

**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended 31 March 2012
(Report No. 1)**

GOVERNMENT OF GUJARAT

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Preface

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

Chapters 1 and 2 of this Report, respectively, contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2012. Chapter 3 on ‘Financial Reporting’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives during the current year.



Executive Summary

Background

In response to the Twelfth Finance Commission's recommendations, the Gujarat Government enacted the Gujarat Fiscal Responsibility Act, 2005 with a view to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. The State Government's commitment to carry forward these reforms is largely reflected in the policy initiatives announced in its subsequent budgets. Though the fiscal management targets on revenue deficit and fiscal deficit of FRBM legislation have been achieved by 2006-07, in the subsequent years such deficits increased substantially.

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

The Report

Based on the audited accounts of the Government of Gujarat for the year ending March 2012, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter 1 is based on the Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2012. It provides an insight into trends of different components of government expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to State implementing agencies through the off-budget route.

Chapter 2 is based on the Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of the Government's compliance with various reporting requirements and financial rules. The Report also has additional data collated from several other sources in support of the findings.

Audit findings and recommendations

Fiscal discipline

The revenue surplus of ₹ 2,151 crore in 2007-08 turned into a revenue deficit in 2009-10 and turned back into a revenue surplus of ₹ 3,215 crore in 2011-12. The turnaround in revenue account during the current year was mainly on account of an increase of ₹ 10,595 crore (20 *per cent*) in revenue receipts against an increase of only ₹ 2,304 crore (4 *per cent*) in revenue expenditure.

The fiscal deficit increased from ₹ 4,770 crore in 2007-08 to a high of ₹ 15,153 crore in 2009-10 and again decreased to ₹ 11,027 crore in 2011-12.

Fiscal Deficit and its Financing Pattern

A redeeming feature of the fiscal deficit is that the Government is primarily borrowing to finance its capital expenditure. During 2011-12, the revenue deficit of ₹ 5,076 crore of 2010-11 turned into revenue surplus of ₹ 3,215 crore. The revenue surplus lowered the fiscal deficit in 2011-12 despite an increase in capital expenditure. The fiscal deficit of ₹ 11,027 crore in 2011-12 was met out from net borrowing of ₹ 15,083 crore resulting in increase in the cash balance by ₹ 3,645 crore. However a increase of 41 *per cent* in net market borrowing in 2011-12 over previous year for financing the deficit would lead to increased interest burden for incoming years. It is evident from the above that Government raised excess market loans than was required for financing its deficit. Prudence in management of debt by the State Government may avoid such situation in future.

Investment and returns

As of 31 March 2012, Government had invested ₹ 39,179 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies and Co-operatives. The average return on the investments was 0.27 *per cent* in the last five years while the Government paid an average 7.75 *per cent* as interest on its borrowings during 2007-08 to 2011-12. Continued use of borrowed funds to fund investments which do not have sufficient returns will lead to an unsustainable financial position. The Government may ensure proper justification for investment of high cost funds.

Financial management and budgetary control

During 2011-12, there was a total savings of ₹ 5,520.38 crore which was a result of the total savings of ₹ 6,181.00 crore being offset by the excess of expenditure ₹ 660.62 crore. The excess expenditure requires regularisation under Article 205 of the Constitution of India. In 28 cases, as against savings of ₹ 902.82 crore, the amount surrendered was ₹ 1,285.26 crore, resulting in excess surrender of ₹ 382.45 crore, indicating inadequate budgetary control. In 13 grants/appropriations in which savings of ₹ 34.40 crore occurred, the amounts had not been surrendered by the concerned departments. Under 89 grants, out of the total provision of ₹ 16,563.26 crore in respect of 580 sub-heads, ₹ 5,982.12 crore (36.12 *per cent*) were surrendered. Budgetary controls should be strengthened to avoid such deficiencies in financial management.

Instances of excessive/unnecessary re-appropriation/ surrender orders brought out in this report indicate the need to strengthen the controls.

Financial reporting

Non-submission of utilisation certificates of ₹ 9,066.34 crore indicated lack of proper monitoring by the departments in utilisation of grants given for specific purposes. There has been non-submission/delay in submission of accounts of autonomous bodies/authorities. There is no timely submission of detailed contingent bills against large amounts drawn on abstract contingent bills amounting to ₹ 293.51 crore by the departmental authorities. The 169 outstanding cases of misappropriations, losses etc. and non recovery of amounts indicated lack of efforts by the departments to make good the losses and fix responsibility. Further, accountal of various important items of expenditure relating to various sectors, revenue receipts etc. under omnibus Minor Head – 800 resulted in non classification of diverse activities of the Government under available minor heads.

Profile of Gujarat

Gujarat, comprising about six *per cent* of India's geographical mass, is its seventh largest State. It is situated on the west coast of India, bound by the Arabian Sea in the west, Rajasthan in the north, Madhya Pradesh in the east and Maharashtra in the south. The State also shares an international border with Pakistan on the north western fringe. It has a coast line of about 1600 kilometres, which is one third of India's mainland coastline. Gujarat has shown a relatively high economic growth in the past decade as the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product (GSDP) for the period 2002-03 to 2011-12 has been 17.22 *per cent* as compared to 14.46 *per cent* in Other General Category States¹. During this period, its population has grown by 19.17 *per cent* against 13.90 *per cent* in General Category States.

Key socio-economic parameters of the State *viz.* population below poverty line (16.8 *per cent*), infant mortality rate (48 per thousand live births) and life expectancy at birth (64.1 years) are better than the all India average. Also, inequality of income distribution, as reflected by the Gini-coefficient², was marginally lower in the State in rural areas than in the urban areas. Gujarat has lower levels of rural and urban inequalities as compared to the all India average (**Appendix 1.1 Part A**).

1.1 Introduction

This chapter provides a broad perspective on the finances of the Government of Gujarat during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.1 Part B and Part C**. The methodology adopted for the assessment of the fiscal position of the State is given in **Appendix 1.2**.

1.2 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2011-12) *vis-à-vis* the previous year while **Appendix 1.3** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

¹ Andhra Pradesh, Bihar, Chhatisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

² See glossary.

Table 1.1 Summary of Fiscal Operations

(₹ in crore)

Receipts			Disbursements				
2010-11		2011-12	2010-11		2011-12		
					Non- Plan	Plan	Total
Section-A: Revenue							
52,363.64	Revenue receipts	62,958.99	57,440.02	Revenue expenditure	43,053.93	16,690.53	59,744.46
36,338.63	Tax revenue	44,252.29	19,840.46	General services	20,738.84	741.68	21,480.52
4,915.02	Non-tax revenue	5,276.52	23,701.61	Social services	14,902.66	9,643.13	24,545.79
6,679.44	Share of Union taxes/ duties	7,780.31	13,712.67	Economic services	7,212.65	6,305.72	13,518.37
4,430.55	Grants from Government of India	5,649.87	185.28	Grants-in-aid and Contributions	199.78		199.78
Section-B: Capital							
91.18	Misc. Capital receipts	10.00	9,683.54	Capital Outlay	204.47	13,607.23	13,811.70
283.10	Recoveries of Loans and Advances	165.44	687.99	Loans and Advances disbursed	70.57	534.77	605.34
16,681.34	Public Debt receipts*	17,534.76	3,817.53	Repayment of Public Debt*	-	-	5,275.19
47.12	Contingency Fund	0.66	0.66	Contingency Fund	-	-	80.50
72,281.47	Public Account receipts	79,653.14	66,655.62	Public Account disbursements	-	-	77,160.79
11,524.31	Opening Cash Balance	14,986.80	14,986.80	Closing Cash Balance	-	-	18,631.81
1,53,272.16	Total	1,75,309.79	1,53,272.16	Total			1,75,309.79

Source: Finance Accounts for the years 2010-11 and 2011-12.

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

The following are the significant changes during 2011-12 over the previous year:

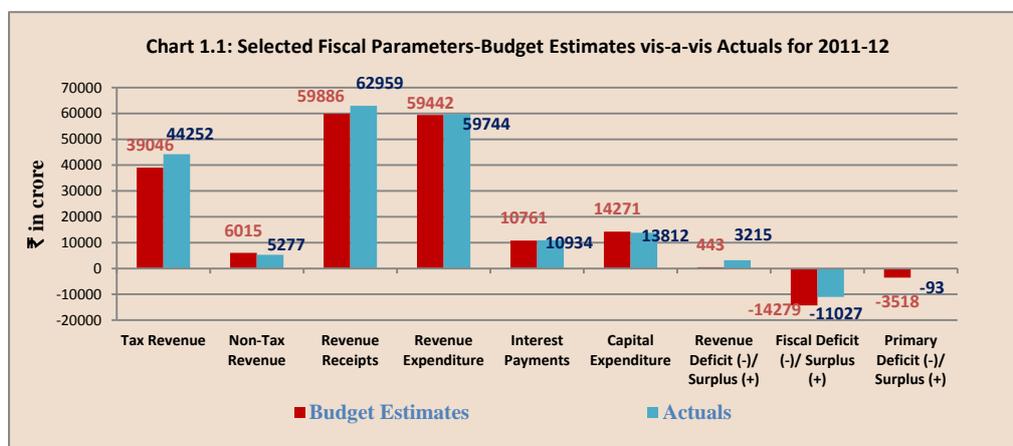
- Revenue receipts grew by ₹ 10,595 crore (20 per cent) over the previous year. The increase was mainly contributed by increase in the State's own tax revenue of ₹ 7,914 crore (22 per cent), increase in grants from the Government of India (GoI) of ₹ 1,219 crore (28 per cent), increase in State's share of Union taxes and duties of ₹ 1,101 crore (16 per cent). The increase in non-tax revenue of ₹ 361 crore (7 per cent) was least among all constituents of Revenue receipt.
- Revenue expenditure increased by ₹ 2,304 crore (4 per cent) mainly due to increase in expenditure on General Services by ₹ 1,640 crore (8 per cent) and on Social Services by ₹ 844 crore (4 per cent).
- Capital expenditure increased by ₹ 4,128 crore (43 per cent) whereas the disbursement of loans and advances decreased by ₹ 83 crore (12 per cent).
- Receipts under Public Debt increased by ₹ 853 crore (5 per cent) against an increase of ₹ 1,458 crore in payments (38 per cent). The net availability of public debt receipt of ₹ 12,260 crore during 2011-12 was 5 per cent less than that of previous year ₹ 12,864 crore.

- Public Account receipts increased by ₹ 7,372 crore (10 per cent) while public account disbursement increased by ₹ 10,505 crore (16 per cent)
- Total inflow during 2011-12 of ₹ 1,60,323 crore against ₹ 1,41,748 crore in 2010-11 along with total outflow during 2011-12 of ₹ 1,56,678 crore against ₹ 1,38,285 crore led to increase in the cash balance of the State by ₹ 3,645 crore (24 per cent) over previous year.

1.3 Budget Analysis

Budget estimates presented by the State Government provide a description of the projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some outside.

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



During 2011-12, compared to the budget estimates, the tax revenue increased by an additional ₹ 5,206 crore (13 per cent). During 2011-12, the actual revenue receipts grew over the budget estimates by 5 per cent (₹ 3,073 crore). Against an estimated revenue surplus of ₹ 443 crore, the financial year ended with a revenue surplus of ₹ 3,215 crore.

The revenue expenditure reflected only slight increase (below one per cent) over the budget estimates while capital expenditure against budget estimates was less by ₹ 459 crore (3 per cent). The increase in actual revenue receipts over budget estimates along with slight increase in revenue expenditure over budget estimates resulted in significant improvement in budgeted revenue surplus. The actual fiscal deficit improved over budget estimates by 23 per cent mainly due to increase in actual revenue receipts along with less capital expenditure than estimated. Significant decrease in actual fiscal deficit together with increase of only ₹ 173 crore in interest payment led to decrease in primary deficit by 97 per cent (₹ 3,425 crore) than estimated primary deficit.

1.4 Review of fiscal situation

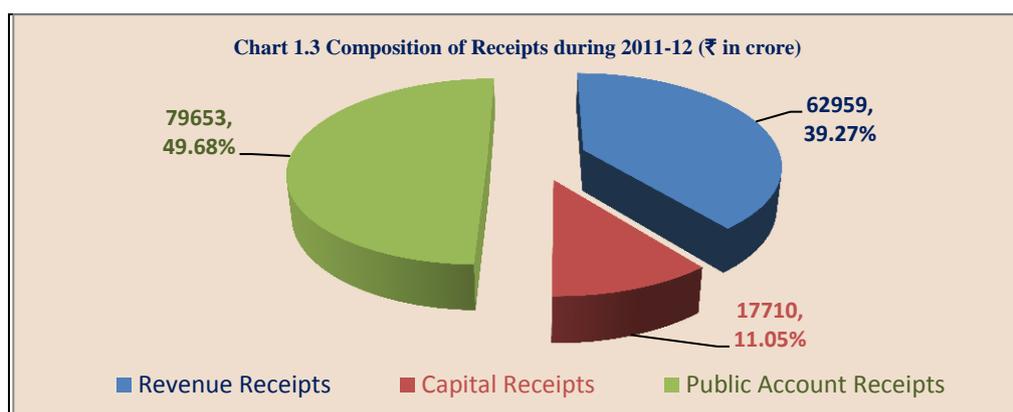
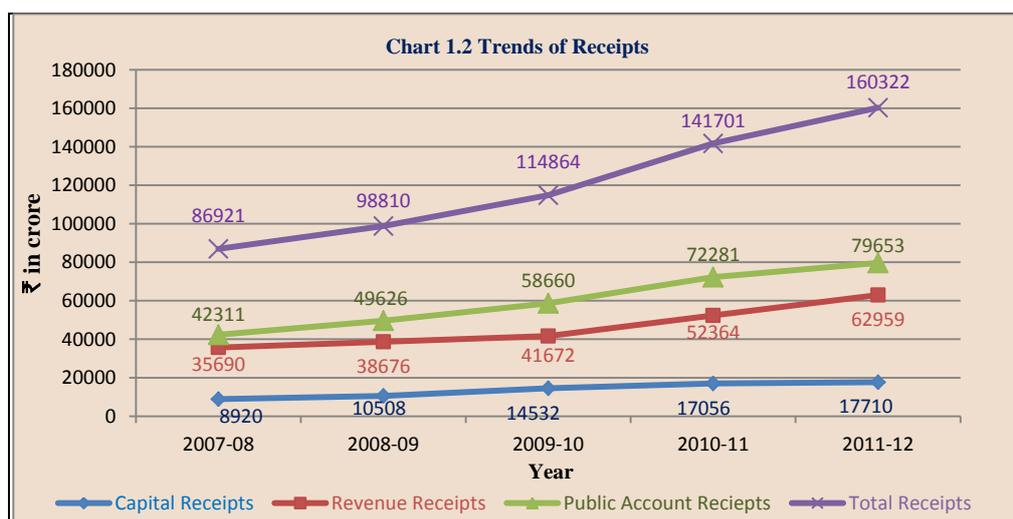
As per the Gujarat Fiscal Responsibility Act, 2005 enacted in line with the recommendations of the Twelfth Finance Commission (TFC), the State Government had agreed for elimination of revenue deficit by the end of 2007-08 and reduction of fiscal deficit to not more than three *per cent* of the Gross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

To maintain a stable and sustainable fiscal environment consistent with equitable growth, the Thirteenth Finance Commission (ThFC) has recommended a fiscal consolidation roadmap for the State by amending their Fiscal Responsibility Legislations. This requires the State to reduce the revenue deficit to zero by 2011-12, reduce the fiscal deficit to not more than three *per cent* of the estimated GSDP of the year beginning 2011-12, to cap the total public debt of the State Government from the level of 28.8 *per cent* in 2011-12 to 27.1 *per cent* at the end of 2014-15 of the estimated GSDP for the financial year beginning April 2011 and ending on 31 March 2015. The State Legislature in March 2011 amended the Fiscal Responsibility Act in line with the recommendations of the ThFC. The State achieved the target of reduction of revenue deficit to zero in 2011-12, as the State achieved a revenue surplus of ₹ 3,215 crore. At the end of 2011-12, the fiscal deficit as percentage to GSDP was 1.87, which was within the limit of three *per cent*. The public debt as percentage of GSDP was 20.87 *per cent* in 2011-12 against the target of 22.01 *per cent* given in the Medium Term Fiscal Policy Statement.

