i>	<i>3,35,208</i>	<i>3,49,002</i>
<i>Loans from GoI³⁰</i>	<i>17,999</i>	<i>30,756</i>	<i>35,458</i>	<i>23,045</i>	<i>31,379</i>
Public Account Liabilities	49,863	50,241	51,647	61,927	79,079
<i>Small Savings, Provident Funds, etc.</i>	<i>10,446</i>	<i>10,180</i>	<i>9,994</i>	<i>10,020</i>	<i>10,121</i>
<i>Reserve Funds bearing Interest</i>	<i>1,073</i>	<i>1,528</i>	<i>2,674</i>	<i>3,488</i>	<i>3,136</i>
<i>Reserve Funds not bearing Interest</i>	<i>1,389</i>	<i>1,641</i>	<i>1,675</i>	<i>1,784</i>	<i>2,002</i>
<i>Deposits bearing Interest</i>	<i>14,477</i>	<i>14,476</i>	<i>14,127</i>	<i>13,965</i>	<i>16,916</i>
<i>Deposits not bearing Interest</i>	<i>22,478</i>	<i>22,416</i>	<i>23,177</i>	<i>32,670</i>	<i>46,904</i>
Rate of growth of outstanding total liability (<i>per cent</i>)	13.45	6.40	8.29	1.89	9.35
Gross State Domestic Product (GSDP)	16,16,106	19,20,927	22,03,419	24,25,804	26,72,025
Outstanding Public Liability/GSDP (<i>per cent</i>)	21.57	18.66	17.70	16.67	16.99
Borrowings and Other Liabilities					
<i>Total Receipts</i>	<i>1,23,325</i>	<i>1,08,894</i>	<i>1,17,751</i>	<i>1,18,121</i>	<i>1,64,939</i>
<i>Total Repayments</i>	<i>80,888</i>	<i>85,984</i>	<i>86,171</i>	<i>93,586</i>	<i>1,25,659</i>

³⁰ The Loans from GoI is inclusive of back-to-back loans received in lieu of shortfall in GST compensation. (₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 and repayment of ₹ 6,497 crore during 2023-24 and ₹ 10,229 crore during 2024-25). These have not been considered for calculation of percentage of outstanding public liability to GSDP.

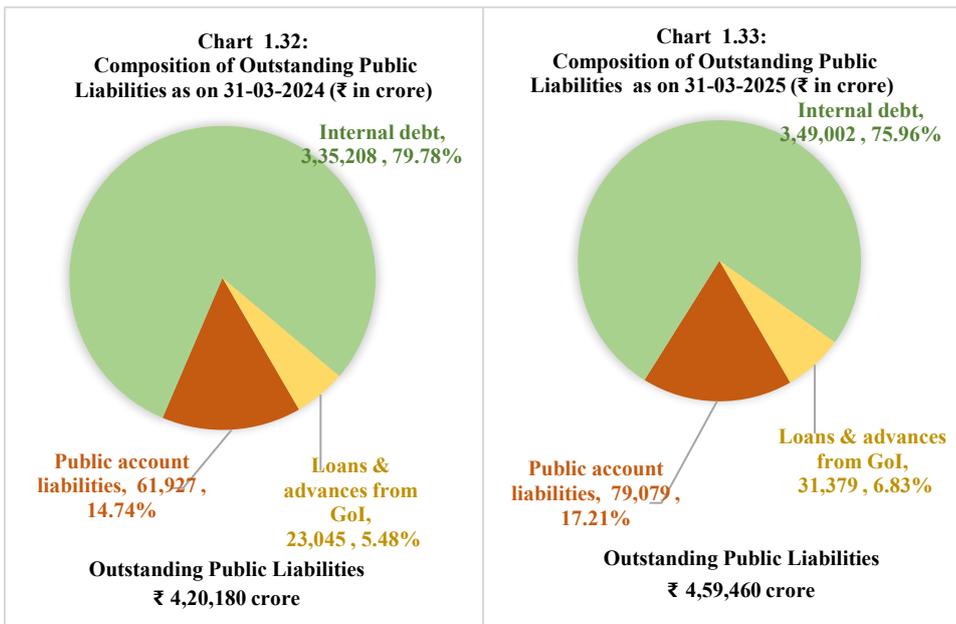
Components of Fiscal Liability	2020-21	2021-22	2022-23	2023-24	2024-25
Net funds available	42,437	22,910	31,580	24,535	39,280
Repayments/ Receipts (per cent)	65.59	78.96	73.18	79.23	76.19

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

An analysis of **Table 1.31** indicates that the State’s Outstanding Public Liabilities increased steadily during 2020-25, reaching ₹ 4,59,460 crore in 2024-25, driven mainly by growth in internal debt and a sharp rise in Public Account liabilities, particularly deposits not bearing interest. While public debt remained the dominant component of total liabilities, the share of Public Account liabilities increased significantly in the last two years, reflecting higher accumulation of fiduciary funds.

Notwithstanding the increase in absolute liabilities, the ratio of outstanding public liabilities to GSDP declined over the period, indicating that economic growth broadly outpaced the growth of liabilities, though a slight increase was observed in 2024-25. Borrowings during the period were accompanied by substantial repayments, with repayments consistently absorbing a large proportion of receipts, thereby moderating net funds available. Overall, the trends suggest a gradual expansion of the State’s liability base alongside improved debt sustainability indicators.

Component-wise break-up of Outstanding Public Liabilities or fiscal liabilities of the State Government at the end of March 2024 and March 2025 are shown in **Chart 1.32** and **Chart 1.33** respectively.



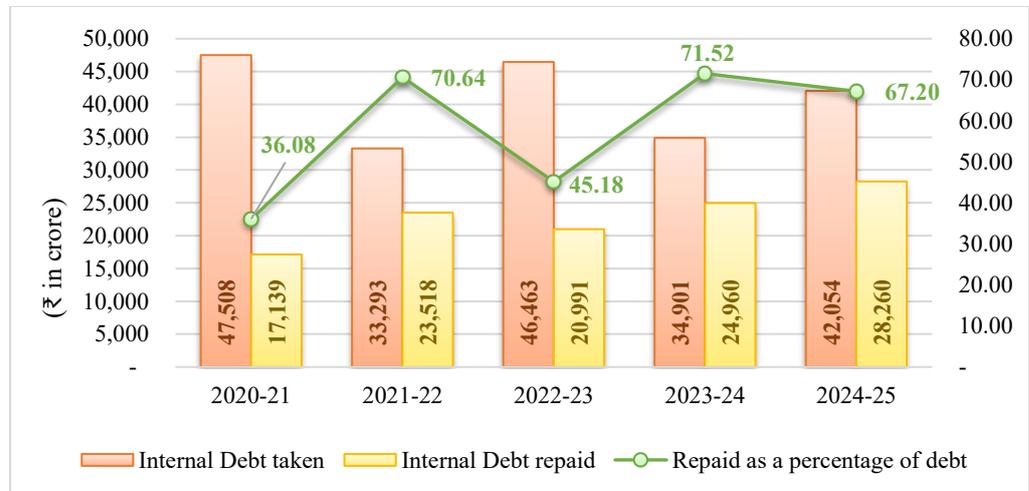
Source: Finance Accounts of the State Government of respective years.

The Charts above show that internal debt accounted for around 80 per cent and 76 per cent of the total Outstanding Public Liabilities of the State Government during 2023-24 and 2024-25 respectively. The internal debt primarily comprised of market borrowings through issue of State Development Loans. An

amount of ₹ 25,108 crore was paid towards interest on internal debt during 2024-25.

Chart 1.34 below shows the trend of internal debt of the State Government (receipts and repayments) during 2020-25.

Chart 1.34: Internal debt taken vis-à-vis repaid during 2020-25



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

From **Chart 1.34**, Audit observed that:

- The internal debt raised by the State declined from ₹ 47,508 crore in 2020-21 to ₹ 42,054 crore in 2024-25;
- On the other hand, during the same period, internal debt repayments increased from ₹ 17,139 crore to ₹ 28,286 crore; and
- Consequently, repayment as a percentage of internal debt raised increased from 36.08 *per cent* in 2020-21 to 67.20 *per cent* in 2024-25.

The data reveals a tightening fiscal situation characterized by a narrowing gap between debt intake and debt servicing. While the internal debt raised has been volatile—dropping overall from ₹ 47,508 crore in 2020-21 to ₹ 42,054 crore in 2024-25—repayments have steadily climbed, reaching a peak of ₹ 28,286 crore. Consequently, the repayment ratio has surged drastically from 36.08 *per cent* to 67.20 *per cent*. Nevertheless the underlying fiscal parameters are within acceptable limits.

1.5.1.2 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 1.32** and **Chart 1.35** depict the utilisation and trends of borrowed funds during 2020-25 respectively.

Table 1.32: Utilisation of Borrowed Funds

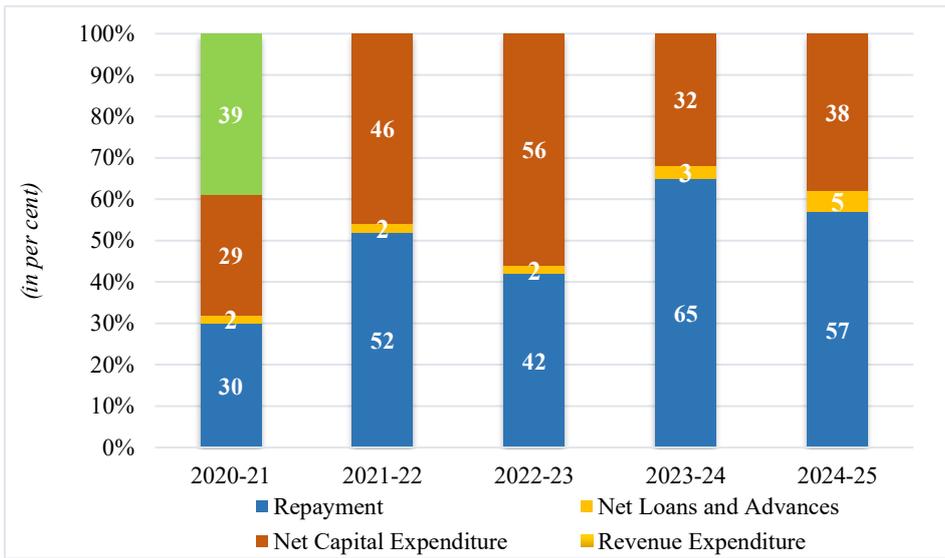
(₹ in crore)

Sr. No.	Year	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Total borrowings (Public Debt Receipts)	58,857	46,968	52,333	40,392	51,253
2.	Repayment of principal on total borrowings	17,922	24,436	22,159	26,136	29,126
3.	Net Loans and Advances	1,078	916	1,212	1,291	2,480
4.	Net borrowings available for Capital Expenditure	16,813	21,616	28,962	12,965	19,647
5.	Portion of total borrowings available for meeting revenue expenditure (5= 1-2-3-4)	23,044	0	0	0	0

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

Table 1.32 indicates that, after meeting repayments and Net Loans and Advances, a substantial portion of borrowings was utilised for Capital Expenditure across the period, with the net amount available for Capital Outlay varying by year in line with borrowing levels and repayment obligations. Importantly, no portion of borrowings was used to meet revenue expenditure during 2021-22 to 2024-25, suggesting adherence to the principle of financing capital formation through debt.

Chart 1.35: Trends of utilisation of Borrowed Funds



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

It can be observed from **Chart 1.35** that:

- The share of Repayments increased significantly from 30 per cent in 2020-21 to 57 per cent in 2024-25, indicating a higher allocation towards Debt Servicing;

- Net Capital Expenditure, met from Public Debt, increased from 29 per cent to 38 per cent over the period, reflecting a relatively higher emphasis on using Public Debt borrowings on Capital Outlay;
- Revenue Expenditure, which constituted 39 per cent, during Covid times, in 2020-21, remained zero from 2021-22 onwards; and
- Net loans and advances remained marginal in during 2020-21 to 2024-25.

Overall, the pattern reflects a broadly prudent utilisation of borrowed funds, while also indicating year-to-year differences in the level of resources available for Capital Expenditure.

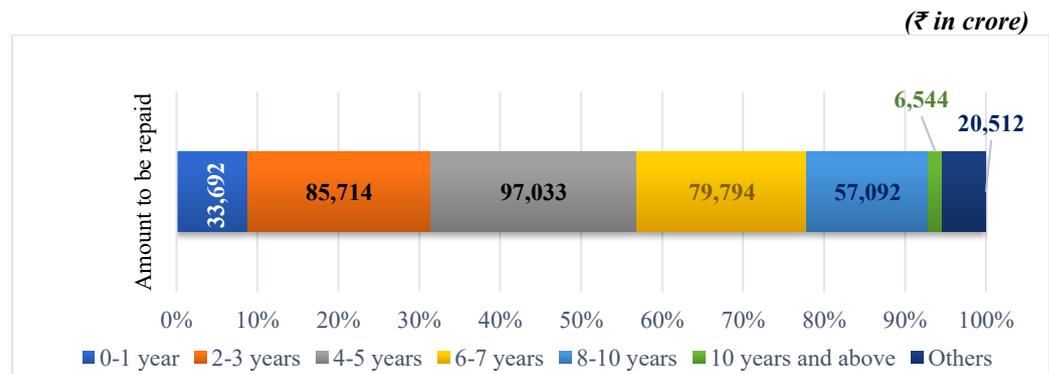
1.5.1.3 Debt Profile: Maturity and Repayment

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

A. Public Debt

Public Debt consists of internal debt and loans and advances received from GoI. The maturity profile of outstanding public debt of ₹ 3,80,380.72 crore for the year 2024-25, is as shown in **Chart 1.36**.

Chart 1.36: Maturity profile of Public Debt



Source: Finance Accounts of the State Government for the year 2024-25.

The maturity profile of outstanding public debt as on 31 March 2025 indicates that:

- 56.90 per cent (₹ 2,16,439 crore) of the total public debt would be repayable within the next 5 years; and
- 92.89 per cent of the total public debt (₹ 3,80,380.72 crore) would be repayable within the next 10 years.

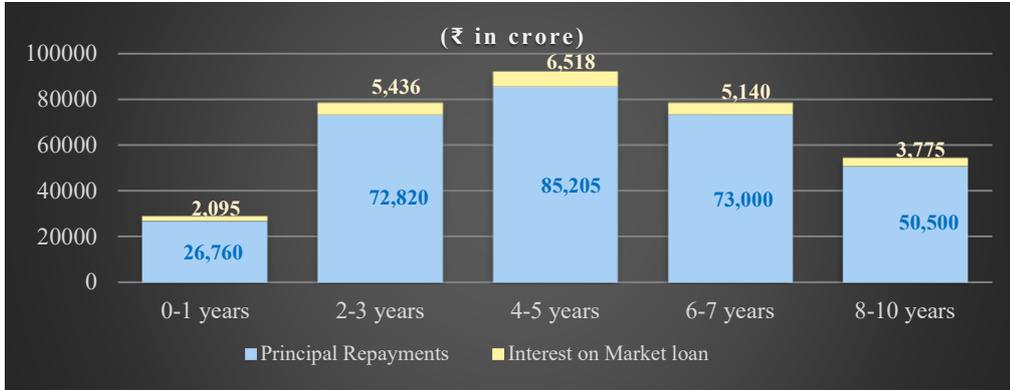
The maturity profile of the State's outstanding public debt (₹ 3,80,380.72 crore) reveals a relatively front-loaded repayment schedule, indicating the need for a watch on fiscal pressure in the medium term. A major portion of the debt liability—57 per cent (₹ 2,16,439 crore)—is set to mature within just five years, with the highest concentration (₹ 97,033 crore) falling in the 4-5 year bracket.

B. Market Loans Repayment

Market loans refer to loans raised in the open market and having a currency of more than 12 months.

Chart 1.37 shows the repayment schedule of Market loans in the ensuing years.

Chart 1.37: Repayment schedule of Market loans



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

Chart 1.37 shows that

- Principal amount of ₹ 1,84,785 crore and interest of ₹ 14,049 crore thereon, would be repayable within the next 5 years; and
- Principal amount of Market loans of ₹ 3,08,285 crore and interest of ₹ 22,964 crore thereon, would be repayable within the next 10 years.

The repayment schedule for Market Loans indicates a back-loaded fiscal burden that peaks in the medium term. A substantial portion of the liability—₹ 1,98,834 crore—is due for repayment within the next five years. The pressure is particularly acute in the 4-5 year period.

Thus, the State faces a critical "repayment hump" between years 2 and 5. The high volume of maturing market loans, coupled with significant interest obligations, suggests that the state needs to be prepared for potential liquidity crunches, if growth falters.

1.5.1.4 Financing pattern of Fiscal Deficit

Table 1.33 depicts the financing pattern of Fiscal Deficit during 2020-25.

Table 1.33: Components of Fiscal Deficit and its financing pattern

		(₹ in crore)				
Particulars		2020-21	2021-22	2022-23	2023-24	2024-25
Fiscal Deficit (-)/Surplus (+)		(-)40,438	(-)22,692	(-)16,846	(-)23,493	(-)48,965
FD/GSDP (per cent)		(-)2.50	(-)1.18	(-)0.76	(-)0.97	(-)1.83
Composition of Fiscal Deficit/Surplus						
1	Revenue Deficit (-) /Surplus (+)	(-)22,548	6,409	19,865	33,477	18,943
2	Net Capital Expenditure	(-)16,813	(-)28,185	(-)35,499	55,679	(-)65,428

Particulars		2020-21	2021-22	2022-23	2023-24	2024-25
3	Net Loans & Advances	(-1,077)	(-916)	(-1,212)	(-1,291)	(-2,480)
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	33,280	13,554	28,300	11,948	16,280
2	Special Securities issued to NSSF	(-3,630)	(-3,629)	(-3,629)	(-3,629)	(-3,629)
3	Loans from Financial Institutions	718	(-150)	801	1,623	1,144
4	Loans from GoI	10,566	12,757	4,702	4,314	8,333
5	Small savings, PF etc.	(-155)	(-266)	(-186)	26	101
6	Deposits and Advances	2,356	(-63)	413	9,330	17,186
7	Suspense and Miscellaneous	(-1,161)	2,462	(-2,677)	(-1,775)	(-408)
8	Remittances	130	94	15	352	661
9	Reserves Fund	(-8,849)	2,761	3,983	3,724	2,858
10	Contingency Fund	0	0	(-20)	20	0
Total		33,255	27,520	31,702	25,933	42,526
Increase (+)/Decrease (-) in Cash Balance		(+7,183)	(-4,828)	(-14,856)	(-2,440)	(-6,439)

*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 State Government of respective years.

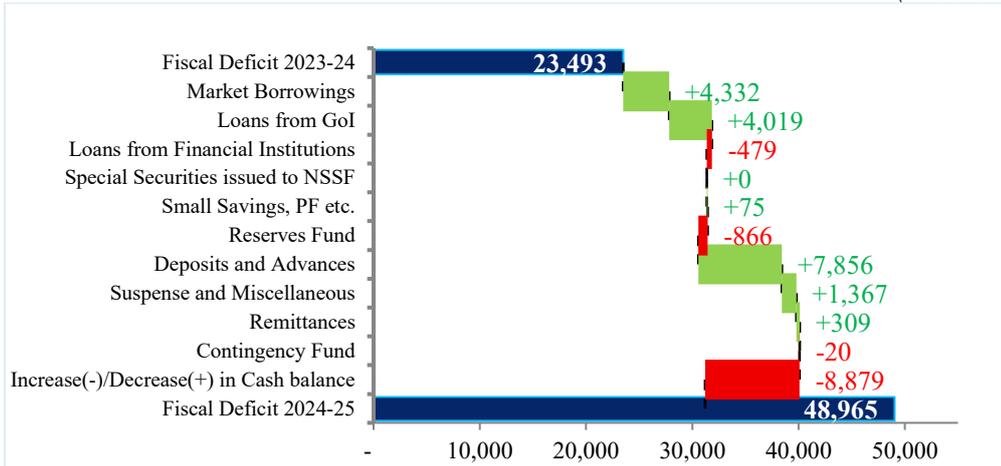
Table 1.33 indicates that the State recorded Fiscal Deficit during 2020-25, with the deficit narrowing up to 2022-23 and widening again in 2024-25, when it reached ₹ 48,965 crore.

While the fiscal deficit as a percentage of GSDP remained within moderate levels, its composition shifted over time, with revenue deficits turning into revenue surpluses from 2021-22 onwards, partly offset by higher capital expenditure and net loans and advances. The financing of the fiscal deficit relied mainly on market borrowings and loans from the Government of India, supplemented by movements in deposits, advances, and reserve funds.

Chart 1.38 shows the financing of Fiscal Deficit in 2024-25 with a water flow chart.

Chart 1.38: Financing of Fiscal Deficit expressed through a water flow chart

(₹ in crore)



Source: Finance Accounts of the respective years.

The Fiscal deficit has been financed during the year by net increase in Market Borrowings, Loans from GoI, Deposits and Advances and Suspense and Miscellaneous over the previous year.

Thus the State’s public finance management shows increased reliance on fiduciary liabilities.

1.5.2 Post Audit Deficit Indicators

As per the FRBM Act, the State Government must ensure compliance with 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 get 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 as 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 1.34**.

Table 1.34: 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	(+) 4,396.48	4,396.48	1.4.2.1
Motor Spirit Cess	(+) 4,169.29	4,169.29	3.2.4
Rural Development Cess	(+) 66.50	66.50	3.2.4
Non-transfer of Labour Cess	(+) 3,518.97	3,518.97	3.2.3

Particulars	Impact on Revenue Surplus [Understated (-)/ Overstated (+)] (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)	Paragraph Reference
Non-transfer of Motor vehicle penalties to PLA	(+) 87.91	87.91	3.2.5
Government contribution to NPS.	(+) 72.46	72.46	3.2.2
Misclassification of Capital Expenditure as Revenue Expenditure	(-) 454.13	-	2.5.6
Non-discharge of Interest liabilities	(+) 70.76	70.76	3.2.1
Pending refund cases	(+) 0.73	0.73	3.2.6
Total	(+)11,928.97	12,383.10	

Source: Finance Account for the year 2024-25 and audit analysis.

As may be seen from the Table above, if the items of short-contribution, non-discharge of liabilities and incorrect classification are factored in:

- there was an overstatement of Revenue Surplus by ₹ 11,928.97 crore during the year. Thus, against the Revenue Surplus of ₹ 18,942.94 crore as mentioned in Paragraph 1.5.3, the State's actual Revenue Surplus³¹ would stand at ₹ 7,013.97 crore; and
- Fiscal Deficit was also understated by ₹ 12,383.10 crore in 2024-25. As against the Fiscal Deficit of ₹ 48,964.89 crore mentioned in the same Paragraph, the actual Fiscal Deficit³² would stand at ₹ 61,347.99 crore during 2024-25.

Table 1.34 indicates that, based on Audit examination, the Revenue Surplus was overstated by ₹ 11,928.97 crore and the Fiscal Deficit was understated by ₹ 12,383.10 crore, mainly due to non-transfer of statutory cesses and levies, shortfall in contributions to the Consolidated Sinking Fund and NPS, and non-discharge of certain interest liabilities. Further, Revenue Surplus was partly offset by misclassification of Capital Expenditure as Revenue Expenditure. Overall, the adjustments highlight that certain accounting and compliance-related issues had a material bearing on the reported fiscal indicators, underscoring the importance of timely transfers, correct classification of expenditure, and full recognition of liabilities to present an accurate fiscal position.

1.5.2.1 Post Audit 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

³¹ ₹ 18,942.94 crore plus (-) ₹ 11,928.97 crore

³² ₹ 48,964.89 crore plus ₹ 12,383.10 crore

are to be serviced out of the State budget are also the 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 period 2019-20 to 2024-25, an expenditure of ₹ 2,548.75 crore was booked for payment towards interest on these NCDs by Energy and Petrochemicals Department, which included ₹ 296.82 crore paid during the year 2024-25. The payment of annual interest on these NCDs has increased the Committed Revenue Expenditure of the State.

1.5.3 Fiscal Balance: Achievement of deficit and total debt 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; and also reduce Fiscal Deficit to three *per cent* of the estimated GSDP by 2008-09 and maintain the same level thereafter. Target of Fiscal Deficit to GSDP 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 (2020-25) is given in **Table 1.35**. Details of Fiscal Parameters for the last 10 year is shown in **Appendix 1.4**.

Table 1.35: Compliance with the provisions of GFR Act

Fiscal Parameters		Achievement				
		2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Deficit (-) / Surplus (+) (₹ in crore)	T ³³	Revenue Surplus				
	A ³⁴	(-)22,548	6,409	19,865	33,477	18,943
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	T	(-)5.00	(-)3.00	(-)3.00	(-)3.00	(-)3.00
	A	(-)2.50	(-)1.18	(-)0.76	(-)0.97	(-)1.83
Ratio of total Public Debt to GSDP (per cent)	T	27.10				
	A ³⁵	18.49	16.05	15.36	14.12	14.03

³³ Target

³⁴ Achievement

³⁵ 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 and

Fiscal Parameters		Achievement				
		2020-21	2021-22	2022-23	2023-24	2024-25
Interest payment on public debt as percentage of Revenue Receipts	T	13.39	14.13	13.63	12.52	11.80
	A	17.18	13.87	11.76	11.21	11.75
Outstanding Guarantees (₹ in crore)	T	Below ₹ 20,000 crore				
	A	3,656	3,089	1,473	1,463	1,421

Source: Budget Publication and Finance Accounts of respective years.

Table 1.35 indicates that the State largely remained within the fiscal limits prescribed under the Gujarat Fiscal Responsibility Act during 2020–25. Fiscal Deficit as a percentage of GSDP stayed well below the stipulated ceiling during 2020-25, while the ratio of public debt to GSDP showed a declining trend and remained significantly lower than the prescribed threshold.

After recording a Revenue Deficit in 2020-21, the State achieved Revenue Surpluses in subsequent years, though the magnitude varied. Interest payments as a percentage of Revenue Receipts generally aligned with the prescribed norms in recent years, and outstanding guarantees remained well within the statutory ceiling.

The targets set by 15th FC and those projected in the State Budget *vis-à-vis* achievements in major fiscal aggregates with reference to GSDP during 2024-25 are given in **Table 1.36** and **Chart 1.39**.

Table 1.36: Targets *vis-à-vis* achievements in respect of major fiscal aggregates for the year 2024-25

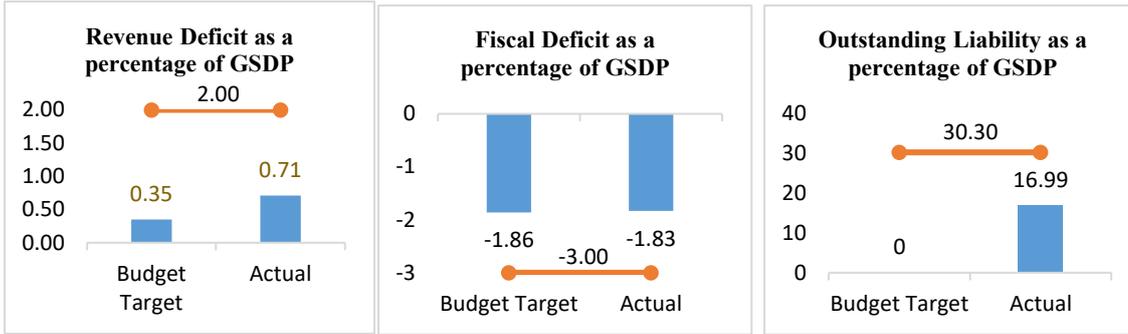
Fiscal Variables	Targets as prescribed by 15 th FC	Targets in Budgets	Actuals	Percentage variation of actuals over	
				Targets of 15 th FC	Targets in Budgets
				Revenue Surplus (+) /GSDP (per cent)	2.00
Fiscal Deficit (-)/GSDP (per cent)	(-) 3.00	(-) 1.86	(-) 1.83	1.17	0.03
Total Outstanding Liability/ GSDP (per cent)	30.30	NA	16.99 ³⁶	(-)13.31	NA

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

repayment of ₹ 6,497 crore and ₹ 10,229 crore during 2023-24 and 2024-25 have not been considered for calculation of percentage of total public debt to GSDP.

³⁶ 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 and repayment of ₹ 6,497 crore and ₹ 10,229 crore during 2023-24 and 2024-25 have not been considered for calculation of percentage of total public debt to GSDP.

Chart 1.39: Surplus/Deficit relative to GSDP in fiscal parameters



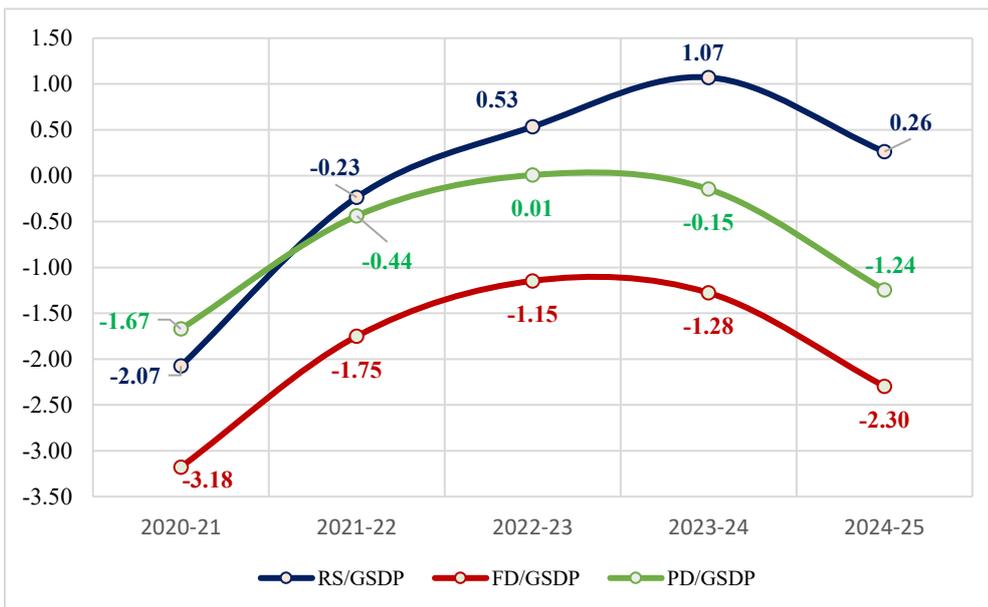
Source: Recommendations of 15th FC, Budget Publication and Finance Accounts.

As can be seen above, except for the targeted Revenue Surplus as percentage of GSDP, all the fiscal targets fixed by 15th FC were achieved during 2024-25. Also, all the targets projected in the budget estimates were achieved by the State during 2024-25.

Overall, the trends reflect broad compliance with the GFR Act parameters, with year-to-year variations warranting continued monitoring to sustain adherence.

The trends in surplus/deficits post audit over the five-year period (2020-25) are depicted in **Chart 1.40**.

Chart 1.40: Trends analysis in Surplus/ Deficit post audit



Source: Analysis in Audit.

A review of post audit figures in **Chart 1.40** shows that the Fiscal Deficit as a percentage of GSDP stayed below the stipulated ceiling over the period, and target of Revenue Surplus as envisaged in Gujarat Fiscal Responsibility Act during the period 2020-21 and 2021-22 was not achieved. The movement of Fiscal Deficit and Revenue Surplus as percentages of GSDP are aligned with each other indicating fiscal space for capital expenditure.

1.5.4 Debt Sustainability Analysis

Debt is considered sustainable if the borrower, in this case the State, can service its debt now, and in future i.e. the Debt-GSDP ratio does not grow to unmanageable proportions. 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. **Table 1.37** assesses the sustainability of debt of the State Government in terms of debt as a percentage of GSDP, rate of growth of outstanding debt, interest payments as a ratio of revenue receipts and net debt available to the State for the period from 2020-21 to 2024-25.

Table 1.37: Trend of Debt Sustainability Indicators

(₹ in crore)

S.No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt ³⁷	3,48,670	3,58,536	3,90,110	4,04,415	4,53,924
2	Rate of Growth of Overall Debt (per cent)	10.53	2.83	8.81	3.67	12.24
3	GSDP (in nominal terms)	16,16,106	19,20,927	22,03,419	24,25,804	26,72,025
4	Nominal GSDP growth (per cent)	(-)0.06	18.86	14.71	10.09	10.15
5	Overall Debt/GSDP (per cent)	21.57	18.66	17.70	16.67	16.99
6	Repayment to Gross Borrowings ³⁸ (per cent)	85.22	102.09	94.71	102.24	93.18
7	Net borrowings available as a percentage of Gross Borrowings	14.78	(-)2.09	5.29	(-)2.24	6.82
8	Interest payments on Overall Debt	24,203	25,188	25,354	27,176	28,025

³⁷ 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 and its repayment of ₹ 6,497 crore and ₹ 10,229 crore during 2023-24 and 2024-25 have not been considered for overall liabilities/debt.

³⁸ Repayment to Gross Borrowings = Repayment of Borrowings (ie. Overall Debt (Principal) plus Interest Payments)/Gross Borrowings*100.

S.No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
9	Effective rate of interest on Overall Debt ³⁹ (per cent)	7.83	7.65	7.30	7.53	7.46
10	Interest payment to Revenue Receipts (per cent)	18.89	15.10	12.71	12.20	12.82
11	Revenue Deficit (-) / Surplus (+)	(-)22,548	6,409	19,865	33,477	18,943
12	Primary Revenue Balance (PRB) ⁴⁰	1,655	31,597	45,219	60,653	46,968
13	Primary Balance (PB) ⁴¹	(-)16,235	2,496	8,508	3,683	(-)20,940
14	PB/GSDP (per cent)	(-)1.00	0.13	0.39	0.15	(-)0.78
15	Difference between RoI ⁴² and effective rate of interest on Overall Debt	(-)0.37	0.16	1.91	10.47	1.92
16	Liquidity Management ⁴³ (use of financial accommodation instruments available with RBI) (in number of occasions)	0	0	0	0	0
17	Debt Stabilisation (Quantum spread ⁴⁴ + Primary balance)	(-)41,857	39,907	35,192	12,919	(-)10,461
18	Domar Criteria					
a	GSDP (in constant terms)	12,41,118	13,65,587	14,65,998	15,97,015	17,09,811
b	Real Growth (in constant terms)	(-)1.91	10.03	7.35	8.94	7.06

³⁹ Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure.

Effective Rate of Interest = Interest Payment/Average of Opening and Closing Stock of Debt (excluding non- interest-bearing liabilities) * 100

⁴⁰ PRB: Revenue Receipts-Revenue Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.

⁴¹ PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.

⁴² Return on Investment (RoI) as measured by effective rate of interest receipts.

RoI = Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed *100

⁴³ Liquidity Management : Amount availed against SDF, WMA & OD.

⁴⁴ Quantum Spread=Interest Spread*Debt(excluding non- interest bearing liabilities)
Interest Spread=GSDP Nominal Growth – Effective rate of Interest.

S.No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
c	Inflation based on CPI (<i>per cent</i>)	5.31	5.50	6.93	5.70	4.41
d	Effective Rate of interest	7.83	7.65	7.30	7.53	7.46
e	Real effective rate of interest (Effective rate of interest-Inflation)	2.52	2.15	0.37	1.83	3.05
f	Growth Interest Differential (Real growth-Real effective rate of interest)	(-)4.43	7.88	6.98	7.10	4.01

Source Finance Accounts for the respective years.

Analysis of various debt sustainability indicators as shown in **Table 1.37** revealed the following:

- **Debt as percentage of GSDP, primary balances and Growth Interest Differential (GID):**

The State's debt burden as measured by the total liabilities-GSDP ratio averaged over 18 *per cent* during 2020-25. The disruption in economic activity due to the pandemic which became visible in the last quarter of 2019-20 took a toll on the State's finances. The Overall Debt-GSDP ratio was highest at 21.57 *per cent* in 2020-21, during the five year period from 2020-21 to 2024-25. Subsequently, it remained below 20 *per cent* in next four years. Given the economic recovery in the post-pandemic years, the State's debt burden started to reduce, which can be attributed to the significant nominal growth witnessed in 2021-22 owing to low base effect, followed by consistent double-digit nominal growth in the next two years.

The primary balance and GID, known as automatic stabilizer for Debt-GSDP ratio, which remained favourable during 2021-2024, contributed to the steady decline in the state's debt burden during the same period. However, in 2024-25 the primary balance was negative but GID remained positive. The overall liability-GSDP ratio, which declined gradually from 21.57 *per cent* in 2020-21 to 16.67 *per cent* in 2023-24 but has shown a slight increase to 16.99 *per cent* in 2024-25.

During 2021-2024, both the primary balance and GID remained persistently in the positive territory, helping the State to reduce its debt burden without fiscal adjustment. This was evident from the fact that the State has been able to generate a Revenue Surplus during the same period. The average real growth rate during 2020-24 was higher than the average inflation rate, implying that the State was able to reduce its Debt-GSDP ratio through economic growth and not through inflation.

However, in 2024-25 the favourable GID was unable to mitigate the impact of the negative primary deficit, resulting in a marginal increase of less than one percentage points in the debt-GSDP ratio.

As per the Domar criterion, real growth remained higher than the real interest rate, helping the GID to remain favourable during 2021-25.

- **Interest payment as *per cent* of Revenue Receipt and Revenue Expenditure:** The interest payment on overall debt as percentage of Revenue Receipts is declining over the five years, except during 2024-25. As percentage of Revenue Expenditure, it is declining during the period 2020-25, except a slight increase in 2023-24. Overall, this supports a sustainable debt trajectory.
- **Maturity profile of borrowings:** Maturity profile of the State's borrowings reveals that 43.10 *per cent* (₹ 163,942.08 crore) of total borrowings as on 31 March 2025 is repayable after more than five years indicating a longer horizon of debt, thereby limiting the roll-over risk in the forthcoming short and medium term.
- **Liquidity management:** During 2020-25, the State Government did not avail any Ways and Means Advances and overdraft facility. This indicates good liquidity and fiscal management.

1.5.5 Status of Guarantees – Contingent Liabilities

Guarantees are contingent 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 1.38**.

Table 1.38: Guarantees given by the Government of Gujarat

(₹ in crore)

Guarantees	2020-21	2021-22	2022-23	2023-24	2024-25
Ceiling limit on Government Guarantees under Gujarat State Guarantees Act, 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed during the year	11,751	10,757	9,951	9,541	9,534
Outstanding amount of guarantees at the beginning of the year	4,462	3,656	3,089*	1,473	1,463
Outstanding amount of guarantees at the close of the year	3,656	3,089*	1,473	1,463	1,421
Percentage of outstanding amount of Guarantees at the end of the year to Revenue Receipts	2.85	1.85	0.74	0.66	0.65

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 2024-25, State

Government vacated guarantees amounting to ₹ 42 crore. Of the total outstanding guarantees of ₹ 1,421 crore, 24 *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 16 *per cent* (₹ 222 crore) were in respect of Gujarat Water Supply and Sewerage Board. The outstanding guarantees (₹ 1,421 crore) accounted for 0.65 *per cent* of the revenue receipts of the State Government (₹ 2,18,555 crore). The outstanding guarantees of ₹ 1,421 crore was also well within the limit of ₹ 20,000 crore prescribed under the Gujarat Fiscal Responsibility Act, 2005.

During 2024-25, State Government received ₹ 0.15 crore as guarantee fees from State level bodies. There was no Budget Estimate for 2024-25. Further, no amount was paid by the State Government on account of invocation of guarantees during 2024-25.

Case Study: Comfort Letters being given by Finance Department to Gujarat State Financial Services Limited

Article 293 of the Constitution of India provides for the borrowings of the State and Guarantees given on the security of the Consolidated Fund of the State. The Gujarat State Guarantees Act, 1963 provides the frame-work for fixing the limit of the executive power of the State regarding the giving of guarantees. The State Legislature decides such limits from time to time.

Indian Government Accounting Standard – 1 sets the disclosure norms in respect of Guarantees given by the Union, the State Governments and Union Territory Governments (with Legislature), including Guarantees for providing working capital to Corporations. Further, the Report of the Working Group (constituted by RBI) on State Government Guarantees, in Para 2.7 and 2.8 of its Report (September 2023), suggested that State Governments also issue Letter of Comfort (LoC) to the lender or supplier of a public agency or enterprise. LoC can pose serious reputational risk to the Government and if it involves making of a payment by the State Government to avoid reputational loss, it is suggested that the State Government should include such LoCs as part of its total contingent liabilities.

The Gujarat State Financial Services Limited (GSFS) is a State PSU and is registered with the Reserve Bank of India as a Non-Banking Financial Company (NBFC). It has been given the mandate by the State Government to manage the surplus funds of various Government of Gujarat controlled organizations and PSUs. Thus, it acts as an in-house fund manager to the various State-owned entities. The State Government has directed all the State Government-owned entities to park all their surplus funds with GSFS.

The funds received by GSFS from the Government entities are provided to other State-owned entities, which are in need of funds, at a lower rate of interest as compared to other financial institutions. This saves them from high borrowing costs.

Audit observed that the Finance Department issued (August 2023) a Comfort Letter to GSFS, which states that the Government undertakes to intervene

suitably to address the issue of repayment of loans by coordinating with the entity, parent Department and Finance Department. Further, the parent Department shall endeavour and work with the entity under its administrative control to ensure that necessary internal resources are mobilised to meet the repayment obligation or if it deems fit, the same shall be provided through budgetary support, subject to requirement of the budget. The GSFS has given ₹ 7,997 crore loans to State Public Sector Undertakings as on 31 December 2024 and these are not reflected in Statements 9 and 20 of the Finance Accounts.

In view of the suggestions of the Working Group (constituted by RBI) on State Government Guarantees, it was brought to the notice of the Finance Department (August 2025) that the loans given by GSFS need to be included in Finance Accounts of the State in Statements 9 and 20, to give a comprehensive picture of the Government Guarantees and associated risks.

1.5.6 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalizing expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetizing idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritizing productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

1.5.6.1 Improving revenues of the State

Untapped revenue potential that, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realized non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realization of pending arrears is (tax and non-tax) another step towards enhancing the fiscal space.

A. Arrears of revenue

The arrears of revenue indicate delayed realization of revenue due to the Government. The arrears of revenue as on 31 March 2025 on Stamp Duty and Registration Fees; Prohibition and Excise; Taxes on Vehicles and Taxes on Goods and Passengers; Taxes and Duties on Electricity; and GST/VAT/Sales Tax are given in the **Table 1.39**.

Table 1.39: Arrears of revenue

₹ in crore)

Sr. No.	Head of Revenue	Total outstanding amount as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025	Remarks
1.	Prohibition and Excise	97.31	97.31	₹ 78.24 crore related to Court cases; ₹ 19.07 crore other than court case.
2.	Stamp Duty and Registration Fees	276.70	134.73	Recoveries stayed by High Court and other judicial authorities: ₹ 30.81 crore; Demand covered by Recovery Certificates: ₹ 5.37 crore; Reasons of remaining outstanding arrears of ₹ 240.52 crore was not furnished.
3.	Taxes on Vehicles and Taxes on Goods and Passengers	1,426.05	1,100.12	Non recovery of outstanding amount is mostly due to old vehicles being scrapped/sold by the owner of the vehicle without intimation to the MV Department. So, the tax with penalty on such vehicles is increasing every year. The Department also stated that ₹ 700 crore is likely to be written-off due to scrap policy implementation and central government guidelines.
4.	GST/VAT/Sales Tax	84,135.43	45,293.91	Recovery certificates issued: ₹ 1,088.39 crore; recoveries stayed by High Court and other judicial authorities: ₹ 11,917.40 crore; recoveries stayed by Government-Department Authority: ₹ 13,455.09 crore; Dealers being insolvent: ₹ 12,988.17 crore; amount likely to be written off: ₹ 10.51 crore; Reasons of remaining outstanding arrears of ₹ 44,675.87 crore was not furnished.
	Total	85,935.49	46,626.07	
5.	Water charges	13,656.37	9,907.56	The majority of the outstanding amount is due towards bills for water supplied to different government entities.
	Grand Total	99,591.86	56,533.63	

Source: Information furnished by the Departments.

The statement on arrears of revenue indicates that the State had total outstanding arrears of ₹ 99,591.86 crore as on 31 March 2025, of which ₹ 56,533.63 crore pertained to amounts outstanding for more than five years, pointing to significant long-pending recoveries. The arrears were concentrated mainly under GST/VAT/Sales Tax and Water Charges, which together accounted for the major share of the outstanding amount. A substantial portion of arrears was under dispute due to court cases, recovery stays, insolvency of dealers, or pending recovery certificates, while in several cases reasons for non-recovery were not furnished. Overall, the accumulation of long-standing arrears indicates continuing challenges in revenue recovery and highlights the importance of sustained monitoring.

The Commissioner of Geology and Mining; Directorate of Petroleum; and Collector of Electricity Duty had stated that the Department concerned have no arrears of revenue (November 2025).

B. Arrears in assessment

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 and Professional Tax are given in the **Table 1.40**.

Table 1.40: Arrears in Assessment

Sr. No.	Head of Revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
1.	VAT	409	5,639	6,048	3,039	3,009	50.25
2.	Professional Tax	22,434	749	23,183	4,338	1,8845	18.71
Total		22,843	6,388	29,231	7,377	21,854	25.24

Source: Information furnished by the Departments.

Director of Prohibition and Excise; Commissioner of Geology and Mining; Directorate of Petroleum; Collector of Electricity Duty; Superintendent of Stamps and Inspector General of Registration; and Commissioner of Transport had informed in November 2025, that no assessment was pending with the Department concerned pertaining to the period up to 31 March 2025.

C. 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 1.41**:

Table 1.41: Cases of tax evasion

Sr. No.	Head of Revenue	Number of cases pending as on 01 April 2024	Number of cases detected during 2024-25	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 2025
					Number of cases	Amount of demand (₹ in crore)	
1.	Stamp Duty and Registration Fees	50,539	1,553	52,092	21,625	80.23	30,467
2.	Taxes on Vehicles and Taxes on Goods and Passengers	1,11,421	71,292	1,82,713	71,292	270.06	1,11,421
3.	GST/VAT/Sales tax	773	386	1159	397	996.99	762
Total		1,62,733	73,231	2,35,964	93,314	1,347.28	1,42,650

Source: Information furnished by the Departments.

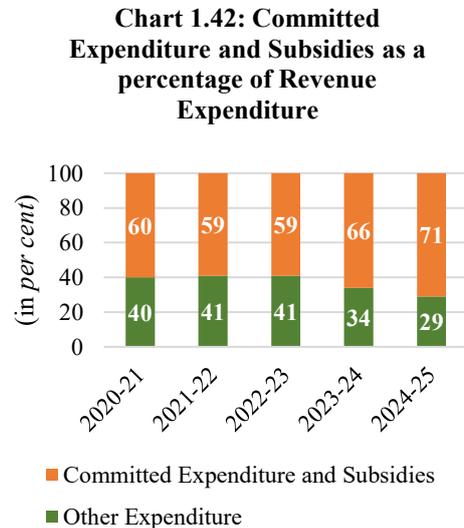
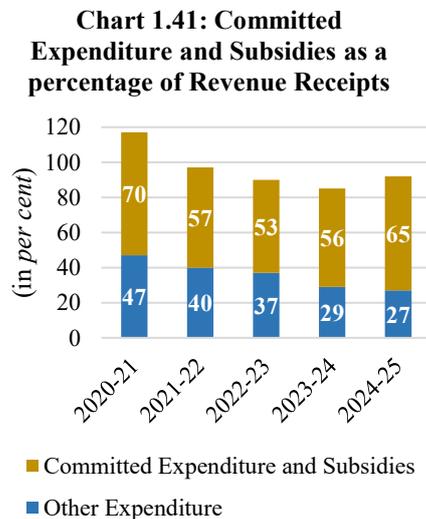
Director of Prohibition and Excise; Commissioner of Geology and Mining; Directorate of Petroleum; Collector of Electricity Duty; and Commissioner of Transport had informed (November 2025) that there were no cases of tax evasion in their Departments.

Table 1.41 indicates a large and persistent pendency of tax evasion cases, with total cases increasing to 2.36 lakh as on 31 March 2025 due to substantial additions during the year. While assessments and investigations were completed in a significant number of cases, resulting in additional demand of ₹ 1,347.28 crore, a high volume of cases (1.43 lakh) remained pending for finalisation at year-end. The pendency was particularly pronounced in Taxes on Vehicles and Goods and Passengers and Stamp Duty and Registration Fees, suggesting capacity and procedural constraints in timely disposal. Overall, the pattern reflects ongoing detection efforts alongside continuing challenges in expeditious completion and realisation of assessed demands.

1.5.6.2 Issues on Expenditure side

A. Fiscal stress from Committed Expenditure and Subsidies

Chart 1.41 and **Chart 1.42** depicts Committed Expenditure and Subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FY 2020-25 respectively.



In 2024-25, the State's committed expenditure of ₹ 1,14,982 crore comprising salaries (₹ 60,427 crore), pensions (₹ 26,530 crore), and interest payments (₹ 28,025 crore), accounted for approximately 53 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹ 26,212 crore, bringing the total rigid expenditure to ₹ 1,41,194 crore, which was nearly 65 *per cent* of the State's Revenue Receipts. The high and inflexible nature of such expenditure compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities.

B. Capital blocked in Incomplete Projects

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

At the end of March 2025, 200 capital works, each valuing ₹ 10 crore or more and completion dates of which were on or before 31 March 2025, were incomplete on which an expenditure of ₹ 18,144.66 crore had been incurred. Year-wise and Department-wise details of incomplete projects are given in **Table 1.42** and **Table 1.43** respectively.

Table 1.42: Age profile of incomplete projects as on 31 March 2025

Year of commencement	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2025)
	(Number)		
2013-2014	4	1,981.68	2,219.46
2014-2015	1	505.69	564.85
2016-2017	4	152.79	99.48
2017-2018	5	813.15	781.38
2018-2019	7	1,041.79	1,068.16
2019-2020	12	2,112.37	2,060.20
2020-2021	19	6,532.91	4,789.25
2021-2022	33	2,571.30	2,322.24
2022-2023	52	3,648.55	2,673.68
2023-2024	55	2,555.30	1,500.12
2024-2025	8	900.95	65.84
Total	200	22,816.48	18,144.66

Table 1.43: Department-wise profile of incomplete projects as on 31 March 2025

Department	No. of incomplete projects	Estimated cost	Expenditure
	(number)		
Roads & Buildings	166	7,978.85	5,740.44
Narmada, Water Resources, Water Supply and Kalpsar	34	14,837.63	12,404.22
Total	200	22,816.48	18,144.66

Source: Appendix IX of Finance Accounts of the State Government for the year 2024-25.

It may be seen that with reference to the initial budgeted cost, as on 31 March 2025, the Roads and Buildings Department incurred 71.95 *per cent* on 166 incomplete projects while Narmada, Water Resources, Water Supply and Kalpsar Department spent 83.60 *per cent* on 34 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.

Due to incomplete information in Appendix IX (Commitments of the Government-List of Incomplete Capital Works) of the Finance Accounts for the year 2024-25 (provided by the State Government), Audit could not ascertain the

actual progressive expenditure, physical progress of work, position of pending payment (future liability) and revised cost, if any, as on 31 March 2025.

C. Un-discharged liabilities on Fiscal Space

Undischarged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the state's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several un-discharged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Non-transfer of statutory funds/cess under
 - Consolidated Sinking Fund (CSF) amounting to ₹ 4,396.48 crore **(Refer para 1.4.2.1)**;
 - Building and Other Construction Workers' Welfare Cess amounting to ₹ 3,518.97 crore **(Refer para 3.2.3)**;
- Non-transfer of Motor vehicle penalties to PLA amounting to ₹ 87.91 crore **(Refer para 3.2.5)**.
- Short/non-transfer of State Government's contribution to the National Pension System (NPS) amounting to ₹ 72.46 crore **(Refer para 3.2.2)**.
- Un-discharged interest liabilities totalling ₹ 70.76 crore **(Refer para 3.2.1)**.
- Pending refund cases amounting to ₹ 0.73 crore **(Refer para 3.2.6)**.

Undischarged liabilities during the year include:

- Motor Spirit Cess amounting to ₹ 4,169.29 crore **(Refer para 3.2.4)**,
- Rural Development Cess ₹ 66.50 crore after deduction of expenses **(Refer para 3.2.4)**,

The cumulative value of these un-discharged liabilities amounted to ₹ 12,383.10 crore, which is equivalent to 0.46 *per cent* of the GSDP and 25.29 *per cent* of the Fiscal Deficit for the year 2024-25.

Audit recommends that the State Government disclose and address all un-discharged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

1.6 Conclusion

- During 2024-25, Revenue Receipts decreased by ₹ 4,208 crore (1.89 *per cent*) over the previous year. A significant portion of Revenue Receipts (73.06 *per cent*) during 2024-25 came from the State's own resources, while central tax transfers and Grants-in-Aid together contributed 26.94 *per cent*.

- The actual Capital Expenditure during 2024-25 was 85 *per cent* of the budget estimates (for capital expenditure) during 2024-25.
- The State Government had been unable to reduce its committed expenditure as a percentage of Revenue Expenditure as it increased from 45 *per cent* in 2020-21 to 58 *per cent* in 2024-25.
- Undischarged liabilities is equivalent to 25.29 *per cent* of the Fiscal Deficit for the year 2024-25.
- Interest receipts as a percentage to Revenue Receipts has decreased to 0.73 *per cent* in 2024-25 from 1.21 *per cent* in 2023-24.
- The State recorded a Revenue Surplus throughout the five-year period, though, after peaking at ₹ 33,477 crore in 2023-24, the surplus declined to ₹ 18,943 crore in 2024-25.
- The Fiscal Deficit remained persistent and volatile over the five years, with a sharp spike observed in 2024-25. Further, Capital Expenditure also showed an upward trend, reflecting sustained focus on asset creation and infrastructure development, reflecting Fiscal Deficit ability to finance CAPEX.

1.7 Good Practices

- The State has achieved all the FRBM targets in last 10 years, except Revenue surplus in Covid times (**Refer Appendix 1.4**).
- 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.

1.8 Recommendations

- Recommendations made by the State Finance Commissions may be considered and those accepted by the State Government be implemented in a time-bound manner.
- State Government may take effective steps to complete all the projects expeditiously so that the intended benefits reach the beneficiaries without further delay.

CHAPTER II

Budgetary Management

Chapter II Budgetary Management

This chapter reviews Gujarat’s budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting, timely fund utilisation, and modern practices like gender and green budgeting.

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. 31, 32, 33, 34 and 35 under General Administration Department and Grant No. 64, 65, 66 and 67 under Narmada Water Resource, Water Supply and Kalpsar Department for a period of three years from 2022-23 to 2024-25. The audit findings are discussed in the relevant paragraphs of Chapters concerned.

2.1 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’ items¹ 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 2.1**. Budget glossary is given in **Appendix 2.1**.

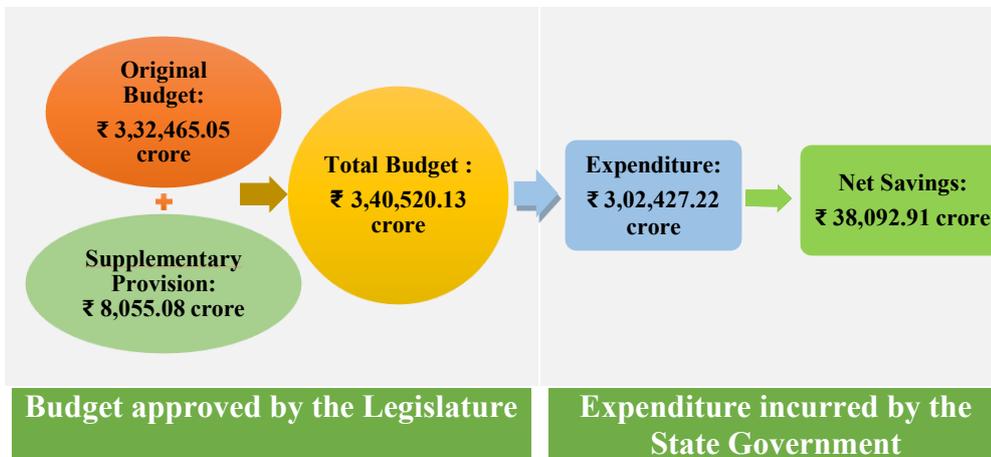
¹ **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, *etc.*), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is subject to vote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

Chart 2.1: Details of State Budget Documents



As per Appropriation Accounts for the year 2024-25, total amounts approved by the State Legislature (both original and supplementary provisions), expenditure incurred and savings during 2024-25 are as depicted in **Chart 2.2** below:

Chart 2.2: Summary of budget and expenditure of Gujarat for 2024-25



Source: Appropriation Accounts of 2024-25.

The net savings of ₹ 38,092.91 crore were the result of gross savings of ₹ 38,677.65 crore in 195 out of 209 Grants/Appropriations, offset by excess of ₹ 584.74 crore in three out of 209 Grants/Appropriations during 2024-25. In case of 11 Grants/Appropriations there was no savings/excess.

2.1.1 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 children. Since financial year 2014-15, the State Government has been publishing “Gender Budget” comprising women-specific financial allocations.

Table 2.1 shows the details of allocations made by the State Government under gender budgets during last five years (2020-25) whereas, **Chart 2.3** highlights the percentage of gender budget to total budget and GSDP during the same period.

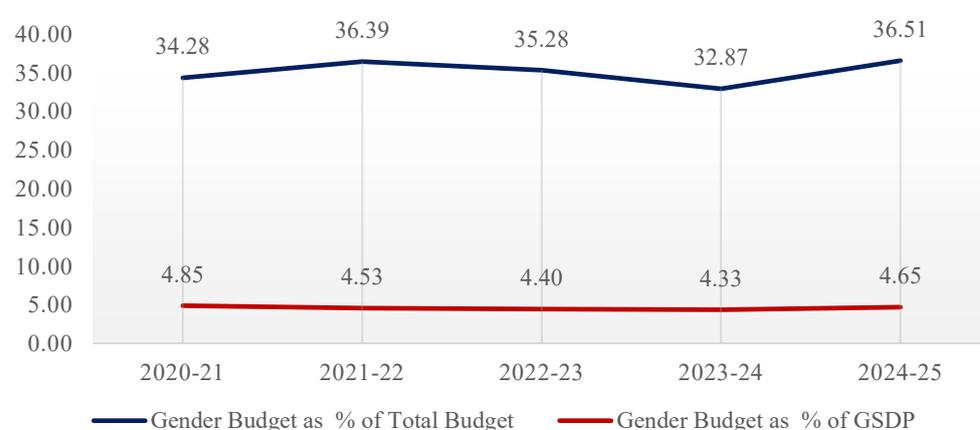
Table 2.1: Allocation under gender budget during 2020-25

	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Gender Budget	78,418.48	87,111.11	96,937.25	1,04,986.71	1,24,310.23
Total Budget	2,28,776.39	2,39,389.22	2,74,758.01	3,19,379.28	3,40,520.13
GSDP	16,16,106	19,20,927	22,03,419	24,25,804	26,72,025

Source: Appropriation Accounts of respective years.

The data show a steady and accelerating increase in allocations under the Gender Budget over the period 2020-21 to 2024-25, rising from ₹ 78,418 crore to ₹ 1.24 lakh crore, broadly keeping pace with the overall expansion of the State’s budget and growth in GSDP. While the total budget and GSDP also increased consistently during this period, the absolute growth in gender-responsive allocations indicates a progressively higher prioritisation of gender-focused interventions within the fiscal framework, rather than a one-time or static commitment.

Chart 2.3: Gender budget as percentage of total budget and GSDP



As can be seen, allocation under gender budget increased from ₹ 78,418.48 crore in 2020-21 to ₹ 1,24,310.23 crore in 2024-25. As a percentage of total budget, the share of gender budget increased from 34.28 per cent in 2020-21 to 36.39 per cent in 2021-22 but decreased to 32.87 per cent in 2023-24 and increased to a high of 36.51 per cent during 2024-

25. Its share in GSDP decreased marginally from 4.85 *per cent* in 2020-21 to 4.65 *per cent* in 2024-25.

The Gender Resource Centre (GRC) 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 2024-25 has categorized 804 schemes as A and B Categories.

- i. Category A – 100 *per cent* women-oriented schemes (138 schemes); and
- ii. Category B – Schemes having women-oriented component of 30-99 *per cent* of the provision (666 schemes).

From 2023-24 onwards, actual expense of 2021-22, Budget Estimates and Revised Estimates of 2022-23 and Budget Estimates of 2023-24 under Category A and B schemes are being given. The details of mapping of various schemes in gender budget with budget estimates of different Departments were called for from the WCD. However, necessary details were not provided to Audit till date (November 2025), in the absence of which, actual expenditure could not be confirmed.

Audit requisitioned (June 2025) the details of expenditure incurred and beneficiaries covered under few selected schemes from Category A and Category B for the period 2024-25. The Department did not furnish the details (January 2026).

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

Case Study 1: Budget provision and actual expenditure for Gender specific scheme

General Administrative Department implemented a Gender-specific Category B scheme “UPSC study centre” through Sardar Patel Institute of Public Administration (SPIPA).

Audit observed that actual expenditure was very low as compared to budget estimate in Gender Budget document. The information about the trainees and Stipend given by the SPIPA for male and female candidates are given in **Table 2.2** below:

Table 2.2: Statement of Expenditure done in respect of gender specific scheme by SPIPA

Year	Provision for as per Gender Budget (₹ in crore)	Amount of stipend paid to female trainees during the year (in ₹)	Utilised in respect of Budget Provision (in <i>per cent</i>)	Total no. of Trainees	Total no. of female trainees
2022-23	10.38	7,54,000	0.73	338	132
2023-24	19.67	14,24,000	0.74	473	171
2024-25	23.10	15,28,782	0.66	463	184

Source: Details provided by the Department.

Reason for high provision against the scheme were not provided by the Department (November 2025).

Case Study 2: Gender specific Schemes related to Water Supply Department

As per the Gender Budget document, Narmada, Water Resources, Water Supply and Kalpsar Department has one Category A scheme² and nine Category B schemes³.

Water Supply Department provided details of expenditure incurred in the Category A scheme implemented but details of Number of beneficiaries was not provided. In case of two Category B Schemes implemented by the Department it was stated that they were not gender specific schemes.

Details of expenditure incurred and number of women beneficiaries in case of remaining seven Category B schemes implemented by Narmada and Water Resources Department was not provided.

The Department was notified (September 2025), and their response is awaited (January 2026), despite repeated reminders (October and November 2025).

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilization of resources, strengthen scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

The total budget provision in 2024-25 was ₹ 3,40,520.13 crore. The actual expenditure during the year was ₹ 3,02,427.22 crore. This resulted in savings of ₹ 38,092.91 crore in 2024-25, against which ₹ 38,111.65 crore was surrendered. The details are given in **Table 2.3**.

² Mukhya Mantri Mahila Pani Samiti Protsahan Yojana (Water Supply)

³ (i) Pradhan Mantri Krushi Sinchai Yojana - Per Drop More Crop - Micro Irrigation, (ii) Sardar Sarovar Project (Narmada), (iii) Major & Medium Irrigation Scheme, (iv) Minor Irrigation Scheme, (v) Command Area Development and Other, (vi) Flood control, Drainage & Anti sea erosion, (vii) Irrigation (Water Resources), (viii) Rural Water Supply Scheme, (ix) Urban Water Supply Scheme (Water Supply)

Table 2.3: Actual expenditure vis-à-vis budget provision during the financial year 2024-25*(₹ in crore)*

Voted/ Charged	Nature of expenditure	Budget (Original)	Budget (Supp.)	Total budget (O+S)	Actual expenditure	Net excess(+)/ savings (-)	Surrender during 2024- 25	
							Amount	Percentage
Voted	Revenue	1,93,171.70	5,772.20	1,98,943.90	1,74,607.53	24,336.37	24,760.76	25.28
	Capital	75,952.41	1,880.58	77,832.99	66,730.49	11,102.50	10,922.71	100.00
	Loans and Advances	3,841.77	100.02	3,941.79	3,551.71	390.08	441.70	0.00
	Total	2,72,965.88	7,752.80	2,80,718.68	2,44,889.73	35,828.95	36,125.19	6.40
Charged	Revenue	30,327.16	280.26	30,607.42	28,331.28	2,276.14	1,959.23	3.32
	Capital	87.14	20.49	107.63	80.43	27.20	27.21	14.03
	Public Debt	29,084.86	1.53	29,086.39	29,125.77	(+)39.38	0.02	11.21
	Loans and Advances	0.01	0.00	0.01	0.00	0.01	0.01	12.45
	Total	59,499.17	302.28	59,801.45	57,537.48	2,263.97	1,986.47	12.87
Grand Total	3,32,465.05	8,055.08	3,40,520.13	3,02,427.21	38,092.92	38,111.65	11.19	

Source: Appropriation Accounts of 2024-25.

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 431.83 crore) and Capital Heads (₹ 644.89 crore).

The data indicate that during 2024-25, actual expenditure (₹ 3.02 lakh crore) fell short of the total budget provision (₹ 3.41 lakh crore) by ₹ 38,093 crore, reflecting an overall utilisation of about 89 per cent. Savings were predominantly concentrated in Voted expenditure, especially under Revenue (₹ 24,336 crore) and Capital (₹ 11,103 crore) heads, suggesting under-execution of planned programmes and capital works despite substantial provisions. In contrast, Charged expenditure showed near-full utilisation, with Public Debt marginally exceeding the budget provision, indicating limited fiscal flexibility in committed liabilities, while large surrenders, mostly aligned with savings, point to scope for improving expenditure forecasting and in-year budget management.

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.4**.

Table 2.4: Original budget, revised estimates and actual expenditure during 2020-25*(₹ in crore)*

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	2,17,287.24	2,27,028.79	2,43,964.72	3,01,021.61	3,32,465.05
Supplementary Budget	11,489.15	12,360.43	30,793.29	18,357.67	8,055.08
Total Budget (Original + Supplementary) (TB)	2,28,776.39	2,39,389.22	2,74,758.01	3,19,379.28	3,40,520.13
Revised Estimates (RE)	2,05,026.26	2,20,747.57	2,55,512.60	2,88,860.61	3,14,704.44
Actual Expenditure (AE)	2,00,215.82	2,17,355.42	2,40,117.32	2,76,224.70	3,02,427.22
Net Saving (-) /excess (+)	(-)28,560.57	(-)22,033.80	(-)34,640.69	(-)43,154.58	(-)38,092.91
Percentage of supplementary	5.29	5.44	12.62	6.10	2.42

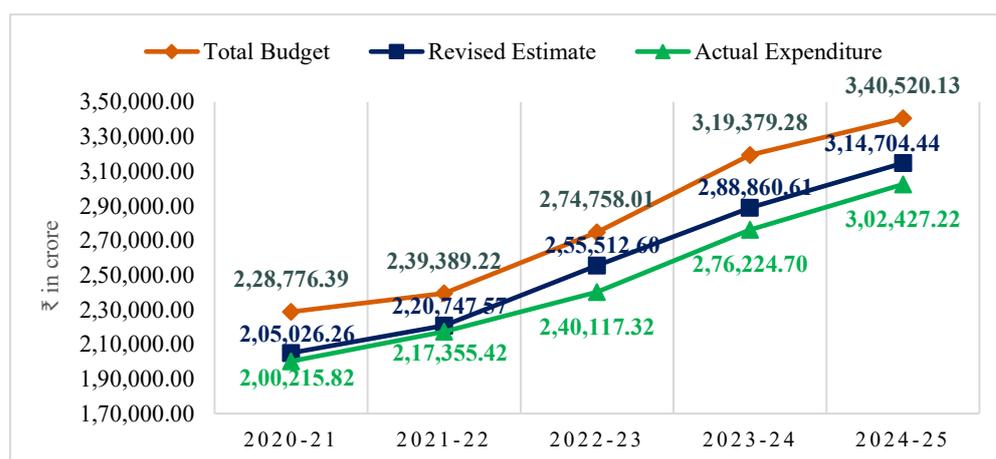
	2020-21	2021-22	2022-23	2023-24	2024-25
provision to original provision					
Percentage of overall saving /excess to overall provision	12.48	9.20	12.61	13.51	11.19
TB-RE	23,750.13	18,641.65	19,245.41	30,518.67	25,815.69
RE-AE	4,810.44	3,392.15	15,395.28	12,635.91	12,277.82
(TB-RE) as % of TB	10.38	7.79	7.00	9.56	7.58
(RE-AE) as % of TB	2.10	1.42	5.60	3.96	3.61

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

The table shows that during 2020-21 to 2024-25, actual expenditure consistently remained below both the total budget provision and the revised estimates, resulting in sizeable net savings each year, ranging from about ₹ 22,000 crore to ₹ 43,000 crore. While supplementary provisions were used actively, peaking in 2022-23, the percentage of overall savings to total budget remained persistently high (9–14 *per cent*), indicating a structural gap between budget formulation and execution. The widening differences between Total Budget and Revised Estimates, as well as between Revised Estimates and Actual Expenditure, particularly in the later years, suggest scope for improving the realism of initial budgeting, mid-year revisions, and expenditure monitoring to better align fiscal planning with actual spending outcomes.

The summary of variations in Appropriation Accounts is depicted in **Chart 2.4**.

Chart 2.4: Trend showing BE, RE and Actuals



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

It can be seen from the Chart above that over the years from 2020-21 to 2024-25, 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 2020-25, except in the year 2020-21 when it was 10.38 *per cent*. Further, Actual Expenditure (AE) was always lower than the RE during the period 2020-25.

The chart highlights a persistent pattern of under-utilisation of budget provisions during 2020-21 to 2024-25, with actual expenditure remaining

consistently below both the total budget and the revised estimates each year. While revised estimates narrowed the gap with actual spending compared to the original budget, a material portion of savings continued to arise even after revision, indicating that in-year corrections did not fully align expenditure projections with implementation capacity.

2.2.1 Components/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the FY 2024-25 is summarized in **Table 2.5**.

Table 2.5: Component wise analysis of the Budget and Expenditure for the year 2024-25

(₹ in crore)

Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the total
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
Committed Expenditure	1,42,707.08	1,41,759.18	41.92	46.87	99.34
State Schemes	1,78,269.89	1,41,356.03	52.35	46.74	79.29
Central Share for CSS	10,467.12	10,202.23	3.07	3.37	97.47
State Share for CSS	8,350.27	8,361.34	2.45	2.77	100.13
EAP - Externally Aided Projects	725.77	748.43	0.21	0.25	103.12
Total	3,40,520.13	3,02,427.21	100.00	100.00	

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

The analysis shows that in 2024-25, committed expenditure and CSS-related components were largely protected, with utilisation close to or exceeding budget provisions, indicating limited flexibility in these segments. In contrast, State Schemes accounted for over half of the total budget but recorded comparatively lower utilisation (about 79 per cent), making them the principal contributor to overall savings. As a result, the expenditure profile was skewed towards committed liabilities, which formed a higher share of actual expenditure than of the budget, suggesting that fiscal adjustment during the year was achieved mainly by moderating discretionary State scheme spending.

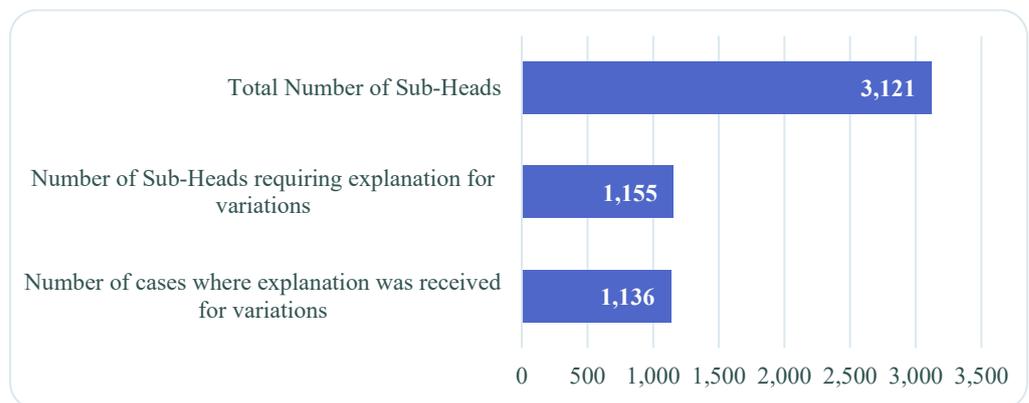
2.2.2 Missing/incomplete explanations for variations from budgeted provisions

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 Principal 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 2.2**. No change in the limits has been done thereafter. 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 2.5**.