1.5 Resources of the State

1.5.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Government of India. Capital receipts comprise miscellaneous capital receipts such as proceeds from 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 as well as accruals from the Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends of various components of the receipts of the State during 2007-08 to 2011-12. **Chart 1.3** depicts the composition of resources of the State during the current year.



The total receipts of the State Government increased by more than 84 per cent from ₹ 86,921 crore in 2007-08 to ₹ 1,60,322 crore in 2011-12. The relative share of Public Account receipts and Capital receipts which stood at 48.68 per cent and 10.26 per cent respectively of the total receipts in 2007-08 increased to 49.68 per cent and 11.05 per cent in 2011-12, while that of Revenue receipts to total receipts, declined from 41.06 per cent in 2007-08 to 39.27 per cent in 2011-12. During the period, the State's tax revenue increased by 102 per cent from ₹ 21,885 crore in 2007-08 to ₹ 44,252 crore in 2011-12. The percentage of tax receipts to revenue receipts increased significantly from 61.32 per cent in 2007-08 to 70.28 per cent in 2011-12.

1.5.2 Funds transferred by the Central Government to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to State Implementing Agencies³ for the implementation of various schemes/programmes in social and economic sectors, which are recognised as critical. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture these fund flows and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them are not representing the whole picture. During 2011-12, ₹ 4,392.84 crore was transferred to State Implementing

³ See glossary

Agencies which was 1.30 *per cent* less than the previous year. The funds directly transferred to State Implementing Agencies are presented in **Table 1.2**

Table 1.2: Funds transferred directly to State Implementing Agencies
(₹ in crore)

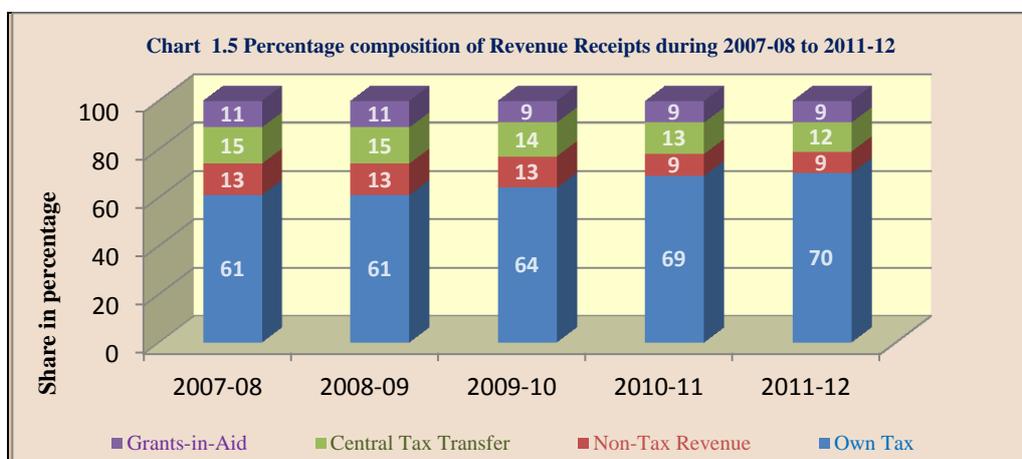
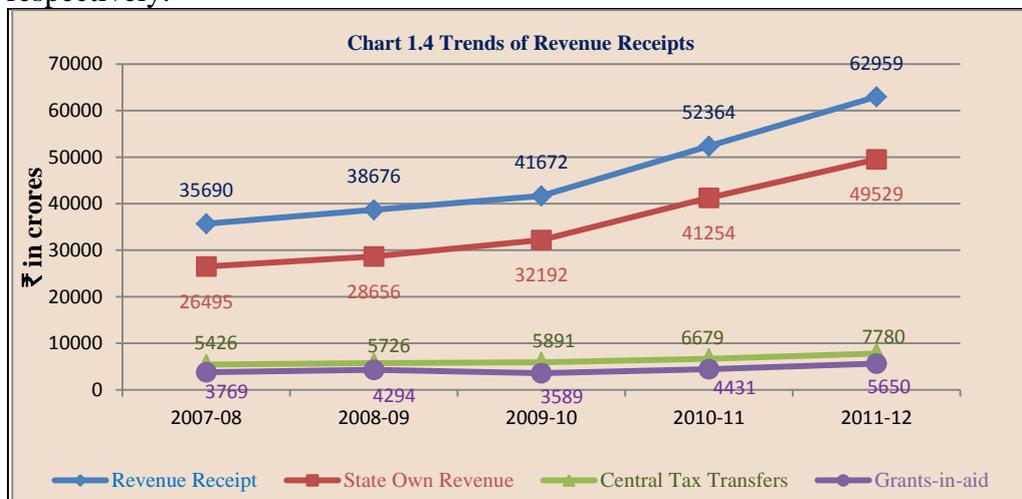
Sr. No.	Programme/Scheme	Implementing Agency in the State	2009-10	2010-11	2011-12
1	Integrated Watershed Management Program DPAP DDP IWDP DLR	DRDA	258.66	224.75	198.06
2	National Rural Employment Guarantee Scheme	DRDA	781.93	889.65	324.29
3	Swaranajayanti Gram Rozgar Yojana	DRDA	39.81	44.37	36.72
4	Accelerated Rural Water Supply Scheme	Gujarat Water Supply and Sewerage Board	488.91	609.10	571.05
5	Rural Housing (Indira Awas Yojana)	DRDA	372.41	527.81	380.53
6	Sarva Shiksha Abhiyan	Gujarat Council of Primary Education	200.32	440.65	880.28
7	National Rural Health Mission	State Health Society Gujarat	372.31	388.04	550.92
8	Pradhan Mantri Gram Sadak Yojana	Gujarat State Rural Roads Development Agency	117.80	160.02	66.59
9	MPs Local Area Development Scheme	District Collectors	74.00	78.00	103.50
10	Scheme for Integrated Textile Park	R.J.D. Integrated Textile Park	85.58	28.00	16.00
11	Upgradation of Government ITIs	IMC Society of ITIs	62.50	2.50	60.00
12	Micro Irrigation	Gujarat Green Revolution Company Limited	44.69	120.00	166.64
13	Adult Education and Skill Development Scheme	State Literary Mission Authority	23.99	-	14.43
14	National Aids Control Programme	Gujarat State Aids Control Society	36.95	505.06	57.48
15	Central Rural Sanitation Scheme	DRDA	30.37	46.92	43.09
16	Project Based Support to Autonomous Institutes	National Institute of Design	28.00	36.70	36.15
17	National Horticulture Mission	Gujarat Horticulture Mission	25.21	54.97	92.98
18	National Afforestation Programme	Forest Department	24.44	29.43	18.12
19	Rashtriya Swasthya Bima Yojana	State Health Society	22.57	34.31	112.03
20	National Institute of Technology NIT DHE	Sardar Vallabhai Institute of Technology	94.00	130.00	95.00
21	Technology Up gradation Funds TUFs	Private sector companies	37.51	21.78	67.27
22	Development and strengthening of Infrastructure facilities for production and distribution of quality seeds	Gujarat State Seeds Corporation Ltd	18.32	19.84	43.32
23	Setting up of new IITs	Indian Institute of Technology, Gandhinagar	12.50	23.00	35.52
24	National Food Security Mission	State Agricultural Management and Extension Training Institute	-	23.90	28.32
25	Others	NGOs and other institutions (each receiving less than ₹ 25 crore)	300.68	11.84	394.55
	Total		3,553.46	4,450.64	4,392.84

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

Direct transfer of funds from the Union to the State Implementing Agencies ran the risk of insufficient control on the part of Union as well as State Government and consequential improper utilisation of funds by these agencies. Unless uniform accounting practices are followed by all these agencies with proper documentation and timely reporting of expenditure to the State/ Union Government, it will be difficult to monitor the end use of these direct transfers.

1.6 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2007-08 to 2011-12 are presented in **Appendix 1.4** and also depicted in **Charts 1.4** and **1.5** respectively.



The revenue receipt during the year 2011-12 grew by 20.23 per cent over the previous year, mainly due to 28 per cent increase in grants-in-aid, 20 per cent increase in State's own revenue and 16 per cent increase in central tax transfers.

The revenue receipts of the State increased steadily from ₹ 35,690 crore in 2007-08 to ₹ 62,959 crore in 2011-12 with significant changes in the share of State's own tax revenue while share of non-tax revenue declined from 13 per cent in 2007-08 to 9 per cent in 2011-12.

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As the GSDP grows, the ability of the State's own tax revenue should increase. The trends of revenue receipts relative to GSDP are presented in **Table 1.3** below:

Table 1.3: Trends of Revenue Receipts relative to GSDP

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (₹ in crore)	35,690	38,676	41,672	52,364	62,959
Rate of growth of RR (<i>per cent</i>)	15.12	8.37	7.75	25.66	20.23
R R/GSDP (<i>per cent</i>) [©]	10.84	10.51	9.75	10.20	10.65
Buoyancy Ratios					
Revenue Buoyancy w.r.t. GSDP [©]	0.94	0.71	0.48	1.28	1.33
State's Own Tax Buoyancy w.r.t. GSDP.	1.15	0.65	0.83	1.79	1.43

The GSDP at current prices was estimated to increase from ₹ 5,13,173 crore in 2010-11 to ₹ 5,91,175 crore in 2011-12, representing an increase of 15 *per cent*. The rate of growth of revenue receipts had shown a declining trend during the Twelfth Finance Commission (TFC) period despite the increase in GSDP. The growth rate during the year 2011-12 declined from a high of 25.66 *per cent* in 2010-11 to 20.23 *per cent* mainly due to sharp decline in growth rate of own tax revenue. Revenue Buoyancy during this period with reference to the growth rate of GSDP fluctuated widely. Witnessing a low in the year 2009-10, Revenue Buoyancy increased during 2011-12 despite a decline in State's Own Tax Buoyancy indicating a degree of exogeneity of revenue receipts in the State.

1.6.1 State's Own Resources

As the State's share in Central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes etc., the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the components of non-tax receipts, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2007-08 to 2011-12 along with the respective all-India average are presented in **Appendix 1.5**.

During 2010-11, in respect of the main components of taxes and duties, except Sales Tax/Commercial Tax, the collection charges were above the all-India average for State excise, Taxes on Vehicles & Taxes on Goods and Passengers and Stamp duty and Registration. The main components of revenue raised by the State during 2007-08 to 2011-12 are given in **Table 1.4**.

Table 1.4: Main components of revenue

Sr. No.	Head of revenue	2007-08	2008-09	2009-10	2010-11	2011-12		Percentage of increase(+) or decrease(-) with reference to BE
						Budget Estimates (BE)	Actuals	
	Tax Revenue							
1	Sales tax/VAT	15,104.54	16,810.65	18,199.79	24,893.45	26,000.00	31,202.31	(+)20.01
2	State excise	47.20	48.71	65.94	62.97	66.58	72.11	(+)8.31
3	Stamp duty and Registration fees	2,018.43	1,728.50	2,556.72	3,666.24	5,000.00	4,670.27	(-)6.59
4	Taxes and duties on Electricity	2,046.52	2,369.91	2,643.65	3,262.64	3,200.00	3,654.56	(+)14.21

[©]Figures differ from last year's report due to change in GSDP figures of 2007-08 to 2010-11.

Sr. No.	Head of revenue	2007-08	2008-09	2009-10	2010-11	2011-12		Percentage of increase(+) or decrease(-) with reference to BE
						Budget Estimates (BE)	Actuals	
5	Taxes on vehicles and taxes on goods and passengers	1,461.29	1,551.01	1,549.55	2,010.07	2,180.00	2,459.37	(+)12.82
6	Others	1,207.17	1,048.25	1,724.58	2,443.26	2,599.32	2,193.67	(-)15.61
	Total	21,885.15	23,557.03	26,740.23	36,338.63	39,045.90	44,252.29	(+)13.33
	Non-Tax Revenue							
1	Interest Receipts	329.88	567.81	419.44	403.89	641.52	631.89	(-)1.50
2	Non-ferrous Mining and Metallurgical Industries	2,082.14	1,559.82	2,138.98	2,019.31	2,020.00	1,819.64	(-)9.92
3	Major and Medium Irrigation Projects	452.82	455.77	504.61	618.14	629.19	684.15	(+)8.74
4	Medical and Public Health	66.25	126.50	62.40	118.11	151.98	90.76	(-)40.28
5	Police	86.24	77.44	101.45	149.08	93.03	138.97	(+)49.38
6	Others	1,591.98	2,311.98	2,224.83	1,606.49	2,479.72	1,911.11	(-)22.93
	Total	4,609.31	5,099.32	5,451.71	4,915.02	6,015.44	5,276.52	(-)12.28
	Grand Total	26,494.46	28,656.35	32,191.94	41,253.65	45,061.34	49,528.81	(+)9.91

Source: Finance Accounts and Annual Financial Statement (Budget) of the State Government

The own tax revenue of State increased by 21.78 *per cent* during 2011-12 over the previous year and it was also 13.33 *per cent* more than the estimate for the year. The increase was mainly due to 25 *per cent* growth in Sales tax/VAT and 27 *per cent* growth in Stamp duty and registration fee.

The Sales tax/VAT receipt during the year increased by ₹ 6,309 crore over the previous year and was 20 *per cent* more than the budget estimates. Taxes and duties on electricity showed an increase of ₹ 392 crore during the year and was 14 *per cent* more than the budget estimates. Similarly, Stamp duty and registration fees showed an increase of ₹ 1,004 crore during the year and was 6.59 *per cent* less than the budget estimates.

1.6.2 Non-tax Revenue

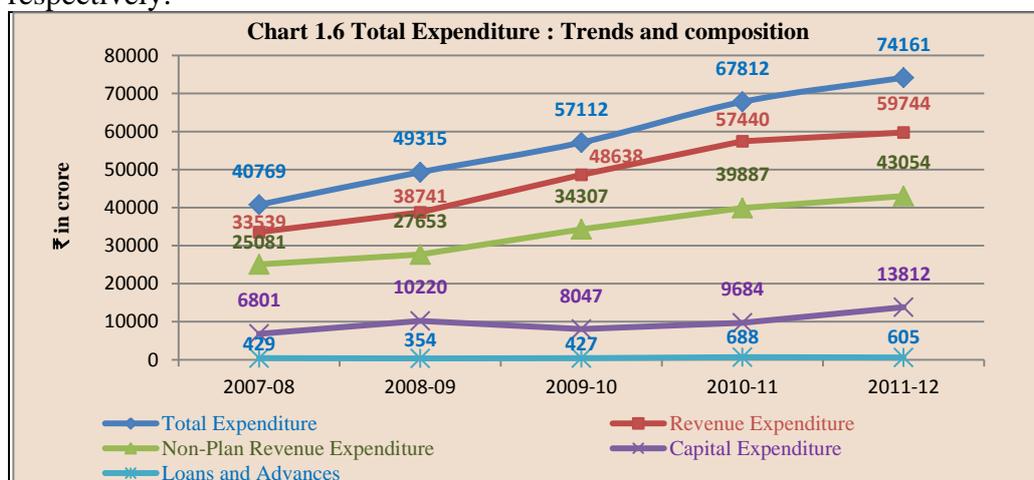
The non-tax revenue of the State during 2011-12 increased by ₹ 361 crore (7 *per cent*) over previous year but remained low as compared to year 2009-10. The interest receipts grew at significant 56 *per cent* over previous year mainly due to increase of interest income of ₹ 434 crore as against ₹ 311 crore in year 2010-11 on surplus cash balance invested with RBI. The actual receipts from Non-Ferrous Mining and Metallurgical Industries, the major contributor of non tax revenue, decreased by 10 *per cent* in 2011-12 over the previous year.