Chart 2.5: Summary of unexplained variations vis-à-vis budget allocation



Source: Appropriation Accounts of 2024-25 and information provided by office of the Principal Accountant General (A & E) Gujarat.

Departments of Finance (6 Sub-Heads); Gujarat Legislature Secretariat (1 Sub-Head); Health and Family Welfare (1 Sub-Head); Revenue (2 Sub-Heads); Roads and Buildings (4 Sub-Heads); Social Justice and Empowerment (3 Sub-Heads); and Tribal Development (2 Sub-Heads) did not provide explanation for variations.

2.3 Budget Marksmanship

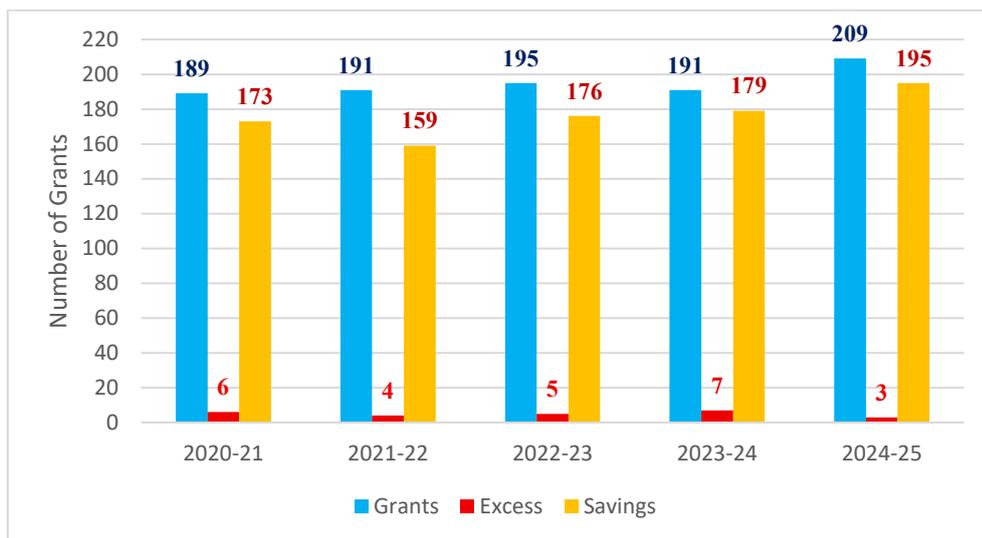
Budget Marksmanship is about examining the relations between the budget projections of revenue and expenditure against actual receipt and spending. The World Bank's Public Expenditure and Financial Accountability (PEFA) measure the Budget reliability in terms of Aggregate Expenditure Outturn and Expenditure Composition Outturn.

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.

A year-wise analysis of grants/appropriations, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the State. It has been depicted in **Chart 2.6**.

Chart 2.6: Year-wise Grants, Excesses, and Savings



Source: Appropriation Accounts of the respective years.

The number of grants/appropriations requiring regularisation was the least in 2024-25 during last five years. Amounts requiring regularisation are discussed in succeeding paragraphs of this Chapter.

Table 2.6: Expenditure Composition overall deviation during 2024-25

(₹ in crore)

Section	Overall Deviation Budget estimates and Actual expenditure (per cent)	Range of Deviation (per cent)	Number of Grants
Revenue (Voted)	(-)8.39	0 to ± 25	71
		± 25 to ± 50	17
		± 50 to ± 100	7
		≥ 100	1
Capital (Voted)	(-)11.69	0 to ± 25	29
		± 25 to ± 50	10
		± 50 to ± 100	27
		≥ 100	3
Revenue (Charged)	(-)6.58	0 to ± 25	17
		± 25 to ± 50	1
		± 50 to ± 100	13
		≥ 100	3
Capital (Charged)	(+)0.12	0 to ± 25	4
		± 25 to ± 50	0
		± 50 to ± 100	6
		≥ 100	0
Total			209

Source: Appropriation Accounts of 2024-25.

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

The table indicates that during 2024-25, actual expenditure deviated from budget estimates across a large number of grants, with an overall shortfall observed in Revenue (Voted), Capital (Voted), and Revenue (Charged) sections, while Capital (Charged) remained broadly aligned with estimates. Although many grants fell within a moderate deviation band of up to ± 25 per cent, a substantial number of grants exhibited higher deviations exceeding ± 50 per cent, particularly under Capital (Voted) and Revenue (Charged), pointing to uneven expenditure performance across sectors and suggesting scope for improving the accuracy of grant-level budgeting and in-year expenditure control mechanisms.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and reappropriations distinctly in gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.5 Budgetary and Accounting Process

2.5.1 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.

A) Excess expenditure during current year

During 2024-25, there was an excess expenditure of ₹ 584.74 crore in three Grants/Appropriations requiring regularisation by the State Legislature (**Table 2.7**).

Table 2.7: Excess expenditure over provision during 2024-25 requiring regularisation*(₹ in crore)*

Grant No.	Name of Grant	Total Grant	Actual expenditure	Excess expenditure
Revenue Voted				
85	Residential Buildings	286.81	380.75	93.94
86	Roads and Bridges	2,939.42	3,390.83	451.41
Capital Charged				
20	Repayment of Debt Pertaining to Finance Department and its Servicing	29,086.38	29,125.77	39.39
Total				584.74

Source: Appropriation Accounts of 2024-25.

Excess expenditure over provision of ₹ 584.74 crore needs to be regularised by the Legislature.

B) Regularisation of excess expenditure of previous financial years

The excess expenditure of ₹ 11,065.30 crore incurred during the period 2011-12 and 2014-15 to 2023-24 was yet (November 2025) to be regularised by the State Legislature. The details of excess expenditure of previous financial years requiring regularisation are shown in *Appendix 2.3*.

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

2.5.2 Persistent excess expenditure in certain Grants

Despite Public Accounts Committee's recommendations to minimise the cases of excesses, persistent excess was noticed in one Grant. This excess may be due to improper estimation at the time of preparation of budget, indicating needs to have more effective budget control and budget estimates should be prepared on realistic basis.

Audit observed persistent excess in Grant No. 85 (Revenue Voted) during 2023-24 and 2024-25. The excess during the last two years (2023-25), due to improper estimations at the time of budget preparation, is detailed in **Table 2.8**:

Table 2.8: Persistent excess expenditure during 2023-25*(₹ in crore)*

Sl. No.	Description of Grant/Appropriation		2023-24	2024-25
1	Grant No. 85 – Residential Buildings (Revenue Voted)	Grant	311.75	286.81
		Expenditure	312.53	380.75
		Excess	0.78	93.94

Source: Appropriation Accounts of respective years.

During 2023-25, the excess was observed under the Sub-Head 'Construction', and 'Expenditure transferred on *pro rata* basis'.

2.5.3 Supplementary Grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to the requirements in excess of the original provisions.

During 2024-25, Supplementary provisions (₹ 10 crore or more in each case) aggregating ₹ 1,834.97 crore were made in 10 Grants/Appropriation, which proved unnecessary. Expenditure incurred in these 10 cases did not even reach the level of the original provision as detailed in **Table 2.9**:

Table 2.9: Supplementary provision (₹ 10 crore or more in each case) proved unnecessary during FY 2024-25

(₹ in crore)

Sl. No.	No. and name of the Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary proved Unnecessary
Revenue – Voted					
1	40-Family Welfare	4,819.37	4,758.97	60.40	44.27
2	79-Relief On Account of Natural Calamities	2,709.63	2,544.16	165.47	1,249.30
3	90-Other expenditure pertaining to Science and Technology Department	1,555.64	1,511.87	43.77	21.52
4	95-Scheduled Castes Sub Plan	3,793.47	3,609.42	184.05	117.10
5	102-Urban Development	8,042.26	7,290.05	752.21	130.97
6	106-Other expenditure pertaining to Women and Child Development	5,417.11	5,224.41	192.70	182.33
Revenue – Charged					
7	9-Education	208.13	193.54	14.59	10.52
8	60- Administration of Justice	252.85	197.65	55.20	21.02
Capital – Voted					
9	39-Medical and Public Health	3,924.91	3,914.96	9.95	42.81
10	60-Administration of Justice	40.97	13.17	27.80	15.13
	Total	30,764.34	29,258.20	1,506.14	1,834.97

Source: Appropriation Accounts of 2024-25.

The table shows that during 2024-25, supplementary provisions of ₹ 1,834.97 crore were made in 10 grants, even though actual expenditure in

these cases did not exhaust the original provisions, resulting in savings of ₹ 1,506.14 crore against the original budget.

These instances were observed across Revenue (Voted), Revenue (Charged), and Capital (Voted) sections, with relatively higher amounts noted in grants relating to Relief on Account of Natural Calamities, Urban Development, and Women and Child Development. The pattern indicates that additional provisions were made despite the availability of unutilised original funds during the year.

2.5.4 Injudicious 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 2024-25, re-appropriation orders under 63 grants amounting to ₹ 13,403.17 crore were issued. All the re-appropriation orders were issued on 31 March 2025.

In three Sub-Heads, there were savings of ₹ 20.32 crore (more than ₹ two crore in each case) from the original provisions. However, augmentation of provision through re-appropriation of ₹ 25.90 crore proved unnecessary under these three Sub-Heads, as expenditure did not come up to the level of the original budget provision, as detailed in **Table 2.10**. On the other hand, in two Sub-Heads (**Sl. No. 4 and 5 of Table 2.10**, there was an excess of ₹ 4.85 crore over the original provisions. However, reduction of provision through re-appropriation of ₹ 10.26 crore in these two Sub-Heads proved injudicious.

Table 2.10: Unnecessary Re-appropriations of funds during FY 2024-25

(₹ in crore)

Sl. No.	Grant No.	Nomenclature and classification	Original + Supplementary provision	Reappropriation	Actual expenditure	Savings (-) / Excess (+)
1	2	3	4	5	6	7 (6-4)
Augmentation of provision proved injudicious						
1	0095	2702.02.789.01 Contribution to Gujarat Green Revolution Company Limited for Drip Irrigation Rashtriya Krishi Vikash Yojana Per Drop more crop Central Share 60%	32.96	(+)6.39	15.29	(-)24.06
2	0095	2702.02.789.02 Contribution to Gujarat Green Revolution Company Limited for Drip Irrigation Rashtriya Krishi Vikash Yojana Per Drop more crop State Share 40%	12.31	(+)4.26	10.19	(-)6.38
3	0095	3456.00.789.04	28.33	(+)15.25	27.79	(-)15.79

Sl. No.	Grant No.	Nomenclature and classification	Original + Supplementary provision	Reappropriation	Actual expenditure	Savings (-) / Excess (+)
1	2	3	4	5	6	7 (6-4)
Augmentation of provision proved injudicious						
		Food Security Central share 50%				
Reduction of provision through Re-appropriation orders, where excess expenditure occurred						
4	0084	2059 80 001 01 Direction	33.27	(-)7.78	35.31	(+)9.82
5	0096	2501 05 789 01 Pradhan Mantri Krishi Sinchayee Yojana - Watershed Component (100 % State Share)	8.48	(-)2.48	11.29	(+)5.29

Source: Appropriation Accounts 2024-25.

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

2.5.5 Unspent amount and surrendered Appropriations and/or large savings/surrenders

2.5.5.1 Substantial savings due to low utilisation of budgetary provisions

Budget proposals should strive to strike to optimise all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilisation of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

There were 108 demands for Grants being operated by 27 Departments of Government of Gujarat, which translated to 209 Grants/Appropriations⁴ during 2024-25.

(A) Savings after surrenders

An analysis of Grants and Appropriations showed that in two cases under one Grant and Appropriation each during the year 2024-25, savings (after surrenders) exceeded ₹ 100 crore in each case as given in **Table 2.11**.

⁴ **Grant:** Revenue Voted and Capital Voted;
Appropriation: Revenue Charged and Capital Charged

Table: 2.11 Statements of Grants/Appropriations showing large savings (exceeding ₹ 100 crore) after surrenders during 2024-25*(₹ in crore)*

Sr. No.	Grant No.	Grant name	Classification	Total budget	Actual expenditure	Saving	Surrenders	Savings after surrenders
1	20	Repayment of Debt Pertaining to Finance Department and its servicing	Revenue Charged	28,552.70	26,412.68	2,140.02	1,825.70	314.32
2	39	Medical and Public Health	Revenue Voted	9,157.91	8,942.11	215.80	0.00	215.80

Source: Appropriation Accounts of 2024-25.

The occurrence of large savings exceeding ₹ 100 crore even after surrenders indicates that the final assessment of expenditure requirements was higher than the actual spending capacity in these grants, despite in-year adjustments. This suggests that surrenders were not fully aligned with realistic end-year expenditure projections, particularly in areas involving committed liabilities and major service-delivery sectors. This calls for closer monitoring of expenditure trends in the latter part of the financial year.

It was further noticed that in one grant as given in **Table 2.12**, no expenditure vis-à-vis total grant (exceeding ₹ 10 crore) was incurred during the year 2024-25.

Table 2.12: Entire grant remaining unutilised during the financial year 2024-25*(₹ in crore)*

Sl. No.	Number and Name of grant	Amount
1	75-Other expenditure pertaining to Ports and Transport Department (Capital – Voted)	15.43

Source: Appropriation Accounts of 2024-25.

(B) Persistent savings

It was further observed that in 19 cases under 18 Grants, there were savings exceeding ₹ 100 crore persistently in each case (*Appendix 2.4*) during 2022-23 to 2024-25.

During grant review of GAD and NWRWS&KD, persistent savings were observed in subheads as shown in *Appendix 2.5*. Audit observed that Departments need to plan their budget after due consideration to the following:

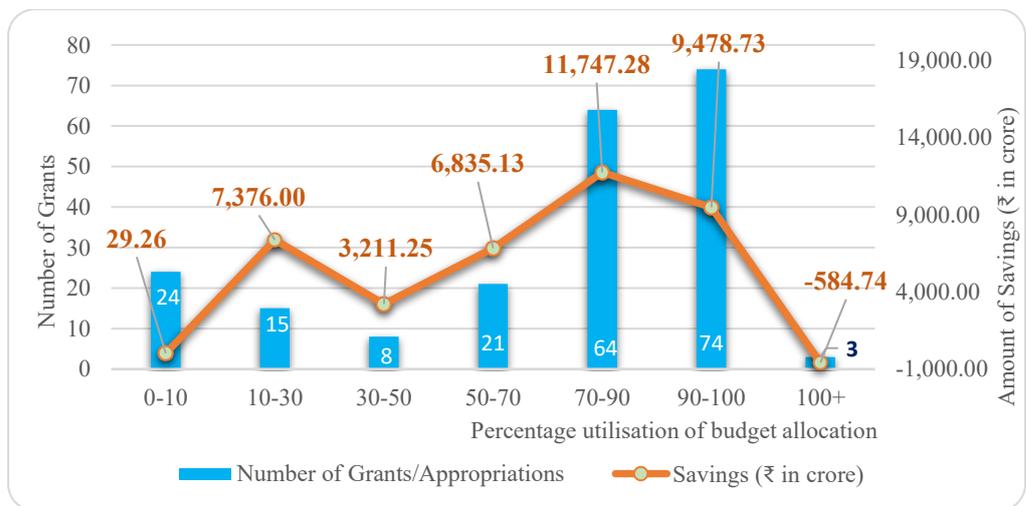
- *Vacant posts*: As per paragraph 38 of Gujarat Budget Manual, Department should make the budget provision only for 50 per cent of expenditure estimated due to vacant posts. This instruction needs to be followed.

- *Parking of unutilised funds in GSFS/Banks:* Succeeding grants need to be released only on receipt of utilisation certificates in proper form and supporting documents.
- *Delay in land Acquisition:* Wherever land acquisition is in progress, token provision can be made in the Budget Estimates which can be augmented by making Supplementary provision as and when land acquisition is finalised.

(C) Percentage utilisation of budget allocation

Details of Grants/Appropriations grouped by the percentage utilisation of budget allocation along with total savings during 2024-25 are shown in **Chart 2.7**.

Chart 2.7: Grants/Appropriations grouped by percentage utilisation of budget allocation along with total savings during 2024-25



Source: Appropriation Accounts of 2024-25.

Minus figures represent excess expenditure over budget provision.

As can be seen from the above **Chart 2.7**, during 2024-25, 47 Grants/Appropriations showed utilisation of less than 50 *per cent* of the budget allocation, which contributed savings of ₹ 10,616.51 crore out of the gross savings of ₹ 38,677.65 crore in 206 out of 209 Grants/Appropriations. Thus, the data shows that surrenders were made during 2024-25; however, actual expenditure in some grants remained below the available provision at the end of the year, resulting in savings.

(D) 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 possible final expenditure, considering current spending trends and outstanding commitments, and determine the amount that can be surrendered. The aim should be to surrender as much as they can to keep the expenditure just within the Grant.

It was noticed that savings under five Grants and four Appropriations amounting to ₹ 283.79 crore (*Appendix 2.6*) were not surrendered at all.

2.5.6 Misclassification between Capital Expenditure and Revenue Expenditure

As per Rule 30 of Government Accounting Rules, 1990, expenditure that only results in the creation of concrete, material, and permanent assets should be classified in 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 0100-Salary, 0400-Pension charges, 1100-Domestic travel expenses, 1300-Office expenses, 1400-Rent, Rates and Taxes, 2100-Supplies and Materials, 2200-Arms and ammunition, 2800-Professional charges and 5000-Other charges are for Revenue expenditure, and necessary provision is to be made under Revenue Major Heads.

Scrutiny of the budget documents and booking of expenditure during 2024-25 revealed that an original provision of ₹ 595.76 crore and expenditure of ₹ 454.13 crore was booked under these object heads under Capital expenditure. This misclassification impacted Statement No. 4, 5, 7, 15, 16 of the Finance Accounts for the year 2024-25, as capital expenditure was overstated and revenue expenditure was understated to that extent. During 2024-25, Departments of Forests and Environment; and Narmada, Water Resources, Water Supply and Kalpsar booked Salary expenses under Capital expenditure in Grant 26, 65, 66 and 96. The continued provision of salaries under Capital expenditure needs to be reviewed in case of these Departments.

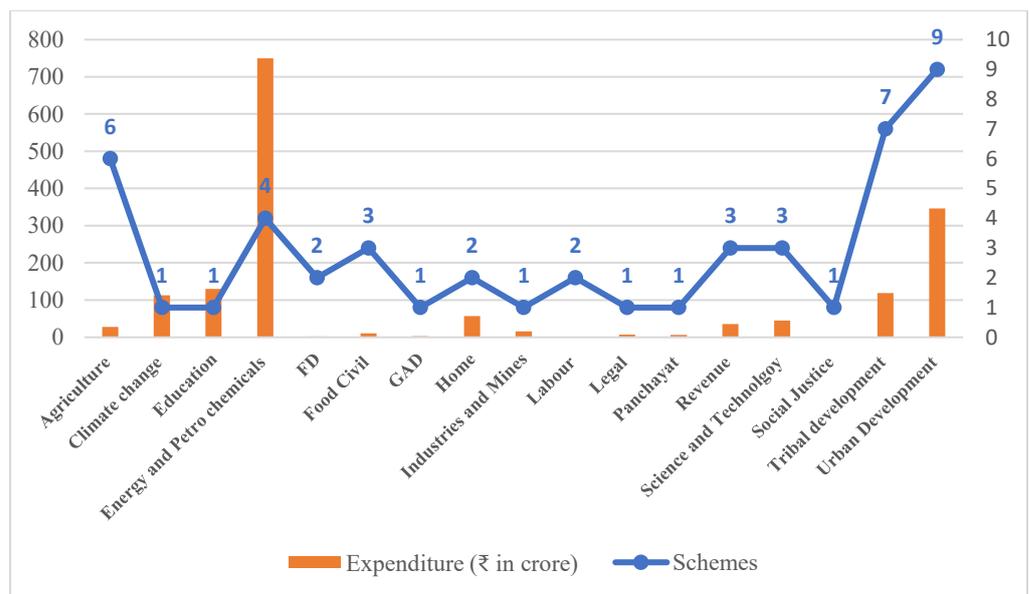
The Narmada, Water Resources, Water Supply and Kalpsar stated (September 2025) that Water Resources Department has budgeted salaries under appropriate Revenue Major heads during 2025-26 whereas Narmada Department will be doing the rectification in Budget estimates 2026-27.

2.5.7 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 2024-25 gives the details of major policy decisions taken during the year or new schemes proposed in the budget. During 2024-25, 48 new schemes/major policy pronouncements were made by the State Government under different Departments (**Chart 2.8**), of which, 39 Schemes were implemented during the year.

Chart 2.8: Policy changes proposed in budget during 2024-25



Source: Appendix XI of the Finance Accounts, 2024-25.

It was observed that in 9 Schemes, no expenditure was incurred. Two each schemes in case of Departments of Energy and Petrochemicals, Tribal Development, Labour, Skill Development and Employment and one each in case of Agriculture, Farmers' Welfare and Co-operation, Finance and Science and Technology. Out of the 39 implemented schemes, in 10 schemes more than 50 per cent of the savings was observed.

2.5.7.1 Implementation of New Items in 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 so every year Government proposes new expenditure to be incurred in addition to standing charges, which is characterized as new expenditure or expenditure on new service. Thus, before declaring a service as New item, the main criteria will be the magnitude and importance of the expenditure.

During Grant Audit of GAD and NWRWS&K Departments, status of new items listed in **Appendix 2.7** were not implemented during 2022-25, though substantial amount was planned and kept aside for specified work. The Department needs to ensure implementation of all new items planned in budget so as to reap the intended benefits.

2.5.8 Non-adherence to the Quarterly Expenditure Limit

Rule 62(3) of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided.

Table 2.13: Rush of Expenditure during FY 2024-25

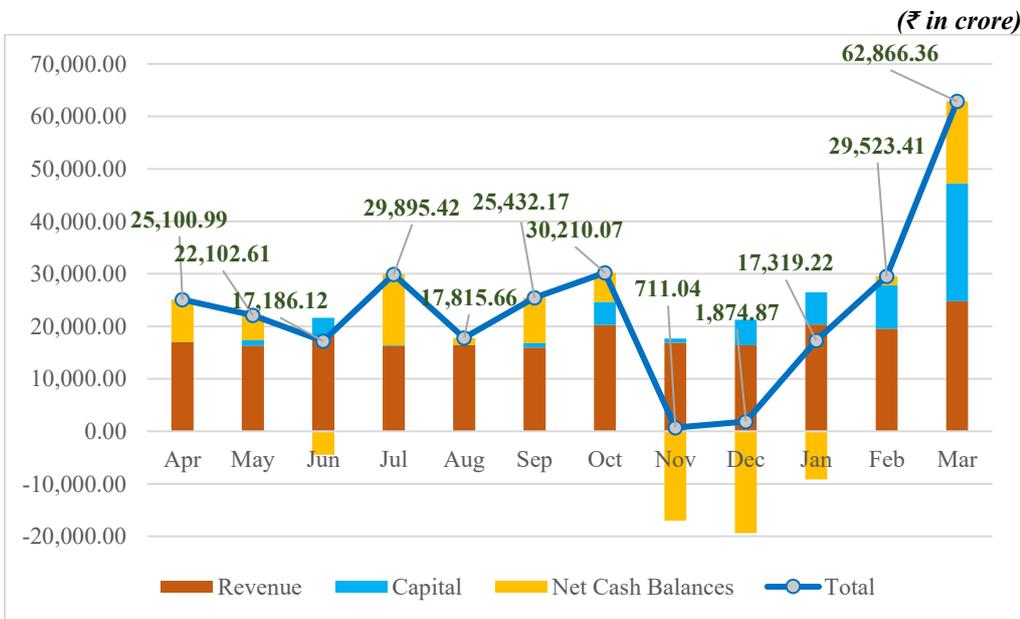
	Amount (₹ in crore)	Percentage of Total Expenditure in the year
Last Quarter of the year (Jan to Mar-25)	1,15,516.35	38.20
Last month of the year (Mar-25)	61,306.42	20.27
Last day of the year (31st March 2025)	1,111.26	0.36

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

Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 is shown in **Chart 2.9 and Chart 2.10**.

Monthly flow of receipts into the State exchequer and disbursements during 2024-25 are shown in **Chart 2.9**.

Chart 2.9: Trend analysis of receipts (Month-wise) during 2024-25

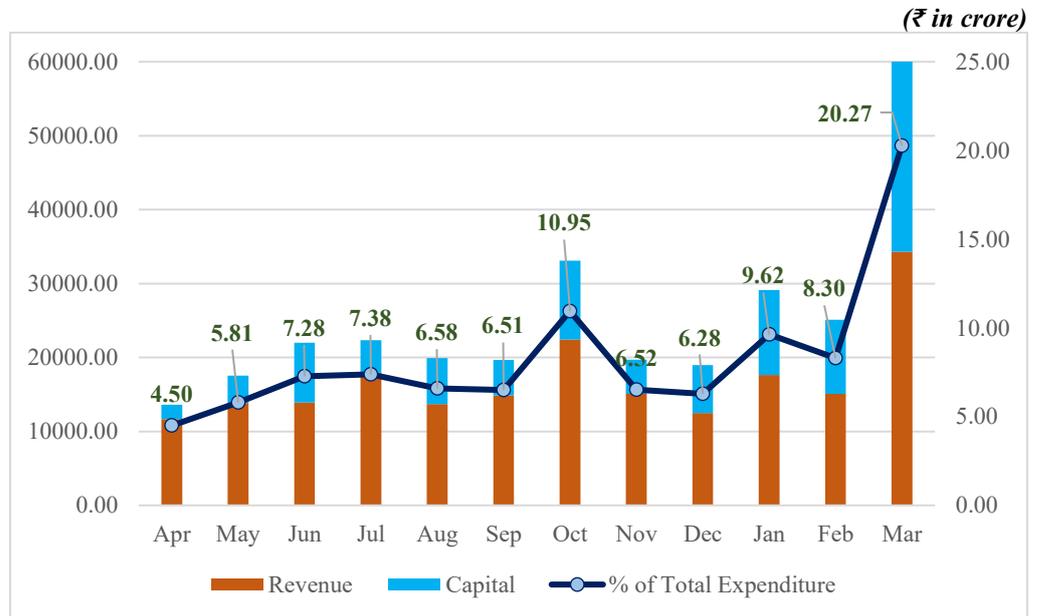


(Receipt figures are net of refunds)

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

The chart indicates that receipts into the State exchequer during 2024-25 exhibited month-wise variation, reflecting fluctuations over the course of the year rather than a uniform inflow. Higher receipts appear to be concentrated in certain months, while comparatively lower inflows were observed in others, consistent with the timing of tax collections, transfers, and adjustments net of refunds. Overall, the trend suggests a seasonal pattern in receipts, with implications for cash flow management and timing of disbursements during the year.

Chart 2.10: Trend analysis of expenditure (Month-wise) during 2024-25



(Expenditure figures are net of recoveries)

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

The monthly expenditure trend depicted in the **Chart 2.10** indicates that approximately 60 per cent of expenditure was done in First and last quarter of the financial year. The data indicates that expenditure during 2024-25 exhibited clear month-wise variation, with relatively lower levels of spending in the initial months and a progressive increase towards the latter part of the financial year. A noticeable concentration of expenditure is observed in the closing months, reflecting year-end spending patterns commonly associated with the utilisation of available provisions. Overall, the trend reflects a greater share of expenditure being incurred in the closing months of the year, which has implications for cash management and the timing of programme implementation during the year.

Major heads where more than 75 per cent of the total expenditure was done in March 2025 are shown in **Appendix 2.8**.

Audit further observed that in 172 subheads (6.89 per cent of the 3121 subheads), the entire expenditure of ₹ 4,716.48 crore in 172 sub-heads was incurred in the month of March 2025 only. Details of 42 subheads in which more than ₹ 10 crore expenditure was done are shown in **Appendix 2.9**.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches. The State Government has not prescribed quarter-wise percentages for incurring expenditure during the year, with the aim of regulating the expenditure in a phased manner. The quarterly details of expenditures incurred across all Grants are shown in the **Appendix 2.10**.

2.6 Implementation of Selected CSS Schemes

Centrally Sponsored Schemes (CSS) are Indian government programmes primarily funded by the Central Government with States contributing a defined share and implementing them. These schemes focus on areas in the State List like health, education, and rural development, to encourage national priorities through shared funding and responsibility.

Table 2.14 : Expenditure incurred on Centrally Sponsored Schemes (includes Capital expenditure also) during 2024-25

(₹ in crore)

Sr. No.	Scheme name	Central Share		State Share		Balance in the Bank Account of SNA
		Budget	Actual	Budget	Actual	
1	Pradhan Mantri Awas Yojna (PMAY)- Rural	488.07	1,302.49	323.19	885.28	1,136.38
2	Samagra Shiksha	1,577.13	1,245.54	1,049.25	871.31	456.98
3	Flexible Pool for RCH & Health System Strengthening, National Health Programme and national urban health Mission	930.35	1,002.09	620.25	692.97	161.36
4	Urban Rejuvenation Mission-500 Cities	841.40	503.25	1,158.54	290.99	43.12
5	Swachh Bharat Mission (SBM) - Urban	183	68.92	122	45.95	414.50

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

The table shows that during 2024-25, expenditure under major Centrally Sponsored Schemes varied across programmes and between Central and State shares, with actual expenditure in some schemes exceeding the budgeted provision and others recording lower utilisation. In above schemes, significant balances remained in the bank accounts of the State Nodal Agencies, indicating that funds released were not fully drawn down or spent during the year.

2.6.1 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank.

The State Government is required to transfer the Central Share received, to the concerned SNA's account, along with the corresponding State share.

As per Ministry of Finance, GoI's letter (16 February 2023), the State Government shall transfer Central share as well as the commensurate State share to the SNA account within 30 days of receipt of Central share. Any delay beyond 30 days in transfer of Central share to the SNA account, interest on the number of days at the rate of 7 *per cent* has to be paid by the State Government with effect from 01 April 2023.

As per the SNA 01 Report of the PFMS, the State Government received ₹ 7,893.84 crore being Central share during the year in its Treasury account (As per RBI clearance memo, State received ₹ 8,575.13 crore as Central Share). As on 31 March 2025, the State Government had transferred Central share of ₹ 7,655.97 crore (including previous year amount) and State share of ₹ 8,487.99 crore to the SNAs. Detailed vouchers and supporting documents of actual expenditure were not received by the Office of the Principal Accountant General (A&E) from the SNAs.

As per the SNA's Report, ₹ 5,246.98 crore are lying unspent in the bank accounts of SNAs as on 31 March 2025.

The analysis indicates that while the State Government transferred substantial Central and State shares to the Single Nodal Agency (SNA) accounts during 2024-25, a significant portion of the funds remained unspent in SNA bank accounts at the close of the year. The presence of large unutilised balances, coupled with the non-receipt of detailed vouchers and supporting documents of actual expenditure from SNAs, makes it difficult to assess how and when CSS funds were utilises.

Further, given the prescribed timelines for transfer of funds to SNAs, the accumulation of balances underscores the importance of timely fund flow, effective cash management, and robust reporting by SNAs to ensure that releases translate into actual programme expenditure.

2.6.2 Single Nodal Agency – SPARSH

To enhance oversight of the availability and utilization of funds released under Centrally Sponsored Schemes (CSS), the Department of Expenditure introduced revised guidelines for fund flow procedures. These guidelines aim to implement the principles of 'just-in-time releases' for payments, ensuring more efficient cash management at both the Central and State levels. As part of this effort, an alternative fund flow mechanism, SNA-SPARSH—a real-time system for the integrated and swift transfer of CSS funds—was introduced. This system operates through a seamless framework integrating the Public Financial Management System (PFMS), State Integrated Financial Management Information System (IFMIS), and e-Kuber of the Reserve Bank of India (RBI), facilitating efficient and transparent fund disbursement.

As per the revised procedure notified by the Ministry of Finance, State Governments are required to transfer both the Central and State share of funds

to the Single Nodal Agency (SNA) Account under the SNA-SPARSH model. Under the SNA-SPARSH model, each State must designate an SNA for implementing every State-Linked Scheme corresponding to a Centrally Sponsored Scheme (CSS), and all releases are to be routed exclusively through the Public Financial Management System (PFMS). Upon onboarding, existing SNA accounts must be closed, and unspent balances remitted—Central share to the Consolidated Fund of India and the State share to the respective State Consolidated Fund. Further, all SNAs and Implementing Agencies must be registered in the State Integrated Financial Management Information System (IFMIS), and funds are to be released on a just-in-time basis directly to beneficiaries or vendors, without routing through Personal Deposit (PD) accounts or other intermediary accounts, thereby promoting improved cash management and transparency. A total of 66 CSS are being implemented by Government of India.

As per Government of India instructions 29 out of 66 CSS were to be implemented under SNA SPARSH model by 31 March 2025. Remaining, 37 CSS were to be implemented by 01 July 2025 and after 01 November 2025 all CSS are to be implemented through SNA SPARSH. The State Government opened SNA SPARSH accounts in 12 CSS as on 31 March 2025.

The above facts indicate that while the SNA-SPARSH framework was introduced to enable just-in-time releases, tighter cash management, and greater transparency in the flow of CSS funds, implementation at the State level remained partial as of 31 March 2025. Against the requirement to operationalise the SNA-SPARSH model for 29 CSS by that date, the State Government had opened SNA-SPARSH accounts in only 12 schemes, implying that a significant number of schemes continued to operate under the earlier fund-flow arrangements.

This partial transition suggests that the intended benefits of real-time fund transfer, closure of intermediary accounts, and reduction of unspent balances in SNA accounts were not yet fully realised during the year, with implications for the effectiveness of cash management and oversight of CSS fund utilisation.

2.7 Contingency Fund

The Contingency Fund of Government of Gujarat was established under the Gujarat Contingency Fund Act, 1960 (The Gujarat Act No. IV of 1960) and the as amended from time to time in pursuance of Article 267 (2) of the Constitution. "Contingency Fund of Gujarat State" is the Fund established by the Legislature of the State under the provisions of Article 267(2) of the Constitution and is intended to enable advances being made therefrom for the purpose of meeting unforeseen expenditure pending authorization of such expenditure by the Legislature under Article 205 or 206 of the Constitution.

Contingency Fund Rules for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Gujarat for meeting unforeseen

expenditure. The fund is recouped when the State Legislature authorizes the additional expenditure. The corpus of the Fund is ₹ 200 crore.

2.7.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable.

During Financial Year 2024-25, an amount of ₹ 35.15 crore was withdrawn as an advance by 10 Departments as given in *Appendix 2.11* from the Contingency Fund in respect of 26 schemes/programmes. The amounts were recouped by 31 March 2025.

2.8 Conclusion

- During 2024-25, an expenditure of ₹ 3,02,427.22 crore was incurred against total grants and appropriations of ₹ 3,40,520.13 crore, resulting in an overall savings of ₹ 38,092.91 crore. The overall savings of ₹ 38,092.91 crore were the result of savings of ₹ 38,677.65 crore, offset by an excess of ₹ 584.74 crore.
- In 19 cases under 18 Grants, there were savings exceeding ₹ 100 crore persistently in each case during the last three years (2022-25) in respect of grants pertaining mainly to the Agriculture, Farmers' Welfare and Co-operation Department; Energy and Petrochemicals Department; Finance Department; Home Department; Labour and Employment Department; Narmada, Water Resources, Water Supply and Kalpsar Department; Panchayats, Rural Housing and Rural Development Department; Roads and Buildings Department; Tribal Development Department, *etc.*

2.9 Good Practices

- The State Government has prescribed separate Object heads for classification of Revenue and Capital expenditure. It was pointed out in last three State Finances Audit Reports that object heads prescribed for Capital expenditure were being used for Revenue Expenditure Major heads classification. During the year no object heads prescribed for Capital expenditure were used for Revenue expenditure classification.
- There was persistent excess in Grant No. 73 Revenue Voted since 2012-23. This year Panchayats, Rural Housing and Rural Development Department took necessary steps to avoid excess expenditure during this year.
- There was 100 *per cent* recoupage of Contingency Fund.