1.7 Application of resources

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

1.7.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure over a period of five years (2007-08 to 2011-12) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in Tables 1.5 and 1.6 respectively.



The total expenditure during 2011-12 increased by 9.36 per cent over the previous year mainly due to 42.63 per cent increase in capital expenditure. Despite the 7.94 per cent growth in Non-plan Revenue Expenditure (NPRE), the 4 per cent increase in revenue expenditure indicates negative growth in plan revenue expenditure during 2011-12. The revenue expenditure stood at 80.56 per cent of the total expenditure, of which 72.06 per cent was the Non-Plan component.

Table 1.5: Total Expenditure- Trends of Share of its components

	(Figures in per cent)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Expenditure	82.27	78.56	85.16	84.70	80.56
Capital Expenditure	16.68	20.72	14.09	14.28	18.62
Loans and Advances	1.05	0.72	0.75	1.01	0.82

The share of revenue expenditure in total expenditure declined significantly from 84.70 per cent in 2010-11 to 80.56 per cent in 2011-12. The Plan Revenue Expenditure (PRE) and NPRE have shown consistent increase over the period 2007-08 to 2011-12 except for a decrease in PRE during 2011-12. The decrease in PRE by ₹ 863 crore over previous year was mainly due to decreased expenditure on Community Development (₹ 612 crore) and assistance to local bodies, Corporations etc. under Urban Development (₹ 634 crore). Over the last year, the increase in NPRE by ₹ 3,167 crore during the 2011-12 was mainly due to increased expenditure on interest payment (₹ 1,307 crore), pension and other retirement benefits (₹ 365 crore) and general education (₹ 530 crore).

The capital expenditure during 2011-12 increased significantly by 42.63 per cent over the previous year thus resulting in increase of its share to 18.62 per cent of the total expenditure. The sharp increase in capital expenditure was due to increased expenditure on Major Irrigation (₹ 878 crore), General

Education (₹ 291 crore), Urban Development (₹ 636 crore), Medium Irrigation (₹ 161 crore) and Road and Bridges (₹ 407 crore).

The loans and advances disbursed during 2011-12 decreased by ₹ 83 crore over the previous year and its share in total expenditure decreased from 1.01 to 0.82 per cent.

Table: 1.6: Total Expenditure- Trends by activities

(Share in per cent)

	2007-08	2008-09	2009-10	2010-11	2011-12
General Services	33.63	27.30	29.98	29.62	29.72
Social Services	33.67	34.37	37.90	38.91	37.56
Economic Services	31.29	37.27	31.19	30.19	31.64
Loans and Advances	1.05	0.72	0.75	1.01	0.82
Grants-in-aid	0.36	0.34	0.18	0.27	0.26

The movement of relative share of these components indicates that the share of General Services remained static from 2009-10 to 2011-12. During 2011-12, the decrease in share of Social Services from 38.91 per cent to 37.56 per cent along with increase in the share of Economic Services from 30.19 per cent to 31.64 per cent resulted in no significant change in development expenditure as a whole.

1.7.2 Expenditure on Salaries, Interest Payments, Pension Payments and Subsidies

The expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.7** present the trends in the expenditure on these components during 2007-08 to 2011-12.

Table 1.7: Components of Expenditure

(₹ in crore)

Components of Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
Salaries, of which	3,119	3,189	4,760	5,555	6,216
	(8.74)	(8.24)	(11.42)	(10.61)	(9.87)
Non-Plan Head	2,761	2,764	4,014	4,563	4,900
Plan Head*	358	425	746	992	1,316
Interest Payments	7,484	7,884	8,590	9,627	10,934
	(20.97)	(20.38)	(20.61)	(18.38)	(17.37)
Expenditure on Pensions	2,979	2,963	4,513	5,779	6,145
	(8.35)	(7.66)	(10.83)	(11.04)	(9.76)
Subsidies	2,914	3,983	4,653	4,975	5,600
	(8.16)	(10.30)	(11.17)	(9.50)	(8.89)
Total expenditure on Salaries, Interest Payments, Pensions and Subsidies	16,496	18,019	22,516	25,936	28,895
	(46.22)	(46.59)	(54.03)	(49.53)	(45.89)
Other components	17,043	20,722	26,122	31,504	30,849
	(47.75)	(53.58)	(62.68)	(60.16)	(49.00)
Total Revenue Expenditure	33,539	38,741	48,638	57,440	59,744
Total Revenue Receipts	35,690	38,676	41,672	52,364	62,959

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

Figures in parentheses indicate percentage of Revenue Receipts.

Source: Finance Accounts for the years 2007-08 to 2011-12 of the State Government

1.7.2.1 Expenditure on Salaries

In 2011-12, the expenditure on salaries increased by 12 *per cent* over the previous year. As a percentage of the revenue receipts, the expenditure on salaries decreased from 10.61 *per cent* in 2010-11 to 9.87 *per cent* in 2011-12. The expenditure on salaries under the Non-Plan head increased from ₹ 2,761 crore in 2007-08 to ₹ 4,900 crore in 2011-12 mainly due to implementation of the recommendations of the Sixth Pay Commission. In Revenue Department, the expenditure on salaries increased by 17 *per cent* in 2011-12 over previous year, on account of other Special Area Programmes (Dang District) and creation of posts under ‘Apno Taluko Vibrant taluko’.

1.7.2.2 Interest Payments

The interest payment increased steadily from ₹ 7,484 crore in 2007-08 to ₹ 10,934 crore in 2011-12. Interest payments as a percentage of revenue receipts as well as revenue expenditure declined from 20.97 *per cent* and 22.31 *per cent* in 2007-08 to 17.37 *per cent* and 18.30 *per cent* in 2011-12 respectively. The interest payments, however, increased by 13.58 *per cent* over the previous year. The increase was mainly due to more payment of interest on market loans (₹ 994 crore) and on special securities issued to National Small Savings Fund (NSSF) (₹ 329 crore) than that of the previous year. The high interest bearing NSSF loans which accounted for 39.51 *per cent* of total public debt resulted in 45.05 *per cent* share of interest payment on these Loans. The average rate of interest on borrowings progressively declined from 8.12 *per cent* in 2007-08 to 7.63 *per cent* in 2011-12.

1.7.2.3 Pension Payments

The expenditure on Pension during current year increased by ₹ 366 crore (6.34 *per cent*) over previous year. However, as a percentage of revenue receipts it declined to 9.76 *per cent* from 11.04 *per cent* in 2010-11.

1.7.2.4 Migration to New Pension Scheme

The State Government has introduced New Defined Contribution Pension Scheme (NPS) with effect from 1 April 2005. The State Government signed agreements with NPS trust for the fund management of the State and adopted the central architecture designed for this scheme in January 2009 and May 2009 respectively. The NPS was introduced in April 2005. However, the fund was transferred only in April 2012 for 2005-06 and in June 2012 for 2006-07 and 2007-08. The interest was paid at the rate of 8 *per cent* until the fund was transferred to NPS trust. The interest paid on this scheme increased significantly to ₹ 25.35 crore in 2011-12 from 11.78 crore in 2010-11 on account of substantial delay in transferring the fund. The Government contributed ₹ 99.88 crore as matching contribution in 2011-12.

1.7.2.5 Expenditure on Subsidies

The expenditure on subsidies increased by 92 *per cent* in five year period from ₹ 2,914 crore in 2007-08 to ₹ 5,600 crore in 2011-12. The expenditure on subsidies increased during current year, by 12.56 *per cent* over the previous year. A substantial increase in 2011-12 compared to 2010-11 has been

observed in Power Sector (₹ 556 crore), Road Transport (₹ 203 crore) and Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes (₹ 116 crore). The share for Power Sector in total subsidy is substantially high at 58 *per cent*. The Government should initiate long term measures to contain the power subsidy.

The Finance Department (FD) stated (December 2012) that due to Government's concerns towards agriculture sector and support to the farmers, the power subsidy was being given. The increase in the amount of power subsidy was due to hike in the cost of power generation. The reply is not acceptable. Adequate efforts for ensuring proper energy accounting system in order to minimise the amount of power subsidy were not made as till March 2012, only 54 *per cent* metering of agriculture consumers was completed.

1.7.3 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.8**.

Table 1.8: Financial Assistance to Local Bodies etc.

	(₹ in crore)			
Financial Assistance to Institutions	2008-09	2009-10	2010-11	2011-12
Panchayati Raj Institutions (PRIs)	5,926.51	8,526.14	7,039.32	13,087.87
Urban Local Bodies	1,496.21	4,000.48	10,258.27	3,619.49
Public sector Undertakings	1,205.26	638.11	----	119.69
Autonomous Bodies	2,625.12	5,410.85	8,574.68	1,626.18
Others	1,359.73	1,849.81	----	9,489.01
Total	12,612.83	20,425.39	25,872.27	27,942.24
Assistance as percentage of Revenue Expenditure	32.56	41.99	45.04	46.77

Source: Finance Accounts for the years 2008-09 to 2011-12 of the State Government

Financial assistance to local bodies and other institutions increased from ₹ 12,613 crore in 2008-09 to ₹ 27,942 crore in 2011-12 which included payment of grants-in-aid to Municipal Corporations/Municipalities on account of abolition of octroi in November 2006. As a percentage of the revenue expenditure, it continuously increased from 32.56 *per cent* in 2008-09 to 46.77 *per cent* in 2011-12. During 2011-12, the assistance to PRIs increased by 86 *per cent* over the previous year mainly due to increased assistance to Zilla Parishads.

1.7.3.1 State Finance Commission

Article 243 I of the Constitution had made it mandatory for the State Government to constitute a State Finance Commission (SFC) within one year from the commencement of the Constitution (Seventy-third Amendment) Act, 1992 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. Article 243 Y of the Constitution further provides that the Finance Commission constituted under Article 243 I shall make similar recommendation for Municipalities.

It was observed that the State Government had neither maintained periodicity for constitution of SFCs nor placed the two reports received within a reasonable time in the Legislature. The reports were placed in the Legislature after around four years.

1.7.3.2 Technical Guidance and Supervision

In pursuance of the Eleventh Finance Commission recommendations, the State Government entrusted (May 2005) the Technical Guidance and Supervision (TGS) in respect of PRIs, Nagarpalikas and Notified Areas to CAG under section 20(1) of the CAG's (DPC) Act, 1971.

1.8 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and its effectiveness.

1.8.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.9** analyses the fiscal priority of the State with regard to development expenditure, social expenditure and capital expenditure during 2011-12.

Fiscal Priority by the State*	AE /GSDP	DE[#] /AE	SSE /AE	CE /AE	Education /AE	Health /AE
**General Category State's Average (Ratio) 2008-09	17.00	67.09	34.28	16.47	15.41	3.97
Gujarat's Average(Ratio) 2008-09	13.40	72.21	34.42	20.72	12.31	3.25
General Category State's Average (Ratio) 2011-12	16.09	66.44	36.57	13.25	17.18	4.30
Gujarat's Average (Ratio) 2011-12	12.54	69.92	37.58	18.62	16.87	4.49

*As per cent to GSDP

** General Category of States exclude three states i.e Delhi, Goa and Puducherry

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure

Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

Source of GSDP—Budget publication No.30 of 2011-12.

Table 1.9: Fiscal priority of the State in 2008-09 and 2011-12

Table 1.9 indicates the following:

- 1) In Gujarat the proportion of aggregate expenditure to GSDP was lesser as compared to the General Category States.
- 2) Development expenditure as a proportion of aggregate expenditure in Gujarat is higher than the General Category States' average during 2008-09 as well as in the current year. Developmental expenditure

consists of both economic service expenditure and social sector expenditure.

- 3) The ratio of Capital expenditure to aggregate expenditure indicates that the State Government adequately prioritised the capital expenditure in the current year as well as in 2008-09.
- 4) Gujarat has been spending less proportion of its aggregate expenditure on education sector as compared to other General Category States. Gujarat has also spent less proportion of its aggregate expenditure on health sector in 2008-09 but Gujarat has given adequate priority to health sector in 2011-12 as compared to other General Category States.

1.8.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁴. Apart from improving the allocation towards development expenditure⁵, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure on operation and maintenance of the existing social and economic services. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.10** and **Chart 1.7** present the trends in development expenditure relative to the aggregate expenditure *vis-à-vis* budget estimates during the current year i.e. 2011-12, **Table 1.11** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.10: Development Expenditure

(₹ in crore)

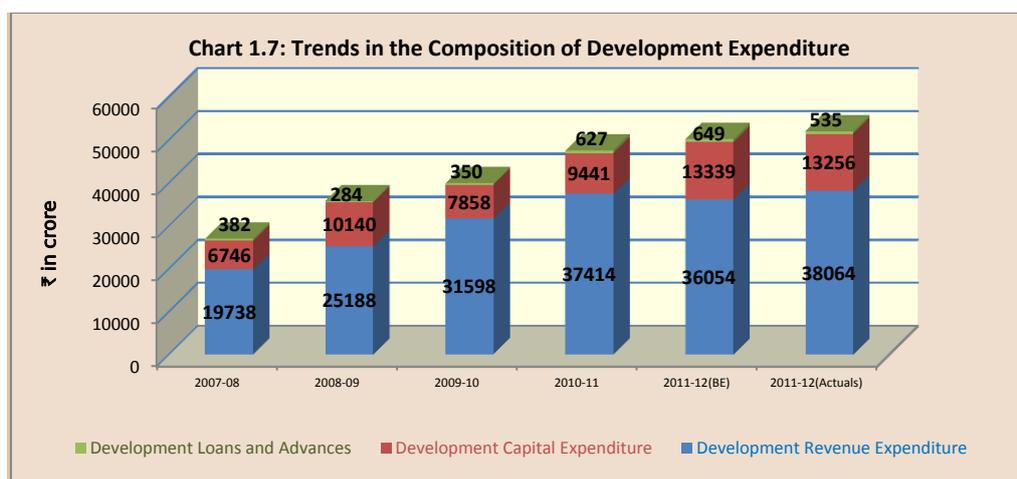
Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE	Actual
Development Expenditure (a to c)	26,866 (65.90)	35,612 (72.21)	39,806 (69.70)	47,482 (70.02)	50,042 (67.23)	51,855 (69.92)
a. Development Revenue Expenditure	19,738 (48.41)	25,188 (51.08)	31,598 (55.33)	37,414 (55.17)	36,054 (48.44)	38,064 (51.33)
b. Development Capital Expenditure	6,746 (16.55)	10,140 (20.56)	7,858 (13.76)	9,441 (13.92)	13,339 (17.92)	13,256 (17.87)
c. Development Loans and Advances	382 (0.94)	284 (0.57)	350 (0.61)	627 (0.93)	649 (0.87)	535 (0.72)

Figures in parentheses indicate percentage of aggregate expenditure.