2.10 Recommendations

- The State Government may consider insights into the cases of persistent savings and direct the Departments to formulate a realistic budget based on the needs 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 III

Financial Reporting Practices

Chapter III

Financial Reporting Practices

This Chapter analyses the compliance with financial reporting rules, procedures and directives as well as the completeness, timeliness and quality of such reporting. The objective is to enhance the relevance, reliability and utility of the information presented in the financial statements.

3.1 Off budget borrowings through State owned PSUs/Authorities

Article 293(3) of the Constitution of India mandates consent of Government of India for a State Government's borrowing if it has any outstanding loans or guarantees from the Government of India. Further, the XV Finance Commission recommended that the normal net borrowing ceiling (NBC) to the State Governments for 2023-24 to 2025-26 may be fixed at three *per cent* of GSDP.

Bypassing the above stipulated net borrowing ceiling by routing loans outside budget through various State Government Public Sector Undertaking (SPSUs)/Corporations/ other Bodies despite the State being responsible for repayment of such loans pose significant risk to fiscal health and transparency in the Government finances. Borrowing Ceilings for a financial year of the State Governments are being now reduced by GoI to extent of Off-Budget Borrowings.

The State Government did not disclose any off-budget liabilities in their budget documents/annual financial statements. The State Government in its representation to Ministry of Finance intimated that it has no off-budget liabilities during 2024-25.

3.2 Undischarged liabilities of the Government

Undischarged liabilities refer to the financial obligations and commitments that have been incurred but remain unpaid or unsettled as of the reporting date. These include non-transfer of collected cess to designated bodies, short remittances to the National Pension System (NPS), etc.

They can have significant long-term fiscal and governance implications, as follows:

- These unpaid obligations create hidden liabilities that distort the true financial position of the State as revenue expenditure is lower than it should be, affecting the principles of complete and accurate financial reporting;
- They accumulate over time, increasing the revenue expenditure and burden on the fiscal space at a future date;
- Delays in cess transfer hinder the intended development or welfare outcomes, defeating the purpose for which such levies were imposed. Similarly, short transfers to NPS not only violate statutory commitments but may also compromise the financial security of employees.

Such practices can erode transparency, trigger legal liabilities, constrain future fiscal space and weaken fiscal sustainability. The observed cases are discussed in succeeding paragraphs.

3.2.1 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.

Audit observed non-payment/ short payment of interest amounting to ₹ 70.76 crore across four Deposits. This has resulted in lower Revenue Expenditure by ₹ 70.76 crore. The Government has no budgetary provisions to discharge these liabilities.

The cause may be attributed to the non-provision of budgetary allocation for interest payments under Major Head 2049 (revenue expenditure) in spite of balances in these Deposits as on 01 April 2024, as well as due to inadequate monitoring of fund balances. No interest was paid on two deposits as indicated in Table 3.1.

Table 3.1: Non-discharge of interest liability towards interest-bearing Deposits

(₹ in crore)					
Funds/Deposits	Opening Balance on 1 April, 2024	Basis for calculation of interest	Interest due	Interest paid	Interest short paid
State Compensatory Afforestation Fund	1,136.23	3.35 per cent as per the circular No. F. No. 1 (9) – B (AC)/2017 dated 03.10.2024, issued by the Ministry of Finance, department of Economic Affairs (Budget Division)	43.75	-	43.75
SDRF	1,275.04	Interest calculated @ 8.46 per cent (as per guidelines of SDRF i.e. 2 per cent above the average WMAs).	135.34	121.53	13.81
SDMF	1,076.60	Interest calculated @ 8.46 per cent (as per guidelines of SDMF i.e. 2 per cent above the average WMAs).	91.08	78.27	12.81
Deposit bearing interest other than CPS	16.80	Interest calculated taking rate applicable for the 14 - days treasury bill investment i.e. Reverse Repo Rate @ 3.35 per cent minus 1 per cent i.e. 2.35 per cent for the year 2024-25)	0.39	-	0.39
			270.56	199.80	70.76

Source: Finance Accounts for the year 2024-25.

Non-payment and short payment of interest on interest-bearing deposits amounting to ₹ 70.76 crore understated the State's Revenue Expenditure to that extent and masked an existing fiscal liability, despite substantial balances being held in these funds. The absence of budgetary provision under Major Head 2049 and inadequate monitoring of deposit balances point to gaps in financial planning and cash management, which could affect the timely availability of funds and the reliability of fiscal reporting.

3.2.2 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,
- The above 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 01 November 2022, wherein, the State Government contributed a matching share¹. This was further modified with effect from 01 March 2024, where employees contribute 10 *per cent* and State Government contributes 14 *per cent*.

The employees' contribution and the State share are credited to the Public Account² and then transferred to the NSDL. During the year 2024-25, Audit observed that:

- Total contribution to the NPS was ₹ 4,293.06 crore³.
- The Government's contribution to the NPS was less by ₹ 100.96 crore, which resulted in understatement of Revenue Expenditure to that extent.
- Of the total amount transferred to the Public Account, ₹ 72.46 crore remained in the Public Account as on 31 March 2025 and was not transferred to the NSDL. An amount of ₹ 63.07 crore was transferred during April 2025, and the remaining balance was under reconciliation. Thus, the cash balance of the Government was overstated by this amount.

The Directorate of Pension and Provident Fund stated that State Government share of ₹ 100.96 crore from the Consolidated Fund of the State to Public

¹ 10, 12 or 14 *per cent* based on the option to contribute 10, 12 or 14 *per cent* share as exercised by the employee.

² Major Head 8342-117 (Other Deposits- Defined Contribution Pension Scheme for Government Employees).

³ State Govt. Employees' contribution - ₹ 1,816.19 crore, Contribution of employees on foreign deputation - ₹ 18.28 crore, Government's contribution - ₹ 2,441.71 crore, Rectification of misclassification of previous years - ₹ 0.03 crore, and Employee contribution refunded as Family Pension/ Disability Pension - ₹ 16.85 crore.

Account is apparent discrepancy attributable to aggregation of contributions from periods where the matching rate pertained to 10 *per cent* and not due to any shortfall. Reasons for non-transfer of ₹ 9.39 crore from Public Account to NSDL have not been provided by the Department (November 2025).

3.2.3 Non-transfer of Labour Cess to Labour Welfare Board

Section 3 of the Building and Other Construction Workers' Welfare Cess Act, 1996, mandates the levy and collection of cess at a rate not exceeding two *per cent*, but not less than one *per cent* of the cost of construction incurred by an employer, as notified by the Government. 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 (the Board) within 30 days of its collection.

Audit observed that:

- The State Government levied and collected cess of ₹ 1,058.33 crore during 2024-25, but only ₹ 362.59 crore was transferred to the Board, leaving a balance of ₹ 695.74 crore which was not transferred to the Board as of 31 March 2025. This resulted in understatement of Revenue Expenditure and overstatement of the Cash Balance to that extent.
- During 2006-07 to 2024-25, ₹ 6,737.49 crore was collected, but the amount transferred during this period was ₹ 3,218.52 crore, leaving a balance of ₹ 3,518.97 crore, including the aforementioned ₹ 695.74 crore, which had not been transferred as of 31 March 2025.

The collected cess is meant to be utilised for social security and welfare schemes for construction workers in the State. The non-transfer of the collected cess adversely impacts the intended welfare and social security of building and construction workers.

3.2.4 Non-transfer of Cess to Local Bodies

With respect to the transfer of cess to local bodies, Audit observed the following:

- The State Government enacted the Gujarat Motor Spirit Cess Act, 2001 for levy of cess on turnover of sales of motor spirit in the state. This was to be transferred to a Local Authority Fund in the Public Account⁴ to compensate local authorities for the abolition of octroi.
 - However, the State Government did not create any such Fund.
 - During the year 2024-25, the Government collected ₹ 4,169.29 crore as cess on turnover of sales of Motor Spirit. The amount has not been transferred to any such Fund.

⁴ under Section 'J'

- The non – creation of the Fund leads to reduced fiscal space for the local bodies, and the non-devolution of funds may adversely affect the implementation of devolved functions.
- The State Government of Gujarat enacted The Gujarat Rural Development Cess Act, 1984 for levy of cess⁵ on all land held for carrying out excavation for the purpose of obtaining mineral oils. The purpose of the Act was to provide for the cost of development of rural areas in the State of Gujarat.

As per the Act, proceeds of the rural development cess and penalties (other than fines) recovered under this Act shall first be credited to the Consolidated Fund of the State. After deduction of the expenses of collection and recovery, the balance was to be appropriated and transferred to, a separate fund called the State Rural Development Fund.

- However, the State Government did not create the Fund.
- During the year 2024-25, the Government collected ₹ 66.50 crore as Cesses on Land.

Hence, Audit has observed two cases of non-transfer of cess levied and collected to separate Funds earmarked for utilisation by the third tier of the Government. This has reduced the Revenue Expenditure booked, but the liabilities of the State remain, thereby affecting the quality of Accounts.

Moreover, given the limited capacity of the third tier of Government, particularly in rural areas, to generate its own revenue, the non-transfer of funds restricts the availability of resources needed by Local Bodies to carry out their constitutionally assigned functions.

3.2.5 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.

⁵ at rate not exceeding 20 *per cent*, of annual value, as may be fixed by the State Government by notification in the Official Gazette

Scrutiny of the budget estimates and Appropriation Accounts for the years 2006-07 to 2024-25, however, revealed a shortfall of 16 per cent between actual traffic fines collected and that transferred to the PLA, as detailed in **Table 3.2**.

Table 3.2: 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
2006-07	6.00	4.23	10.00	10.00	236.41
2007-08	8.00	0.02	7.00	7.00	35,000.00
2008-09	4.00	0.04	10.00	10.00	25,000.00
2009-10	18.00	19.12	10.00	10.00	52.30
2010-11	19.44	39.15	30.75	10.25	26.18
2011-12	4.67	47.66	20.50	10.25	21.51
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
2023-24	125.00	136.20	138.14	176.08	129.28
2024-25	194.70	140.86	123.24	123.24	87.49
Total	1,614.02	1,474.98	1,186.08	1,246.21	84.49

Source: Budget Estimates and Appropriation Accounts of the State Government of respective years.

The Home Department stated (March 2025) that amounts collected during the current year are transferred to PLA in succeeding fiscal year.

An amount of ₹ 87.91 crore is pending transfer⁶. This lead to understatement of Revenue Expenditure and overstatement of Cash Balance to that extent.

⁶ Amount collected upto 2023-24 (₹ 1,334.12 crore) minus Amount transferred upto 2024-25 (₹ 1,246.21 crore)

3.2.6 Pendency of refund cases

Promptness in disposal of refund cases is also an important indicator of performance of the Department concerned, apart from being the discharge of government liabilities.

No details of refund cases during the year 2024-25 have been provided by the departments concerned, as indicated at **Table 3.3**. This has prevented Audit from analysing the pendency of such cases.

Table 3.3: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	Stamp duty and registration fees		Taxes on Vehicles and Taxes on Goods and Passengers		VAT		GST	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	814	21.87	133	1.30	44	1.08	0	0
2.	Claims received during the year	11,424	204.26	652	5.40	1,787	812.37	57,518	11,563
3.	Refunds made during the year	12,238	226.13	645	5.97	1,790	809.89	51,109	58,916
4.	Refunds rejected during the year	0	0.00	0	0.00	10	0.64	6,409	2,647
5.	Balance outstanding at the end of year	0	0.00	140	0.73	31	2.92	0	0

Source: Departmental information.

Director of Prohibition and Excise; Commissioner of Geology and Mining; Directorate of Petroleum; Collector of Electricity Duty; Superintendent of Stamps and Inspector General of Registration; and Commissioner of Transport have informed that there are no refund cases (November 2025).

3.3 Funds outside Government Accounts

3.3.1 Maintenance of Gujarat Electricity Regulatory Commission fund in Bank Accounts instead of Public Account

Article 266(2) of the Constitution of India provides that 'All other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State'. As per Government of India instructions (07 January 2005), funds of Regulatory Bodies have to be maintained in Public Accounts but operated in such a manner that protects their independent status.

Gujarat Electricity Regulatory Commission was constituted under the Electricity Act, 2003. Section 103 of the Act stipulates creation of a fund called 'State Electricity Regulatory Commission Fund' wherein receipts of the commission are to be credited and expenses therefrom are to be made.

However, the State Government notified (2 August 2005) Gujarat Electricity Regulatory Commission (GERC) Fund Rules, in accordance with which, the Commission has been parking surplus funds in Nationalised banks/ Gujarat State Financial Services Limited⁷. As on 31 March 2025, balance of GERC Fund (parked outside Public Accounts) was ₹ 445.19 crore.

Audit observed that as the clause included in the GERC Fund Rules regarding investment was at variance with the instructions of GoI (which are mandatory in nature), it was brought to the notice of GERC (November 2007 and January 2022) to keep the fund in Public Accounts and take up the matter with State Government for amendment of GERC Fund Rules.

The impact on state finances is as follows:

- Not only was the Constitutional mandate violated, but the Public Account balance was also understated by ₹ 445.19 crore.
- The State Government borrows from the market at the yield on State Development Loans (SDLs), at interest rate greater than the interest rate provided by the banks/ GSFS. This spread represents a Negative Carry or Arbitrage Loss to the public exchequer. If these funds were in the Public Account, they would reduce the State's gross borrowing requirement.

The GERC Fund Rules justify this arrangement based on the independent status of the regulator. It is to be noted that regulatory independence refers to functional autonomy in tariff setting and adjudication and does not imply financial autonomy in violation of Constitutional provisions and GoI instructions. In this context, it may be mentioned that funds of the Central Electricity Regulatory Commission are kept in Public Account of the Government of India.

This matter was also earlier brought to the attention of State Government in State Finances Audit Report for the year ended 31 March 2022.

⁷ A Non-Banking Financial Corporation (NBFC) of Government of Gujarat.

Issues related to Transparency of Accounts

3.4 Utilisation Certificates

Gujarat Financial Rules⁸, 1971 read with General Financial Rules⁹, 2017 provide that every Grants-in-aid (GIA) made for a specified object is subject to the following conditions:

- 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
- Any portion of the GIA which is ultimately not required for expenditure for the purpose, shall be duly surrendered to the Government.

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 Principal Accountant General (A&E) within one year from the date of their sanction, unless specified otherwise.

Utilisation Certificates are essential in obtaining assurance that the grants have been utilised for the prescribes purposes. The delay in submission and incorrect information in UCs give rise to risks of misappropriation, fund diversion, non-fulfilment of purpose of GIA, and blocking of funds due to lack of information on savings and balance funds.

3.4.1 Delay in Submission of Utilisation Certificates

Audit scrutiny revealed that 4,258 UCs in respect of GIA aggregating ₹ 7,431.84 crore, given to 18 Departments of the State Government from 2001-02 to 2023-24, had not been submitted as of 31 March 2025. The status and age-wise details of delays in submission of UCs are shown in **Table 3.4** and **3.5** respectively.

Table 3.4: Status of submission of UCs as on 31 March 2025

Due Year ¹⁰	Number of UCs Outstanding	Amount (₹ in crore)
Up to 2023-24	2,884	3,147.28
2024-25	1,374	4,284.56
Total	4,258	7,431.84

Source: Finance Accounts of 2024-25.

⁸ Rule 154 and 155.

⁹ Rule 238 (1).

¹⁰ The year mentioned above relates to 'Due Year' *i.e.* after 12 months of actual drawal.

Table 3.5: Age-wise arrears in submission of UCs

Sr. No.	Range of delay (in years)	UCs pending	
		No.	Amount (₹ in crore)
1.	0-1 (2023-24)	1,374	4284.56
2.	2-3 (2021-23)	1,145	2398.58
3.	4-5 (2019-21)	116	264.48
4.	6-7 (2017-19)	96	268.30
5.	8-9 (2015-17)	34	76.06
6.	10 and above (2001-15)	1,493	139.86
	Total	4,258	7,431.84

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

Table 3.6: Year-wise break-up of pending UCs as on 31 March 2025

(₹ in crore)

Year	No. of pending UCs	Amount
2001-02	420	37.14
2002-03	673	33.52
2003-04	189	4.67
2004-05	65	3.39
2005-06	35	2.20
2006-07	12	3.03
2007-08	22	27.18
2008-09	6	1.22
2009-10	6	4.34
2010-11	33	12.21
2011-12	4	0.09
2012-13	1	0.02
2013-14	15	3.40
2014-15	12	7.45
2015-16	15	8.96
2016-17	19	67.10
2017-18	19	171.11
2018-19	77	97.19
2019-20	42	115.41
2020-21	74	149.07
2021-22	271	701.14
2022-23	874	1,697.44
2023-24	1,374	4,284.56
Total	4,258	7,431.84

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

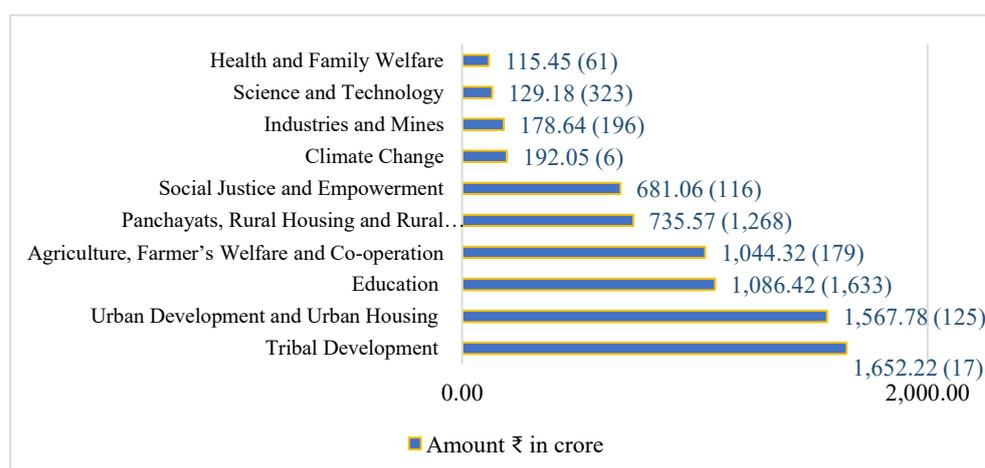
The year-wise break-up of pending UCs with amount is tabulated alongside in **Table 3.6**.

Audit observed that:

- Around 30 per cent of outstanding UCs amounting to ₹ 75.33 crore pertained to years 2001-02, 2002-03 and 2003-04.
- Seventy-two per cent of the pending UCs amounting to ₹ 5,350.73 crore pertained to four Departments viz. Tribal Development (₹ 1,652.22 crore), Urban Development and Urban Housing (₹ 1,567.78 crore), Education (₹ 1,086.42 crore), and Agriculture, Farmers' Welfare and Co-operation (₹ 1,044.32 crore).

Follow up of pending UCs is done regularly by PAG (A&E) during the quarterly meetings with the Finance Department.

Department-wise break-up of outstanding UCs for GIA disbursed up to 2023-24 is shown in **Appendix 3.1**, while the status of outstanding UCs in 10 major Departments is shown in **Chart 3.1**.

Chart 3.1: Outstanding UCs in 10 major Departments for GIA paid up to 31 March 2024

Source: Information provided by Office of the Principal Accountant General (A&E).
 Figures in bracket indicate number of UCs.

Since non-submission of UCs is fraught with the risk of misutilisation, it is imperative that the State Government should monitor this aspect closely and hold the persons concerned accountable for submission of UCs in a timely manner.

Case Study 1: Incorrect submission of Utilisation Certificate (Grant 35)

The Sardar Patel Institute of Public Administration (SPIPA) received Administrative Grant and Grants for creation of Capital Assets, every year for carrying out its regular functions.

Audit observed that the SPIPA withdrew the grant, deposited the whole amount into their bank account, and submitted utilization certificates that the Grants have been utilized for the purpose for which it was sanctioned, even though the entire amount has not been utilised for the purposes of the grant.

In fact, during the period 2022-25, General Administration Department (GAD) has reappropriated provisions to SPIPA due to balances in Gujarat State Financial Services (GSFS) and decided to allocate the grant only after utilization of the funds parked in GSFS. This indicates that balances remain parked in the bank account and in GSFS, thereby indicating that the expenditure has not been made for the purpose of sanction of the grant. The withdrawal of funds and parking in accounts outside the Government Accounts cannot be classified as utilisation for the purpose of submission of Utilization Certificates.

Details of Grants Budgeted and Expenditure done by the GAD in respect of Grants given to SPIPA are shown in **Table 3.7**.

Table 3.7: Grants released

Year			Total Grant	Actual Expenditure (₹ in lakh)	UC given on
2022-23	O	2,596.16	1,298.08	1,298.08	July 2022 and January 2023
	R	(-) 1,298.08			
2023-24	O	1,968.14	205.45	205.45	September 2025
	S	85.19			
	R	(-) 1,847.88			
2024-25	O	2,311.00	0.00	0.00	Not applicable
	S	926.00			
	R	(-)3,237.00			

Source: Appropriation Accounts and details furnished by SPIPA.

SPIPA has not provided appropriate UCs, showing opening balances, funds received and utilised during the year and closing balances in the UC.

When funds are released, the Grantee cannot spend the GIA immediately, thereby parking the same. However, UCs are submitted to receive the next tranche of funds.

Here, there is a case of falsification of facts in the UCs submitted by the grantee, as parking of funds is a liquidity event, and only actual expenditure for the purpose of the grant is a utilisation event.

Case Study 2: Non-Submission of Utilisation Certificate by implementing agency (Grant 33)

Community works of Local Importance are carried out under the Member of Legislative Assembly Local Area Development Fund (MLALAD) Scheme. Under the scheme, the MLA can recommend the works related to community development in his constituency for which grants are allocated to the District Planning Officer (through Collector).

The General Administration Department (GAD) vide Resolution dated 27 March 2017, changed the rules for allocation of grants related to constituencies situated in urban areas. Now, the grant will be released by the GAD through the Pay and Accounts Officer/ treasury, Gandhinagar to the Municipal Corporation concerned. As per above said GR, the grant related to a constituency situated fully in a Municipal Corporation will be given to the Municipal Corporation, not the District Planning Officer.

Audit observed that:

- The Department provided grants of ₹ 139.50 crore to five Municipal Corporations¹¹ during 2022-25.
- Out of ₹ 63.00 crore grant allocated to the Ahmedabad Municipal Corporation (AMC), as of November 2025 works of ₹ 45.25 crore

were completed, and ₹ 12.20 crore were in progress, but savings of ₹ 5.55 crore are not surrendered.

- Further, AMC had not submitted the utilization certificates to the GAD in respect of ₹ 63.00 crore grant allocated during the period of 2023-25.

This indicates weak internal control mechanism of the Department regarding monitoring implementing agencies in respect of utilization of funds, apart from the breach in applicable rules and guidelines.

Reply of the Department is still awaited (January 2026).

Case Study 3: Incorrect representation of fund utilisation (Grant 33)

As per Annual Financial Statement of Govt. of Gujarat for the year 2024-25 (Budget 2024-25), Budget provision of ₹ 5 crore was made in Grant no. 33 for Strengthening of the Block Level Agencies under Other Rural Development Programme. The Grant of ₹ 3.75 crore was disbursed to Gujarat Social Infrastructure Development Society¹² (GSIDS), a nodal agency for the scheme. GSIDS released these grants to District Planning Office (DPO), which further released the amounts to District Rural Development Agencies (DRDAs) managing the five Aspirational Talukas¹³.

Audit observed that:

- After distribution of ₹ 3.75 crore to DPOs, GSIDS submitted utilization certificate to GAD and certified that grant was utilized for intended purpose for which it was given, even though the grants were only passed on to the implementing agencies.
- Three DRDAs¹⁴ had not utilised any fund and surrendered the entire amount.
- Of the remaining two DRDAs, Sayla taluka returned the unutilised amount ₹ 53.73 lakh whereas Tharad taluka had not returned the unutilized balance of ₹ 25.50 lakh and stated that the amount will be adjusted in the grant of next financial year.

This indicates that the submission of UC for merely passing on of grants and non-inclusion of the details on expenditure incurred and savings surrendered by implementing agencies lead to false financial reporting of utilisation of grants.

Reply of the Department is still awaited (January 2026).

¹¹ (i) Ahmedabad (₹ 63 crore), (ii) Jamnagar (₹ 9 crore), (iii) Rajkot (₹ 13.50 crore), (iv) Surat (₹ 40.50 crore) and (v) Vadodara (₹ 13.50 crore).

¹² A registered society under Government of Gujarat.

¹³ (i) Lakhpat (₹ 75 lakh), (ii) Rapar (₹ 75 lakh), (iii) Santalpur (₹ 75 lakh), (iv) Sayla (₹ 75 lakh) and (v) Tharad (₹ 75 lakh).

¹⁴ (i) Lakhpat, (ii) Rapar and (iii) Santalpur.

3.5 Abstract Contingent Bills

When money is required in advance or when they are not able to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted to draw money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head.

Rule 211 of Gujarat Treasury Rules, 2000 provides that Drawing and Disbursing Officers (DDOs) are required to present Detailed Contingent (DC) bills containing vouchers in support of financial expenditure within three months from the date of drawing of such advance to the Principal Accountant General (A&E). Delayed submission or prolonged non-submission of DC bills may affect the completeness and correctness of accounts.

As of 31 March 2025, 19 Departments of Government of Gujarat did not submit DC bills in respect of 5,378 AC Bills aggregating ₹ 554.73 crore as detailed in **Table 3.8**.

Table 3.8: Status of pending DC bills against AC bills as of 31 March 2025

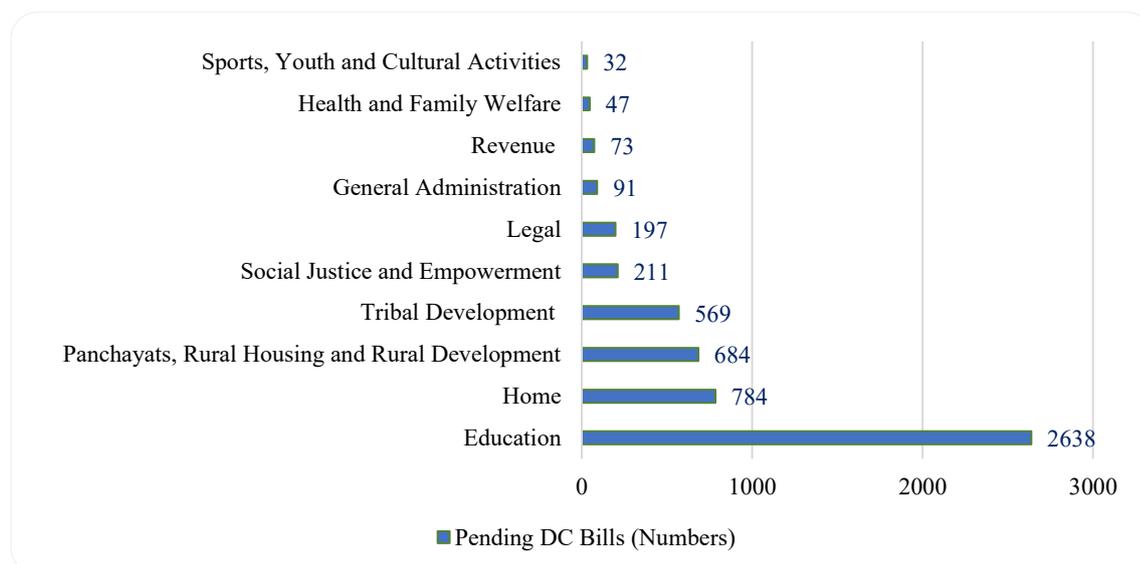
(₹ in crore)

Year	Outstanding AC bills	
	No.	Amount
Up to 2023-24	1,753	89.73
2024-25	3,625	465.00
Total	5,378	554.73

Source: Data compiled by Office of the Principal Accountant General (A&E).

It was observed that 9,156 AC bills for ₹ 1,006.82 crore were drawn in 2024-25, out of which 1,097 AC bills (11.98 *per cent*) for ₹ 229.29 crore (22.77 *per cent*) were drawn in March 2025. Out of 1,097 AC bills drawn in March 2025, no AC bills were drawn on the last day of the financial year.

Department-wise and year-wise details of pending DC bills up to 2024-25 are shown in **Appendix 3.2** and **Appendix 3.3** respectively. The status of pending DC bills in 10 major Departments is shown in **Chart 3.2**.

Chart 3.2: Pending DC Bills in 10 major Departments

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

Seventy-six *per cent* of the pending DC bills pertained to three Departments *viz.* Education (2,638 Bills), Home (784 Bills) and Panchayats, Rural Housing and Rural Development (684 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.

3.6 Personal Deposit Accounts

Under the List of Major and Minor Heads of Accounts of Union and States, Personal Deposits are of the nature of deposits not bearing interest opened under 8443-Civil Deposits-106-Personal Deposits.

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.

During 2024-25, six new PD Accounts were opened and 14 PD Accounts closed. **Table 3.9** below provides the status of funds lying in PD Accounts on the last day of the financial year during 2020-25:

Table 3.9: Parking of funds in PD Accounts during 2020-25

Year	No. of PD Accounts at the end of the year	Closing Balance
2020-21	470	1,003.78
2021-22	471	989.57
2022-23	471	817.82

(₹ in crore)

Year	No. of PD Accounts at the end of the year	Closing Balance
2023-24	476	5,040.49
2024-25	468	10,273.99

Source: Finance Accounts of respective years.

The closing balances under PD Accounts decreased from ₹ 1,003.78 crore in 2020-21 to ₹ 817.82 crore in 2022-23.

However, during 2023-24, it has increased to ₹ 5,040.49 crore and further increased to ₹ 10,273.99 crore during 2024-25. The increase during 2024-25 was due to year-end balance of ₹ 3,488.99 crore in six new PD Accounts opened during 2024-25. This indicates more amounts being transferred to PD accounts in the past two years, but with significant closing balances reflecting unutilised funds.

There were 14 inoperative PD Account during last three years as on 31 March 2025, which had a balance of ₹ 0.43 crore. All the Administrators of 468 PD Accounts reconciled and verified their balances with the treasury figures.

The large and rising balances parked in Personal Deposit (PD) Accounts indicate significant amounts of funds remaining unutilised despite being booked as final expenditure, which overstates actual expenditure and distorts the State's fiscal position, including the fiscal deficit. The Non-transfer of unspent balances lying in the PD Accounts to the Consolidated Fund of the State weakens legislative control over public funds and entails the risk of misuse of Public Fund. Moreover, the quality of expenditure is under doubt as the amounts are booked as expenditure during the transfer to PD accounts but the balances indicate that the actual expenditure incurred is lower. This distorts the fiscal deficit as well and presents an inaccurate expenditure profile.

Case Study : Status of works in respect of Decentralized Development Schemes implemented through DDO PLA

Decentralised Development Schemes are covered under Grant No. 35 and fund for these schemes are routed through District Planning Officer (through Collector) to the implementing agencies. District Planning Officer have a Personal Ledger Account. Nature of works covered under these schemes are mentioned below: -

1. DDP-1 Decentralized Planning for balanced Development of District (Vivekadhin): -

Under this scheme, there are four different types of outlays like District Level Grant, District Administration's Grant (Collector's and DDO's Grant), Taluka Centric Approach and Grant for the Municipalities. District Planning Boards can approve schemes on 100 *per cent* basis form the outlay of all these sub-components except District Administrative Grant (Collector's Grant).

2. DDP-2 Community Works of Local Importance (MLA Fund): -

Under this provision, community works of local importance can be taken up on the recommendations of the elected representatives of each Assembly Constituency.

3. DDP-3 Developing Taluka Scheme: -

As per the perspective plan prepared for development of 41 talukas, the State Government provides special fund to these talukas.

4. DDP-4 Celebration of National Festivals (i.e. Independence Day, Republic Day & Gujarat Sthapna Day): -

State Government had decided to provide grants for upliftment of Human Development Index (HDI) and carry out developmental activities in villages, talukas, Municipal Corporations, Municipalities and local areas under the districts where Independence Day, Republic Day and Gujarat Sthapna Day are proposed to be celebrated.

5. DDP-5 Aapno Taluko Vibrant Taluko (ATVT): -

“Aapno Taluko Vibrant Taluko - (ATVT)” is implemented at the Taluka Level and provides basic amenities at the village level viz., internal village roads, sewage disposal system, drinking water and solid waste disposal system, etc.

Audit observed that grants of ₹ 232.16 crore related to 2022-23 to 2024-25 under above five schemes and amounts against which no works are sanctioned during the financial year are kept in DDO PLA as detailed in **Table 3.10**.

Table 3.10 : Parking of Funds in DDO-PLA*(₹ in lakh)*

S.No.	Schemes	Fund of 2022-23	Fund of 2023-24	Fund of 2024-25	Total
		Balance in DDO PLA as on 31.03.2025	Balance in DDO PLA as on 31.03.2025	Balance in DDO PLA as on 31.03.2025	
1	Vivekadhin (DDP-1)	215.1	722.5	3,474.53	4,412.13
2	Legislator's Fund (DDP-2)	96.92	1,178.6	9,319.79	10,595.31
3	Developing Taluka (DDP-3)	13.25	138.49	1,665.63	1,817.37
4	National Festival (DDP-4)	158.81	1,122.89	3,285.83	4,567.53
5	ATVT (DDP-5)	104.59	213.86	1,506.01	1,824.46
	Total	588.67	3,376.34	19,251.79	23,216.80

Source: Details furnished by DDO concerned.

Audit also observed that works sanctioned related to period from 2019-20 onwards are pending. Year wise status of works approved during the period 2022-23 to 2024-25 under the five schemes is given **Table 3.11**.

Table 3.11: Year wise Status of approved works under DDP Schemes

Year	Scheme	Administrative Approval work	No. of Work completed	Work in progress	Work not commenced
2022-23	Vivekadhin (DDP-1)	17,896	16,454	990	232
	Legislator's Fund (DDP-2)	13,001	12,199	582	191
	Developing Taluka (DDP-3)	1,247	1,125	73	32
	National Festival (DDP-4)	1,168	992	110	58
	ATVT (DDP-5)	18,689	17,262	1,005	308
2023-24	Vivekadhin (DDP-1)	16,302	13,654	1,910	528
	Legislator's Fund (DDP-2)	12,294	9,915	1,691	658
	Developing Taluka (DDP-3)	1,353	997	301	40
	National Festival (DDP-4)	1,112	699	269	141
	ATVT (DDP-5)	17,393	14,730	2,092	425
2024-25	Vivekadhin (DDP-1)	15,207	10,028	3,374	1,768
	Legislator's Fund (DDP-2)	9,736	4,727	2,741	2,264
	Developing Taluka (DDP-3)	965	349	369	245
	National Festival (DDP-4)	826	239	241	346
	ATVT (DDP-5)	16,981	11,227	4,158	1,594
Total		1,44,170	1,14,597	19,906	8,830

Source: Details furnished by Department and DDO concerned.

After administrative approval a total of 837 works were cancelled.

GAD has issued instructions to finalise works related to period upto 2019-20 till July 2025 and transfer unutilised amount to Consolidated Fund of the State. Depositing amounts for which administrative approval is pending in PLA and incomplete approved works after lapse of five years need to be reviewed.

Reply of the Department is still awaited (January 2026).