Source : Finance Accounts and Annual Financial Statement (Budget) of the State Government

⁴ See glossary

⁵ The aggregate expenditure data segregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the expenditure on social and economic services constitutes development expenditure, while expenditure on general services is treated as non-development expenditure.



Development expenditure of the State comprised revenue and capital expenditure including loans and advances on socio-economic services. The development expenditure increased from ₹ 26,866 crore in 2007-08 to ₹ 51,855 crore in 2011-12. As a percentage of the total expenditure, the total development expenditure of the State increased from 65.90 per cent in 2007-08 to 69.92 per cent in 2011-12. The capital expenditure component increased from ₹ 6,746 crore in 2007-08 to ₹ 13,256 crore in 2011-12. The percentage of development capital expenditure to the aggregate expenditure during the current year, i.e. 2011-12 was 17.87 per cent whereas the revenue expenditure component was 51.33 per cent. The percentage of Development Loans and Advances to aggregate expenditure decreased from 0.93 per cent in 2010-11 to 0.72 per cent in 2011-12.

Table 1.11: Efficiency of Expenditure under selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2010-11		2011-12	
	Share of CE to TE	In RE, the share of Salaries	Share of CE to TE	In RE, the share of Salaries
Social Services (SS) (absolute figures- ₹ in crore)	2,681.81	---	3,305.90	---
Education	3.72	4.21	6.41	4.32
Health and Family Welfare	16.98	35.84	20.16	36.38
Water Supply, Sanitation, Housing and Urban Development	18.60	0.68	22.06	0.81
Total (SS)	10.16	7.67	11.86	8.22
Economic Services (ES) (absolute figures- ₹ in crore)	6,758.74	---	9,950.14	---
Agriculture & Allied Activities	11.53	15.89	18.97	16.37
Irrigation and Flood Control	79.83	30.61	83.21	38.10
Power & Energy	17.76	---	20.36	1.16
Transport	30.52	1.39	33.24	1.13
Total (ES)	32.07	7.04	41.49	7.96
Total (SS+ES)	19.88	7.44	25.56	8.17

TE: Total Expenditure in the concerned subsector; CE: Capital Expenditure; RE: Revenue Expenditure; Salaries.
Source : Finance Accounts of the State Government

Expenditure on Social Services

Capital expenditure on Social Services increased by 23 per cent in absolute terms from ₹ 2,682 crore in 2010-11 to ₹ 3,306 crore in 2011-12. The share of

Capital expenditure to the total expenditure under Social Services improved marginally from 10.16 *per cent* to 11.86 *per cent*.

In the selected components of Social Services, the share of Capital expenditure improved significantly in 2011-12 over previous year. In 2011-12, the Capital expenditure in education increased mainly due to construction of classrooms and compound walls for primary schools and providing sanitation facilities for girls in upper primary schools. In Health and Family Welfare, the capital expenditure increased mainly on Primary Health Centres and Medical colleges during current year. In Water Supply, Sanitation, Housing and Urban Development, the Capital expenditure increased on account of Capital Contribution of ₹ 50 crore in Metro-link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited during 2011-12.

The share of salaries in revenue expenditure under Social Services increased from 7.67 *per cent* in 2010-11 to 8.22 *per cent* in 2011-12, mainly on account of increase in the share of salaries in almost all components of Social Services.

Expenditure on Economic Services

Capital expenditure on Economic Services increased from ₹ 6,759 crore in 2010-11 to ₹ 9,950 crore in 2011-12, registering a growth of 47 *per cent*. In the Economic Services, the share of the Capital expenditure increased significantly from 32.07 *per cent* in 2010-11 to 41.49 *per cent* in 2011-12. In Agriculture and Allied activities, the Capital expenditure increased mainly on account of Soil Conservation and setting up marketing facilities in 2011-12. In Irrigation and Flood Control, the Capital expenditure increased mainly due to investment in Sardar Sarovar Narmada Nigam Limited.

The share of salaries in revenue expenditure under Economic Services marginally increased from 7.04 *per cent* to 7.96 *per cent*, mainly on account of increase in the share of salaries under Irrigation and Flood Control from 30.61 *per cent* to 38.10 *per cent*.

1.9 Financial Analysis of Government Expenditure and Investments

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

1.9.1 Financial Results of Irrigation Works

At the end of March 2012, ₹ 1,676.54 crore was spent on 33 Major and Medium Irrigation Projects which were treated as completed. The revenue realised from these irrigation projects during the year was ₹ 297.05 crore, against which the maintenance expenditure was ₹ 113.20 crore, indicating a

revenue surplus of ₹ 183.85 crore. When compared with the investment, the return was 10.97 per cent.

1.9.2 Investment and returns

As of 31 March 2012, Government had invested ₹ 39,179 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.12**). The average return on the investments was 0.27 per cent in the last five years while the Government paid an average 7.75 per cent as interest on its borrowings during 2007-08 to 2011-12. Continued use of borrowed funds to fund investments which do not have sufficient returns will lead to an unsustainable financial position. The Government may ensure proper justification for investment in high cost funds.

Table 1.12: Return on Investment

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year ⁶ (₹ in crore)	21,117	26,542	31,051	34,496	39,179
Return (₹ in crore)	47.57	49.40	76.72	114.43	128.93
Return (per cent)	0.23	0.19	0.25	0.33	0.33
Average rate of interest on Government borrowings (per cent)	8.12	7.80	7.64	7.56	7.63
Difference between interest rate and rate of return (per cent)	7.89	7.61	7.39	7.23	7.30

Source: Finance Accounts of the State Government

During the period of last five years, 2007-08 to 2011-12, the State Government's Investments have increased by ₹ 18,062 crore. During 2011-12, Government has invested ₹ 15.75 crore in Statutory Corporations, ₹ 3.00 crore in Rural Banks, ₹ 4,582.15 crore in Government Companies, ₹ 27.60 crore in other Joint Stock Companies and ₹ 54.51 crore in Co-operative institutions and local bodies. Out of ₹ 4,683 crore invested during 2011-12, ₹ 3,164 crore was invested only in the Sardar Sarovar Narmada Nigam Limited, a State-owned Company, which is executing the multi-purpose Narmada Project.

The FD stated (December 2012) that much of the equity investment by the Government is made in those State PSUs which are providing utility services along with social objectives. These include PSUs in power, water supply and irrigation sectors. The investments are made in large scale infrastructure with long gestation periods and immediate returns are not expected. The appropriate measure of returns on such investments may not be the monetary returns in the form of dividend to Government rather, the socio economic benefits and upliftment of the disadvantaged sections of society should be taken into consideration.

1.9.3 Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many

⁶ Includes all investments to Government companies, Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives.

of these institutions/organisations. **Table 1.13** presents the position of loans and advances as on 31 March 2012 and interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.13: Average Interest Received on Loans Advanced by the State Government
(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2009-10	2010-11	2011-12
Opening Balance	4,629	4,905	5,310
Amount advanced during the year	427	688	605
Amount repaid during the year	151	283	165
Closing Balance	4,905	5,310	5,750
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	4,595	5,000	5,599
Net addition	276	405	440
Interest Receipts	98	92	192
Interest receipts as percentage of outstanding Loans and Advances	2.00	1.73	3.34
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.21	7.10	7.25
Difference between interest receipts and interest payments (per cent)	(-) 5.21	(-)5.37	(-) 3.91

Source: Finance Accounts of the State Government

a) The total amount of outstanding loans and advances increased continuously from ₹ 4,905 crore in 2009-10 to ₹ 5,750 crore in 2011-12. However, loans advanced during the year decreased by ₹ 83 crore over the previous year. Out of the total amount of loans advanced during the year, ₹ 20.55 crore disbursed to Social Services, ₹ 514.22 crore to Economic Services and ₹ 70.57 crore as personal advances to Government and local self government employees. The loans advanced to the Social Services were used for the welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes. Major portion (83 per cent) of the loan advanced to Economic Services went to Road Transport.

b) Terms and conditions of the loans were not yet finalised in respect of ₹ 151 crore granted to State PSUs.

c) As on 31 March 2012, overdue loans amounting to ₹ 636.35 crore were recoverable from the loanees. The interest recoverable thereon was ₹ 117.62 crore. Details are given in **Table 1.14**.

Table 1.14: Details of Outstanding Loans

Sr. No.	Major Head	Particulars	Principal Amount	Interest	Period from which outstanding
1.	6216	Housing Board, Co-operative Societies	142.54	19.27	1996
2.	6217	Municipalities	213.96	25.71	1997
3.	6245	Nagarpalikas	11.23	2.29	1995
4.	6250	Welfare Board	0.27	0.03	1992
5.	6404	Dairy Development	1.98	1.35	2008-09
6.	6408	Co-operative Societies	2.56	2.37	1999
7.	6425	Co-operative Societies	27.19	2.48	2002
8.	6851	Village and Cottage Industries	0.47	0.16	2004-05
9.	6885	Industries and Mines	235.92	63.74	2005-06
10.	7075	Municipalities	0.23	0.22	1960
		Total	636.35	117.62	

Source: Finance accounts of the State and information furnished by Accountant General (A&E), Gujarat, Rajkot

In respect of non-finalisation of terms and conditions of loans given by Government, the FD stated (December 2012) that the concerned administrative departments were required to finalise the terms and conditions in view of standard terms and conditions finalised by FD. Further, concerned administrative departments were instructed to expedite the finalisation of terms and conditions of the loans given by Government.

1.9.4 Cash Balances and Investment of Cash Balances

Details of cash balances and investments made by the State Government during the year are shown in **Table 1.15**.

Table 1.15: Cash Balances and Investment of Cash Balances

Particulars	(₹ in crore)		
	As on 1 st April 2011	As on 31 st March 2012	Increase/Decrease
Cash Balances	14,986.80	18,631.81	(+)3,645.01
Investments from Cash Balances (a to b)			
a. GOI Treasury bills	9,245.94	13,196.92	(+)3,950.98
b. GOI Securities	5,587.49	5,587.49	
Funds-wise Break-up of Investment from Earmarked balances (a to d)			
a. Sinking Fund	4,526.27	4,526.27	Nil
b. Development and Welfare Fund	3.38	3.38	Nil
c. General and other Reserve Funds	1,057.50	1,057.50	Nil
d. Investment in Misc. Deposits	0.34	0.34	Nil
Interest realised	310.65	433.86	(+)123.21

Source: Finance Accounts of the State Government

During 2011-12, the State Government did not avail of any Ways and Means Advance for maintenance of its minimum cash balance.

Total receipts in Government Accounts of ₹ 1,60,323 crore in 2011-12 against disbursement of ₹ 1,56,678 crore resulted in increase of cash balance of ₹ 3,645 crore.

1.10 Assets and Liabilities

1.10.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and the assets as on 31 March 2012 compared with the corresponding position on 31 March 2011. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

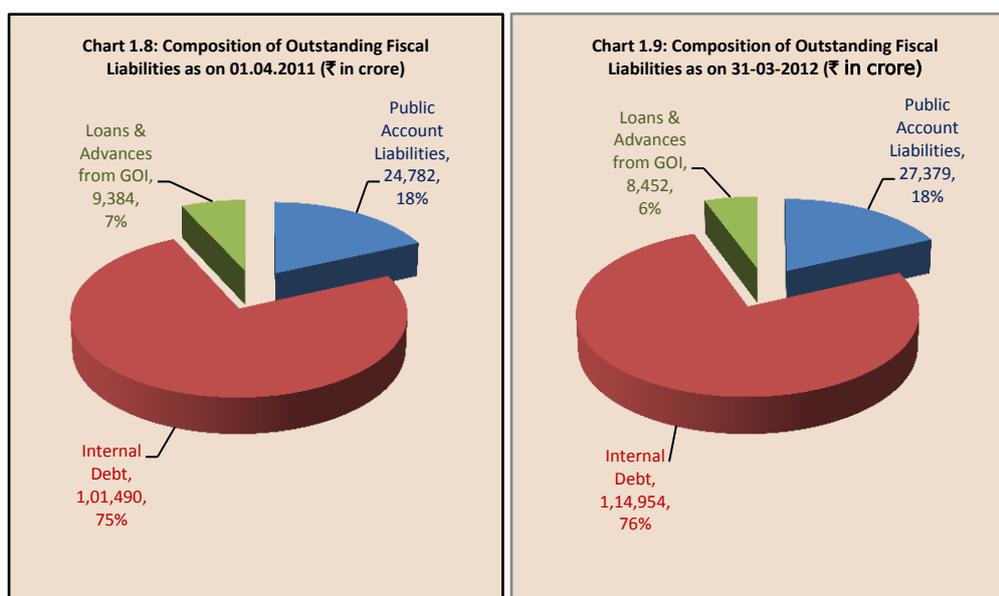
As per the Statement under the Gujarat Fiscal Responsibility Act, 2005 the State Government liabilities comprise the following components –

- (i) Special Securities issued to the National Small Savings Fund
- (ii) Loans and Advances from Central Government
- (iii) Market Loans

- (iv) Loans from Financial Institutions/Banks
- (v) Ways and Means Advances/Overdraft from RBI
- (vi) Small Savings, Provident Fund of Government Employees etc.
- (vii) Pension Liabilities
- (viii) Reserve Fund/Deposits & Provident Fund of other employees
- (ix) Other Liabilities.

1.10.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. However, the composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.8** and **1.9**.



The outstanding fiscal liabilities have shown a steady increase over the years from ₹ 96,452 crore at the end of 2007-08 to ₹ 1,50,785 crore as at the end of 2011-12. The fiscal liabilities increased by 11 *per cent* in 2011-12 over the previous year mainly due to 13 *per cent* increase in internal debt. With 13 *per cent* increase in internal debt, the share of internal debt in total fiscal liabilities increased to 76 *per cent* from 75 *per cent* counter-balancing the decrease in share of Loans and Advances from Government of India. The fiscal liabilities at the end of 2007-08 represented 270 *per cent* of the revenue receipts during the year 2007-08, which was reduced to 239 *per cent* at the end of 2011-12. The public debt to GSDP ratio at 20.87 *per cent* was in line with the projected ratio of 22.01 *per cent* in the Medium Term Fiscal Policy Statement.

The FD stated (December 2012) that the creation and maintenance of Consolidated Sinking Fund (CSF) by the State Government, aimed at providing for necessary cushion for liquidity and credit worthiness.

1.10.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of defaults by borrowers for whom the guarantees have been extended. As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years is given in **Table 1.16**.

Table 1.16: Guarantees given by the Government of Gujarat

	(₹ in crore)				
Guarantees	2007-08	2008-09	2009-10	2010-11	2011-12
Ceiling limit on Government guarantees under Gujarat State Guarantees Act 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	11,843	10,562	10,202	10,382	10,387
Outstanding amount of guarantees	11,308	10,027	9,667	8,661	7,449
Percentage of maximum amount guaranteed to total revenue receipts	33.18	27.31	24.48	19.83	16.50

Source: Finance Accounts of the State Government

The Gujarat Fiscal Responsibility Act, 2005 prescribed to cap on outstanding guarantees within the limit (₹ 20,000 crore) prescribed in the Gujarat State Guarantees Act, 1963. Out of total outstanding guarantees of ₹ 7,449 crore, 52 per cent (₹ 3,904 crore) were towards Sardar Sarovar Narmada Nigam Limited and nearly 22 per cent (₹ 1,607 crore) were towards Gujarat Urja Vikas Nigam Limited. The outstanding guarantees (₹ 7,449 crore) accounted for 11.83 per cent of the revenue receipts (₹ 62,959 crore) of the State Government and were well within the ceiling limit prescribed under the Fiscal Responsibility Act. The Gujarat State Guarantees Redemption Fund set up in February 2006 to take care of any contingent liabilities arising out of State Government Guarantees, had a balance of ₹ 861.19 crore at the end of 2011-12. During the year, the Government received only ₹ 47 crore as guarantee fees while ₹ 50 crore were transferred to the Guarantee Redemption Fund. The contingent liabilities of the State Government, as defined in terms of its outstanding guarantees, have shown significant reduction over the last few years.

1.11 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse the various indicators that determine the debt sustainability⁷ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation⁸; sufficiency of non-debt receipts⁹; net availability of borrowed funds¹⁰; burden of interest payments (measured by interest payments to revenue receipts ratio). **Table 1.17** analyses the debt sustainability of the State according to these indicators for the period from 2007-08 to 2011-12.

Table 1.17: Debt Sustainability: Indicators and Trends

	(₹ in crore)				
Indicators of Debt Sustainability	2007-08	2008-09	2009-10	2010-11	2011-12
Debt Stabilisation (Quantum Spread +/- Primary Deficit/Surplus)	10,332	7,226	(-)911	9,240	10,176
Sufficiency of Non-debt Receipts (Resource Gap)	878	(-)5,667	(-)4,716	80	4,047
Net Availability of Borrowed Funds	996	1,317	4,874	6,912	3,921
Burden of Interest Payments (IP/RR Ratio)	0.21	0.20	0.21	0.18	0.17

Source: Finance Accounts of the State Government

⁷ See glossary

⁸ See glossary

⁹ See glossary

¹⁰ See glossary

The net funds available from borrowed fund after providing for the interest and repayment declined significantly from ₹ 6,912 crore in 2010-11 to ₹ 3,921 crore in 2011-12. The public debt receipts increased by five *per cent* from ₹ 16,681 crore in 2010-11 to ₹ 17,535 crore in 2011-12. However, the repayment increased by 38 *per cent* from ₹ 3,818 crore in 2010-11 to ₹ 5,275 crore in 2011-12. This shows that considerable part of the current borrowings was used to meet past debt obligations.

As per the recommendations of the Reserve Bank of India as well as the TFC, the State Government constituted a Debt Management Office (DMO) in the Finance Department in April 2007, mainly to estimate temporary liquidity mismatches based on the repayment profile and accordingly raise resources so as to obviate the need for recourse to Ways and Means Advances, to monitor adherence to the Fiscal Responsibility Act and effective and efficient management of public debt with an aim to attain debt sustainability.

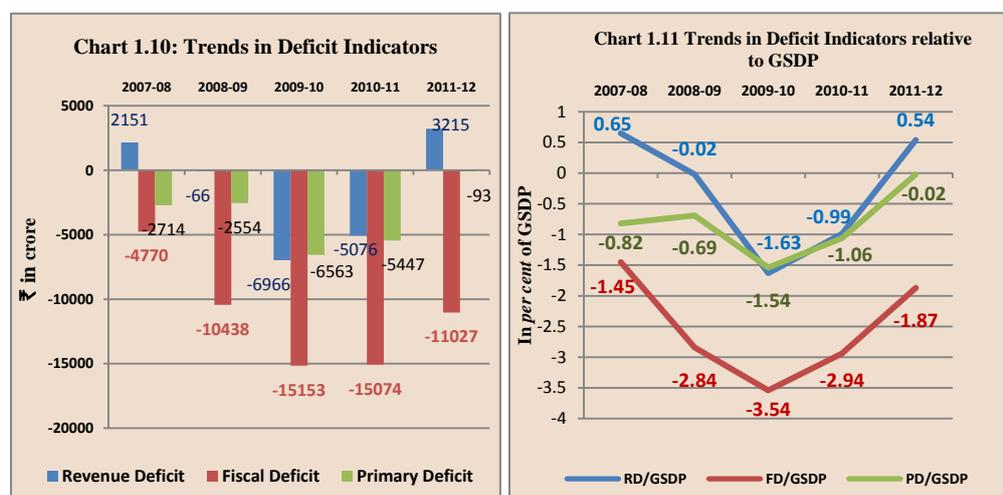
The quantum spread together with primary deficit have been positive from 2007-08 to 2011-12, except during 2009-10, which is indicative that the debt was sustainable.

1.12 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficits are financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* the targets set under the FRBM Act/Rules for the financial year 2011-12.

1.12.1 Trends in Deficits

Charts 1.10 and 1.11 present the trends in deficit indicators over the period 2007-08 to 2011-12.



The revenue surplus of ₹ 2,151 crore in 2007-08 turned into a high of revenue deficit in 2009-10 and again as revenue surplus which stood at ₹ 3,215 crore

in 2011-12. The turnaround in revenue account during the current year was mainly on account of an increase of ₹ 10,595 crore (20 per cent) in revenue receipts against an increase of only ₹ 2,304 crore (4 per cent) in revenue expenditure.

The fiscal deficit increased from ₹ 4,770 crore in 2007-08 with a high of ₹ 15,153 crore in 2009-10 and again decreased to ₹ 11,027 crore in 2011-12. Despite an increase of ₹ 4,128 crore in capital expenditure during 2011-12, the fiscal deficit decreased by ₹ 4,047 crore mainly due to a revenue surplus of ₹ 3,215 crore. A decline of ₹ 4,047 crore in fiscal deficit together with an increase of ₹ 1,307 crore in interest payment resulted in a primary deficit of only 93 crore in 2011-12 from ₹ 5,447 crore in 2010-11.

1.12.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.18**.

Table 1.18: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
Particulars		2007-08	2008-09	2009-10	2010-11	2011-12
Decomposition of Fiscal Deficit		4,770	10,438	15,153	15,074	11,027
1	Revenue Deficit(-)/(+)Surplus	(+)2,151	(-)66	(-)6,966	(-)5,076	(+)3,215
2	Net Capital Expenditure	6,706	10,199	7,910	9,593	13,802
3	Net Loans and Advances	215	173	277	405	440
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	6,137	7,618	8,404	10,725	15,083
2	Loans from GOI	(-)345	(-)332	(-)478	(-)464	(-)932
3	Special Securities Issued to NSSF	424	(-)74	3,099	2,628	(-)1,864
4	Loans from Financial Institutions	460	490	(-)26	(-)25	(-)28
5	Small Savings, PF etc	436	320	1,018	705	558
6	Deposits and Advances	1,353	798	1,178	2,533	1,358
7	Suspense and Miscellaneous	(-)428	663	(-)582	1,311	(-)56
8	Remittances	3	(-)22	190	78	(-)47
9	Reserve Fund	915	582	768	998	680
10	Contingency Fund	(-)7	(-)24	(-)13	47	(-) 80
Total		8,948	10,019	13,558	18,536	14,672
Increase/Decrease(-) in Cash Balance		4,178	(-)419	(-)1595	(+)3,462	(+)3,645

*All these figures are net of disbursements/outflows during the year
Source: Finance Accounts of the State Government

A redeeming feature of the fiscal deficit is that the Government primarily borrows to finance capital expenditure. During 2011-12, the revenue deficit of ₹ 5,076 crore of 2010-11 turned into revenue surplus of ₹ 3,215 crore. The revenue surplus lowered the fiscal deficit in 2011-12 despite the increase in capital expenditure. The fiscal deficit of ₹ 11,027 crore in 2011-12 was met out from net borrowing of ₹ 15,083 crore resulting in increase in the cash balance by ₹ 3,645 crore. The increase of 41 per cent in net market borrowing in 2011-12 over previous year for financing the deficit increased the interest burden for the coming years. It is evident from above that Government raised excess market loans than it was required for financing its deficit.

The FD stated (December 2012) that loan available from NSSF (National Small Savings Fund) was not received as per estimates and overall estimate of borrowings were considered after including the source of NSSF. Further, it was stated that the entire open market borrowing was well within the approval of ₹ 16,500 crore given by Government of India (GoI) under Article 293(3) of Constitution of India. The reply is not acceptable. The increase in the cash balance by ₹ 3,645 crore clearly indicated the excess borrowings of market loan though market borrowings was within the limit accorded by GoI. The Thirteenth Finance Commission has also stated that with reduced fiscal deficits, it is essential that States follow the practice of borrowing on requirement rather than on availability.

Prudence in management of debt by the State Government may avoid such a situation in future.

1.12.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratios of revenue deficit to fiscal deficit indicate the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicate that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup. The bifurcation of the primary deficit (**Table 1.19**) would indicate the extent to which the deficit had been on account of increase in capital expenditure, which may have been desirable to improve the productive capacity of the State's economy.

Table 1.19: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue Deficit(-) /surplus (+)	Primary Deficit (-) /Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2007-08	35,999	26,055	6,801	429	33,285	(+)9,944	(+)2,714
2008-09	38,877	30,857	10,220	354	41,431	(+)8,020	(-)2,554
2009-10	41,959	40,048	8,047	427	48,522	(+)1,911	(-)6,563
2010-11	52,738	47,813	9,684	688	58,185	(+)4,925	(-)5,447
2011-12	63,134	48,810	13,812	605	63,227	(+)14,324	(-)93

Source: Finance Accounts of the State Government

During the period 2007-08 to 2011-12, primary expenditure increased from ₹ 33,285 crore to ₹ 63,227 crore (increase of 90 per cent) against the increase of non-debt receipt from ₹ 35,999 crore to ₹ 63,134 crore (increase 75 per cent). During 2007-08, the non-debt receipts covered the primary expenditure, resulting in surplus. In the year 2009-10, there was a primary deficit of ₹ 6,563 crore due to an increase of 30 per cent in revenue expenditure, without a commensurate increase in non-debt receipts. In 2010-11, there was a primary deficit of ₹ 5,447 crore, which has declined to ₹ 93 crore in 2011-12 mainly due to increase in non-debt receipt of ₹ 10,396 crore (20 per cent) and marginal increase in primary revenue expenditure.

1.12.4 Recommendations of Thirteenth Finance Commission (ThFC)

As per the ThFC award, the State was entitled to receive ₹ 1,489.81 crore as grant-in-aid from GoI during 2011-12 under the category of Upgradation and Special Problems (₹ 773.42 crore), GIA to Local Bodies (₹ 548.36 crore), Improving Outcomes (₹ 98.79 crore), and Environmental Related Grant (₹ 69.24 crore). The amounts allocated and the amounts received thereagainst are given in **Table 1.20** below:

Table 1.20: Details of amounts awarded and received

(₹ in crore)

Sr. No.	Category	Amount awarded	Amount received	Difference
1	Upgradation and Special Problems	773.42	773.42	0.00
(a)	Elementary Education	85.00	85.00	0.00
(b)	Calamities Relief/ Disaster Management/state disaster relief	395.42	395.42	0.00
(c)	Calamities Relief/ Disaster Management/Capacity building	6.00	6.00	0.00
(d)	Maintenance of Roads & Bridges (NPRES)	287.00	287.00	0.00
2	GIA to Local Bodies	548.36	462.97	(-)85.39
(a)	Panchayati Raj Institutions			
	general basic grant	251.93	272.31	20.38
	general performance grant	86.14	13.52	-72.62
(b)	Urban Local Bodies			
	general basic grant	140.57	153.4	12.83
	general performance grant	48.06	9.34	-38.72
(c)	Special /Scheduled Areas Grant			
	basic grant	14.42	14.40	-0.02
	performance grant	7.24	0.00	-7.24
3	Improving Outcomes	98.79	13.00	(-)85.79
(a)	Improvement on Justice Delivery	59.95	0.00	-59.95
(b)	Incentive for issuing UIDs	18.14	0.00	-18.14
(c)	Improvement of Statistical Systems at State and District Level	5.20	0.00	-5.20
(d)	Employee and Pension Database	2.50	0.00	-2.50
(e)	District innovation fund	13.00	13.00	0.00
4	Environment Related Grant	69.24	69.24	0.00
(a)	Forest protection & development	10.24	10.24	0.00
(b)	Water sector management	59.00	59.00	0.00
	Total	1,489.81	1,318.63	(-) 171.18

Source: Finance Department, Government of Gujarat

Regarding the reasons for not receiving any amount allocated under ThFC for the Incentive for issuing UIDs, Improvement of Statistical Systems at State and District Level, the concerned department *viz.*, General Administrative Department stated (October 2012) that the Incentive for issuing UIDs project could be launched only in May 2012 and for the Improvement of Statistical Systems, the GoI granted approval on the Action Plan of the project and released ₹ 5.20 crore only in July 2012. Reply of the other concerned departments for the non receipt of the allocated amount for the year 2011-12 was awaited (December 2012).

1.12.5 State specific needs

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

As per the ThFC award, the State was entitled to receive ₹ 325 crore as grant from GoI during 2011-12 under the category of state specific needs. The amounts allocated and the amounts received there against are given in **Table 1.21** below:

Table 1.21: Details of amounts awarded and received

(₹ in crore)				
Sr. No.	Specific need	Amount awarded	Amount received	Difference
1	Ingress of Salinity	37.50	31.61	(-)5.89
2	Coastal Erosion	37.50	28.75	(-)8.75
3	Ground Water Recharge	50.00	49.14	(-)0.86
4	Police Training	53.75	53.75	0.00
5	Tribal Area Development	50.00	50.00	0.00
6	Public Health	59.25	59.25	0.00
7	Construction of Border Roads	25.00	25.00	0.00
8	Gir Lion Project	12.00	12.00	0.00
	Total	325.00	309.50	(-)15.50

Source: Finance Department, Government of Gujarat

Out of eight projects/schemes, in three scheme pertaining to Narmada, Water Resources, Water Supply and Kalpsar department, the State Government did not receive ₹ 15.50 crore in 2011-12. The Department replied that since various preliminary approvals were pending in case of ingress of salinity, coastal erosion and ground water recharge, the amount received during the year had not been used in full. Hence there was less receipt than the amount awarded during 2011-12. In other cases, the entire amount of provisions had been received.

1.13 Conclusion and Recommendations

The ratio of the State's own tax revenue to GSDP decreased continuously from 6.65 per cent in 2007-08 to 6.25 per cent in 2009-10, but increased to 7.49 per cent in 2011-12 from 7.08 per cent in 2010-11. The ratio of non-tax revenue to GSDP decreased substantially from 1.40 per cent in 2007-08 to 0.89 per cent in 2011-12.

The State Government should mobilise additional resources through non- tax sources by rationalising the user charges.

The overall revenue expenditure of the State increased by 78 per cent from ₹ 33,539 crore in 2007-08 to ₹ 59,744 crore in 2011-12 and though its share in total expenditure declined from 82.27 per cent 2007-08 to 80.56 per cent in 2011-12 indicating improvement in quality of expenditure.

Government of India transferred ₹ 4,393 crore to State Implementing Agencies during the year against ₹ 4,451 crore transferred during the previous year. Direct transfer of funds from the Union to the State Implementing

Agencies ran the risk of poor oversight of utilisation of funds by these agencies.

The outstanding fiscal liabilities have shown a steady increase over the years, from ₹ 96,452 crore at the end of 2007-08 to ₹ 1,50,785 crore at the end of 2011-12. The composition of fiscal liabilities at the end of March 2012 remained more or less the same as that of the previous year with Internal Debt accounting for 76 *per cent*, Public Account Liabilities for 18 *per cent* and Loans and Advances from Government of India for 6 *per cent*. During 2011-12, the Government raised excess market loans than required for financing its fiscal deficit. As a result, the cash balance of the State as on 31 March 2012 stood at ₹ 18,632 crore, which was 24 *per cent* higher than that of previous year. The cost of holding surplus cash balances is high. Since, maintaining huge idle cash balance is not prudent cash management, appropriate steps should be taken for spending on capital projects for creation of assets.