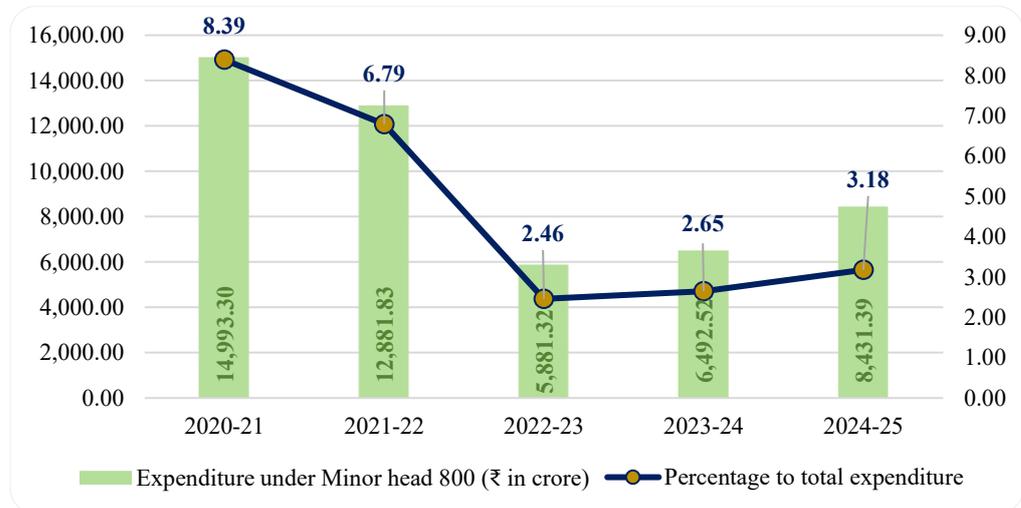
3.7 Operation of Minor Head 800

Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Regular operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque. 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.

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. Booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions.

During 2024-25, the State Government booked an expenditure of ₹ 8,431.39 crore under Minor Head 800 under 58 Major Heads of Account, constituting 3.18 per cent of the total Revenue and Capital expenditure¹⁵ of ₹ 2,65,039.76 crore. The extent of operation of Minor Head 800 – ‘Other Expenditure’ as a percentage of total expenditure during 2020-25 was as shown in **Chart 3.3**.

Chart 3.3: Operation of Minor Head 800 – ‘Other Expenditure’ during 2020-25



Source: Finance Accounts of the respective years.

Chart 3.3 shows that the operation of Minor Head 800 - ‘Other Expenditure’ as a percentage of total expenditure continuously decreased during 2020-23 but increased gradually during 2023-25.

Instances of substantial proportion of expenditure (75 per cent or more) booked under Minor Head 800 – ‘Other Expenditure’ within a given Major Head during 2024-25 are given in **Table 3.12**.

¹⁵ The expenditure figure of ₹ 2,65,039.76 crore here will not tally with the Total Expenditure figure of ₹ 2,68,591.47 crore in **Table 1.3** due to exclusion of Loans and Advances amounting to ₹ 3,551.71 crore.

Table: 3.12: Significant expenditure booked under Minor Head 800 – ‘Other Expenditure’ during 2024-25

(₹ in crore)

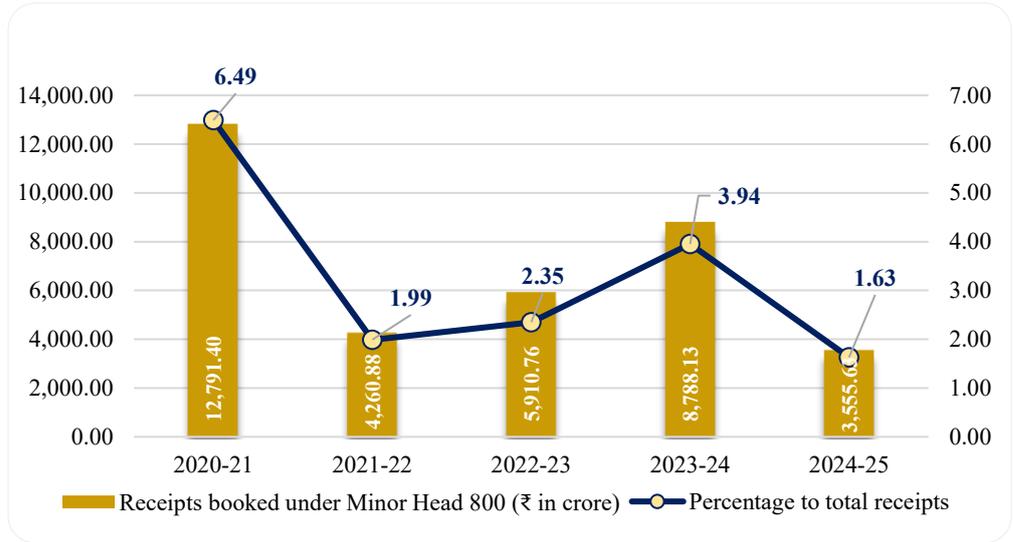
Sr. No.	Major Head	Expenditure under Major Head	Expenditure booked under Minor Head 800	Percentage
1	3475-Other General Economic Services	56.20	64.36	114.52 ¹⁶
2	4075-Capital Outlay on Miscellaneous General Services	136.52	136.52	100.00
3	4236-Capital Outlay on Nutrition	219.10	219.10	100.00
4	2075-Miscellaneous General Services	182.77	181.51	99.31
5	4070-Capital Outlay on Other Administrative Services	48.56	46.40	95.55
6	4408-Capital Outlay on Food, Storage and Warehousing	91.80	85.00	92.59
7	4851-Capital Outlay on Village and Small Industries	50.02	46.00	91.96
8	4875-Capital Outlay on Other Industries	1,271.01	1,163.38	91.53
9	2701-Medium Irrigation	612.94	521.99	85.16
10	2852-Industries	6,047.40	4,628.40	76.54

Source: Finance Accounts of 2024-25.

The extent of operation of Minor Head 800 – ‘Other Receipts’ as a percentage of total receipts during 2020-25 was as shown in **Chart 3.4**.

¹⁶ Gross Expenditure in the Major Head 3475 is ₹ 120.56 crore (Various Minor heads). In Major Head 3475 deduction, viz., amount met from the General Insurance Fund was ₹ 64.36 crore. Therefore, the net expenditure under the Major Head 3475 was ₹ 56.20 crore (₹ 120.56 crore minus ₹ 64.36 crore). Hence, Expenditure in Minor Head 800 was more than amount depicted under Major Head.

Chart 3.4: Operation of Minor Head 800 – ‘Other Receipts’ during 2020-25



Source: Finance Accounts of respective years.

In case of receipts, operation of Minor Head 800 ranged from 1.63 *per cent* of the total receipts in 2024-25 to 6.49 *per cent* of the total receipts in 2020-21. During 2024-25, the State Government classified receipts of ₹ 3,555.63 crore pertaining to 53 Major Heads under the Minor Head 800 – ‘Other Receipts’, which constituted 1.63 *per cent* of the total Revenue Receipts of ₹ 2,18,554.38 crore. Instances of substantial proportion of receipts (75 *per cent* or more) booked under Minor Head 800 – ‘Other Receipts’ within a given Major Head during 2024-25 are given in **Table 3.13**.

Table 3.13: Significant receipts booked under Minor Head 800 – ‘Other Receipts’ during 2024-25.

(₹ in crore)

Sr. No.	Major Head	Receipts under Major Head	Receipts booked under Minor Head 800	Percentage
1.	0575-Other Special Programmes Areas	12.23	12.53	102.45 ¹⁷
2.	0047-Other Fiscal Services	0.03	0.03	100.00
3.	0211-Family Welfare	1.53	1.53	100.00
4.	0404-Dairy Development	0.18	0.18	100.00
5.	0408-Food Storage and Warehousing	30.54	30.54	100.00
6.	0801-Power	0.37	0.37	100.00
7.	0802-Petroleum	0.02	0.02	100.00
8.	1425-Other Scientific Research	23.04	23.04	100.00

¹⁷ Gross Receipts in the Major Head 0575 is ₹ 12.53 crore (under the Minor Head 800 only). In Major Head 0575, refunds of ₹ 0.30 crore were made under the Minor Head 900. Therefore, the Net receipts under the Major Head 0575 are ₹ 12.23 crore (₹ 12.53 crore minus ₹ 0.30 crore). Hence, Receipts under Minor Head 800 was more than amount depicted under Major Head.

Sr. No.	Major Head	Receipts under Major Head	Receipts booked under Minor Head 800	Percentage
9.	1452-Tourism	29.78	29.78	100.00
10.	1456-Civil Supplies	54.78	54.78	100.00
11.	0401-Crop Husbandry	489.16	486.63	99.48
12.	0235-Social Security and Welfare	15.02	14.86	98.93
13.	1054-Roads and Bridges	71.96	71.07	98.76
14.	0702-Minor Irrigation	41.76	40.89	97.92
15.	0215-Water Supply and Sanitation	24.21	22.87	94.47
16.	0515-Other Rural Development Programmes	45.89	42.47	92.55
17.	0059-Public Works	118.27	103.29	87.33
18.	0216-Housing	74.48	61.22	82.20
19.	0405-Fisheries	25.35	20.41	80.51
20.	0406-Forestry and Wildlife	41.12	32.31	78.57

Source: Finance Accounts of 2024-25.

A few instances of use of Minor Head 800 during 2024-25 where suitable relevant Minor Heads were available are indicated **Appendix 3.4**.

During Grant Audit, Water Supply Department replied (November 2025) that generally, expenditure under Minor head 800 was incurred at the time of calamity, flood or accidents, awards, water theft protection. Department further stated that the provision under Minor head 800 was not significant amount compared to the overall budget size of the Department.

The Department assured that necessary provision would be made in appropriate Minor Heads at the time of budget estimates for the year 2026-27 in consultation with the Finance Department.

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting.

3.8 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 Accounts circle.

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 3.14**.

Table 3.14: Balances under Suspense and Remittance Heads

(₹ in crore)

Minor Head	2022-23		2023-24		2024-25	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 – Suspense						
101 - PAO suspense	139.37	(-)0.93	136.89	0.86	156.54	(-) 1.52
Net	Dr. 140.30		Dr. 136.03		Dr.158.06	
102 - Suspense Account-Civil	(-)9.69	(-)29.42	28.49	22.21	21.54	9.51
Net	Dr. 19.73		Dr. 6.28		Dr.12.03	
109 - Reserve Bank Suspense – Headquarters	0.33	0.00	0.43	0.04	0.31	(-) 0.02
Net	Dr. 0.33		Dr. 0.39		Dr. 0.33	
110 - Reserve Bank Suspense - CAO	201.34	4.39	300.92	(-)4.39	201.35	42.37
Net	Dr. 196.95		Dr. 305.31		Dr. 158.98	
112 - Tax Deducted at Source (TDS) Suspense	0.00	60.73	0.00	77.82	0.00	78.75
Net	Cr. 60.73		Cr. 77.82		Cr. 78.57	
123 - A.I.S Officers' Group Insurance Scheme	0.24	0.15	0.40	0.36	0.19	0.24
Net	Dr. 0.09		Dr. 0.04		Cr. 0.05	
Major Head 8782- Remittances						
102 - P.W. Remittances	20,163.07	21,106.67	25,580.59	26,919.27	26,768.06	28,698.09
Net	Cr. 943.60		Cr. 1,338.69		Cr. 1,930.04	
103 - Forest Remittances	1,384.39	1,491.49	1,653.02	1,719.73	1,832.32	1,974.18
Net	Cr. 107.10		Cr. 66.71		Cr. 141.86	

Minor Head	2022-23		2023-24		2024-25	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
108 Other Remittances	96.76	109.00	112.06	121.69	87.49	91.78
Net	Cr. 12.24		Cr. 9.63		Cr. 4.29	

Source: Finance Accounts of respective years.

Case Study : Suspense transactions

Audit test checked the suspense transactions for examining the reasons due which the amounts are still lying under suspense.

Pay and Accounts Office Suspense

- National Highway Division Suspense: For the year 2024-25, a claim of ₹ 30 crore (expenditure booked under various National Highway Divisions of Gujarat state) was not approved by the National Highway Division, Mumbai. Further, the Suspense Account has also an unapproved expenditure of ₹ 17 crore for the period 2016-24, which needs reconciliation.
- Central Pension Accounting Office, New Delhi: An amount of ₹ seven crore is lying in the suspense account for different months from November 2021.

Suspense Account (Civil)

- Reimbursement of pension claims paid to pensioners of the Central/Western Railway Suspense: An amount of ₹ 5.77 lakh and ₹ 88 lakh is lying in the suspense accounts for different months from August 2020 onwards due to non-submission of related vouchers to PAO, Central Railway, Mumbai and PAO, Western Railway, Mumbai. In the event of non-production of vouchers, this will be a burden on the Consolidated Fund of the State.
- Controller of Defence (Pension), Allahabad: An amount of ₹ 10.69 crore is lying in the suspense accounts for different months from November 2021.

Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

3.9 Reconciliation of Departmental Figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, State Financial Rules stipulate that Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Principal Accountant General (A&E).

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 Principal 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.

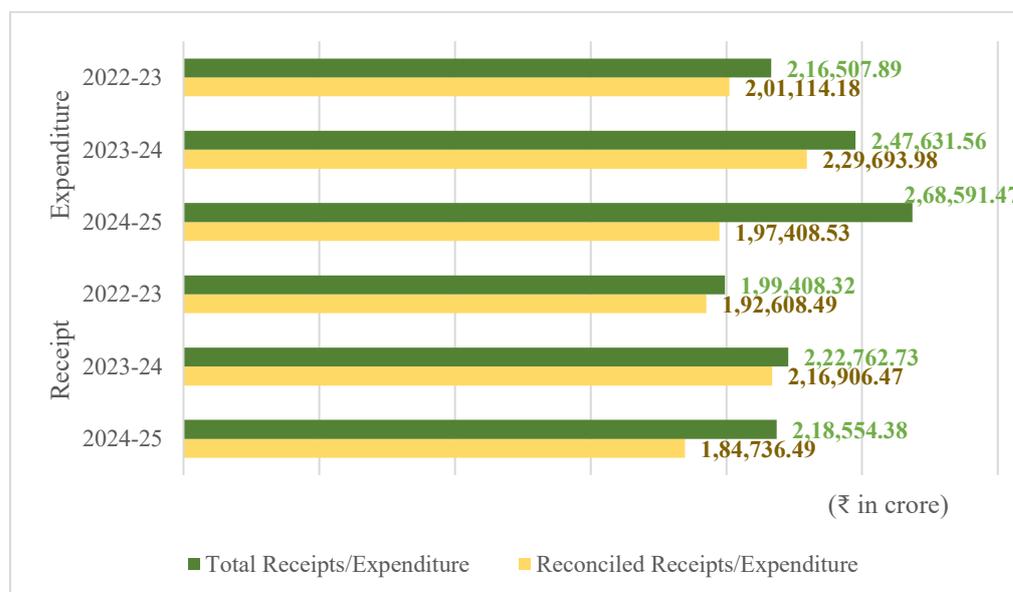
The status of reconciliation of figures by the Controlling Officers is given in **Table 3.15** and **Chart 3.5**.

Table 3.15: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

Year	Total No. of Controlling Officers	No. of Controlling Officers reconciled their receipts/ expenditure		
		Fully reconciled	Partially reconciled	Not reconciled
Receipts				
2022-23	80	79	01	00
2023-24	80	77	03	00
2024-25	80	53	13	14
Expenditure				
2022-23	527	511	16	00
2023-24	527	500	23	04
2024-25	527	351	64	112

Source: Information maintained by office of the Principal Accountant General (A&E)

Chart 3.5: Status of Reconciliation of Receipts and Expenditure during the year 2022-25



Source: Information maintained by Principal Accountant General (A&E).

Necessary action for reconciliation in respect of all receipts and expenditure is required to be taken.

3.10 Reconciliation of Cash Balances

The Cash balance as on 31 March 2025 as per the record of Principal Accountant General was ₹ 7.21 crore (Debit) and that reported by the RBI was ₹ 18.80 crore (Debit). There was a net difference of ₹ 11.59 crore, mainly due to pending reconciliation between the Treasury / RBI /Agency Bank and PAG Office. The difference is under reconciliation.

The position for the last year, *i.e.*, as on 31st March 2024 was ₹ 7.04 crore.

After integration of e-Kuber system (of the RBI) with State Integrated Financial Management System (IFMS) for payments in the State, the difference in reported transactions has increased as the State IFMS reports are on transaction date basis whereas the e-Kuber system reports the transactions on scroll date basis.

3.11 Unspent amount lying with divisional officers

As per Codal provisions, funds received by Public Works Divisions towards Deposit Works from non-government agencies are required to be credited under Minor Head '108 - Public Works Deposits' below Major Head '8443 - Civil Deposits'. The expenditure for related Deposit Works is also met from the same head of account. In the Monthly Divisional Accounts unremitted amount of such deposits are classified under Major Head '8671 -Departmental Balances, 101 – Civil', by the PW Divisions, under Public Account of the State and then form part of the Government Accounts. However, the funds received towards Deposits Works are being kept in the bank accounts of Divisional Officers operated by PW Divisions instead of remitting them into the Government Accounts and thus, are not forming part of cash balance of the State with Reserve Bank of India.

No such cases were noticed during financial attest audit.

3.12 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 2025, four 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 2024-25 are given in **Table 3.16**.

Table 3.16: Compliance with IGAS

Accounting Standard	Essence of IGAS	Compliance by State Government	Deficiency
IGAS – 1 <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.
IGAS – 2 <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 2024-25, Government of Gujarat not ¹⁸ correctly budgeted for and booked Grants-in-aid under the Revenue Section. Further, information regarding Grants-in-aid given in kind had not been provided by State Government to the Principal Accountant General (A&E).
IGAS – 3 <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 2025, it did not confirm the outstanding loan balances as well as 'loans in perpetuity' despite constant pursuance by the Principal Accountant General (A&E).
IGAS – 4 <i>Prior Period Adjustments</i>	The objective of this Standard is to prescribe the manner in which Prior Period Adjustments including errors once identified shall be presented and disclosed in the current period (the financial year) under the cash basis of accounting.	Complied.	During the year prior period adjustment was done.

¹⁸ Expenditure of ₹ 3.96 crore on GIA for creation of capital assets has been classified as Capital Expenditure instead of Revenue Expenditure

3.13 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 42 out of 70 ABs are required to be placed in the State Legislature.

Only two¹⁹ out of 70 ABs submitted²⁰ their Accounts for the year 2024-25, while 277 Accounts in respect of 68 ABs were pending as of 31 July 2025, as detailed in *Appendix 3.5*.

A break-up of delay in submission of Accounts by 68 ABs is shown in **Table 3.17**.

Table 3.17: Delay in submission of Accounts

Delay in submission of Accounts for Audit	
Period of delay (up to 31 July 2025)	Number of ABs
Up to 1 year	27
2 years	6
More than 2 years	35
Total	68

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Delay in submission of Accounts and tabling of SARs in the State Legislature was fraught with risk as it delayed scrutiny of functioning of these Bodies, where Government investments are made.

3.14 Submission of Accounts by Bodies and Authorities substantially financed through grants or loans

As on 31 March 2025, there were 290 ABs which were substantially financed through grants or loans from the Consolidated Fund of the State. All the 290 ABs attracted audit under Section 14 of the C&AG’s (DPC) Act, 1971.

A total of 147 Accounts (including those of earlier years) of 92 ABs were audited during 2024-25. Four²¹ ABs submitted their accounts for the period 2024-25. However, 872 Annual Accounts of 286 ABs, which were due up to 2024-25 in accordance with Section 14 of the C&AG’s (DPC) Act, 1971, were

¹⁹ (i) Gujarat Electricity Regulatory Commission; and (ii) Gujarat Real Estate Regularity Authority, Gandhinagar

²⁰ Accounts were to be submitted by the ABs within three months of closure of the financial year *i.e.* by 30 June every year.

²¹ (i) Forest Development Agency, Gir West; (ii) Gujarat State Biotechnology Mission; (iii) Gujarat State Electronic Mission; (iv) State Forest Development Agency

not received as of 31 July 2025 by the Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Details of 286 ABs which did not furnish Accounts are shown in **Appendix 3.6** while their age-wise pendency is shown in **Table 3.18**.

Table 3.18: Age-wise arrears of Annual accounts due from Autonomous Bodies

Sr. No.	Pendency (in years)	Number of Bodies/Authorities
1.	Less than one year (2024-25)	119
2.	2-3 (2022-24)	97
3.	4-5 (2020-22)	35
4.	6-10 (2015-20)	22
5.	Above 10	13
Total		286

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II)

Table 3.18 above shows that the accounts of 35 ABs were in arrears for more than five years. Non-submission of Annual Accounts by a large number of substantially financed Autonomous Bodies undermines financial accountability and transparency, as Audit is unable to verify the utilisation of grants and loans released from the Consolidated Fund. Persistent arrears, extending in some cases beyond ten years, dilute effective oversight, weaken compliance with the General Financial Rules, and increase the risk of irregular or inefficient use of public funds while continuing releases without account verification compromise fiscal discipline and legislative assurance.

In view of provisions under Rule 238 (2) of General Financial Rules, 2017, the administrative Departments need to review the pendency of submission of accounts before release of grants in succeeding years. The Finance Department needs to keep a watch on such transfers.

Case Study : Deficiencies noticed in the Accounts of Autonomous bodies

As per Government of Gujarat, Finance Department Circular No. MIS -10-2013-471874-GOC (August 2013), various instructions and format for the adoption of common format of Accounts by the societies/Trust /missions etc. under various Government Departments from financial year 2013-14. All the autonomous body of the state were directed to ensure that the accounts are prepared, finalized, audited, and submitted to Government in the uniform format of accounts enclosed and the accounts will be based on the principle of “Accrual system of accounting” and the concept of “going concern” will have to be maintained.

During Grant Audit basis of accounting and status of Audit Reports in respect of ABs substantially financed by GAD was checked. The details are as per **Table 3.19**:

Table 3.19: Basis of accounting followed by ABs substantially financed by GAD

Sl No.	Name of AB	Year	Basis of Accounting	Audit Report submitted to Department	Submitted to Audit office
1	Gujarat Social Infrastructure Development Society	22-23	Cash basis	Yes	Yes
		23-24		Yes	No
		24-25		No	No
2	Gujarat State Non Resident Gujaratis Foundation	22-23	Cash basis	Yes	No
		23-24		Yes	No
		24-25		Yes	No
3	Gujarat Information Commission	22-23	Cash basis	Yes	Yes
		23-24		Yes	Yes
		24-25		Yes	No
4	Gandhinagar Gymkhana	22-23	Accrual basis	Yes	Yes
		23-24		Yes	No
		24-25		No	No
5	Sardar Patel Institute of Public Administration	22-23	Accrual basis	Yes	Yes
		23-24		Yes	Yes
		24-25		No	No
6	Gujarat Rajya Institution of Transformation		This Autonomous body has been operational w.e.f. 03 December 2024.		

Source: Information provided by the Department and Autonomous Bodies.

The Finance Department instructions were not observed by three out of five ABs substantially financed by the Department.

The Department was notified (September 2025) and their response is awaited (January 2026), despite issue of repeated reminders (October and November 2025).

3.15 Timeliness and Quality of Accounts

The Accounts of the State Government are compiled by the Principal Accountant General (A&E) from the initial Accounts rendered by 33 District Treasuries, 155 Public Works Divisions and 73 Forest Divisions, compiled Accounts of Pay and Accounts Offices at Gandhinagar and Ahmedabad, and advice of the RBI. The Accounts are compiled from the vouchers, initial and subsidiary Accounts rendered by the Treasuries, and other Account-rendering units. There was no pendency in receipt of Accounts.

3.16 Misappropriations, losses, thefts etc.

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 178 cases of misappropriation, losses, defalcations, *etc.* involving Government money of ₹ 74.09 crore (up to March 2025) 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 2025 are given in *Appendix 3.7*. These are summarised in **Table 3.20**.

Table 3.20: Details of theft, misappropriation and fire cases

Category/Types	Number of cases	Amount involved (₹ in crore)
Theft	48	0.52
Misappropriation/loss of Government Material	113	72.88
Fire/Accident Cases	17	0.69
Total	178	74.09

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

The age profile of 178 pending case is summarised in **Table 3.21**.

Table 3.21: Age profile of misappropriation, losses and defalcation cases

Range in years	Number of cases	Amount (₹ in crore)
Up to 5	17	48.75
5 – 10	38	16.22
10 – 15	22	2.62
15 – 20	19	0.55
20 – 25	10	5.03
25 and above	72	0.92
Total	178	74.09

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

Out of 178 pending cases, 95 cases (53 *per cent*) pertained to three Departments *i.e.* Forest and Environment Department (42 cases); Narmada, Water Resources, Water Supply and Kalpsar Department (26 cases); and Revenue Department (27 cases).

First Information Reports (FIRs) were lodged in 140 of 178 cases. In the remaining 38 cases, Departmental proceedings were under progress (October 2025).

The reasons for delay/outstanding pendency cases (case-wise and amount-wise) are listed in **Table 3.22**.

Table 3.22: 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	24	57.99
2.	Departmental action initiated but not finalized	25	1.89
3.	Criminal proceedings finalized but execution of certificate for the recovery of amount pending	5	0.66

Sr. No.	Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in crore)
4.	Awaiting orders for recovery or write off	56	3.88
5.	Pending in the courts of law	63	9.63
6.	Others	5	0.04
Total		178	74.09

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

Case Study : Loss due to fire

Audit test-checked (November 2025) the records of District Statistical Officer, Gandhinagar and observed one incident related to loss of government property due to fire on the morning of 09 November 2021. The Office assessed loss of official records and damage to movable property at ₹ 33.14 lakh. No independent report was found on record regarding analysis of losses. The District Statistical Officer reported this incident to the Development Commissioner, Gandhinagar and the Director, Economic and Statistics, Gandhinagar but not to the Statutory Auditor. First Information Report was also not lodged in police station.

3.17 Follow-up action on State Finances Audit Report

In every State, the Public Accounts Committee (PAC)/Finance Department require the line departments to provide a *suo-motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within three months of placing the Reports in the Legislature. The line departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within three months of tabling the PAC Reports.

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.

3.18 Conclusion

- Avoidable operation of omnibus Minor Head 800 – Other Receipts/Other Expenditure affected transparency in financial reporting.
- Non-submission of 4,258 Utilisation Certificates amounting to ₹ 7,431.84 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 delays in submission of Accounts by the Autonomous Bodies and Authorities, indicating that internal controls and monitoring mechanism at the Government level needed to be suitably strengthened to minimise such occurrences.

3.19 Good Practices

- During the year 2024-25, the State Government received an amount of ₹ 8.17 crore under the National Mineral Exploration Trust (NMET) Deposits, being 2 *per cent* of royalty as NMET contribution from mine holders. The State Government transferred the entire amount of ₹ 8.17 crore to the National Mineral Exploration Trust, as mandated by the statute.
- Based on instructions from the Government of India, the State Government has established (August 2025) the State Mineral Exploration Trust (SMET) to be operated through a bank account for financing exploration activities related to minor minerals.

3.20 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 Accounts.

Ahmedabad
The 17 FEB 2026



(BIJIT KUMAR MUKHERJEE)
Principal Accountant General (Audit-II),
Gujarat

Countersigned

New Delhi
The 24 FEB 2026



(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

Appendix – 1.1
Time series data on the State Government Finances
(Reference: Paragraph 1.1.3)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PART A- Receipts										
1. Revenue receipts	97,483	1,09,842	1,23,291	1,36,002	1,42,844	1,28,156	1,66,830	1,99,408	2,22,763	2,18,555
(i) Own Tax revenue	62,649	64,443	71,549	80,103	79,008	70,266	97,678	1,24,809	1,34,214	1,40,706
State Goods and Service Tax (SGST)	-	-	21,251	34,889	34,107	29,459	43,487	52,154	58,010	65,840
Taxes on sales, trade, etc.(VAT/Sales Tax)	44,091	46,314	29,639	22,414	21,072	18,800	29,044	36,984	33,127	33,112
State Excise	123	152	85	131	138	134	155	188	200	201
Taxes on Vehicles	3,008	3,213	3,885	4,119	3,847	2,981	3,889	5,002	5,568	5,908
Stamps and Registration Fees	5,549	5,783	7,255	7,781	7,701	7,390	10,433	14,207	15,334	17,445
Land Revenue	2,529	1,999	1,859	2,408	2,359	2,134	2,782	4,480	8,558	4,801
Taxes on Goods and Passengers	265	66	131	117	48	104	11	55	242	259
Taxes on Electricity Duty	6,000	5,833	6,484	7,348	8,774	8,319	7,013	10,593	11,514	11,736
Other Taxes	1,084	1,083	960	896	962	945	864	1,146	1,661	1,404
(ii) Non-Tax Revenue	10,194	13,346	15,074	13,417	18,104	10,493	14,018	18,434	23,708	18,964
(iii) State's share of Union Taxes and Duties	15,691	18,835	20,782	23,489	20,232	20,219	31,106	33,034	39,284	44,758

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
(iv) Grants-in-Aid from Government of India ¹	8,949	13,218	15,886	18,993	25,500	27,178	24,028	23,131	25,557	14,127
2. Miscellaneous Capital Receipts	0	240	0	65	106	9,968	0	0	0	0
3. Recoveries of Loans and Advances	125	166	346	151	330	155	155	254	1,376	1,072
General Services	-	-	-	-	-	-	-	-	-	-
Social Services	7	7	7	12	16	17	37	28	205	173
Economic Services	54	101	291	89	271	83	148	173	1,116	844
Loans to Government Servants and Miscellaneous Loans	64	58	48	50	43	56	(-) 30	53	55	55
4. Total Revenue and Non-Debt Capital Receipts (1+2+3)	97,608	1,10,248	1,23,637	1,36,218	1,43,280	1,38,280	1,66,985	1,99,662	2,24,139	2,19,627
5. Public Debt Receipts	23,486	27,668	26,953	43,146	43,491	58,857	46,969 ²	52,333	40,392	51,253
Internal Debt (excluding Ways and Means Advances and Overdrafts)	23,234	27,477	26,863	40,950	42,694	47,508	33,293	46,463	34,902	42,054
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-	-	-	-	-	-
Loans and Advances from Government of India	253	191	90	2196	797	11,349	13,676 ¹	5,870	5,490	9,199
6. Total receipts in the Consolidated Fund (4+5)	1,21,094	1,37,916	1,50,590	1,79,364	1,86,771	1,97,137	2,13,954	2,51,995	2,64,531	2,70,880

¹ Excludes funds transferred directly to NGOs/VOs in the State

² The figure of 'Public debt receipts' here do not tally with the figure in Table 1.32 due to rounding-off difference of ₹ 1.00 crore.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
7. Contingency fund receipts	14	4	0	0	0	0	0	0	20	0
8. Public Account receipts (Gross)	65,132	58,959	89,133	1,05,720	1,04,862	1,00,214	1,18,597	1,22,483	1,46,818	1,90,149
9. Total receipts of the State (6+7+8)	1,86,240	1,96,879	2,39,723	2,85,084	2,91,633	2,97,351	3,32,551	3,74,478	4,11,369	4,61,029
PART B- Expenditure/Disbursements										
10. Revenue Expenditure	95,779	1,03,895	1,18,060	1,32,790	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286	1,99,612
Programme										
Administrative										
State Fund Expenditure	-	-	1,03,047	1,17,424	1,21,874	1,30,334	1,42,028	1,65,455	1,74,094	1,85,861
Central assistance including CSS/CS	-	-	15,013	15,366	19,025	20,370	18,393	14,088	15,192	13,751
General Services (including Interest Payments)	32,876	35,804	41,402	47,564	49,172	52,074	56,423	61,269	66,705	71,192
Social Services	42,120	44,926	49,039	53,285	59,197	60,816	68,254	75,125	78,686	83,640
Economic Services	20,224	22,749	27,145	31,576	32,115	37,424	35,332	42,672	43,340	43,995
Grants-in-Aid and Contributions	559	416	474	365	415	390	412	477	555	785
11. Capital Expenditure	24,169	22,355	26,313	28,062	25,650	26,781	28,185	35,499	55,679	65,428
Programme										
Administrative										
State Fund Expenditure	-	-	20,305	23,087	20,539	22,322	22,391	33,970	54,180	63,432
Central assistance including CSS/CS	-	-	6,008	4,975	5,111	4,459	5,794	1,529	1,499	1,996
General Services	808	623	871	875	691	485	550	820	1,152	1,029
Social Services	6,417	6,215	6,813	7,696	6,175	7,040	8,373	12,804	22,269	25,725

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Economic Services	16,944	15,517	18,630	19,491	18,784	19,256	19,262	21,875	32,258	38,674
12. Disbursement of loans and advances	675	478	631	1,731	1,312	1,233	1,071	1,466	2,667	3,552
General Services	-	-	-	-	-	-	-	-	-	-
Social Services	146	217	265	924	884	708	924	1,139	2,362	3,139
Economic Services	473	198	311	756	379	477	114	272	238	296
Loans to Government Servants and Miscellaneous Loans	56	63	55	51	49	48	33	55	67	117
13. Total expenditure (10+11+12)	1,20,623	1,26,728	1,45,004	1,62,583	1,67,861	1,78,718	1,89,677	2,16,508	2,47,632	2,68,592
14. Repayments of public debt	6,194	9,073	13,700	15,432	16,702	17,922	24,436	22,159	26,136	29,126
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5,534	8,386	12,991	14,719	15,908	17,139	23,518	20,991	24,959	28,260
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-	-	-	-	-	-
Loans and Advances from Government of India	660	687	709	713	794	783	918	1,168	1,177	866

* The figure here do not tally with the figure in Chart 1.6 and Table 1.3 due to higher rounding.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
15. Appropriation to Contingency Fund	-	-	-	-	-	-	-	-	-	-
16. Total disbursement out of Fund Consolidated (13+14+15)	1,26,817	1,35,801	1,58,704	1,78,015	1,84,563	1,96,640	2,14,113	2,38,667	2,73,768	2,97,718
17. Contingency Fund disbursements	4	-	-	-	-	-	-	20	-	-
18. Public Account disbursements	61,936	56,388	87,738	1,03,998	1,02,635	1,07,893	1,13,609	1,20,935	1,35,160	1,69,751
19. Total disbursement by the State (16+17+18)	1,88,757	1,92,189	2,46,442	2,82,013	2,87,198	3,04,533	3,27,722	3,59,622	4,08,928	4,67,469
Part C- Deficits										
20. Revenue Deficit (-) / Revenue Surplus (+) (1-10)	(+)1,704	(+)5,947	(+)5,232	(+)3,212	(+)1,945	(-)22,548	(+)6,409	(+)19,865	(+)33,477	(+)18,943
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)23,015	(-)16,480	(-)21,366	(-)26,365	(-)24,581	(-)40,438	(-)22,692	(-)16,846	(-)23,493	(-)48,965
22. Primary Deficit (-)/Primary Surplus (+) (21+23)	(-)6,715	(+)1,317	(-)2,412	(-)6,182	(-)2,133	(-)16,235	(+)2,496	(+)8,508	(+)3,683	(-)20,940
Part D- Other data										
23. Interest Payments (included in Revenue Expenditure)	16,300	17,797	18,954	20,183	22,449	24,203	25,188	25,354	27,176	28,025
24. Financial Assistance to Local Bodies etc.	44,048	48,055	54,807	59,611	64,262	64,637	69,808	80,753	82,181	85,337
25. Ways and Means Advances/ Overdraft availed (days)	-	-	-	-	-	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-	-	-	-	-	-

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Overdraft availed (days)	-	-	-	-	-	-	-	-	-	-
26. Interest on Ways and Means Advances/ Overdraft	-	-	-	-	-	-	-	-	-	-
27. Gross State Domestic Product (GSDP) ^Φ	10,29,010	11,67,156	13,29,095	14,92,156	16,17,143	16,16,106	19,20,927	2,203,419 (P)	24,25,804 (Q)	26,72,025 (A)
28. Outstanding Fiscal Liabilities (year-end)	2,21,090	2,43,146	2,56,366	2,85,844	3,15,456	3,57,892	3,80,798 ³	4,12,372 ⁴	4,20,180 ⁵	4,59,460
29. Outstanding Guarantees (year-end)	5,236	4,804	4,834	4,699	4,462	3,656	3,089 ⁶	1,473	1,463	1,421
30. Maximum amount Guaranteed (year-end)	11,333	11,333	11,796	11,796	11,747	11,751	10,757	9,951	9,541	9,534
31. Number of Incomplete Projects	70	65	96	118	123	158	176	213	204	200
32. Capital Blocked in Incomplete Projects	4,910	6,060	4,278	2,207	5,811	6,929	7,478	12,244	16,403	18,145
Part E- Fiscal Health Indicators (in percent)										
I. Resource Mobilisation										
Own Tax Revenue/GSDP	6.09	5.52	5.38	5.37	4.89	4.35	5.08	5.66	5.53	5.27
Own Non-Tax Revenue/GSDP	0.99	1.14	1.13	0.90	1.12	0.65	0.73	0.84	0.98	0.71
Own Revenue/GSDP	7.08	6.66	6.52	6.27	6.01	5.00	5.81	6.50	6.51	5.98
Central Transfers/GSDP	2.39	2.75	2.76	2.85	2.83	2.93	2.87	2.55	2.67	2.20

³ Decreased by ₹ 4 crore from previous year's report figure due to proforma correction.

⁴ Decreased by ₹ 6 crore from previous year's report figure due to proforma correction.

⁵ Decreased by ₹ 16,727 crore from previous year's report figure due to proforma correction.

⁶ Increased by ₹ 45 crore from previous year's report figure due to proforma correction.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Own Revenue/Total Expenditure	60.39	61.38	59.74	57.52	57.85	45.19	58.89	66.16	63.77	59.45
II. Expenditure Management										
Total Expenditure/GSDP	11.72	10.86	10.91	10.90	10.38	11.06	9.87	9.83	10.21	10.05
Total Expenditure/Revenue Receipts	123.74	115.37	117.61	119.54	117.51	139.45	113.69	108.58	111.16	122.89
Revenue Expenditure/Total Expenditure	79.40	81.98	81.42	81.68	83.94	84.33	84.58	82.93	76.44	74.32
Expenditure on Social Services/Total Expenditure	40.24	40.35	38.52	37.51	38.94	37.97	40.40	40.61	40.77	40.72
Expenditure on Economic Services/Total Expenditure	30.81	30.20	31.57	31.41	30.32	31.71	28.78	29.81	30.53	30.78
Capital Expenditure/Total Expenditure	20.04	17.64	18.15	17.26	15.28	14.99	14.86	16.40	22.48	24.36
Capital Expenditure on Social and Economic Services/Total Expenditure	19.37	17.15	17.55	16.72	14.87	14.71	14.57	16.02	22.02	23.98
III. Management of fiscal imbalances										
Revenue Surplus/GSDP or Deficit	0.17	0.51	0.39	0.22	0.12	(-)1.40	0.33	0.90	1.38	0.71
Fiscal Deficit/GSDP	(-)2.24	(-)1.41	(-)1.61	(-)1.77	(-)1.52	(-)2.50	(-)1.18	(-)0.76	(-)0.97	(-)1.83
Primary Deficit (-) or Surplus (+) /GSDP	(-)0.65	0.11	(-)0.18	(-)0.41	(-)0.13	(-)1.00	0.13	0.39	0.15	(-)0.78
Revenue Deficit/Fiscal Deficit	(-)7.40	(-)36.09	(-)24.49	(-)12.18	(-)7.91	55.76	(-)28.24	(-)117.92	(-)142.50	(-)38.69

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
IV. Debt Sustainability										
Outstanding Liabilities/GSDP ⁷	21.49	20.83	19.29	19.16	19.51	21.57	18.66	17.70	16.67	16.99
Outstanding Liabilities/RR ⁷	226.80	221.36	207.94	210.18	220.84	272.07	214.91	195.63	181.54	207.69
Interest Payments/Revenue Receipts	16.72	16.20	15.37	14.84	15.72	18.89	15.10	12.71	12.20	12.82
Primary Deficit <i>vis-à-vis</i> Quantum Spread (<i>per cent</i>)	-84.36	6.21	-15.79	-49.99	-82.01	69.99	6.10	29.91	29.03	(-)142.96
V. Other Fiscal Health Indicators										
Return on Investment	0.14	0.14	0.11	0.13	0.09	0.12	0.12	0.08	0.56	1.67
Financial Assets/Liabilities	89.46	91.11	94.18	96.44	98.64	92.47	94.41	99.56	111.24	114.24

Source: Finance Accounts of State Government of respective years, Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2024-25) and Directorate of Economics and Statistics, Government of Gujarat.

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

⁷ 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, 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 and repayment of ₹ 6,497 crore during 2023-24 and ₹ 10,229.00 crore during 2024-25, has not been considered as public debt here.

Appendix – 1.2
Abstract of receipts and disbursements for the year -2023-24 and 2024-25
(Refer paragraph 1.1.4, 1.2.4.1 A, 1.2.4.2 A)

(₹ in crore)

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Administrative	Programme	Total
Section A: Revenue							
2,22,763	I. Revenue Receipts	2,18,555	1,89,286	I. Revenue Expenditure-			1,99,612
1,34,214	Tax Revenue	1,40,706	66,705	General Services			71,192
	--		78,686	Social Services-			83,640
23,708	Non-Tax Revenue	18,964	34,406	Education, Sports, Art and Culture			36,803
	--		13,878	Health and Family Welfare			16,212
39,284	State's Share of Union Taxes	44,758	11,340	Water Supply, Sanitation, Housing and Urban Development			11,853
	--		247	Information and Broadcasting			319
0	Non-Plan Grants	0	5,711	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes			6,072
0	Grants for State Plan Schemes	0	1,322	Labour and Labour Welfare			1,437
0	Grants for Central and Centrally Sponsored Plan Schemes	0	9,943	Social Welfare and Nutrition			9,899
9,468	Grants for Centrally Sponsored Plan Schemes	8,625	1,839	Others			1,045
	--		43,340	Economic Services-			43,995
			8,892	Agriculture and Allied Activities			8,560
	--		4,657	Rural Development			5,512
5,258	Finance Commission Grants	4,160	111	Special Areas Programmes			32
	--		2,313	Irrigation and Flood Control			2,929
10,831	Other Transfer/Grants to States	1,342	10,854	Energy			11,318
	--		7,530	Industry and Minerals			8,437
	--		5,835	Transport			4,008
	--		871	Science, Technology and Environment			463
	--		2,277	General Economic Services			2,736
	--		555	Grants-in-aid and Contributions-			785
0	II. Revenue deficit carried over to	0	33,477	II. Revenue Surplus carried over			18,943

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Administrative	Programme	Total
Section B : Capital							
35,531	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	37,972	0	III. Opening Overdraft from Reserve Bank of India			0
0	IV. Miscellaneous Capital Receipts	0	55,679	IV. Capital Outlay-			65,428
	--		1,152	General Services-			1,029
	--		22,269	Social Services-			25,725
	--		3,495	Education, Sports, Art and Culture			4,094
	--		2,333	Health and Family Welfare			3,820
	--		15,847	Water Supply, Sanitation, Housing and Urban Development			16,723
	--		1	Information and Broadcasting			2
	--		170	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes			220
	--		0	Labour and Labour Welfare			0
	--		211	Social Welfare and Nutrition			388
	--		212	Others			478
	--		32,258	Economic Services-			38,674
	--		1,058	Agriculture and Allied Activities			1,382
	--		1,481	Rural Development			1,485
	--		5	Special Areas Programmes			18
	--		9,791	Irrigation and Flood Control			8,447
	--		4,434	Energy			4,246
	--		474	Industry and Minerals			2,332
	--		13,513	Transport			18,894
			591	Communications			437
			911	General Economic Services			1,433
			0	Others			0
1,376	V. Recoveries of Loans and Advances-	1,072	2,667	V. Loans and Advances disbursed-			3,552
246	From Power Projects	115	0	For Power Projects			42
12	From Government Servants	14	15	To Government Servants			15
1,118	From Others	943	2,652	To Others			3,495
33,477	VI. Revenue Surplus brought down	18,943	0	VI. Revenue Deficit brought down			0
40,392	VII. Public Debt Receipts-	51,253	26,136	VII. Repayment of Public Debt-			29,126

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Administrative	Programme	Total
0	External debt		0	External debt			0
34,902	Internal debt other than Ways and Means Advances and Overdrafts		24,959	Internal Debt other than Ways and Means Advances and Overdrafts			28,260
0	Net transactions under Ways and Means Advances		0	Net transactions under Ways and Means Advances			0
0	Net Transactions under Overdraft		0	Net transactions under Overdraft			0
5,490	Loans and Advances from Central Government		1,177	Repayment of Loans and Advances to Central Government			866
20	VIII. Appropriation to Contingency Fund		0	VIII. Appropriation to Contingency Fund			0
0	IX. Amount transferred to Contingency Fund		0	IX. Expenditure from Contingency Fund			0
1,46,818	X. Public Account Receipts-	1,90,149	1,35,160	X. Public Account Disbursements-			1,69,751
1,979	Small Savings and Provident Funds	1,933	1,953	Small Savings and Provident Funds			1,831
5,150	Reserve Funds	4,919	1,425	Reserve Funds			2,061
41,391	Suspense and Miscellaneous	45,699	43,166	Suspense and Miscellaneous			46,108
27,698	Remittance	30,764	27,346	Remittances			30,103
70,600	Deposits and Advances	1,06,834	61,270	Deposits and Advances			89,648
0	XI. Closing Overdraft from Reserve Bank of India	0	37,972	XI. Cash Balance at end-			31,532
--	--		0	Cash in Treasuries and Local Remittances			0
--	--		264	Deposits with Reserve Bank			-7
--	--		2	Departmental Cash Balance including permanent Advances			0
--	--		37,706	Cash Balance Investment			31,539
4,80,377	TOTAL	5,17,944	4,80,377	TOTAL			5,17,944

Source: Finance Accounts of State Government of respective years.

Appendix – 1.3

Summarised financial position of the Government of Gujarat as on 31 March 2025

(Refer paragraph 1.1.5)

(₹ in crore)

As on 31 March 2024			As on 31 March 2025
Liabilities			
3,35,208.25	Internal Debt -	13,793.80	3,49,002.04
2,95,006.34	Market Loans	16,279.53	3,11,285.87
0.56	Bonds	0.00	0.56
21,238.21	Special Securities issued to National Small Saving Fund for the Central Government	(-)3,629.35	17,608.86
18,963.14	Loans from Financial Institutions	1,143.61	20,106.75
23,045.24	Loans and Advances from Central Government -	8,333.45	31,378.69
9.49	Non-Plan Loans	(-)3.30	6.19
2,039.57	Loans for State/Union Territory Plan Schemes	(-)476.67	1,562.90
20,996.18	Other Loans for State/Union Territory with Legislature Schemes	8,813.42	29,809.60
200.00	Contingency Fund	0.00	200.00
10,019.83	Small Savings, Provident Funds, etc.	101.29	10,121.12
46,634.85	Deposits and Advances	17,185.96	63,820.81
18,452.74	Reserve Funds	2,858.54	21,311.28
1,327.97	Remittance Balances	661.03	1,989.00
	Cumulative excess of receipts over expenditure		0.00
4,34,888.88	TOTAL		4,77,822.94
Assets			
4,24,580.68	Gross Capital Outlay on Fixed Assets -	65,428.31	4,90,008.99
1,34,686.54	Investments in shares of Companies, Corporations etc.	8,547.92	1,43,234.46
2,89,894.14	Other Capital Outlay	56,880.39	3,46,774.53
15,653.86	Loans and Advances -	2,479.51	18,133.37
0.00	Contingency Fund	0.00	0.00
0.70	Advances	0	0.7
5,017.27	Suspense and Miscellaneous Balances	408.21	5,425.48
37,971.69	Cash balance (including investment in Earmarked Fund)	(-)6,439.03	31,532.66
(-)48,335.32	Cumulative excess of expenditure over receipts[1]	(-)67,278.26	
4,34,888.88	TOTAL		4,77,822.94

Source: Finance Accounts of State Government of respective years.

Appendix 2.1

Glossary of important Budget related terms

(Reference: Paragraph 2.1)

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.

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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 – 2.2

Limits set by the State PAC in October 1994

(Reference: Paragraph 2.2.2)

Saving	<ol style="list-style-type: none"> 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. 2. Even in case; where the overall saving is 5 per cent or more under a grant / appropriation <ol style="list-style-type: none"> 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 ; 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 :- <ol style="list-style-type: none"> i. if the total provision under 'Revenue Voted' below a grant is ; <ol style="list-style-type: none"> 1. more than ₹ 30 crores and the saving/excess under sub-head is less than ₹ 30 lakhs; 2. between ₹ 10 crores and ₹ 30 crores and the saving/excess under a sub-head is less than ₹ 20 lakhs; 3. less than ₹ 10 crores and savings/excess under a sub-head is less than ₹ 10 lakhs. ii. if the total provision under 'Capital Voted' below grant is <ol style="list-style-type: none"> 1. more than ₹ 20 crores and the savings/excess under a sub-head is less than ₹ 25 lakhs; 2. between ₹ 10 crores and ₹ 20 crores and the saving/excess under sub-head is less than ₹ 20 lakhs; 3. less than ₹ 10 crores and he saving/excess under a sub -head is less than ₹ 10 lakhs. iii. In respect of 'Revenue Charged' and 'Capital Charged' if the saving/excesses under a sub-head is less than ₹ 5 lakhs.
Excess	<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> <ol style="list-style-type: none"> 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>In the following cases even if the excess is less than 10 per cent provision explanation may be given in the Appropriation Accounts:-</p> <ol style="list-style-type: none"> A. If the total provision under 'Revenue Voted' below a grant is :- <ol style="list-style-type: none"> i. More than ₹ 30 crores and excess under a sub-heads is more than ₹ 30 lakhs; ii. Between ₹ 10 crores and ₹ 30 crores and the excess under a sub-head is more than ₹ 20 lakhs iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs; B. If the total provision under 'Capital Voted' below a grants is :- <ol style="list-style-type: none"> i. More than ₹ 20 crores and excess under a sub-heads is more than ₹ 25 lakhs ii. Between ₹ 10 crores and ₹ 20 crores and excess under a sub head is more than ₹ 15 lakhs. iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs C. In respect of 'Revenue Charged' and 'Capital Charged', if the excess under a subhead is more than ₹ 5 lakhs; <ol style="list-style-type: none"> 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.

Appendix – 2.3**Excess expenditure of previous years requiring regularisation**

(Reference: Paragraph 2.5.1 (B))

			(₹ in crore)
Year	No. of Grants/ Appropriations	Grant No./Appropriation No.	Amount of excess
2011-12	06-Grants 04-Appropriations	Revenue Voted- 10, 18, 51, 82, 86 Capital Voted- 87 Revenue Charged – 26, 96 Capital Charged – 20, 81, 96	660.62
2014-15	04-Grants 03-Appropriation	Revenue Voted – 73, 85, 88 Capital Voted – 26 Revenue Charged – 19, 43, 81	144.45
2015-16	01 Grants 03 Appropriations	Revenue Voted – 73 Revenue Charged – 26, 39 Capital Charged – 20	299.09
2016-17	06 Grants 04 Appropriations	Revenue Voted – 9, 67, 73, 83 Capital Voted – 10, 41 Revenue Charged – 74, 96, 106 Capital Charged – 96	278.11
2017-18	02 Grants 01 Appropriation	Revenue Voted – 73 Capital Voted – 3 Revenue Charged - 18	333.99
2018-19	04 Grants 01 Appropriation	Revenue Voted – 9, 13, 73, 86 Revenue Charged - 18	2,394.24
2019-20	03 Grants 01 Appropriation	Revenue Voted - 9, 73, 86 Capital Charged - 20,	1,466.84
2020-21	03 Grants 03 Appropriations	Revenue Voted - 9, 73 Capital Voted - 88 Capital Charged - 20, 66, 96	1,718.52
2021-22	03 Grants 01 Appropriation	Revenue Voted - 9, 73, 79 Revenue Charged - 26	3,511.09
2022-23	04 Grants 01 Appropriation	Revenue Voted - 73,90 Capital Voted – 68,98 Revenue Charged - 18	64.48
2023-24	5 Grants 2 Appropriations	Revenue Voted – 71, 73, 85, 101; Capital Voted – 10; Revenue Charged – 86; Capital Charged – 86.	193.87
Total			11,065.30

Source: Appropriation Accounts of respective years.

Appendix – 2.4

Statement of Grants/Appropriations showing persistent savings during
2022-25

(Reference: Paragraph 2.5.5.1 (B))

(` in crore)

Sr. No.	Name of Grant and nomenclature	Classification	2022-23	2023-24	2024-25
1.	2- Agriculture	Revenue-Voted	1,184.76	2,985.04	4,454.21
2.	6- Fisheries	Capital-Voted	185.51	148.59	138.64
3.	13- Power Projects	Capital-Voted	131.75	3,721.97	2,107.44
4.	18- Pension and other Retirement Benefits	Revenue-Voted	944.12	1,703.93	147.78
5.	19- Other Expenditure Pertaining to Finance Department	Revenue-Voted	13,661.08	10,921.05	6,217.33
6.	20- Repayment of Debt pertaining to Finance Department and its Servicing	Revenue-Charged	1,622.05	1,394.80	2,140.02
7.	43- Police	Revenue-Voted	212.63	187.19	202.60
8.	57- Labour and Employment	Revenue-Voted	245.14	258.70	349.18
9.	65- Narmada Development Scheme	Capital-Voted	645.72	1,043.96	1,958.57
10.	66- Irrigation and Soil Conservation	Capital-Voted	730.87	2,134.19	2,583.45
11.	70- Community Development	Revenue-Voted	123.36	1,052.34	647.33
12.	85- Residential Buildings	Capital-Voted	159.45	148.18	133.50
13.	87- Gujarat Capital Construction Scheme	Capital-Voted	183.03	111.25	182.76
14.	95- Scheduled Castes Sub Plan	Revenue-Voted	527.33	359.98	301.15
15.	96- Tribal Areas Sub Plan	Capital-Voted	148.47	1,182.61	736.15
16.	96- Tribal Areas Sub Plan	Revenue-Voted	1,454.06	1,384.10	751.76
17.	102- Urban Development	Revenue-Voted	942.51	930.29	883.18
18.	106- Other Expenditure pertaining to Women and Child Development Department	Revenue-Voted	822.44	107.57	375.03
19.	108- Other Expenditure Pertaining to Climate Change Department	Revenue-Voted	405.40	593.88	950.63
	Total		24,329.68	30,369.62	25,260.71

Source: Appropriation Accounts of 2022-25.

Appendix 2.5:

Persistent savings in Grants Audit for the period 2022-23 to 2024-25

(Reference: Paragraph 2.5.5.1 (B))

(₹ in crore)

Head description	Year		Total Budget (O+S)	Actual Expenditure	Reappropriation/ Surrender Savings (-) / (per cent)	Reply given by Department
General Administration Department						
Unique Identification Project 3454-02-206-01 (Voted) Grant 34	2022-23	O	0.30	0.22	(-)0.08 (25.26)	Due to vacant post, less expenditure under office expenses and travel expenses.
		S	0.00			
		T	0.30			
2023-24	O	1.32	0.22	(-)1.10 (83.33)	(1) Administrative approval could not be obtained to the scheme family identity card to be implemented on the pattern of Haryana. (2) Vacant posts.	
	S	0.00				
	T	1.32				
2024-25	O	1.35	0.50	(-)0.85 (62.90)	(1) Vacant posts. (2) Family ID- Savings due to delay in administrative and Tendering process on GEM portal to hire consultant.	
	S	0.00				
	T	1.35				
Expenditure of Office of the LOKAYUKTA 2062-00-103-02 (Voted) Grant 35	2022-23	O	1.51	1.19	(-)0.31 (20.66)	(1) Vacant posts, less administrative expenses and travel expenses. (2) less Gandhinagar Municipal Corporation tax
		S	0.00			
		T	1.51			
2023-24	O	1.58	1.42	(-)0.16 (10.12)	(1) Vacant posts, less administrative expenses and travel expenses. (2) less Gandhinagar Municipal Corporation tax.	
	S	0.00				
	T	1.58				
2024-25	O	1.68	1.49	(-)0.19 (11.56)	(1) Vacant posts, less administrative expenses and travel expenses.	
	S	0.00				
	T	1.68				
TDP-2 Sardar Patel Institute of Training in Administration 2070-00-003-01 (Voted) Grant 35	2022-23	O	25.96	12.98	(-)12.98 (50.00)	Due to funds parked in GSFS by SPIPA
		S	0.00			
		T	25.96			
2023-24	O	19.68	2.05	(-)18.48 (89.99)		
	S	0.85				
	T	20.53				
2024-25	O	23.11	0.00	(-)32.37 (100)		
	S	9.26				
	T	32.37				

Head description	Year		Total Budget (O+S)	Actual Expenditure	Reappropriation/ Surrender Savings (-) / (per cent)	Reply given by Department
General Administration Department						
Buildings 4059-01-051-42 (Voted) Grant 35	2023-24	O	5.62	0.00	(-)7.49 (100)	Due to funds parked in GSFS by SPIPA
		S	1.87			
		T	7.49			
	2024-25	O	11.00	0.00	(-)11.00 (100)	
		S	0.00			
		T	11.00			
Narmada, Water Resources, Water Supply and Kalpsar Department						
Direction and Administration 4700.34.001.01 (Voted) Grant 65	2022	O	18.88	16.61	(-)2.27 (12.02)	Surrender in March 2023 was attributed to non-filling up of vacant posts.
		S	0.00			
		T	18.88			
	2023	O	13.76	11.51	(-)2.25 (16.35)	Appropriate reasons are not provided.
		S	0.00			
		T	13.76			
2024	O	54.85	9.48	(-)45.38 (82.73)	Surrender in March 2025 was attributed to non-filling of vacant posts	
	S	0.00				
	T	54.85				
IRG-38 Direction 4402.00.001.01 (Voted) Grant 66	2022	O	98.50	51.82	(-)0.46 (46.93)	Surrender in March 2023 was attributed to non-filling up of vacant posts.
		S	0.00			
		T	98.50			
	2023	O	0.98	0.62	(-)0.36 (37.73)	Withdrawal of provision of ₹61.74 lakh through surrender in March 2024 was attributed to non-filling up of vacant posts
		S	0.00			
		T	0.98			
2024	O	1.07	0.72	(-)0.35 (32.71)	Surrender in March 2025 was attributed to continued vacancy of sanctioned posts.	
	S	0.00				
	T	1.07				
Construction of Barrage on River Narmada Near village Bhadbhut 4702.00.101.03 (Voted) Grant 66	2022	O	1240.00	607.03	(-)632.97 (51.04)	Surrender and Reappropriation in March 2023 was attributed to delay in work due to land acquisition.
		S	0.00			
		T	1240.00			
	2023	O	1,415.39	801.06	(-)614.33 (43.40)	Surrender in March 2024 was attributed to delay in land acquisition
		S	0.00			
		T	1,415.39			
2024	O	1,166.81	802.18	(-)364.63 (31.25)	Surrender in March 2025 was attributed to delay in land acquisition	
	S	0.00				
	T	1,166.81				
Direction 4701.80.001.01 (Voted) Grant 66	2022	O	10.32	5.71	(-)4.61 (44.67)	Non-filling up of vacant posts in various circle offices.
		S	0.00			
		T	10.32			
	2023	O	12.04	6.45	(-)5.59 (46.42)	Surrender in March 2024 was attributed to non-filling up of the vacant
		S	0.00			
		T	12.04			

Head description	Year		Total Budget (O+S)	Actual Expenditure	Reappropriation/ Surrender Savings (-) / (per cent)	Reply given by Department
General Administration Department						
						posts and non-submission of TA/LTC bills.
	2024	O S T	10.56 0.00 10.56	6.59	(-)3.97 (37.59)	Surrender in March 2025 was attributed to non-filling up of the vacant posts
Administration 4701.80.001.02 (Voted) Grant 66	2022	O S T	62.74 0.00 62.74	44.45	(-)18.29 (29.15)	Non-filling up of vacant posts in various circle offices.
	2023	O S T	65.80 0.00 65.80	48.52	17.28 (26.26)	Surrender in March 2024 was attributed to non-filling up of the vacant posts
	2024	O S T	62.30 0.00 62.30	49.40	(-) 12.90 (20.70)	Non-filling up of vacant posts in various circle offices.
Minor Irrigation 4702.00.101.02 (Voted) Grant 66	2022	O S T	389.00 0.00 364.75	356.62	(-)32.38 (8.32)	DPR, survey and investigation in progress and other reasons.
	2023	O S T	482.00 0.00 482.00	48.87	(-)433.13 (89.86)	Surrender in March 2024 was attributed to delay in tender stage, TS Stage and Design.
	2024	O S T	402.81 0.00 402.81	84.55	(-)318.26 (79.01)	Surrender in March 2025 was attributed to deferment, delays, and policy-related factors affecting multiple projects.
Set up of Desalination Plants 4215.01.102.28 (Voted) Grant 67	2022	O S T	400.00 0.00 400.00	100.00	(-)300.00 (75.00)	Due to less expenditure.
	2023	O S T	500.00 0.00 500.00	250.00	(-)250.00 (50.00)	Surrender in March 2024 was attributed to less expenditure than anticipated.
	2024	O S T	500.00 0.00 500.00	100.00	(-)400.00 (80.00)	All works of PPP Hybrid Annuity mode are under progress.

Source: - Appropriation Accounts for respective years.

Appendix – 2.6

Statements of Grants/Appropriations in which savings were not surrendered

(Reference: Paragraph 2.5.5.1 (D))

(₹ in crore)

Sr. No.	Grant No.	Name of Grant	Classification	Total Grant	Expenditure	Savings
1	39	Medical and Public Health	Revenue Voted	9,157.91	8,942.11	215.80
2	07	Other Expenditure Pertaining to Agriculture and Co-operation Department	Revenue Charged	17.91	17.85	0.06
3	11	Energy and Petro-Chemicals Department		0.02	0.00	0.02
4	41	Other expenditure pertaining to Health and Family Welfare Department		0.85	0.84	0.01
5	38	Health and Family Welfare Department		1.00	0.99	0.01
6	39	Medical and Public Health	Capital Voted	3,967.72	3,914.96	52.76
7	40	Family Welfare		354.53	339.61	14.92
8	41	Other expenditure pertaining to Health and Family Welfare Department		0.31	0.11	0.20
9	87	Gujarat Capital Construction Schemes	Capital Charged	0.01	0.00	0.01
Total				13,500.26	13,216.47	283.79

Source: Appropriation Accounts of 2024-25.

Appendix – 2.7
New items not implemented during the period 2022-23 to 2024-25
 (Reference: Paragraph 2.5.7.1)

Narmada, Water Resources, Water Supply and Kalpasar Department

Sr. No	Description of Item	Administrative Approval (Rs. In lakh)		Physical Target	Grant Released / Revised Estimate (₹ in lakh)	Expenditure	Present Status	Remarks/Reason for non-implementation
		Recurrent	Non Recurrent					
2022-23								
1	To purchase different type of 61. Nos Machinery	-	1402.79	To purchase different type of 61. Nos Machinery	1402.79	1371.00	Reply Awaited	No Remarks
2	Purchase of new vehicles	-	165.91	Purchase of new vehicles	165.91	115.60	Reply Awaited	No Remarks
3	Works Under 15th Finance Commission	-	1.00	Works Under 15th Finance Commission	1.00	0.00	Reply Awaited	No Remarks
2023-24								
4	Purchase of Heavy Machinery	-	451.00	Purchase of Heavy Machinery	451.00	473.10	Reply Awaited	No Remarks
5	Purchase of new vehicles	-	391.00	Purchase of new vehicles	391.00	416.50	Reply Awaited	No Remarks
2024-25								
6	Creation of 1 post of Office Superintendent at Superintending Engineer, Irrigation Mech Circle No.2 Ahmedabad	-	9.00	Creation of 1 post of Office Superintendent at Superintending Engineer, Irrigation Mech Circle No.2 Ahmedabad	9.00	0.00	Reply Awaited	No Remarks

Sr. No	Description of Item	Administrative Approval (Rs. In lakh)		Physical Target	Grant Released / Revised Estimate (₹ in lakh)	Expenditure	Present Status	Remarks/Reason for non-implementation
		Recurrent	Non Recurrent					
7	Creation of 1 post of Divisional Accountant Class 3 at Executive Engineer Irrigation, Mechanical Division. No 4. Ahmedabad	-	7.00	Creation of 1 post of Divisional Accountant Class 3 at Executive Engineer Irrigation, Mechanical Division. No 4. Ahmedabad	7.00	7.00	Reply Awaited	No Remarks
8	To purchase total 113 new inspection Vehicles	-	-	To purchase total 113 new inspection Vehicles	1027.00	1025.50	Reply Awaited	No Remarks
9	Purchase of 16 Heavy Machinery	-	-	Purchase of 16 Heavy Machinery	645.00	899.00	Reply Awaited	No Remarks
10	Creation of 1 post of Office Superintendent at Superintending Engineer, Salinity Ingress Prevention Circle Rajkot	-	9.00	Creation of 1 post of Office Superintendent at Superintending Engineer, Salinity Ingress Prevention Circle Rajkot	9.00	0.00	Reply Awaited	No Remarks
11	Creation of 1 post of Divisional Accountant Class 3 at the office of Superintending Engineer Salinity Ingress Prevention Circle Rajkot	-	7.00	Creation of 1 post of Divisional Accountant Class 3 at the office of Superintending Engineer Salinity Ingress Prevention Circle Rajkot	7.00	8.00	Reply Awaited	No Remarks
12	Creation of 1 post Office Superintendent at Engineering Geological Circle, Gandhinagar	-	9.00	Creation of 1 post Office Superintendent at Engineering Geological Circle, Gandhinagar	9.00	4.75	Reply Awaited	No Remarks
13	Creation of 1 post of Office Superintendent at Superintending Engineer Rajkot Irrigation Circle Rajkot	-	9.00	Creation of 1 post of Office Superintendent at Superintending Engineer Rajkot Irrigation Circle Rajkot	9.00	0.00	Reply Awaited	No Remarks

Sr. No	Description of Item	Administrative Approval (Rs. In lakh)		Physical Target	Grant Released / Revised Estimate (₹ in lakh)	Expenditure	Present Status	Remarks/Reason for non-implementation
		Recurrent	Non Recurrent					
14	Creation of 01 new post of Office Superintending Engineer Bhavnagar Irrigation Project Circle, Bhavnagar.	-	10.00	Creation of 01 new post of Office Superintending Engineer Bhavnagar Irrigation Project Circle, Bhavnagar.	10.00	0.00	Reply Awaited	No Remarks
15	Creation of 01 new post of Office Superintending Engineer, Himmatnagar Irrigation Project Circle, Himmatnagar	-	9.00	Creation of 01 new post of Office Superintending Engineer, Himmatnagar Irrigation Project Circle, Himmatnagar	9.00	0.00	Reply Awaited	No Remarks
16	Creation of 1 post of Office Superintending Engineer, Irrigation Circle No.1, VADODARA	-	9.00	Creation of 1 post of Office Superintending Engineer, Irrigation Circle No.1, VADODARA	9.00	0.00	Reply Awaited	No Remarks
17	Creation of 1 post of Office Superintending Engineer, Mahi Irrigation Circle Nadiad	-	9.00	Creation of 1 post of Office Superintending Engineer, Mahi Irrigation Circle Nadiad	9.00	0.00	Reply Awaited	No Remarks
18	Creation of 1 post of Office Superintending Engineer at (1)Rajkot Panchayat Irrigation Circle Rajkot (2) Kutch Irrigation Circle Bhuj (3) Gandhinagar Panchayat Irrigation Circle Gandhinagar	-	28.00	Creation of 1 post of Office Superintending Engineer at (1)Rajkot Panchayat Irrigation Circle Rajkot (2) Kutch Irrigation Circle Bhuj (3) Gandhinagar Panchayat Irrigation Circle Gandhinagar	28.00	0.00	Reply Awaited	No Remarks

Sr. No	Description of Item	Administrative Approval (Rs. In lakh)		Physical Target	Grant Released / Revised Estimate (₹ in lakh)	Expenditure	Present Status	Remarks/Reason for non-implementation
		Recurrent	Non Recurrent					
19	Creation of 1 post of Office Superintending Engineer, Sujalam Suflam Circle no 2, Mehsana	-	9.00	Creation of 1 post of Office Superintending Engineer, Sujalam Suflam Circle no 2, Mehsana	9.00	0.00	Reply Awaited	No Remarks
20	To Creation of 01 new post of Chief Engineer (civil) class 1 at Gujarat State Dam Safety Organization, Gandhinagar	-	29.00	To Creation of 01 new post of Chief Engineer (civil) class 1 at Gujarat State Dam Safety Organization, Gandhinagar	29.00	0.00	Reply Awaited	No Remarks
21	To Creation of 18 posts at Gujarat State Dam Safety Organization, Gandhinagar	-	197.00	To Creation of 18 posts at Gujarat State Dam Safety Organization, Gandhinagar	197.00	0.00	Reply Awaited	No Remarks
22	Creation of 01 new Post of Office Superintendent at Soil, Drainage & Reclamation Circle, Vadodara	-	9.00	Creation of 01 new Post of Office Superintendent at Soil, Drainage & Reclamation Circle, Vadodara	9.00	0.00	Reply Awaited	No Remarks
23	Creation of 01 new Post of Office Superintendent at Superintending Engineer, Sujlam Suflam Circle -1	-	9.00	Creation of 01 new Post of Office Superintendent at Superintending Engineer, Sujlam Suflam Circle -1	9.00	0.00	Reply Awaited	No Remarks
24	To Creation of 01 new post of Office Superintendent at Superintending Engineer, State Water Data Center, Gandhinagar	-	9.00	To Creation of 01 new post of Office Superintendent at Superintending Engineer, State Water Data Center, Gandhinagar	9.00	0.00	Reply Awaited	No Remarks
25	To set up a new sub-divisional office at Vinchhiya Taluka	-	51.00	To set up a new sub-divisional office at Vinchhiya Taluka	51.00	0.00	Reply Awaited	No Remarks

Sr. No	Description of Item	Administrative Approval (Rs. In lakh)		Physical Target	Grant Released / Revised Estimate (₹ in lakh)	Expenditure	Present Status	Remarks/Reason for non-implementation
		Recurrent	Non Recurrent					
26	Appointment of 10 Legal Advisers on Contractual basis for 11 months	-	66.00	Appointment of 10 Legal Advisers on Contractual basis for 11 months	66.00	38.40	Reply Awaited	No Remarks
General Administration Department								
2022-23								
1	To create a media cell at the Office of Chief Electoral Officer	19.47	-	For appointment of three posts of one Deputy Information director, one Assistant Information Director and one Information Assistant	19.47	Nil	No expenditure till date and a provision of ₹ 33.00 lakh has been made in 2025-26 as current item.	Work not yet commenced.
2	To develop Information Technology infrastructure at Sardar Patel Institute of Public Administration	-	100	Develop IT Infrastructure at SPIPA	100	Nil	Tender process is in progress by GIL	Work still not commenced.
2023-24								
3	Activity of Sector wise research on the Implementation of Government Schemes in relation to operations under Good Governance at Sardar Patel Institute of Public Administration, Ahmedabad	50	-	Implementation of Government Schemes in relation to operations under Good Governance	50	Nil	Proposal was approved to discontinue the work.	Organisation withdraw the proposal of the work on 05.12.2023.
4	Design, Development/Customization, Integration/Data Migration and Maintenance of HRMS 2.0 system.	308.12	691.59	Design Development/Customization, Integration/Data Migration and Maintenance of HRMS 2.0 system.	461.25 (34.8 as recurring + 422.85 as non-recurring)	414.59 (only in non-recurring)	Work continue in next year i.e. in 2024-25	-----

Sr. No	Description of Item	Administrative Approval (Rs. In lakh)		Physical Target	Grant Released / Revised Estimate (₹ in lakh)	Expenditure	Present Status	Remarks/Reason for non-implementation
		Recurrent	Non Recurrent					
5	Establishment and project expenses for implementation of Family Identity Card.	100	-	Establishment and project expenses for implementation of Family Identity Card.	0	0	Work not yet completed. Expenditure of 8.75 lakh was done in 24-25 against sanction of 37.21 lakh.	
2024-25								
6	Purchase of hardware / software for the use of the office of the Directorate of Evaluation.	-	23.00	Purchase of Hardware/Software	23.00	4.35	Till 31.03.2025 expenditure is ₹ 4.35 lakh and ₹ 18.65 lakh parked in GSFS account of GSIDS	-----
7	Purchase 11 new computers for use of Gujarat Civil services Tribunal, Gandhinagar	-	6.00	Purchase of 11 computer	6.00	Nil	Fund parked in GSFS as per GAD Order.	-----
8	Gujarat Project Monitoring Centre	300.00	-	Establishment of Gujarat Project Monitoring Centre	100.00	Nil	Budget Provision of ₹ 335 lakh made and expenditure of ₹ 108.03 lakh was done in 2025-26 as of now.	Fund was parked in GSFS
9	To empanel third party agencies/experts for evaluation studies of schemes programmes and Manpower Services through outsource/contract basis.	640.00	-	Outsource third party agencies/experts	425.00	50.96	₹ 372.93 lakh Parked in GSFS account of GSIDS as per GAD Order.	-----

Source: Information provided by Narmada, Water Resources, Water Supply and Kalpasar Department and General Administration Department.