2.1 Introduction

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 108 grants/appropriations was as given in **Table 2.1**:

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

		(₹ in crore)				
Nature of expenditure		Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual Expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	49,854.89	3,925.72	53,780.61	49,308.96	(-) 4,471.65
	II Capital	14,450.67	885.01	15,335.68	13,990.62	(-) 1,345.06
	III Loans and Advances	719.41	30.03	749.44	605.34	(-) 144.10
Total Voted		65,024.97	4,840.76	69,865.73	63,904.92	(-) 5,960.81
Charged	IV Revenue	10,865.04	201.06	11,066.10	11,037.26	(-) 28.84
	V Capital	0.03	7.29	7.32	5.48	(-) 1.84
	VI Public Debt- Repayment	4,804.06	0	4,804.06	5,275.17	(+) 471.11
Total Charged		15,669.13	208.35	15,877.48	16,317.91	(+) 440.43
Grand Total		80,694.10	5,049.11	85,743.21	80,222.83	(-) 5,520.38

Source : Appropriation Accounts and Appropriation Act of the State Government

Overall savings of ₹ 5,520.38 crore was the result of savings of ₹ 6,181 crore in 87 grants and 20 appropriations under the Revenue Section, 51 grants and three appropriations under the Capital Section and one appropriations related to Public Debt-Repayments, offset by excess of ₹ 660.62 crore in five grants and two appropriation under the Revenue Section and one grant and three appropriations under the Capital Section.

The savings/excesses were intimated (July 2012) to the Controlling Officers by Accountant General (Accounts and Entitlement), requesting them to explain the reasons for significant variations. Explanations received till August 2012 were incorporated in the Appropriation accounts.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The appropriation audit revealed that in 99 cases, savings exceeded ₹ 10 crore in each case or by more than 20 *per cent* of the total provision (**Appendix 2.1**). Summarised position of savings is indicated in **Table 2.2**.

Table 2.2: Summarised position of Savings

Sr. No.	Range of Saving	Number of Cases	Total Grant (₹ in crore)	Saving (₹ in crore)	Percentage
1.	Upto ₹ 5 crore	44	123.14	48.45	39.34
2.	More than ₹ 5 crore and upto ₹ 10 crore	8	128.87	54.35	42.17
3.	More than ₹ 10 crore and upto ₹ 25 crore	16	16,066.23	248.15	1.54
4.	Above ₹ 25 crore	31	41,466.18	5,746.92	13.86
Total		99	57,784.42	6,097.87	10.55

Main reasons for excessive savings are detailed below:

1. Grant No. 19 (Other Expenditure pertaining to Finance Department)- The savings of ₹ 2,224.81 crore were due to the fact that separate provision of ₹ 1,500 crore for Dearness Allowance (DA) was made initially under the Finance Department, but at the time of revised estimates necessary provision was made under respective departments.

Finance Department (FD) stated (December 2012) that payment of DA is dependent on external factors and as such it was not possible to reflect this uncertain increase in the budget except through lump sum provision based on expectation. The reply is not acceptable as in the instant case the huge saving was made not due incorrect estimation but due the provision made by FD for payment of DA in respect of other departments. As per the paragraph 38 of Gujarat Budget Manual, such provisions are required be made by the respective departments in their budget estimates.

2. Grant No. 84 (Non-Residential Buildings pertaining to Roads and Buildings Department) - The savings of ₹ 501.70 crore were on account of higher provision for new works, time consuming tender procedures, delay in preparation of estimates and non allotment of land.

3. Grant No. 79 (Relief on account of Natural Calamity pertaining to Revenue Department)- The savings of ₹ 351.90 crore, as the funds provided were not required due to non occurrence of drought or any other of natural calamities.
4. Grant No. 95 (Scheduled castes Sub-Plan pertaining to Social Justice and Empowerment Department)- Out of the total savings of ₹ 266.60 crore, savings of provision of ₹ 12.88 crore were due to non-finalisation of tender, non approval of plans and estimates for construction of new buildings, transfer of funds of ₹ 50 crore to revenue head which were incorrectly provided under capital head, ₹ 89.87 crore in water conservation works due to delay in administrative approval and non-availability of beneficiaries.
5. Grant No. 2 (Agriculture pertaining to Agriculture and Co-operation Department)- Out of the total savings of ₹ 164.38 crore, savings of ₹ 135 crore were due to non implementation of scheme for purchase of heavy farm equipment and transfer of funds of ₹ 29.38 crore to revenue head incorrectly provided under capital head.
6. Grant No. 60 (Administration of Justice pertaining to Legal Department)- Out of the total savings of ₹ 160.50 crore, savings of ₹ 53.63 crore were due to non-approval of action plan and posts under ThFC by State Government, ₹ 7.60 crore due to non filling of vacant posts and ₹ 6.48 crore due to non releasing of payments against the claims which were under scrutiny.

2.3.2 Persistent Savings

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

Table 2.3: List of grants indicating persistent savings during 2007-08 to 2011-12.

Sr. No.	No. and name of the grant	Amount of savings (₹ in crore)				
		2007-08	2008-09	2009-10	2010-11	2011-12
Revenue- Voted						
1	19- Other Expenditure pertaining to Finance Department	629.71	1,988.87	1,491.49	951.78	2,224.81
2	49-Industries	75.51	83.89	13.77	117.65	46.64
Capital- Voted						
1	84-Non-Residential Buildings	136.19	252.61	249.33	295.22	501.70

Source : Appropriation Accounts of the State Government

Persistent savings during last five years indicate a need to review the formulation of budget estimates and provisions in these grants. Test check of grant files in audit further revealed that there were savings of more than ₹ five crore consistently for the last three years in respect of 43 schemes under 17 different grants (**Appendix 2.2**) indicating that either the provisions were excessive or the executive was not successful in implementing the legislative

aspirations. Some cases of the savings under different schemes/purposes are briefly discussed below:

1. Under the scheme of Intensive Cotton Production Programme, ₹ 53.87 crore were provided but only ₹ 14.83 crore could be spent. Release of lesser amount by Government of India for this centrally sponsored scheme and non-filling up of vacant post were attributed for savings.
2. Under the scheme of 'Supplementation/Compliments States efforts through work plan' for agriculture, ₹ 233.68 crore were provided but only ₹ 137.37 crore could be spent. Lesser release of amount for this centrally sponsored scheme and non approval of project were attributed for savings.
3. Under the scheme of Computer Literacy and Studies in schools, ₹ 292.00 crore was provided for but only ₹ 88.24 crore could be spent. Specific reasons had not been furnished.
4. For the purpose of Special Courts, ₹ 629.95 crore was provided of which savings were ₹ 252.45 crore due to non receipt of administrative approval for filling the vacant posts and establishment of special courts.
5. For the purpose of Office Building in Roads and Buildings Department out of the total provision of ₹ 957.95 crore, the savings were to the tune of ₹ 459.60 crore, as there was delay on account of land acquisition, huge provisions made for new works and slow progress of construction works.
6. In respect of sale of edible oil through fair price shops, though ₹ 98.50 crore were provided for in the budget estimates, less purchases made led to savings of ₹ 53.74 crore.
7. Similarly, in Gujarat Matikam Kalakari and Rural Technology, there was a saving of ₹ 51.72 crore out of ₹ 144.09 crore provided for in the budget estimates for want of administrative approval from State Government and non-receipt of proposals from beneficiaries.
8. Out of the provision of ₹ 134.62 crore towards survey and investigation in Irrigation Department, ₹ 105.54 crore could not be spent due to non commencement of Kalpsar project and Bhadbhoot barrage.
9. In respect of Buildings for welfare of backward classes under Roads and Buildings Department, though ₹ 44.98 crore were provided for in the budget estimates, due to delay in administrative approvals, technical sanction and tendering, award of work for construction of new hostel and school buildings was delayed resulting in savings of ₹ 28.66 crore.
10. As regards Panam High Level Canal, the savings were to the tune of ₹ 33.18 crore out of the total provision of ₹ 109 crore due to delay in administrative approvals, technical sanction and tendering process for new works.

2.3.3 Excess Expenditure

In three cases, expenditure exceeded the approved provisions by ₹ 10 crore or more in each case or by more than 20 per cent of the total provisions as given in Table 2.4.

Table 2.4: Statement of various Grants and Appropriations where expenditure was more than ₹ 10 crore each or by more than 20 per cent of the total provision
(₹ in crore)

Sr. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Excess	Percentage of Excess Expenditure to total Grant
Revenue Voted						
1	18	Pension and other retirement benefits	4,632.17	4,792.63	160.46	3.46
2	51	Tourism	72.71	84.31	11.60	15.95
3	82	Other expenditure pertaining to Revenue Department	3.16	10.40	7.24	229.11
Capital Charged						
4	20	Repayment of debt pertaining to Finance Department and its servicing	4,804.06	5,275.17	471.11	9.81
Total			9,512.10	10,162.51	650.41	6.84

Source: Appropriation Accounts of the State Government

Of the above mentioned four grants, in Grant No. 20 and Grant No. 18, the excess expenditure incurred was huge. FD stated (December 2012) that excess expenditure of ₹ 160.46 crore in Grant No. 18 was due to payment of arrears to pensioners on account of implementation of Sixth Pay Commission recommendations, medical facilities to pensioners and misclassification under the head contribution to provident fund. In case of Grant No. 20 the excess was due to additional debt repayments that was not expected. The reason for final excess expenditure were not intimated in other cases (December 2012).

2.3.4 Expenditure without Provision

As per Para 125(5) of the Gujarat Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 42.27 crore were incurred during 2011-12 in two cases under two grants without any provision. In Grant No.95-Major Head 2501¹ and Grant No.96-Major Head 4225² expenditure of ₹ 2.11 crore and ₹ 40.16 crore respectively was made without any provision in the original estimates/supplementary demand.

Reasons for incurring expenditure without provision of funds were not intimated (December 2012).

¹ Scheduled Castes Sub-plan, Centrally Sponsored Scheme, Backward Region Grant Fund (plan)

² Tribal Area Sub-plan, Capital Outlay on welfare of SC, ST and OBC

2.3.5 Excess expenditure over provision relating to previous years not regularised

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However excess expenditure amounting to ₹ 11,895.25 crore for the years 1999-2000 to 2010-11 was yet to be regularised, as detailed in **Appendix 2.3**.

2.3.6 Excess over provisions during 2011-12 requiring regularisation

Table 2.5 contains the summary of total excess over provision of funds in respect of eleven grants/appropriations amounting to ₹ 660.62 crore during 2011-12 requiring regularisation under Article 205 of the Constitution.

Table 2.5: Excess over provisions requiring regularisation during 2011-12

(₹ in crore)					
Sr. No	Number and Title of Grants		Total grant	Expenditure	Excess
1	10	Other expenditure pertaining to Education Department - Revenue Voted	2.07	2.20	0.13
2	18	Pension and other retirement benefits -Revenue Voted	4,632.17	4,792.63	160.46
3	20	Repayment of Debt pertaining to Finance Department and its services – Capital Charged	4,804.06	5,275.17	471.11
4	26	Forest – Revenue Charged	0.37	0.37	*
5	51	Tourism - Revenue Voted	72.71	84.31	11.60
6	81	Compensation and Assignment – Capital Charged	0.02	0.02	#
7	82	Other expenditure pertaining to Revenue Department - Revenue Voted	3.16	10.40	7.24
8	86	Road and Bridges - Revenue Voted	2,176.06	2,185.71	9.65
9	87	Gujarat Capital Construction Scheme – Capital Voted	107.00	107.04	0.04
10	96	Tribal Area Sub-plan - Revenue Charged	3.59	3.96	0.37
11	96	Tribal Area Sub-plan - Capital Charged	1.12	1.14	0.02
Total			11,802.33	12,462.95	660.62

Source : Appropriation Accounts of the State Government

FD stated (December 2012) that excess expenditure of ₹ 160.46 crore in Grant No. 18 was due to payment of arrears to pensioners on account of implementation of Sixth Pay Commission recommendations, medical facilities to pensioners and misclassification under the head contribution to provident fund. In case of Grant No. 20, the excess was due to additional debt repayments that were not expected. The reasons for excess over provision in other grants were not intimated (December 2012).

* ₹ 11,000

₹ 17,000

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provisions (₹ 50 lakh or more in each case) aggregating to ₹ 239.83 crore obtained in 15 cases during the year, proved unnecessary as the expenditure did not come up to the levels of the original provision as detailed in **Appendix 2.4**. In three cases, supplementary provisions of ₹ 824.37 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 181.71 crore as given in **Table 2.6**.

Table 2.6: Grants/Appropriations where supplementary provision proved insufficient by more than ₹ one crore each

(₹ in crore)							
Sr. No.	Grant No.	Name of the Grant /Appropriation	Original Provision	Supplementary Provision	Total Provision	Expenditure	Excess
1	18	Pension and other retirement benefit - Revenue Voted	4,176.17	456.00	4,632.17	4,792.63	160.46
2	51	Tourism - Revenue Voted	55.37	17.34	72.71	84.31	11.60
3	86	Road and Bridges - Revenue Voted	1,825.03	351.03	2,176.06	2,185.71	9.65
Total			6,056.57	824.37	6,880.94	7,062.65	181.71

Source : Appropriation Accounts of the State Government

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation of funds proved injudicious in view of final excesses and savings over the grants. Instances where re-appropriation of more than ₹ 50 lakh in each case proved excessive or unnecessary resulting in savings of ₹ 293.07 crore in 59 sub-heads and excesses of ₹ 350.26 crore in 38 sub-heads are detailed in **Appendix 2.5**.

In case of excess expenditure incurred after re-appropriation under Grant 18 – Pension and other retirement benefits, FD stated (December 2012) that the payment of retirement benefit and interest on General Provident Fund was unavoidable and could not be deferred on ground of grant availability. The reply is not acceptable. The re-appropriation of the grant was made only on the last day of March 2012, when the FD was in a position to realistically estimate the actual funds required.

2.3.9 Substantial surrenders

Substantial surrenders (more than 50 per cent of the total provision or more than ₹ one crore) were made in respect of 580 sub-heads under 89 grants mainly on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 16,563.26 crore in these sub-heads, ₹ 5,982.12 crore (36.12 per cent) was surrendered, which included cent per cent surrender in 213 cases (₹ 713.10 crore). The details of selected top 17 cases where cent per cent surrenders were done are given in **Appendix 2.6**.

2.3.10 Surrender in excess of actual saving

In 28 cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings, indicating inadequate budgetary control in these departments. As against savings of ₹ 902.82 crore, the amount surrendered was ₹1,285.26 crore, resulting in excess surrender of ₹ 382.44 crore. Details are given in **Appendix 2.7**.

In Grant No.65, ₹ 198.65 crore under capital contribution for Sardar Sarovar Narmada Nigam Limited (SSNNL) were surrendered. SSNNL is the implementing agency of Sardar Sarovar Project (SSP). The beneficiary states of SSP have to give their share of cost towards SSP to the State Government as per Narmada Water Disputes Tribunal Award. The above mentioned funds were surrendered for the reason that the State Government did not receive the share of cost from the beneficiary states. However, the year ended with an excess of ₹ 198.59 crore.

In Grant No.79, ₹ 411.23 crore were surrendered by Revenue Department as there was no natural calamity. However, the year ended with an excess of ₹ 59.33 crore.

In Grant No.96, ₹ 86.65 crore were surrendered from Tribal area Sub-plan as there was delay in administrative approval to different schemes. However, the year ended with an excess of ₹ 54.87 crore.