Appendix – 2.8

Statements of Major heads in which more than 75 per cent of the total expenditure was done in March 2025

(Reference: Paragraph 2.5.8)

(₹ in crore)

Sr. No.	Major Head and description	Total Expenditure	Expenditure in March 2025	Per cent of total expenditure
1	4856 -Capital Outlay on Petrochemical Industries	1,000.00	1,000.00	100.00
2	6801-Loans for Power Projects	42.37	42.37	100.00
3	4860-Capital Outlay on Consumer Industries	10.23	10.23	100.00
4	4853-Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	0.90	0.90	100.00
5	4058-Capital Outlay on Stationery and Printing	13.08	12.46	95.26
6	4810-Capital Outlay on New and Renewable Energy	113.52	102.67	90.44
7	4235-Capital Outlay on Social Security and Welfare	169.06	144.74	85.62
8	6216- Loans for Housing	1.17	0.91	77.78
9	4236-Capital Outlay on Nutrition	219.10	168.88	77.08
10	4408- Capital Outlay on Food Storage and Warehousing	91.80	69.24	75.43
11	3225-Telecommunications Services	23.45	17.65	75.27

Source: Appropriation Accounts of 2024-25.

Appendix – 2.9

Statements of Subheads in which 100 per cent of the total expenditure
(more than ₹ 10 crore) was done in March 2025

(Reference: Paragraph 2.5.8)

			(₹ in crore)
Grant	Accounting Classification	Description/ Scheme	Expenditure in March 2025
0002	2401.00.110.06	Farmers Accidental death/Permanent disability insurance Scheme	127.63
0009	2202.03.102.17	Rashtriya Uchchar Shiksha Abhiyan (60% Central)	10.05
0010	7615.00.200.02	Advance for purchase of Other Conveyances	13.43
0013	6801.00.205.02	Loan to GETCO from SIDBI Cluster Development Fund	42.37
0014	4856.00.190.03	PWR-50 Investment in Public sector enterprises under Oil and Gas	1,000.00
0039	4210.01.110.50	Establishment of New Medical colleges attached with existing District/Referral Hospitals (60% Central)	24.41
0039	4210.01.110.51	Establishment of New Medical colleges attached with existing District/Referral Hospitals (40% State)	16.27
0039	4210.01.110.59	Augmenting Nursing Education-Establishment of new College of Nursing (CON) in Co-location with Medical College (60 % CSS)	20.00
0039	4210.01.110.60	Augmenting Nursing Education-Establishment of new College of Nursing (CON) in Co-location with Medical College (40 % State)	13.33
0039	4210.02.101.44	Building-less Sub Centres, Primary Health Centres, Community Health Centres (Finance Commission) (100% Central)	190.40
0040	2211.00.103.09	Pradhan Mantri Matru Vandana Yojana (60% Central)	61.88
0040	2211.00.103.10	Pradhan Mantri Matru Vandana Yojana (40% State)	41.25
0046	4055.00.800.08	Purchase of equipment, vehicle for FSL	32.94
0051	5452.01.190.11	Scheme for Special Assistance to States for Capital Investment	99.70
0051	5452.80.104.03	Gandhi Aashram Memorial and Precinct Development Project	450.00
0065	4700.33.190.03	IRG-1 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited. Pradhan Mantri Krishi Sinchayee Yojana- AIBP (Accelerated Irrigation Benefit Programme) (85.15% State)	67.48
0066	2702.02.016.03	Contribution to Gujarat Green Revolution Company Limited for Drip Irrigation Rashtriya Krishi Vikash Yojana Per Drop more crop State Share 100% Top Up	250.00
0067	4215.01.102.28	Set up of Desalination Plants	100.00

Grant	Accounting Classification	Description/ Scheme	Expenditure in March 2025
0079	2245.08.101.01	Assistance to Disaster Management authority from State Disaster Mitigation Fund	121.65
0079	2245.08.797.01	Contribution of Central Government Share to State Disaster Mitigation Fund (75% Central)	73.17
0085	2216.80.001.05	Expenditure transferred on Protra basis from	114.11
0086	3054.80.001.05	Expenditure Transferred on Prorata basis from Major head-2059	115.94
0086	3054.80.797.11	Transfer to deposit Accounts of Central Road Fund Allocation	680.70
0093	2225.02.800.09	VKY-38 New Gujarat Pattern	10.93
0095	2405.00.789.01	Pradhan Mantri Matsya Sampada Yojna - 60% Central	12.94
0095	4210.01.789.03	Establishment of New Medical colleges attached with existing District/Referral Hospitals (60% Central)	11.05
0096	2202.80.796.03	District Institute of Educational and Training at District Places (60% - Central Share)	100.65
0096	2210.06.796.04	HLT-51- Special provision for Medical Public Health Tribal Sub-Plan	54.38
0096	2225.02.796.90	VKY-38 New Gujarat Pattern	41.50
0096	2236.02.796.05	MDM-2 Special Provision for Nutrition under Area sub-plan	14.17
0096	2236.02.796.06	MDM-3- Special Provision for Nutrition under Tribble Area sub plan	35.86
0096	2401.00.796.31	Special Provision of Crop husbandry under tribal sub-plan	74.58
0096	2403.00.796.26	ANH-17 Special Provision for Animal husbandry under Tribal Sub-Plan.	27.02
0096	2501.06.796.04	RDD-19 Special provision for Rural Development under Tribal Sub-Plan	21.78
0096	2702.80.796.10	MNR-250 Special provision for Minor Irrigation on under Tribal Sub-Plan	93.02
0096	2851.00.796.26	IND-76 Special Provision for Village & Small Industry under Tribal Sub Plan	14.92
0096	3054.80.796.02	RBD-10 Special Provision for Roads and Bridges under Tribal area Sub Plan	69.73
0096	4701.80.796.43	IRG-59 Link Canal Ukai to Godha weir	19.50
0096	4860.04.796.01	COP-16- Share Capital contribution to Cooperative Sugar Factories	10.23
0102	4217.03.191.06	Assistance to Municipal Corporation for creation of behind the meter infrastructure such as substation under PM E-Bus Sewa (100 % CSS)	19.88
0102	6217.60.193.01	Loan to Urban/Area Development Authorities from external funding agencies	104.93
0106	4235.02.103.05	Construction of Working Women Hostel (100% Centrally Sponsored Scheme)	125.70
		Total	4,529.48

Source: Appropriation Accounts of 2024-25.

Appendix – 2.10

Statements of quarter-wise expenditure in all the grants

(Reference: Paragraph 2.5.8)

(₹ in crore)

Department Name	Grant No.	Qtr1	Qtr2	Qtr3	Qtr4	Grand Total
Agriculture, Farmer's Welfare and Co-operation Department	0001	4.34	4.26	4.72	3.84	17.16
	0002	2,208.32	2,419.66	3,652.81	4,258.73	12,539.52
	0003	7.44	1.38	1.51	1.47	11.80
	0004	433.26	154.06	538.86	369.85	1,496.03
	0005	871.49	22.78	240.87	460.34	1,595.48
	0006	353.23	188.02	177.90	167.21	886.36
	0007	17.85	0.00	0.00	0.00	17.85
Education Department	0008	3.30	3.35	3.31	3.12	13.08
	0009	13,966.57	10,903.93	12,682.54	11,367.42	48,920.46
	0010	3.42	0.20	0.26	99.72	103.60
Energy and Petro-Chemicals Department	0011	1.16	0.80	0.79	0.86	3.61
	0012	5.85	5.86	5.73	6.01	23.45
	0013	3,695.47	221.42	508.18	433.20	4,858.27
	0014	1,002.01	0.12	0.38	0.37	1,002.88
Finance Department	0015	7.15	5.85	6.91	5.89	25.80
	0016	181.03	75.13	77.09	82.17	415.42
	0017	62.40	49.65	53.68	54.98	220.71
	0018	3,727.21	3,721.35	3,850.86	3,771.91	15,071.33
	0019	2,038.62	11.71	19.96	15.75	2,086.04
	0020	21,911.45	9,915.59	8,897.92	14,813.49	55,538.45
Food, Civil Supplies and Consumer Affairs Department	0021	8.81	5.43	5.86	7.55	27.65
	0022	431.58	703.39	214.09	442.65	1,791.71
	0023	143.44	15.12	47.12	25.66	231.34
	0024	0.66	0.00	0.00	0.00	0.66
Forests and Environment Department	0025	3.29	2.07	2.09	1.69	9.14
	0026	618.00	259.81	435.31	520.37	1,833.49
	0027	7.19	10.04	3.11	3.43	23.77
	0028	0.26	0.00	0.00	0.00	0.26
General Administration Department	0029	3.12	2.80	2.93	2.84	11.69
	0030	1.33	0.92	1.12	0.95	4.32
	0031	196.73	102.57	107.37	212.74	619.41
	0032	32.82	6.81	8.67	44.27	92.57
	0033	39.91	31.02	32.72	42.32	145.97
	0034	16.99	10.15	10.67	10.94	48.75
	0035	528.80	50.18	133.09	363.21	1,075.28
Gujarat Legislature	0036	14.07	12.52	12.44	12.52	51.55
	0037	0.00	0.00	0.00	0.10	0.10

Department Name	Grant No.	Qtr1	Qtr2	Qtr3	Qtr4	Grand Total
Secretariat						
Health and Family Welfare Department	0038	4.59	3.17	3.60	3.74	15.10
	0039	4,502.53	2,489.86	2,989.51	2,875.17	12,857.07
	0040	1,430.85	565.89	1,144.97	1,956.87	5,098.58
	0041	0.64	0.00	0.20	0.10	0.94
Home Department	0042	16.03	4.54	7.34	13.88	41.79
	0043	2,031.09	1,738.02	1,923.46	1,925.11	7,617.68
	0044	63.74	60.59	55.44	56.23	236.00
	0045	5.90	4.49	4.82	5.06	20.27
	0046	632.73	258.85	378.61	343.69	1,613.88
Industries and Mines Department	0047	5.36	2.58	2.99	2.86	13.79
	0048	41.07	9.92	12.81	19.21	83.01
	0049	3,848.98	919.63	1,146.10	2,196.21	8,110.92
	0050	211.77	9.76	56.09	85.60	363.22
	0051	778.77	158.33	1.07	505.26	1,443.43
	0052	99.49	169.95	0.00	85.38	354.82
Information and Broadcasting Department	0053	0.69	0.35	0.52	0.36	1.92
	0054	136.77	29.48	45.98	55.75	267.98
	0055	8.93	0.00	0.00	8.81	17.74
Labour and Employment Department	0056	2.08	1.44	1.50	1.72	6.74
	0057	452.59	339.91	366.60	218.88	1,377.98
Legal Department	0059	4.72	6.01	8.87	5.06	24.66
	0060	445.69	640.45	435.59	394.89	1,916.62
	0061	44.35	45.12	28.76	27.05	145.28
Legislative and Parliamentary Affairs Department	0062	3.83	3.30	3.45	3.18	13.76
Narmada, Water Resources, Water Supply and Kalpsar Department	0064	5.76	5.16	5.75	4.81	21.48
	0065	909.53	1.31	417.49	85.26	1,413.59
	0066	5,164.46	1,363.37	1,670.52	1,305.30	9,503.65
	0067	1,871.73	793.92	1,036.33	1,191.18	4,893.16
	0068	51.96	28.70	42.32	37.98	160.96
Panchayats, Rural Housing and Rural Development Department	0069	2.60	2.31	2.32	2.34	9.57
	0070	2,269.58	1,143.19	593.76	480.20	4,486.73
	0071	1,555.18	137.95	590.77	816.59	3,100.49
	0072	118.50	0.00	7.79	14.09	140.38
	0073	442.23	430.76	453.50	427.30	1,753.79
Ports and Transport Department	0074	1,374.73	340.11	426.70	686.55	2,828.09
	0075	40.67	0.76	2.11	37.01	80.55
	0076	24.52	6.73	7.44	7.56	46.25

Department Name	Grant No.	Qtr1	Qtr2	Qtr3	Qtr4	Grand Total
Revenue Department	0077	124.80	53.00	69.99	72.87	320.66
	0078	257.04	120.41	161.03	155.06	693.54
	0079	575.31	119.60	131.05	2,073.43	2,899.39
	0081	236.47	0.02	0.08	399.85	636.42
	0082	0.12	0.08	0.10	0.40	0.70
Roads and Buildings Department	0083	12.02	6.08	8.74	7.17	34.01
	0084	874.99	214.99	319.37	405.12	1,814.47
	0085	317.30	32.10	70.36	102.12	521.88
	0086	9,587.88	1,621.72	2,262.51	2,498.13	15,970.24
	0087	142.19	21.85	60.02	61.29	285.35
	0088	72.62	29.67	23.36	33.18	158.83
Science and Technology Department	0089	37.73	34.45	34.47	39.74	146.39
	0090	749.65	508.24	485.64	341.55	2,085.08
Social Justice and Empowerment Department	0091	2.76	1.41	1.51	1.60	7.28
	0092	1,661.47	409.97	729.48	1,430.25	4,231.17
	0094	0.07	0.00	0.00	0.00	0.07
	0095	2,619.89	1,289.25	1,438.80	1,335.29	6,683.23
Tribal Development Department	0093	210.70	50.18	73.61	87.83	422.32
	0096	10,324.85	2,555.04	2,898.87	4,229.47	20,008.23
Sports, Youth and Culture Activities Department	0097	1.93	1.30	1.49	1.36	6.08
	0098	360.51	115.51	110.03	158.91	744.96
Urban Development and Urban Housing Department	0100	2.14	1.86	2.13	1.78	7.91
	0101	251.36	175.21	256.65	80.38	763.60
	0102	3,683.70	4,176.73	5,695.36	3,237.39	16,793.18
	0103	100.46	111.05	171.55	94.60	477.66
	0104	0.13	0.12	0.17	0.12	0.54
Women and Child Development Department	0105	1.10	1.07	1.30	1.06	4.53
	0106	2,039.66	847.70	1,291.88	1,409.55	5,588.79
Climate Change Department	0107	0.67	0.38	0.32	0.26	1.63
	0108	113.57	34.39	0.00	74.28	222.24

Source: Appropriation Accounts of 2024-25.

Appendix – 2.11

Major head-wise Contingency Fund expenditure and recoupment during 2024-25

(Reference: Paragraph 2.7.1)

(` in crore)

Sr. No.	Department Name	Grant No	Major Head	Revenue/ Capital	Voted/ Charge	Sanction Amount	Actual Expenditure
1.	Agriculture, Farmer's Welfare and Co-operation Department	1	3451	Revenue	Voted	0.29	0.29
		2	2401	Revenue	Voted	0.75	0.75
		2	2401	Revenue	Voted	0.50	0.50
2.	Food, Civil Supplies and Consumer Affairs Department	24	4070	Capital	Voted	0.42	0.42
3.	Health and Family Welfare Department	39	2210	Revenue	Voted	1.04	1.04
		39	4210	Capital	Voted	2.77	2.77
4.	Home Department	46	4055	Capital	Voted	3.92	0.00
		46	4055	Capital	Voted	0.68	4.60
5.	Industries and Mines Department	51	5452	Capital	Voted	9.66	9.66
		51	3452	Revenue	Voted	0.24	0.20
6.	Legal Department	60	2014	Revenue	Voted	0.02	0.00
		60	2014	Revenue	Voted	0.14	0.14
		60	2014	Revenue	Voted	1.90	0.00
7.	Revenue Department	78	4070	Capital	Voted	0.25	0.19
		78	4070	Capital	Voted	0.25	0.03
8.	Sports, Youth and Culture Activities Department	98	2205	Revenue	Voted	0.38	0.38
9.	Tribal Department	96	4700	Capital	Voted	0.03	0.03
		96	4700	Capital	Voted	0.00	0.00
		96	4700	Capital	Voted	0.01	0.01
		96	4700	Capital	Voted	0.00	0.00
		96	4700	Capital	Voted	0.04	0.04
		96	4700	Capital	Voted	0.01	0.01
		96	4700	Capital	Voted	0.01	0.01
		96	4700	Capital	Voted	0.00	0.00
		96	4700	Capital	Voted	0.00	0.00
10.	Urban Development and Urban Housing Department	102	4217	Capital	Voted	9.06	9.06
		102	4217	Capital	Voted	3.02	3.02

Source: Appropriation Accounts of 2024-25.

Appendix – 3.1
Department-wise break-up of outstanding UCs for GIA
disbursed up to 2024-25

(Reference: Paragraph 3.4.1)

(₹ in crore)

Sr. No.	Name of Department	No. of pending UCs	Amount
1	Agriculture, Farmers' Welfare and Co-operation	125	1,044.32
2	Climate Change	6	192.05
3	Education	323	1,086.41
4	Food, Civil Supplies and Consumer Affairs	1	0.02
5	Forests and Environment	3	2.10
6	Health and Family Welfare	116	115.44
7	Home	7	0.16
8	Industries and Mines	61	178.64
9	Labour, Skill Development and Employment	37	2.37
10	Legal	8	0.23
11	Narmada, Water Resources, Water Supply and Kalpsar	5	4.94
12	Panchayats, Rural Housing and Rural Development	196	735.57
13	Science and Technology	17	129.18
14	Social Justice and Empowerment	1,268	681.06
15	Sports, Youth and Cultural Activities	110	17.71
16	Tribal Development	1,633	1,652.22
17	Urban Development and Urban Housing	179	1,567.78
18	Women and Child Development	163	21.64
Total		4,258	7,431.84

Source: Information provided by O/o the Principal Accountant General (A&E), Gujarat.

Appendix – 3.2

Department-wise details of pending DC bills as on 31 March 2025

(Reference: Paragraph 3.5)

Sr. No.	Name of Department	No. of pending DC bills	Amount (₹ in crore)
1	Agriculture, Farmers' Welfare and Cooperation	3	0.08
2	Education	2,638	157.42
3	Finance	21	0.08
4	Food, Civil Supplies and Consumer Affairs	5	2.29
5	General Administration	91	14.22
6	Gujarat Legislature Secretariat	1	0.00
7	Health and Family Welfare	47	0.56
8	Home	784	97.16
9	Industries and Mines	3	9.55
10	Labour, Skill Development and Employment	2	0.01
11	Legal	197	0.60
12	Narmada, Water Resources and Water Supply	2	0.10
13	Panchayats, Rural Housing and Rural Development	684	11.37
14	Ports and Transport	1	2.78
15	Revenue	73	4.04
16	Social Justice and Empowerment	211	7.56
17	Sports, Youth and Cultural Activities	32	2.10
18	Tribal Development	569	42.62
19	Women and Child Development	14	202.19
Total		5,378	554.73

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

Appendix – 3.3

Year-wise details of pending DC bills as on 31 March 2025

(Reference: Paragraph 3.5)

Year	No. of pending DC bills	Amount (₹ in crore)
2000-01	110	9.15
2001-02	133	2.52
2002-03	161	3.39
2003-04	191	0.99
2004-05	86	0.90
2005-06	94	1.33
2006-07	127	1.06
2007-08	67	2.22
2008-09	62	0.70
2009-10	47	0.93
2010-11	95	2.81
2011-12	60	12.87
2012-13	27	1.04
2013-14	36	0.74
2014-15	13	0.42
2015-16	43	1.78
2016-17	21	1.02
2017-18	15	1.74
2018-19	12	0.43
2019-20	55	0.77
2020-21	24	0.29
2021-22	59	9.92
2022-23	76	2.97
2023-24	139	29.73
2024-25	3,625	465.01
Total	5,378	554.73

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

Appendix – 3.4

Instances of inappropriate use of Minor Head 800 where suitable Minor Head was available during 2024-25

(Reference: Paragraph 3.7)

Grant No.	Budget Classification	Suitable Minor Head and remarks
1	4070.00.800.01 I.T. implementation	Minor head 052 Machinery & Equipment
2	2401.00.800.01 Soil testing Laboratory and Soil Survey (Gypsum) Land analysis.	There is specific Major head 2402 with Minor head 101 Soil survey and testing
2	4401.00.800.04 Procurement of IT components for Natural Farming promotion schemes	Minor head 052 Machinery & Equipment
8	2251.00.800.01 EDN-128-Taining	Minor Head 003- Training
9	2202.80.800.08 Expenditure for promotion of Education amongst Educationally Backward Classes	2225 03 277
9	2202.80.800.12 Miscellaneous Grants (To Directorate of Primary Education for Promotion of Education)	Sub Major Head 01 Minor Head 001- Direction and Administration
9	2202.80.800.13 Miscellaneous Grants (Commissioner ate of Higher Education)	Sub Major Head 03 Minor Head 001- Direction and Administration
9	2202.80.800.20 Miscellaneous Grants (Commissionerate of Schools)	Minor Head 001- Direction and Administration
9	2202.80.800.22 EDN-48 Information and Technology	Minor Head 001- Direction and Administration
9	4070.00.800.01 Information and Technology	Minor head 052 Machinery & Equipment
11	3451.00.800.02 PWR-40 Expenditure for Training	Minor Head 003- Training
13	2801.80.800.06 PWR-06 Subsidy to Gujarat Urja Vikas Nigam Ltd. for electrification of hutment situated in Urban and Rural areas	Major head 2810 Minor head 190 Assistance to Public Sector
13	2801.80.800.26 PWR-48 Subsidy to GUVNL for Sagarkhedu Sarvangi Vikas Yojana	Minor head 190 Assistance to Public Sector
14	4070.00.800.01 Information Technology PWR-17	Minor head 052 Machinery & Equipment
19	2075.00.800.04 Relief on Account of Guarantee invoked -Guarantee Redemption Fund	8235 General and other Reserve Funds, 117 Guarantee Redemption Fund
19	4070.00.800.01 Purchase of IT Related Items	Minor head 052 Machinery & Equipment
19	4070.00.800.02 Purchase of Vehicles	Minor Head 001- Direction and Administration
20	6004.01.800.01 Modernisation of Police Force	115-Modernisation of Police Force
21	3451.00.800.01 PDS-11 Information Technology	Minor Head 001- Direction and Administration
21	3451.00.800.02 Expenditure to Training	Minor Head 003- Training
23	4408.02.800.01 Construction of Godown	Minor Head 101- Rural Godown Programmes
24	4070.00.800.01 Purchasing IT Hardware and Software for FCSCA Department and its HoDs	Minor head 052 Machinery & Equipment
25	3451.00.800.01 FST-2 Information and Technology	Minor Head 001- Direction and Administration
26	2406.01.800.06 Departmental working of Coupes and Depots	Minor Head 111 Departmental working of forest coupes and depots

Grant No.	Budget Classification	Suitable Minor Head and remarks
26	2406.02.800.01 FST-26 Grant-in-aid to Gujarat Ecological Education and Research Foundation	Minor head 188 Assistance to ABs
26	4406.01.800.01.FST-15 Forest Research	004-Research/Research Development
38	4070.00.800.01 IT related expenditure	Minor head 052 Machinery & Equipment
40	2211.00.800.01 HLT-71 Awards	200 Other Services and Supplies
40	4211.00.800.04 Buildings	There is one specific 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.
42	2052.00.800.01.MEP-8 Information Technology	Minor Head 001- Direction and Administration
43	2055.00.800.08 Police Sub Inspector Recruitment Board	Major head 2051 Minor head 103 for recruitment board purpose
43	2055.00.800.01 MEP-27 Coastal Security	Under Major Head 4055, Minor Head 215 is for Coastal Security. Same Minor Head should be opened under Major Head 2055
43	2055.00.800.01 Purchase of Ammunition-General	Minor Head 001- Direction and Administration
45	2039.00.800.01 Establishment of CPD Warehouse at Ahmedabad	Minor Head 001- Direction and Administration
46	4055.00.800.03 Purchase of Arms - General	Minor head 207 State Police
46	4055.00.800.04 Payment of Compensation for Land Acquisition	Minor head 201 Acquisition of land under Sub major head 01 Office buildings or 80 General
46	4055.00.800.08 Purchase of equipment, vehicle for FSL	216-Other Police Organisations
46	4055.00.800.09 For the Purchase of vehicle and equipment for Prison (100% State)	Minor head 207 State Police
46	4055.00.800.01 Purchase of equipment, vehicle for Prohibition Office	Major head 4047 Minor head 039 State excise
49	2851.00.800.05 Census cum- sample Survey of Small-scale units	102-Small Scale Industries
49	2851.00.800.09 IND-23 Assistance to Index-C	Index-C is an Autonomous Body, 188 Assistance to Autonomous bodies
49	2852.80.800.09 IND-40 Gujarat Infrastructural Development Board	It is an Autonomous Body, 188 Assistance to Autonomous bodies.
49	2852.80.800.17 Relief to Small medium and Large Sector affected by earthquake	119 Assistance to artisans for repairs / replacement of damaged tools and equipment
49	2852.80.800.20 IND-47 Promotion Efforts for trade and commerce and creation of Database for marketing Assistance	Minor Head 104- Industrial Promotion
49	2852.80.800.23 IND-4 Assistance to Institutes for Industrial Development	Minor head 188 Assistance to ABs
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 Industry	2853.08.202-Textiles

Grant No.	Budget Classification	Suitable Minor Head and remarks
49	2852.80.800.35 IND-Assistance for Labour Intensive Industries	Assistance to Industries/Companies' (Code '187')
49	2852.80.800.36 Assistance to Large Industries	Assistance to Industries/Companies' (Code '187')
51	3452.80.800.02. TRS-43 Extension, Publicity Information, Survey at Tourists Sports.	80 General & 104 Promotion and Publicity
52	5053.60.800.01 Capital Support to Gujarat State Aviation Infrastructure Co. Ltd. (GUJSAIL)	Assistance to Public Sector and other undertakings (Code '190').
57	2230.01.800.01.LBR-21 Gandhi Labour Institute	051-Construction
57	4250.00.800.01 EMP-1 Craftsman Training Scheme in Government Industrial Training Institutes	Minor head 203 Employment Since the scheme is related to employment generation
59	2052.00.800.01.STP-27 Information Technology	Minor Head 001- Direction and Administration
60	2014.00.800.03 Computerization of Courts.	Minor Head 001- Direction and Administration
60	4070.00.800.01 Computerization of Courts.	Minor Head 001- Direction and Administration
60	4070.00.800.02 Computerization of Subordinate Courts	Minor Head 001- Direction and Administration
60	4070.00.800.03 Infrastructure for Sub-Ordinates Courts	Minor head 052 Machinery & Equipment
66	2701.80.800.84 IRG-141 Maintenance and Repairs	053 Maintenance and Repairs
66	2702.80.800.11 MNR-224 Survey and Investigation	005 Survey
66	2702.80.800.14 Minor Irrigation Census and Census of Water bodies	002 Data Collection
66	4700.11.800.43 Canals and Branches	101 Works related to Irrigation
66	4700.11.800.46 Distributaries and Water Courses	101 Maintenance and Repairs
66	4701.80.800.03 IT Hardware and Software	Minor head 052 Machinery & Equipment
66	4701.83.800.43 Canals and Branches	101 Works related to Irrigation
66	4702.00.800.02 Drip Contribution of Pressurize Irrigation Network System for Tube Wells of GWRDC	103 Micro Irrigation
67	2215.01.800.06 Machinery and equipment	Minor head 052 Machinery & Equipment
67	2215.01.800.07 WSS-42 Advance Technologies	Minor head 004 Research
67	2215.01.800.08 WSS-47 Support to Gujarat Water Supply & Sewerage Board	Minor head 190 Assistance to ABs
67	2215.01.800.01 Mukhya Mantri 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
71	2501.06.800.06 WSS-46-A Assistance to Gujarat State Rural Development Corporation	Assistance to Public Sector and other undertakings (Code '190').
74	5055.00.800.01 Purchase of IT Hardware	Minor head 052 Machinery & Equipment
76	2052.00.800.01 LND-17 Information Technology	Minor Head 001- Direction and Administration
76	4070.00.800.01 Information and Technology	Minor Head 001- Direction and Administration

Grant No.	Budget Classification	Suitable Minor Head and remarks
77	2029.00.800.04 Grant in aid to Panchayats Against Receipt sales of Gauchar Land for Industrial Purpose	101 Collection Charges
78	2053.00.800.01 District Records Office under Revenue Department	Minor Head 093 District Establishment
78	4070.00.800.02 Information and Technology	Minor Head 001- Direction and Administration
79	2245.01.800.01 Employment Generation in Relief Works Roads	101 Gratuitous Relief
79	2245.01.800.02 Buildings	101 Gratuitous Relief
79	2245.02.800.02 Repairs /Restoration to other public properties	101 Gratuitous Relief
79	2245.02.800.07 Disposal of dead bodies carcasses	105 Veterinary care
79	2245.80.800.03 Relief Establishment (Flood)	001 Direction and Administration
79	2245.80.800.05 Disaster Infrastructure and Training.	101 Centre for Training in disaster preparedness & Training (Code '003')
84	2059.80.800.01 Expenditure of Street Lights at Gandhinagar	001 Direction and Administration
84	2059.80.800.02 Payments of electric bills of Sachivalaya complex	001 Direction and Administration
85	2216.80.800.01 Maintenance and repairs to Residential Buildings	053 Maintenance and Repairs
86	4070.00.800.01 Purchase of Information Technology Hardware.	Minor head 052 Machinery & Equipment
86	5054.04.800.06 RBD-102 Rural roads	337 Road works
86	5054.80.800.01 RBD-103 Planning and Research	Minor head 004 Research
87	4217.01.800.01 UDP-31 Roads and Building Department	051 Construction
87	4217.01.800.02 UPD-31 Urban Development and Urban Housing Department	Minor Head 051 Construction
88	5053.80.800.01 Development of Helipad	02 Airports & 102 Aerodromes
90	4075.00.800.03 Setting up of New EPABX System & Communication Network at Gandhinagar	Minor head 052 Machinery & Equipment
90	4075.00.800.04 Creation and Procurement of IT Infrastructure	Minor head 052 Machinery & Equipment
91	2251.00.800.01 Information Technology	Minor Head 001- Direction and Administration
91	4225.00.800.01 Information Technology	Minor Head 001- Direction and Administration
92	2225.03.800.01 OBC- 16 Financial assistance for Social Integration and Development (Mameru, Samuh lagan, Education camps, Awards etc)	277 Education
92	2225.03.800.02 OBC- 17 Commission for Socially and Educationally Backward Classes	001 Direction and Administration
92	2225.03.800.03 OBC- 15 Special Plan for the SEBC in the identified talukas	102 Economic Development
92	2235.02.800.01 SSW-23 Upliftment of Beggars, Prisoners & Destitute	102 Economic Development

Grant No.	Budget Classification	Suitable Minor Head and remarks
92	4225.03.800.01 Information Technology	Minor Head 001- Direction and Administration
92	4235.02.800.01 Information Technology	Minor Head 001- Direction and Administration
92	6225.03.800.01 OBC- 22 Loans for Educational, Economical Development (Commercial Pilot, Foreign study, Doctor-Advocate Scheme etc.)	102 Economic Development & 277 Education
93	2225.02.800.01 VKY-35- Training Centre	003-Training
93	2225.02.800.02 VKY-42 Research	004-Research/Research Development
93	2225.02.800.03 VKY-36 Development of PVTGs	102 Economic Development
93	2225.02.800.04 VKY-54 Administrative Machinery for implementation of the scheme for Primitive Tribe Groups	001 Direction & Administration
93	2225.02.800.07 VKY-34 Social Encouragement Scheme Kunvarbainu Mameru, Sat Fera Samuh Lagna	102 Economic Development
93	2225.02.800.09 VKY-38 New Gujarat Pattern	102 Economic Development
93	2225.02.800.01 VKY-55 Tribal Bhavan	051 Construction
93	2230.01.800.01 EMP-41- Special Provision for Labour and Employment	103 General Labour Welfare
93	4225.02.800.01 Purchase of IT assets & furniture	Minor head 052 Machinery & Equipment
95	2225.01.800.01 SCW-19 Social and Gender Empowerment. (Kunvarbainu Mameru & Mai Rama Bai Sat Fera Samuh Lagna, Social Education Camp & I.E.C)	102 Economic Development
95	2225.01.800.01 SCW-20 Maintenance & Development of Dr. Ambedkar Bhavan.	053 Maintenance and Repairs
95	2225.01.800.01 Training to the children of scheduled caste for appearing with best performance in competition exam	003-Training
95	2251.00.800.01 SCW-25 Strengthening of Administrative Mechanism all Level	001-Direction & Administration
95	2851.00.800.04 Cluster Development Scheme	003-Training
95	4225.01.800.01 SCW-33 Construction of Dr. Ambedkar Bhavans / Foundation	051 Construction
95	4225.01.800.02 Information Technology	Minor Head 001- Direction and Administration
95	4250.00.800.01 EMP-1 Craftsman Training Scheme in Government Industrial Training Institutes	003-Training
95	4700.11.800.01 Canal and Branches	101 Works related to Irrigation
95	4701.83.800.01 Canal and Branches	101 Works related to Irrigation
95	4702.00.800.02 Water Conservation Works - Construction of check dams, depending of ponds, restoration of water bodies	101 Surface Water
105	4070.00.800.01 Purchase of I.T. Related software and hardware	Minor head 052 Machinery & Equipment
106	4235.02.800.01 Purchase of IT related Software and Hardware Women Welfare	Minor head 052 Machinery & Equipment

Grant No.	Budget Classification	Suitable Minor Head and remarks
106	4236.02.800.04 NTR-22 Construction-Repairing & Upgradation of Block Office	051-Construction
106	4236.02.800.05 Construction of Anganwadi in Urban Area (100% State)	051-Construction
106	4236.02.800.08 NTR-9, Repairing of Anganwadi (60% Central) - GJ66(60-40 Partially Centrally Sponsored Scheme)	051-Construction
106	4236.02.800.09 NTR-9, Repairing of Anganwadi (40% State) - GJ66	051-Construction
108	2810.00.800.01 (CLC-5) Assistance to GEDA for Renewable Energy	Assistance to Autonomous Bodies (Code '188')

Source: Scheme details as per budget estimates and List of Major and Minor Heads.

Appendix – 3.5

Statement showing pendency in submission of Accounts by ABs
(Section 19 and 20 cases; Status as on 30 September 2025)

(Reference: Paragraph 3.13)

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Placement in Legislature required	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 2024
Legal Department							
1.	Gujarat State Legal Service Authority, Ahmedabad	Not required	Yes	19 (2)	2020-21	2020-21	4
2	District Legal Services Authority, Porbandar	Not required	Yes	19 (2)	2023-24	2019-20	1
3	District Legal Services Authority, Anand	Not required	Yes	19 (2)	2019-20	2019-20	5
4.	District Legal Services Authority, Navsari	Not required	Yes	19 (2)	2015-16	2015-16	9
5.	District Legal Services Authority, Kheda Nadiad	Not required	Yes	19 (2)	2015-16	2015-16	9
6.	District Legal Services Authority, Himatnagar	Not required	Yes	19 (2)	2023-24	2017-18	1
7.	District Legal Services Authority, Bharuch	Not required	Yes	19 (2)	2015-16	2015-16	9
8.	District Legal Services Authority, Dahod	Not required	Yes	19 (2)	2022-23	2022-23	2
9.	District Legal Services Authority, Bhavnagar	Not required	Yes	19 (2)	2015-16	2015-16	9
10.	District Legal Services Authority, Amreli	Not required	Yes	19 (2)	2023-24	2018-19	1
11.	District Legal Services Authority, Valsad	Not required	Yes	19 (2)	2017-18	2017-18	7
12.	District Legal Services Authority, Vadodara	Not required	Yes	19 (2)	2014-15	2014-15	10
13.	District Legal Services Authority, Tapi Vyara	Not required	Yes	19 (2)	2018-19	2018-19	6
14.	District Legal Services Authority, Surendranagar	Not required	Yes	19 (2)	2017-18	2017-18	7
15.	District Legal Services Authority, Rajpipla-Narmada	Not required	Yes	19 (2)	2015-16	2015-16	9
16.	District Legal Services Authority, Palanpur	Not required	Yes	19 (2)	2015-16	2015-16	9
17.	District Legal Services Authority, Jamnagar	Not required	Yes	19 (2)	2017-18	2017-18	7
18.	District Legal Services Authority, Jamkhambhaliya	Not required	Yes	19 (2)	2023-24	2018-19	1

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Placement in Legislature required	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 2024
19.	District Legal Services Authority, Aravali	Not required	Yes	19 (2)	2018-19	2018-19	6
20.	District Legal Services Authority, Gir Somnath	Not required	Yes	19 (2)	2023-24	2015-16	1
21.	District Legal Services Authority, Mahisagar	Not required	Yes	19 (2)	2016-17	2016-17	8
22.	District Legal Services Authority, Chhotaudepur	Not required	Yes	19 (2)	2015-16	2015-16	9
23.	District Legal Services Authority, Botad	Not required	Yes	19 (2)	2023-24	2017-18	1
24.	District Legal Services Authority, Morbi	Not required	Yes	19 (2)	2023-24	2020-21	1
25.	District Legal Services Authority, Junagadh	Not required	Yes	19 (2)	2023-24	2023-24	1
26.	District Legal Services Authority, Godhra	Not required	Yes	19 (2)	2023-24	2019-20	1
27.	District Legal Services Authority, Ahmedabad Rural	Not required	Yes	19 (2)	2019-20	2019-20	5
28.	District Legal Services Authority, Kachchh, Bhuj	Not required	Yes	19 (2)	2020-21	2020-21	4
29.	District Legal Services Authority, Mehsana	Not required	Yes	19 (2)	2022-23	2022-23	2
30.	District Legal Services Authority, Rajkot	Not required	Yes	19 (2)	2023-24	2023-24	1
31.	District Legal Services Authority, Surat	Not required	Yes	19 (2)	2023-24	2022-23	1
32.	District Legal Services Authority, Patan	Not required	Yes	19 (2)	2022-23	2022-23	2
33.	District Legal Services Authority, Gandhinagar	Not required	Yes	19 (2)	2022-23	2022-23	2
Forests and Environment Department							
34	Compensatory Afforestation Management Authority	Not required	Yes	19 (2)	2013-14	2013-14	11
Energy and Petro-chemicals Department							
35	Gujarat Electricity Regulatory Commission	Not required	Yes	19 (2)	2024-25	2023-24	No Arrears
Home Department							
36	Gujarat State Human Right Commission	Not required	No	19 (2)	Accounts not received since 2006-07	No Accounts received till date	19
Ports and Transport Department							
37.	Gujarat Maritime Board	2026-27	Yes	20 (1)	2023-24	2023-24	1

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Placement in Legislature required	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 2024
Labour and Employment Department							
38.	Gujarat Building and other Construction Workers' Welfare Board, Ahmedabad	Not required	Yes	19 (2)	2019-20	2019-20	5
Social Justice and Empowerment Department							
39.	Gujarat State Fund for Person with Disabilities, Gandhinagar	Not required	Yes	19 (2)	2022-23	2022-23	2
Urban Development and Urban Housing Department							
40	Gujarat Real Estate Regularity Authority, Gandhinagar	Not required	Yes	19 (2)	2024-25	2023-24	No Arrears
41	Gujarat Housing Board, Ahmedabad	2026-27	Yes	19 (3)	2023-24	2023-24	1
42	Gujarat Slum Clearance cell	2026-27	Yes	19 (3)	2020-21	2020-21	4
43.	Gujarat Municipal Finance Board, Gandhinagar	2028-29	No	20 (1)	2023-24	2022-23	1
44.	Ahmedabad Urban Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
45.	Vadodara Urban Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
46.	Rajkot Urban Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
47.	Surat Urban Development Authority	2026-27	No	20 (1)	2023-24	2022-23	1
48.	Jamnagar Area Development Authority	2026-27	No	20 (1)	2023-24	2022-23	1
49.	Bhavnagar Area Development Authority	2026-27	No	20 (1)	2021-22	2021-22	3
50.	Bhuj Area Development Authority	2026-27	No	20 (1)	2018-19	2018-19	6
51.	Rapar Area Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
52.	Gandhinagar Urban Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
53.	Anjar Area Development Authority	2026-27	No	20 (1)	2019-20	2019-20	5
54.	Bhachau Area Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
55.	Junagadh Area Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Placement in Legislature required	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 2024
56.	Alang Area Development Authority	2026-27	No	20 (1)	2020-21	2020-21	4
57.	Bharuch / Ankleshwar Urban Area Development Authority.	2026-27	No	20 (1)	2019-20	2019-20	5
58.	Morbi / Vankaner Urban Area Development Authority	2026-27	No	20 (1)	2016-17	2016-17	8
59.	Anand /Vallabh Vidyannagar / Karamsad Urban Area Development Authority.	2026-27	No	20 (1)	2017-18	2017-18	7
60.	Surendranagar / Dudhrej / Wadhavan Urban Area Development Authority.	2026-27	No	20 (1)	2022-23	2022-23	2
61.	Himatnagar Urban Area Development Authority	2026-27	No	20 (1)	2017-18	2017-18	7
62.	G.I.F.T. Urban Area Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
63.	Shamlaji Urban Area Development Authority	2026-27	No	20 (1)	2023-24	2023-24	1
64.	Khambhalia Urban Area Development Authority	2026-27	No	20 (1)	2019-20	2019-20	5
65.	Navsari Area Development Authority, Navsari	2026-27	No	20 (1)	2020-21	2020-21	4
66.	Bardoli Area Development Authority, Bardoli	2026-27	No	20 (1)	2022-23	2022-23	2
67.	Khajod Area Development Authority, Khajod	2026-27	No	20 (1)	2017-18	--	7
68.	Gandhidham Development Authority, Gandhidham	2024-25	No	20(1)	2020-21	2020-21	4
Panchayats, Rural Housing and Rural Development Department							
69.	Gujarat Rural Housing Board	2027-28	Yes	19 (3)	2023-24	2023-24	1
Narmada, Water Supply, Water Resources and Kalpsar Department							
70.	Water and Sanitation Management Organisation, Gandhinagar	2025-26	No	20 (1)	2023-24	2023-24	1
Total							277

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Appendix – 3.6

Statement showing pendency in submission of Accounts by ABs
(Section 14 cases; Status as on 31 July 2025)

(Reference: Paragraph 3.14)

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
Agriculture, Farmer's Welfare and Co-operation			
1	Gujarat Horticulture Mission, Gandhinagar	2021-22 onwards	4
2	Gau Sewa Ayog & Gaucher Vikas Board, Gandhinagar	2022-23 onwards	3
3	Gujarat Livestock Development Board, Gandhinagar	2023-24 onwards	2
4	Anand Agriculture University, Anand	2024-25 onwards	1
5	Sardar Krushinagar Dantiwada Agricultural University, Sardarkrushinagar, Dantiwada Taluka, Banaskantha	2024-25 onwards	1
6	Junagadh Agriculture University, Junagadh	2024-25 onwards	1
7	Navsari Agriculture University, Navsari	2024-25 onwards	1
Climate change			
8	Gujarat Energy Development Agency (GEDA), Gandhinagar	2022-23 onwards	3
Education			
9	Gujarat Council of Education Research & Technology, Gandhinagar	2006-07 onwards	19
10	Bala Hanuman Ayurved Mahavidyalaya, Mansa, Gandhinagar	2013-14 onwards	12
11	P.D. Malviya College of Commerce, Rajkot	2016-17 onwards	9
12	Gujarat Ayurveda University, Jamnagar	2017-18, 2024-25	2 ¹
13	Institute for Post Graduate Teaching & Research in Ayurveda (IPGTRA), Jamnagar	2018-19 onwards	7
14	State Literacy Mission Authority, Gandhinagar	2023-24 onwards	2
15	B.V. Patel Pharmaceutical Education Research Development (PERD) Centre, Ahmedabad	2019-20 onwards	6
16	Gujarat Institute of Educational Technology, Ahmedabad.	2019-20 onwards	6
17	Gujarat Knowledge Society, Directorate of Technical Education, Gandhinagar	2019-20 onwards	6
18	Gujarat School Quality Accreditation Council Gandhinagar	2019-20 onwards	6
19	Gujarat Secondary and Higher Secondary Education Board, Gandhinagar	2019-20 onwards	6
20	R K M Technical Institute, Borsad, Anand	2024-25 onwards	1
21	Saurashtra University, Rajkot	2023-24 onwards	2
22	Bhavnagar University, Sardar Vallabhbhai Patel Campus, Bhavnagar	2021-22 onwards	4

¹ Accounts for 2018-19 to 2023-24 received.

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
23	Centre for Social Studies, Veer Narmad South Gujarat University, Surat	2024-25 onwards	1
24	Ebrahim Bawany Technical Institute, Ajwa, Vadodara	2021-22 onwards	4
25	Vitthalbhai Patel & Rajratna P.T. Patel Science College, Vallabh Vidyanagar, Anand	2021-22 onwards	4
26	Bhavan's Shri Swaminarayan Technical Institute, Dakor Kheda	2022-23 onwards	3
30	Dharmsinh Desai Institute of Technology, Nadiad	2022-23 onwards	3
31	Hemchandracharya North Gujarat University, Patan	2022-23 onwards	3
32	Shree Somnath Sanskrit University, Somnath	2022-23 onwards	3
33	Children's University, Gandhinagar	2024-25 onwards	1
34	Gujarat Council of School Education	2022-23 onwards	3
35	Bayad People Education Trust, Bayad Sabarkantha	2022-23 onwards	3
36	Gujarat Technological University Ahmedabad	2022-23 onwards	3
37	Jan Shikshan Sansthan, Surat	2024-25 onwards	1
38	Gujarat University, Ahmedabad	2018-19 onwards	7
39	Dr. V.H. Dave Homoeopathic Medical College & Hospital, Anand	2024-25 onwards	1
40	Anand Technical Institute, Anand	2024-25 onwards	1
41	Indian Institute of Teachers Education, Gandhinagar	2024-25 onwards	1
42	Krantiguru Shyamji Krishna Verma Kutch University, Kachchh	2023-24 onwards	2
43	Matrushri V B Manvar Technical Institute, Dumiyani, Upleta	2024-25 onwards	1
44	Sardar Patel Institute of Economic & Social Research, Thaltej Road, Ahmedabad	2024-25 onwards	1
45	Tolani Institute of Pharmacy, Adipur, Kutch	2024-25 onwards	1
46	A. R. College of Pharmacy & G. H. Patel Institute of Pharmacy, Anand	2024-25 onwards	1
47	Bhailalbhai & Bhikhabhai Institute of Technology, Anand	2024-25 onwards	1
48	Birla Vishwakarma Mahavidalaya Engineering College, Anand	2024-25 onwards	1
49	C. L. Patel Technical Institute, Kheda	2024-25 onwards	1
50	Chimanlal Nagindas Technical Centre, Ahmedabad	2023-24 onwards	2
51	Dr. Dayaram Patel Pharmacy College, Surat	2024-25 onwards	1
52	International Centre for Entrepreneurship and Career Development, Ahmedabad	2024-25 onwards	1
53	L. M. College of Pharmacy, Ahmedabad.	2024-25 onwards	1
54	Methodist Technical Institute, Vadodara	2024-25 onwards	1
55	R. B. Patel Technical Institute, Navsari	2024-25 onwards	1
56	R. K. Patel Technical Institute, Kheda	2024-25 onwards	1
57	Sardar Patel University, Vallabh Vidyanagar, Anand	2024-25 onwards	1
58	Shri B M Shah College of Pharmacy, Modassa	2024-25 onwards	1
59	Shri C U Shah Technical Institute, Wadhwan City	2024-25 onwards	1

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
60	The Lady Navajibai Ratan Tata Technical Institute, Nargol, Valsad	2024-25 onwards	1
61	Tolani Foundation Gandhidham Polytechnic, Adipur, Kutch	2024-25 onwards	1
62	Xavier Technical Institute, Sevasi, Vadodara	2024-25 onwards	1
63	Gujarat State Board Text book Gandhinagar	2023-24 onwards	2
64	Maharaja Sayajirao University, Fatehgunj, Vadodara	2023-24 onwards	2
65	Veer Narmad South Gujarat University, Surat	2024-25 onwards	1
66	D.S. Patel Technical Institute, Sunav, Anand	2024-25 onwards	1
67	Society for Creation of Opportunity through Proficiency in English (SCOPE), Ahmedabad	2024-25 onwards	1
68	Knowledge Consortium of Gujarat, Ahmedabad	2024-25 onwards	1
69	M.N. College of Pharmacy, Anand	2024-25 onwards	1
70	Shanti Lal Shah College of Pharmacy, Bhavnagar	2023-24 onwards	2
71	Gujarat Homoeopathic Medical Collage, Smalaya-Sivil Road, Near old Bus Stand, Savli	2023-24 onwards	2
72	Shri K K School and Home for Blind Trust, Vidyanagar	2024-25 onwards	1
Food, Civil Supplies and Consumer Affairs			
73	Consumer Affairs and Protection Agency of Gujarat	2022-23 onwards	3
Forests and Environment			
74	Forest Development Agency, Rajkot	2008-09 onwards	17
75	Forest Development Agency, Jamnagar	2009-10 onwards	16
76	Forest Development Agency, Kutch-East	2015-16 onwards	10
77	Forest Development Agency, S. K. Himmatnagar (South)	2016-17 onwards	9
78	Forest Development Agency, Banaskantha	2019-20 onwards	6
79	Forest Development Agency, Bhavnagar	2020-21 onwards	5
80	Forest Development Agency, Devgadbaria (Dahod)	2020-21 onwards	5
81	Forest Development Agency, Godhra	2020-21 onwards	5
82	Forest Development Agency, Surendranagar	2020-21 onwards	5
83	Forest Development Agency, Ahwa Dang (South)	2021-22 onwards	4
84	Forest Development Agency, Chhota Udepur	2021-22 onwards	4
85	Forest Development Agency, Dang North	2021-22 onwards	4
86	Forest Development Agency, Junagadh	2021-22 onwards	4
87	Forest Development Agency, Kutch-West	2021-22 onwards	4
88	Forest Development Agency, Narmada (Rajpipla EAST)	2021-22 onwards	4
89	Gujarat State Biodiversity Board (GSBB)	2021-22 onwards	4
90	Forest Development Agency, Surat	2021-22 onwards	4
91	Forest Development Agency, Gir-East	2022-23 onwards	3
92	Forest Development Agency, Gir-West	No pendency	0
93	Forest Development Agency, Kheda	2022-23 onwards	3

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
94	Forest Development Agency, S. K. Himmatnagar (North)	2022-23 onwards	3
95	Forest Development Agency, Valsad South	2022-23 onwards	3
96	Forest Development Agency, Valsad (North)	2022-23 onwards	3
97	Gujarat Ecology Commission, G'nagar	2023-24 onwards	2
98	Gujarat Environment Management Institute, Gandhinagar (GEMI)	2022-23 onwards	3
99	Gujarat Marine National Park and Marine Sanctuary Conservation Society	2022-23 onwards	3
100	Gujarat Pollution Control Board (GPCB)	2022-23 onwards	3
101	Gujarat State Lion Conservation Society, Wildlife Circle, Sardarbagh, Junagarh	2022-23 onwards	3
102	Forest Development Agency, Aravalli, Modassa	2022-23 onwards	3
103	Forest Development Agency, Vyara	2022-23 onwards	3
104	Gujarat Forest Research Foundation (GFRF)	2023-24 onwards	2
105	Gujarat Ecology Education & Research (GEER) Foundation, Gandhinagar	2023-24 onwards	2
106	Forest Development Agency, Gandhinagar	2023-24 onwards	2
107	Forest Development Agency, Patan	2023-24 onwards	2
108	Sakkar baug Zoo Management Advisory Society	2024-25 onwards	1
109	State Forest Development Agency	No Pendency	0
110	Gujarat Wildlife Board	2023-24 onwards	2
GAD			
111	Gujarat State Non-Resident Gujaratis' Foundation (GSNRGF) Gandhinagar.	2022-23 onwards	3
112	Gujarat Social Infrastructure Development Society (GSIDS) Gandhinagar.	2023-24 onwards	2
113	Gandhinagar Gymkhana	2023-24 onwards	2
114	Gujarat Information Commission	2024-25 onwards	1
115	Sardar Patel Institute of Public Administration, Ahmedabad	2024-25 onwards	1
116	Gujarat Rajya Institution of Transformation	2024-25 onwards	1
Health & Family Welfare			
117	G.K. General Hospital Society, Kachch	2006-07 onwards	19
118	Narayan Eye Hospital (Arogya Dham Sanchalit) Halol Panchmahal	2008-09 onwards	17
119	Mandvi Taluka Kshaya Nivaran Sangh, Kachehh	2009-10 onwards	16
120	Gujarat Medicinal Plants Board, Gandhinagar	2022-23 onwards	3
121	Sentinel Surveillance Unit, Surat	2013-14 onwards	12
122	State Health Society, Commissionerate of Health, Medical Services and Medical Education, Gandhinagar	2013-14 onwards	12
123	Sanjivani Hospital, Surat	2016-17 onwards	9

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
124	Smt. A.J. Savla Homeopathic Medical College, Mehsana	2016-17 onwards	9
125	Gujarat Medical Education and Research Society (GMERS), Gandhinagar	2017-18 onwards	8
126	Institute of Kidney Diseases & Research Centre, Ahmedabad	2024-25 onwards	1
127	Shri Pragna Chakshu Mahila Sevakunj, Surendranagar	2019-20 onwards	6
128	AIDS Control Society, Behind Lal Bungalow, Near Navarangpura Telephone Exchange, .G. Road, Ahmedabad	2016-17 onwards	9
129	Akshar Purushottam Arogya Mandir (Muni Seve Ashram), Taluka-Vaghodia, Post-Goraj, Vadodara	2022-23 onwards	3
130	Lions Cancer Detection Centre Trust, Surat	2024-25 onwards	1
131	Medical College Development Committee, Surat	2024-25 onwards	1
132	Medical College Development Society, SSG Hospital Campus, Roupura, Vadodara	2021-22 onwards	4
134	Rogi Kalyan Samiti, New Civil Hospital, Surat	2021-22 onwards	4
135	Anand Homoeopathic Medical college & Research institute, Anand	2021-22 onwards	4
136	B.S. Nathwani T.B. Hospital, Keshod, Junagadh	2022-23 onwards	3
137	Rogi Kalyan Samiti, Government Spine Institute & Physiotherapy College, New Civil Hospital, Ahmedabad	2023-24 onwards	2
138	Seth Vadilal Sarabhai General Hospital & Seth Chinai Maternity Hospital, Ahmedabad	2023-24 onwards	2
139	Gujarat State AIDS Control Society, Ahmedabad	2024-25 onwards	1
140	Indian Red Cross Society, Ahmedabad	2022-23 onwards	3
141	Bhagubhai Mafatlal Hospital (Sevashram), Bharuch.	2024-25 onwards	1
142	Gandhi Lincoln Hospital, Near Municipal Graden, Deesa	2024-25 onwards	1
143	Samjulaxmi Maternity Hospital, Pij Bhagol, Nadiad	2024-25 onwards	1
144	Shree Somabhai J.Patel Sarvajanik Hospital Paliad Ta. Kalol, Dist.: Gandhinagar	2024-25 onwards	1
145	Smt. Savitaben Ramabhai Dahyalal Shah Sarvajanik Hospital & Prashutigruh, AT, & Po Ambasan, Ta. & Dist. Mehsana	2024-25 onwards	1
146	Rogi Kalyan Samiti, Sir T. General Hospital, Bhavnagar	2023-24 onwards	2
147	Cambay General Hospital, Khambhat	2023-24 onwards	2
148	Dr. Rasiklal Shah Sarvajanik Hospital, Sabarkantha	2023-24 onwards	2
149	Janak Smarak Hospital, Vyara, Tapi	2024-25 onwards	1
150	Kashiben Gordhandas Patel Children Hospital, Vadodara	2023-24 onwards	2
151	Shree Gathani General Jain Hospital, Visavdar	2024-25 onwards	1
152	Trimurti Hospital, Bavla, Ahmedabad	2024-25 onwards	1
153	Kacheria Mojilal Gordhandas General Hospital, Kheda	2023-24 onwards	2
154	Revabai General Hospital, Gandhinagar	2024-25 onwards	1
155	Shivanand Mission, Saurashtra Central Hospital, Rajkot	2024-25 onwards	1

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
156	Smt. S.C. & Sheth D.M. Sarvajanik Hospital & Maternity Home, Mahesana	2024-25 onwards	1
157	U. N. Mehta Institute of Cardiology and Research Centre, Ahmedabad	2024-25 onwards	1
158	Gujarat Cancer & Research Center, Ahmedabad	2024-25 onwards	1
159	Kaka-Ba Hospital, Bharuch	2024-25 onwards	1
160	O. H. Nazar Ayurved Mahavidalaya and Ayurved Hospital, Surat	2023-24 onwards	2
161	Ravishankar Maharaj Eye Hospital, Gujarat Blind Relief & Health Association, Anand	2024-25 onwards	1
162	Rogi Kalyan Samiti, Civil Hospital Asarwa Ahmedabad	2023-24 onwards	2
163	Rogi Kalyan Samiti, Rajkot	2023-24 onwards	2
164	Shamlaji Hospital, CHC Shamlaji, Taluka Bhiloda, Dist. Arvalli	2024-25 onwards	1
165	Shree Bhogilal Mohanlal Bhatt General Hospital, Gandhinagar	2024-25 onwards	1
166	Shri K K Shah Sabarkantha Arogya mandal, Sabarkantha	2024-25 onwards	1
167	Gujarat State Council for Blood Transfusion,	2024-25 onwards	1
168	Rogi Kalyan Samiti, I D Hospital Vadodara	2024-25 onwards	1
169	Rogi Kalyan Samiti Guru Gobindsinh, Jamnagar	2023-24 onwards	2
170	Sardar Smarak Hospital, Bardoli, Surat	2024-25 onwards	1
171	O.H. Nazar Ayurved Mahavidalaya and Ayurved Hospital, Surat	2023-24 onwards	2
172	B.S. Nathwani T.B. Hospital, Akshaygadh, Junagadh	2024-25 onwards	1
173	Gujarat Medicinal Plants Boards, Gandhinagar	2022-23 onwards	3
174	Kacheria Mojilal Gordhandas General Hospital, Kheda	2021-22 onwards	4
175	Rogi Kalyan Samiti, New Civil Hospital, Surat	2021-22 onwards	4
176	Seth Vadilal Sarabhai General Hospital & Seth Chinai Maternity Hospital, Ahmedabad	2023-24 onwards	2
177	Shamlaji Hospital, CHC Shamlaji, Aravalli	2024-25 onwards	1
178	Gujarat University of Transplantation Science, Civil Hospital Campus, Asarwa, Ahmedabad.	2023-24 onwards	2
Home			
179	Suraksha Setu Society, Ahmedabad City	2022-23 onwards	3
180	Suraksha Setu Society, Amreli	2024-25 onwards	1
181	Suraksha Setu Society, Dangs-Ahwa	2022-23 onwards	3
182	Suraksha Setu Society, Devbhumi Dwarka	2022-23 onwards	3
183	Suraksha Setu Society, Mehsana	2022-23 onwards	3
184	Suraksha Setu Society, Nadiad, Dist-Kheda	2022-23 onwards	3
185	Suraksha Setu Society, Narmada	2022-23 onwards	3
186	Suraksha Setu Society, Rajkot	2024-25 onwards	1
187	Suraksha Setu Society, State Level, Gandhinagar	2024-25 onwards	1
188	Suraksha Setu Society, Surendranagar	2022-23 onwards	3

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
189	Suraksha Setu Society, West-Kutch	2022-23 onwards	3
190	Suraksha Setu Society, Ahmedabad Rural	2022-23 onwards	3
191	Suraksha Setu Society, Palanpur	2023-24 onwards	2
192	Suraksha Setu Society, Bhavnagar	2024-25 onwards	1
193	Suraksha Setu Society, Gir Somnath	2024-25 onwards	1
194	Suraksha Setu Society, Godhara	2024-25 onwards	1
195	Suraksha Setu Society, Himmatnagar	2024-25 onwards	1
196	Suraksha Setu Society, Kutch (East)	2024-25 onwards	1
197	Suraksha Setu Society, Surat	2023-24 onwards	2
198	Suraksha Setu Society, Vadodara City	2024-25 onwards	1
199	Suraksha Setu Society, Dahod	2024-25 onwards	1
200	Suraksha Setu Society, Jamnagar	2024-25 onwards	1
201	Suraksha Setu Society, Anand	2024-25 onwards	1
202	Suraksha Setu Society, Morbi	2023-24 onwards	2
203	Suraksha Setu Society, Navsari	2024-25 onwards	1
204	Suraksha Setu Society, Rajkot Rural	2023-24 onwards	2
205	Suraksha Setu Society, Vadodara Rural	2023-24 onwards	2
Industries and Mines			
206	Gujarat Rajya Khadi Gramodhyog Board	2021-22 onwards	4
207	Centre for Entrepreneurship Development Gandhinagar	2023-24 onwards	2
208	Dholera Special Investment Region Authority	2024-25 onwards	1
209	Electrical Research Development Agency Vadodara	2023-24 onwards	2
210	Gujarat Industrial Development Board Gandhinagar	2024-25 onwards	1
211	Gujarat Industrial Research & Development agency, Vadodara	2024-25 onwards	1
212	Gujarat Matikam Kalalari & Rural Technology Institute Gandhinagar	2022-23 onwards	3
213	INDEXT-B Gandhinagar	2024-25 onwards	1
214	INDEXT-C Gandhinagar	2023-24 onwards	2
215	Gujarat Pavitra Yatratham Vikas Board	2022-23 onwards	3
216	Electronic Quality Development Centre	2023-24 onwards	2
217	Gujarat Mineral Research Development Society	2024-25 onwards	1
218	Gujarat Petroleum, Chemicals and Petrochemical SIR Development Authority	2024-25	1
Information and Broadcasting			
219	Gujarat Press Academy	2023-24 onwards	2
Labour, Skill Development & Employment			
220	Gujarat Rural Workers Welfare Board Gandhinagar	2016-17 onwards	9
221	Unorganised Labour Welfare Board Gandhinagar	2016-17 onwards	9

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
222	Gurjareshwar Kumarpal Jain Sarvoday Technical Institute, Vadodara	2016-17, 2017-18 and 2021-22 onwards	6 ²
223	Gujarat State Social Security Board, Gandhinagar	2019-20 onwards	6
224	Employment Extension Bureau, Gandhinagar	2023-24 onwards	2
225	Gujarat Council of Vocational Training, Gandhinagar	2019-20 onwards	6
226	Gujarat Skill Development Society, Gandhinagar	2020-21 onwards	5
227	Bhavan's Shri C.T. Sutaria ITI Dakor Taluka Thasra, Kheda	2021-22 onwards	4
228	ITI College, Lunawada	2022-23 onwards	3
229	Sadvichar Pariwar Viklang Punarvas Kendra Sanchalit ITC, Ubarsad, Gandhinagar	2021-22 onwards	4
230	ITI College, Varadhari, Lunawada.	2022-23 onwards	3
231	GIA (Grant-in-Aid) Industrial Training Center, Morva-Rena, Panchmahal	2024-25 onwards	1
232	S.K. Patel Industrial Training Institute, Sarva Vidyalaya Campus, Kadi, Mehsana	2024-25 onwards	1
233	Industrial Training Centre, Karjan, Vadodara	2024-25 onwards	1
234	Maniben Pithawala I.T.I Navyug College, Surat	2023-24 onwards	2
235	Technical Training Centre, Amreli	2024-25 onwards	1
236	Bhagwat Vidyapith Ashok ITI, Ahmedabad	2024-25 onwards	1
237	Chikhli Education Society, Chikhali	2024-25 onwards	1
238	Excel Udyog Vidhyalaya, Himmatnagar	2024-25 onwards	1
239	K.V. Patel I.T.I, Chansama, Patan	2024-25 onwards	1
240	Mahatma Gandhi Labour Institute, Ahmedabad	2024-25 onwards	1
241	R.K. Technical (ITI), Anand	2024-25 onwards	1
242	Veraval People's Cooperative Bank Silver Jubilee Industrial Training Centre, Veraval	2024-25 onwards	1
243	Smt. B. H. Shah (Karjanwala) Industrial Training Institute, Kamrej Char Rasta, Surat	2023-24 onwards	2
Legal			
244	Gujarat National Law University (AB)	2024-25 onwards	1
Narmada, Water Resources, Water Supply & Kalpsar			
245	Water and land management Institute, Anand	2020-21 onwards	5
246	Gujarat Water Supply and Sewerage Board, Gandhinagar	2021-22 onwards	4
Panchayats, Rural Housing and Rural Development			
247	Gujarat Landless Laborers & Halpati Housing Board, Gandhinagar	2022-23 onwards	3
248	Gujarat State Watershed Management Agency (GSWMA), Gandhinagar	2021-22 onwards	4

² Accounts for 2018-19 to 2020-21 received.

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
Revenue			
249	Gujarat State Disaster Management Authority	2023-24 onwards	2
Science and Technology			
250	Gujarat State Biotechnology Mission	No pendency	0
251	Gujarat Biotechnology University	2024-25 onwards	1
252	Gujarat Council of Science & Technology	2022-23 onwards	3
253	Institute of Seismological Research	2024-25 onwards	1
254	Gujarat Biotechnology Research Centre	2023-24 onwards	2
255	Gujarat Council of Science City, Ahmedabad	2023-24 onwards	2
256	Gujarat State Electronic Mission	No pendency	0
257	Savli Technology and Business Incubator	2024-25 onwards	1
Social Justice & Empowerment			
258	Gujarat Scheduled Castes Development Corporation, Gandhinagar	2013-14 onwards	12
259	Gujarat State Social Welfare Board, Ahmedabad	2015-16 onwards	10
260	Gujarat Backward Classes Development Corporation, Gandhinagar	2024-25 onwards	1
261	Gujarat State Child Protection Society, Birsa Munda Bhavan, Gandhinagar	2020-21 onwards	5
262	Gujarat Samras Chatralay Society Gandhinagar	2021-22 onwards	4
263	Seth J B Upadhyaya Deaf-Mute School, Sabarkantha	2021-22 onwards	4
264	Disable Welfare Trust of India, Surat	2023-24 onwards	2
265	Blind welfare council, Dahod	2024-25 onwards	1
266	Society for Education Welfare & Action (Rural), Bharuch	2024-25 onwards	1
267	Blind Men's/Peoples Association, Ahmedabad	2024-25 onwards	1
268	Rajesh Mehta Technical School for Blind, C/o Blind People's Association, Ahmedabad	2023-24 onwards	2
269	Adult Training Centre (Trust) for the Blind, Ahmedabad	2024-25 onwards	1
270	Apang Manav Mandal, Ahmedabad	2024-25 onwards	1
271	Sharda School for the Mentally Retarded Children, Ashram Road, Ahmedabad	2024-25 onwards	1
272	Andh Apang Kalyan Kendra, Ahmedabad	2024-25 onwards	1
273	Andh Kanya Prakash Gruh, Ahmedabad	2024-25 onwards	1
274	B. M. Institute of Mental Health, Ahmedabad	2024-25 onwards	1
275	School for Deaf - Mutes Society, Ashram Road, Ahmedabad	2024-25 onwards	1
276	Shri Kathiawar Nirashrit Balashram, Rajkot	2024-25 onwards	1
Sports, Youth and Cultural Activities			
277	Sports Authority of Gujarat, Gandhinagar	2008-09 onwards	17
278	Sardar Vallabhbhai Patel Memorial Society Ahmedabad	2013-14 onwards	12

Sr. No.	Name of AB and year from which accounts not received (up to 2024-25)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2025
279	Gujarat State Sangeet Natak Academy, Gandhinagar	2024-25 onwards	1
280	Gujarat Sahitya Academy, Gandhinagar	2024-25 onwards	1
281	Sabarmati Ashram Preservation & Memorial Trust, Ahmedabad	2020-21 onwards	5
282	Rajkot Rajya Foundation, Rajkot	2024-25 onwards	1
283	Sardar Vallabhai Patel Rashtriya Ekta Trust, Gandhinagar	2021-22 onwards	4
284	Gujarat State Lalit Kala Academy, Ahmedabad	2024-25 onwards	1
285	Gujarat Pavitra Yatra Dham Vikas Board, Gandhinagar	2006-07 onwards	19
Tribal Development			
286	Development Support Agency of Gujarat, Gandhinagar	2023-24 onwards	2
287	Gujarat State Tribal Education Society, Birsa Munda Bhavan, Sector 10/A, Gandhinagar	2020-21 onwards	5
288	Tribal Research and Training Institute, Ahmedabad	2024-25 onwards	1
289	Gujarat Tribal Development Corporation, Birsa Munda Bhavan, Ground Floor, Sector 10/A, Gandhinagar	2023-24 onwards	2
Urban Development & Urban Housing			
290	Gujarat Urban Development Mission, Gandhinagar	2022-23 onwards	3

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Appendix – 3.7

Department-wise/category-wise details of losses due to theft, misappropriation/loss of Government material and fire/accidents as on 31 March 2025

(Reference: Paragraph 3.16)

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, Farmers' Welfare and Co-operation	0	0.00	1	1.41	0	0.00	1	1.41
2	Education	9	5.11	10	533.94	0	0.00	19	539.05
3	Food, Civil Supplies and Consumer Affairs	1	0.10	1	61.65	0	0.00	2	61.75
4	Forests & Environment	12	7.01	14	319.26	16	69.22	42	395.49
5	GAD	0	0.00	0	0.00	0	0.00	0	0.00
6	Health and Family Welfare	6	2.93	6	147.38	0	0.00	12	150.31
7	Home	0	0.00	13	70.36	0	0.00	13	70.36
8	Industries and Mines	1	0.46	2	0.69	0	0.00	3	1.15
9	Labour, Skill Development and Employment	2	9.13	0	0.00	0	0.00	2	9.13
10	Legal	2	12.93	5	3.53	1	0.00	8	16.46
11	Narmada, Water Resources, Water Supply and Kalpasar	11	6.46	15	34.01	0	0.00	26	40.47
12	Panchayats, Rural Housing and Rural Development	0	0.00	8	156.82	0	0.00	8	156.82
13	Ports and Transport	0	0.00	0	0.00	0	0.00	0	0.00
14	Revenue	0	0.00	27	18.09	0	0.00	27	18.09
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	Sports, Youth & Cultural Activities	1	6.00	0	0.00	0	0.00	1	6.00
19	Tribal Development	0	0.00	3	4,854.85	0	0.00	3	4,854.85
20	Urban Development and Urban Housing	0	0.00	2	24.41	0	0.00	2	24.41
	Total	48	51.7	113	7,287.71	17	69.22	178	7,408.63

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

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