2.3.11 Savings not surrendered

As per Para 103 of the Gujarat Budget Manual, spending departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Sums surrendered by administrative departments after the 15th of March are not to be accepted, except in the case of Supplementary grants obtained after 15th March. At the close of the year 2011-12, there were, 13 grants/appropriations under which savings exceeding ten *per cent* of the total provision but no part of the same had been surrendered by the concerned departments. The total amount involved in these cases was ₹ 34.40 crore as shown in **Table 2.7**.

Table 2.7: Grants/Appropriations in which savings occurred but no part of which was surrendered (more than 10 per cent of total provision)

(₹ in crore)					
Sr. No.	Grant No.	Name of Grant/Appropriation	Total provision	Saving	Percentage
1	2	Agriculture - Revenue Charged	Ω	Ω	100.00
2	39	Medical and public health - Revenue Charged	0.03	0.02	66.67
3	41	Other expenditure pertaining to Health and Family Welfare Department - Revenue Voted	0.39	0.36	92.31
4	57	Labour and Employment -Revenue charged	0.33	0.08	24.24
5	58	Other expenditure pertaining to labour and employment - Revenue Charged	0.24	0.03	12.50
6	66	Irrigation and Soil Conservation - Capital Charged	5.65	1.86	32.92

Ω ₹ 10,000

Sr. No.	Grant No.	Name of Grant/Appropriation	Total provision	Saving	Percentage
7	66	Irrigation and soil conservation - Revenue Charged	0.71	0.23	32.39
8	83	Road and buildings Department - Revenue Voted	13.48	2.26	16.77
9	84	Non residential buildings - Revenue Charged	0.68	0.31	45.59
10	85	Residential buildings - Revenue Voted	165.27	28.46	17.22
11	86	Road and bridges - Revenue Charged	0.98	0.38	38.78
12	88	Other expenditure pertaining to Road and Buildings Department - Revenue Charged	3.34	0.40	11.98
13	98	Youth services and Culture activities - Revenue Charged	0.01	0.01	100.00
TOTAL			191.11	34.40	18.00

Source: Appropriation Accounts of the State Government

Similarly, out of the total savings of ₹ 1,099.60 crore under 26 grants (saving of more than ₹ one crore and more than ten *per cent* not surrendered), grants aggregating ₹ 396.78 crore were not surrendered, details of which are given in **Table 2.8 below**.

Table 2.8: Details of Savings of more than ₹ one crore and more than 10 *per cent* not surrendered

(₹ in crore)

Sr. No.		Number and Name of the Grant/Appropriation	Saving	Surrender	Percentage of surrender	Saving which remained to be surrendered
1	2	Agriculture - Revenue Voted	6.49	5.44	83.82	1.05
2	6	Fisheries - Revenue Voted	3.44	2.74	79.65	0.70
3	9	Education - Revenue Voted	328.94	217.43	66.10	111.51
4	9	Education - Capital Voted	13.41	8.91	66.44	4.50
5	20	Repayment of debt pertaining to finance department and its servicing - Revenue Charged	12.45	8.89	71.41	3.56
6	31	Election - Revenue Voted	1.55	1.02	65.81	0.53
7	36	State Legislature - Revenue Voted	1.54	0.99	64.29	0.55
8	39	Medical and Public Health - Capital Voted	17.31	1.00	5.78	16.31
9	39	Medical and Public Health - Revenue Voted	81.34	32.51	39.97	48.83
10	43	Police - Revenue Voted	72.72	58.55	80.51	14.17
11	59	Legal Department Revenue Voted	2.45	1.66	67.76	0.79
12	64	Narmada, Water Resources, Water Supply and Kalpsar department - Revenue Voted	8.08	0.04	0.50	8.04
13	69	Panchayat, Rural housing and Rural development Department - Revenue Voted	1.91	1.69	88.48	0.22

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Sr. No.		Number and Name of the Grant/Appropriation	Saving	Surrender	Percentage of surrender	Saving which remained to be surrendered
14	73	Other expenditure pertaining to Panchayat , Rural housing and rural development Department - Revenue Voted	22.20	0.71	3.20	21.49
15	73	Other expenditure pertaining to Panchayat , Rural housing and Rural development Department - Capital Voted	4.09	1.12	27.38	2.97
16	76	Revenue Department - Revenue Voted	6.96	5.93	85.20	1.03
17	77	Tax collection charges (Revenue Department) - Revenue Voted	155.62	86.46	55.56	69.16
18	80	Dangs district - Revenue Voted	8.67	4.26	49.13	4.41
19	84	Non residential Building - Revenue Voted	1.55	0.23	14.84	1.32
20	88	Other expenditure pertaining to Road and Buildings Department - Capital Voted	3.58	2.98	83.24	0.60
21	93	Welfare of scheduled tribes - Revenue Voted	1.67	0.25	14.97	1.42
22	95	Scheduled castes sub plan - Capital Voted	266.60	204.03	76.53	62.57
23	96	Tribal area Sub Plan - Revenue Voted	60.14	42.33	70.39	17.81
24	97	Sports, youth and culture activities department - Revenue Voted	1.38	1.21	87.68	0.17
25	98	Youth services and culture activities - Revenue Voted	14.50	12.42	85.66	2.08
26	106	Other expenditure pertaining to Women and child development department - Revenue Voted	1.01	0.02	1.98	0.99
Total			1,099.60	702.82	63.92	396.78

Source: Appropriation Accounts of the State Government

In case of Grant No. 20 FD replied (December 2012) that as the amount payable towards interest on GPF was less, the resulting savings could not be surrendered as the final payment is accounted for subsequent to the end of financial year. The reply in other cases was not furnished (December 2012).

2.3.12 Rush of expenditure

According to para 109 of the Gujarat Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, more than 50 *per cent* of the total expenditure for the year was incurred during the last quarter or in March 2012, in respect of Major Heads listed in **Appendix 2.8. Table 2.9** represents 30 Major Heads where expenditure exceeded ₹ 10 crore and where more than 50 *per cent* expenditure was incurred either during the last quarter or during the last month of the financial year.

Table 2.9: Cases of Rush of Expenditure towards the end of the financial year 2011-12

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of 2012		Expenditure during March 2012	
			Amount	Percentage of Total Expenditure	Amount	Percentage of Total Expenditure
1	2015	55.18	30.94	56.07	23.89	43.29
2	2075	72.56	66.00	90.96	61.39	84.61
3	2245	180.55	142.02	78.66	132.80	73.55
4	2403	347.92	189.19	54.38	153.92	44.24
5	2404	83.62	43.69	52.25	6.00	7.18
6	2505	202.67	151.54	74.77	71.46	35.26
7	2711	37.81	19.06	50.41	17.24	45.60
8	2810	19.00	9.75	51.32	4.59	24.16
9	2852	401.98	273.99	68.16	192.19	47.81
10	2853	52.35	29.18	55.74	20.97	40.06
11	3051	46.90	23.45	50.00	0.00	0.00
12	3054	2,457.14	1285.30	52.31	826.67	33.64
13	3425	70.10	42.10	60.06	20.93	29.86
14	3452	84.31	46.04	54.61	44.72	53.04
15	3456	227.90	142.04	62.33	58.52	25.68
16	3604	199.58	136.06	68.17	112.09	56.16
17	4210	621.96	404.18	64.98	311.63	50.10
18	4211	43.07	39.12	90.83	38.46	89.30
19	4408	11.34	6.77	59.70	6.44	56.79
20	4435	16.06	8.06	50.19	0.30	1.87
21	4515	922.11	719.26	78.00	620.87	67.33
22	4701	646.68	336.09	51.97	233.95	36.18
23	4702	634.62	355.79	56.06	232.61	36.65
24	4852	111.47	76.62	68.74	76.62	68.74
25	4856	600.00	600.00	100.00	600.00	100.00
26	5452	202.35	111.38	55.04	95.38	47.14
27	5465	53.00	53.00	100.00	53.00	100.00
28	6225	20.55	12.20	59.37	8.04	39.12
29	6801	85.00	85.00	100.00	85.00	100.00
30	7615	53.90	36.46	67.64	31.82	59.04
Total		8,561.68	5,474.28	63.94	4,141.50	48.37

Source: Statement furnished by Accountant General (A&E), Gujarat, Rajkot

In case of Major head 3054 the expenditure of ₹ 826.67 crore incurred during March 2012, was mainly booked under object head on Grant in aids of ₹ 450.24 crore, Minor works of ₹ 242.56 crore and Kisan Path of ₹ 100.58 crore.

A test check of expenditure under major heads 4701 and 4702 incurred by three divisions³ revealed that out of total expenditure of ₹ 28.05 crore an expenditure of ₹ 15.98 crore was booked during March 2012. This included ₹ 8.87 crore booked under Major head 4701 which was transferred by these three divisions to Executive Engineer, Irrigation Mechanical Division 6,

³ Executive Engineer, Salinity Control Division, Jamnagar, Executive Engineer, Amreli Irrigation Division, Amreli, Executive Engineer, Salinity Control Division, Rajkot.

Rajkot on account of deposit works⁴ during March 2012. On calling for the details from the Irrigation Mechanical division in this regard, it was replied that deposits of ₹ 5.02 crore were returned back in May 2012 to concerned division as the works were not allotted to it. The expenditure carried out from this amount credited to deposit head of account during 2012-13 would be without Legislative approval.

2.4 Review of Budget Control Mechanism

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

With a view to ascertaining how far the authorities were adhering to these instructions, records of the administrative department/ controlling officers relating to Grant No. 49 (Industries) and Grant No. 66 (Irrigation and Soil conservation) were test-checked in audit and the results thereof are given below.

2.4.1 Submission of Budget estimates

As per the manual⁵ no expenditure can be incurred by the Government from the Consolidated Fund unless the State Legislature approves the amount to be spent under different demands for grants during the year beginning from 1st April to 31st March. This approval takes the form of grant.

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

The delays in submission of the budget estimates for the year 2011-12 are shown in **Table 2.10** below.

⁴ Receipt of the amount is credited in 8443-108 Public Works Deposits. Work done is adjusted at schedule of rates and balance if any is refunded to concerned divisions.

⁵ Chapter XI, Paragraph 93

Table 2.10: Delay in submission of budget estimates

SI No.	Name of Controlling Officer	Date on which budget estimate were sent to Administrative Department by Controlling officers		Date on which budget estimate were sent to Finance Department by Administrative Department		No of days delay in submission by				
		Plan expenditure	Non plan expenditure	Plan expenditure	Non plan expenditure	Controlling Officer		Administrative Department		
						Plan expenditure	Non plan expenditure	Plan expenditure	Non plan expenditure	
Industries & Mines Department										
1	Industries Commissioner	11/11/10 15/11/10 23/11/10	07/10/10	30/11/10	31/10/10	42 46 54	38	45 45	16	
2	Commissioner of Cottage & Rural industries	15/10/10 29/10/10 18/11/10	15/10/10 29/10/10	30/11/10	31/10/10	15 29 39	15 29	45	16	
Water Resource Department										
3	All 30 nos. of COs-Superintending Engineers, Irrigation	Not furnished		15/11/10	10/12/10	Not furnished		31	56	

It was observed that the time schedule was not adhered to either by COs or by the Administrative Departments. Reason for delay in submission of budget estimates were not submitted by the department. Thus, the administrative departments had no system to monitor delays in submission by COs, which resulted in subsequent delays in forwarding the estimates to FD.

2.4.2 Review of Grant-49 Industries (Industries and Mines Department)

(i) Non finalisation of terms and conditions of the agreement

There was a budget provision for giving loan of ₹ 110 crore to engineering industries (6858-Loans for engineering Industries-Loan to Mega Project to implement – State Support Agreement) which could not be disbursed due to non finalisation of terms and conditions of the agreement with the industries, the entire amount was surrendered in March 2012. During 2010-11 the entire provision of ₹ 50 crore in the above Major head was also surrendered.

(ii) Improper Planning

Provision was made for ₹ 4.65 crore during 2011-12 as assistance to Indext-C⁶ (2851-Village and Small Industries-IND 23 Assistance to Indext-C). The Indext-C organises cottage fairs (mela) which provides direct marketing to articles of handloom –handicraft and cottage industries. There was surrender of provision of ₹ 1.75 crore on the last day of the financial year. The Department (August 2012) attributed the surrender due to delay in tender process as a result only 49 melas were organised against a target of 100 melas.

⁶ Industrial Extension- Cottage, a Government of Gujarat undertaking

2.4.3 Review of Grant-66 Irrigation and Soil conservation (Water Resources Department)

(i) Substantial surrenders

The departmental estimates on Capital outlay on medium irrigation in case of the following sub-heads saw substantial surrenders.

Sl No.	Major Head/Minor Head/Sub Head	Sanctioned grant Appropriation	Final grant after surrender of saving	
			Amount of surrender	(₹ in crore)
01	4701-67-800-80 Ranakhirasara WRP	2.00	1.97	0.03
02	4701-71-800-80 Flood Water for irrigation of ground water recharge in Saurashtra	16.00	12.37	3.63
03	4701-74-800-80 Other works (NABARD)	11.72	6.56	5.16

Regarding the reasons for substantial surrender of grant amount under sub-head referred above from sl. No. 1 to 3, the Department stated (September 2012) that:

- Regarding Sl. No. 1 Budget provision ₹ 2.00 crore was made for pre-construction activity viz., soil investigation, alignment surveys and land acquisition for the work of construction of earthen dam and spillway. These activities were not commenced as it required more time in evaluating various alternatives prior to finalisation design for the work and hence the amount could not be utilised.
- Regarding Sl. No. 2 Based on a preliminary investigation, it was originally planned to construct 30 check-dams in Surendranagar district, but after conducting a detailed investigation, it was found that construction of 12 check dams were technically not feasible. Out of the remaining 18 check dams, tenders were finalised only in respect of five check dams (December 2011) and final expenditure of ₹ 3.45 crore was incurred out of the provision of ₹ 12.00 crore made for this purpose. Further, for another work related to filling of reservoirs in Saurashtra region through link canals, a proposal submitted by the consultant was pending finalisation with the Department. Hence, the provision of ₹ 4.00 crore for consultancy services could not be utilised in making the payment to the consultant.
- Regarding Sl. No. 3 Out of six *bandharas*⁷ planned for construction in Kutch, tender rate quoted for one *bandhara* was abnormally below the estimated cost and hence the tender was re-invited, resulting in saving of ₹ 5.34 crore. Further, for another work related to utilising the Narmada water allocated to Kutch, a proposal submitted by the consultant was pending finalisation with the Department. Hence, the payment to the consultant could not be made.

⁷ Big check dam

(ii) Excessive/ unnecessary re-appropriations/surrenders

Audit observed that excessive/ unnecessary re-appropriations/surrenders orders during March 2012 were passed by the department in the following cases.

(₹ in crore)					
Sr. No.	Head of Account	Budget Estimates	Total	Expenditure (Expenditure during March)	Excess expenditure
1	4702-00-800-2 Drip contribution of Pressurise Irrigation Network System for Tube wells of GWRDC (plan)	O ⁸ : 2.50 R ⁹ : (-)2.49	0.01	1.51 (1.46)	(+)1.50
2	4702-00-101-2 Minor irrigation (CSS)	O+ S ¹⁰ : 324.13 Surr ¹¹ :(-)91.26	232.87	267.44 (77.89)	34.57
3	2711-03-103-11 Drainage works	O : 8.00 Surr :(-) 2.17	5.83	7.14 (4.02)	1.31
4	2700-80-005-11 IRG-47 Survey and investigation	O : 46.82 R :(-)45.20	1.62	4.44 (0.99)	2.82

The reasons for the same were called for from the Department. No reply has been received. (December 2012).

(iii) Non fulfilment of budget targets

The Budget speech for the year 2011-12 made a commitment to provide funds of ₹ 132.17 crore for the purpose of Prevention of Salinity Ingress and Coastal erosion in Saurashtra, Kutch, Ghed area and South Gujarat etc,(4701 Capital outlay on Medium Irrigation). Accordingly, original budget provision was made for ₹ 119.75 crore. During the year an amount of ₹ 59.66 crore was surrendered in March 2012 and final expenditure of ₹ 59.53 crore (49.71 per cent of the provision) was booked.

The Department stated (September 2012) that major savings of ₹ 47.85 crore under anti sea erosion works in South Gujarat and ₹ 9.29 crore under salinity ingress prevention works in Saurashtra region were due to more time consumption in preliminary process before commencement of work like technical sanction, feasibility report etc. Hence it was not possible to fulfill the commitments during the year.

Lack of planning led to surrenders and excessive/unnecessary reappropriations.

2.5 Advances from Contingency Fund

The Contingency Fund of the State has been constituted under the Gujarat Contingency Fund Act, 1960 in terms of the provisions of Articles 267(2) and

⁸ O = Original
⁹R = Re-appropriation
¹⁰ S = Supplementary
¹¹ Surr = Surrender

283(2) of the Constitution of India. The fund is in the nature of an imprest and its corpus is ₹ 200 crore. During the year, ₹ 80.50 crore were spent (February and March 2012) out of the Contingency Fund which was not recouped during the year.

FD stated (December 2012) that recoument of expenditure incurred from Contingency Fund in February and March 2012 will be possible in 2012-13 after enactment of Supplementary Appropriation Act.

2.6 Conclusion and Recommendations

Conclusion

During 2011-12, expenditure of ₹ 80,222.83 crore was incurred against total grants and appropriations of ₹ 85,743.21 crore resulting in savings of ₹ 5,520.38 crore. The overall savings of ₹ 5,520.38 crore was the result of savings of ₹ 6,181 crore, offset by excess of ₹ 660.62 crore. This excess requires regularisation under Article 205 of the Constitution of India.

In 28 cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings, indicating inadequate budgetary control in these departments. As against savings of ₹ 902.82 crore, the amount surrendered was ₹ 1,285.26 crore, resulting in excess surrender of ₹ 382.44 crore.

There were 26 grants/appropriations under which savings of more than ₹ one crore had occurred but the same had not been surrendered completely by the concerned departments. The total amount involved in these cases was ₹ 1,099.60 crore out of which ₹ 396.78 crore were not surrendered. Similarly, in 13 grants/appropriations under which savings exceeding ten *per cent* of the total provision had occurred but no part of the same had been surrendered by the concerned departments. The total amount involved in these cases was ₹ 34.40 crore.

Out of the total provision of ₹ 16,563.26 crore in respect of 580 sub-heads, ₹ 5,982.12 crore (36.12 *per cent* of the provision) was surrendered on account of either non-implementation or slow implementation of schemes/programmes.

Recommendations

Budgetary controls should be strengthened in all the Government departments, especially in those departments where savings/excesses have been persistently observed. Fund releases and issuance of re-appropriation/surrender orders at the end, particularly on the last day of the financial year, should be avoided.

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

3.1 Delay in furnishing Utilisation Certificates

Gujarat Financial Rules¹ provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be submitted within twelve months of the closure of the financial year by the institution or organisation concerned. However, 17,441 UCs aggregating ₹ 9,066.34 crore due in respect of grants paid during the period 2001-02 to 2011-12 were outstanding as on 31 March 2012. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise position of delays in submission of UCs is summarised in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilisation Certificates

Sr. No.	Range of Delay in Number of Years	Total grants paid		Utilisation Certificates Outstanding	
		Number	Amount	Number	Amount
1.	0-1	1,253	1,103.41	1,222	1,102.46
2.	1-3	3,463	4,976.57	2,691	4,564.99
3.	3-5	1,552	3,193.02	1,079	2,301.52
4.	5-7	3,960	1,188.63	1,805	538.41
5.	7-9	13,315	2,653.49	3,090	99.00
6.	9 and above	18,047	1,605.26	7,554	459.96
	Total	41,590	14,720.38	17,441	9,066.34

Out of grants amounting to ₹ 9,066.34 crore for which UCs were due, ₹ 2,742.49 crore pertained to the Urban Development & Urban Housing Department for the period 2001-02 to 2010-11 and ₹ 1,648.42 crore and ₹ 1,402.83 crore pertained to Social Justice and Empowerment Department and Agriculture & Co-operation Department respectively for the period 2001- 2002 to 2011-12.

¹ Rule 154 and 155 of the Gujarat Financial Rules, 1971

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

In order to identify the institutions which attract audit under Sections 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Head of Department is required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purposes for which assistance was given, and the total expenditure of the institutions. There are 209 autonomous bodies/authorities covered by Section 14 of the Act referred to above. A total of 437 annual accounts of 104 autonomous bodies/authorities due up to 2011-12 were not received as of 31 August 2012 by the Accountant General (General and Social Sector Audit). The 107 accounts (including accounts of earlier years) relating to 66 bodies/authorities, audit of which was due, were audited during the year 2011-12.

The details of the accounts which were due for audit but not received are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise arrears of Annual Accounts due from Government Bodies

Sr. No.	Delay in Number of Years	No. of the Bodies/Authorities
1	0-1	30
2	1-3	35
3	3-5	32
4	5-7	6
5	7-9	0
6	9 and above	1
	Total	104

It can be seen from the above table that in respect of seven autonomous bodies/authorities, accounts were in arrears for more than five years. Of these, the accounts of Gujarat University, Ahmedabad and Gujarat Ecology Commission, Gandhinagar were in arrears since 1999-2000 and 2004-05, respectively. In the absence of annual accounts the accountal/utilisation of the grants and loans disbursed to these Bodies/Authorities could not be ensured in audit.

FD accepted the facts and stated (December 2012) that necessary instructions have been issued to all the concerned departments to take appropriate action in respect of the pending annual accounts.

3.3 Submission of Accounts/Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the various fields of development, housing, etc. These autonomous bodies attract audit under Section 19(2), 19(3) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The separate audit report (SAR) in relation to each account is submitted to the Government.

The audit of accounts of 25 such autonomous bodies in the State has been entrusted to the C&AG of India. However, only five rendered their accounts in time. For the remaining 20, the periods of delay are given in **Appendix 3.3**. SARs were not required to be placed before the Legislature in respect of 17 Authorities (Refer **Appendix 3.3**). With respect to submission of SARs to the Legislature, in respect of eight autonomous bodies, the details are given in **Table 3.3**.

The frequency distribution of autonomous bodies according to the delays in submission of accounts to Audit and placement of SARs in the Legislature after the entrustment of Audit to the C&AG is summarised in **Table 3.3**.

Table 3.3: Delays in Submission of Accounts and tabling of Separate Audit Reports

Delays in submission of Accounts (In Months)	Number of Autonomous Bodies	Delays in submission of SARs in Legislature(in Years)	Number of Autonomous Bodies
0-6	5	0-1	3
6-12	8	1-2	1
12-18	1	2-3	1
18-24	0	3-4	0
24 & above	6	4-5	0
	20		5

FD while accepting the facts stated (December 2012) that necessary instructions have been issued to all the concerned departments to take appropriate action in respect of the pending annual accounts.

3.4 Failure to account for amount drawn on Abstract Contingent Bills

As per Rule 302 of the Gujarat Financial Rules, 1971, read with the Government Resolution dated 5 February 1976, every drawing officer has to certify in each Abstract Contingent (AC) bill that Detailed Contingent (DC) bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General.

Despite above Rule provisions, AC bills (10,589 Nos.) amounting to ₹ 293.51 crore were drawn up to March 2012 by 22 departments for which DC bills were not furnished (March 2012). Year-wise details are given in **Table 3.4**.

Table 3.4: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

Year	Outstanding AC bills	Amount of AC bills
Upto 2005-06	2,768	41.06
2006-07	546	6.98
2007-08	485	7.97
2008-09	403	5.70
2009-10	454	13.26
2010-11	1,248	34.49
2011-12	4,685	184.05
	10,589	293.51

Department-wise details of pending DC bills for the years up to 2011-12 are given in **Appendix 3.4**.

FD stated (December 2012) that necessary instructions have been issued to all the concerned departments to expedite the process of reconciliation/submission of pending DC bills.

3.5 Personal Deposit Accounts

Government is authorised to open Personal Deposit (PD) accounts in order to deposit money for specific purposes. There were 517 PD accounts in District Treasuries in operation as on 31 March 2012 having a balance amount of ₹ 272.92 crore. Of these accounts, 22 accounts had not carried out reconciliation of their balances with the treasury offices during 2011-12 and one account with balance involving ₹ 1.70 crore was found to be inoperative for five years.

FD stated (December 2012) that necessary instructions have been issued to all the treasuries as well as the administrator of PD accounts to reconcile the balances and to close the accounts where no transactions have taken place for last five years.

3.6 Misappropriations, losses, defalcations, etc.

The State Government reported 169 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹ 8.49 crore (up to March 2012) on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6**. The age-profile of the pending cases and the number of cases pending in each category – theft and misappropriation/loss as emerged from these appendices are summarised in **Table 3.5**.

Table 3.5: Age-Profile of Misappropriations, Losses, Defalcations, etc.

(₹ in crore)

Age-Profile of the Pending Cases		
Range in Years	Number of Cases	Amount Involved
0 – 5	22	0.35
5 – 10	27	7.07
10 – 15	25	0.33
15 – 20	17	0.20
20 – 25	22	0.22
25 & above	56	0.32
Total	169	8.49

Reasons for which these cases are outstanding are given in **Table 3.6**.

Table 3.6: Reasons for Outstanding Cases of Misappropriations, Losses, Defalcations, etc.

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount (₹ in crore)
i)	Awaiting departmental and criminal investigation	35	3.42
ii)	Departmental action initiated but not finalised	41	0.29
iii)	Criminal proceedings finalised but execution of certificate for the recovery of the amount pending	16	0.04
iv)	Awaiting orders for recovery or write off	21	0.09
v)	Pending in the courts of law	54	4.60
vi)	Others	2	0.05
Total		169	8.49

Out of the total 169 cases involving ₹ 8.49 crore outstanding, 35 cases amounting to ₹ 3.42 crore were awaiting departmental action/criminal investigation which needed to be speeded up. In 54 cases pending with the courts of law involving ₹ 4.60 crore, a case of ₹ 3.43 crore pertaining to the Roads and Buildings Department was outstanding since 2003-04. The internal controls in all the organisations should be strengthened to prevent recurrence of such cases.

FD accepted the facts and stated (December 2012) that necessary instructions have been issued to all the departments concerned to expedite finalisation of pending matters, recovery or write-off orders.

3.7 Operation of omnibus Minor Head 800

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

During 2011-12, expenditure aggregating ₹ 9,237.12 crore, constituting 16.46 per cent of the total expenditure was classified under Minor Head 800-Other Expenditure against 71 Major Heads under Revenue and Capital Sections.

Major expenditure on industry, capital outlay on police, water supplies and sanitation etc., were classified under omnibus Minor Head – 800 instead of depicting distinctly.

Similarly, revenue receipts aggregating ₹ 3,123.83 crore, constituting 5.68 per cent of total receipts, were classified under omnibus Minor Head ‘800-Other Receipts’ under 60 Major Heads.

Classification of large amounts under the omnibus Minor Head 800 – Other Expenditure/Receipts affects the transparency in financial reporting.

3.8 Conclusion and Recommendations

Conclusion

Non-submission of utilisation certificates of ₹ 9,066.34 crore indicated lack of proper monitoring by the departments in utilisation of grants given for specific purposes. There has been non-submission/delay in submission of accounts of autonomous bodies/authorities. There is no timely submission of detailed contingent bills against large amounts drawn on abstract contingent bills amounting to ₹ 293.51 crore by the departmental authorities. The 169 outstanding cases of misappropriations, losses etc. and non recovery of amounts indicated lack of efforts by the departments to make good the losses and fix responsibility. Further, accountal of various important items of expenditure relating to various sectors, revenue receipts etc. under omnibus Minor Head – 800 resulted in non classification of diverse activities of the Government under available minor heads.

Recommendations

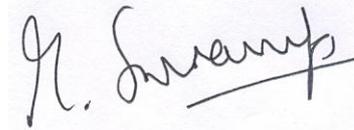
The Departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes and the annual accounts in respect of the autonomous bodies/authorities.

A rigorous monitoring mechanism should be put in place in the Departments to adjust the advances drawn in Abstract Contingent bills within stipulated period, as required under the extant rules.

Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book.

In order to ensure greater transparency in financial reporting, large amounts received or expended under various programmes should be depicted in

Accounts distinctly, instead of clubbing the same under the Minor head '800-Other expenditure' and '800-Other receipts'.



(MEERA SWARUP)

**Principal Accountant General
(Economic & Revenue Sector Audit) Gujarat**

**Ahmedabad
The**

Countersigned



(VINOD RAI)

Comptroller and Auditor General of India

**New Delhi
The**

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

A. General Data						
Sr. No.	Particulars			Figures		
1	Area			1,96,024 sq. km.		
Population						
2	a.	As per 2001 Census		5.07 crore		
	b.	As per 2011 Census		6.04 crore		
3	a.	Density of population (as per 2001 census) (All India Density = 325 persons per sq. km)		258 persons per sq. km.		
	b.	Density of population(as per 2011 census) (All India Density = 382 persons per sq. km)		308 persons per sq. km		
4	* Population Below Poverty Line (BPL) (All India Average = 27.5 per cent)			16.8 per cent		
5	a	Literacy rate (as per 2001 census) (All India Average = 64.8 per cent)		69.14 per cent		
	b	Literacy rate (as per 2011 census) (All India Average = 74.00 per cent)		79.31 per cent		
6	Life Expectancy at birth** (2001 census)		(All India Average =63.5 years)	64.1 years		
7	Infant Mortality Rate***(per 1000 live births) (All India Average = 47 per 1000 live births)			44		
Gini –Coefficient****						
8	a.	Rural (All India = 0.30)		0.27		
	b.	Urban (All India = 0.37)		0.31		
9	Gross State Domestic Product (GSDP) 2011-2012 at current prices			₹ 5,91,175 crore		
10	Per capita GSDP CAGR* (2002-03 to 2011-12)		Gujarat	15.05 per cent		
			General Category States*****	13.09 per cent		
11	GSDP CAGR (2002-03 to 2011-12)		Gujarat	17.22 per cent		
			General Category States	14.46 per cent		
12	Population Growth Rate (2002-03 to 2011-12)		Gujarat	19.17 per cent		
			General Category States	13.90 per cent		
B. Financial Data						
Sr. No.	Particulars			Figures (in per cent)		
1	CAGR	2002-03 to 2010-11			2002-03 to 2011-12	
			General Category States	Gujarat	Gujarat	
	a.	of Revenue Receipts		16.86	14.38	15.02
	b.	of Own Tax Revenue		16.74	18.23	18.62
	c.	of Non Tax Revenue		12.84	2.62	3.14
	d.	of Total Expenditure		14.58	13.85	13.37
	e.	of Capital Expenditure		21.25	19.42	21.80
	f.	of Revenue Expenditure on Education		15.41	14.87	13.92
	g.	of Revenue Expenditure on Health		14.00	14.49	13.55
	h.	of Salary and Wages		13.43	11.98	11.97
	i.	of Pension		16.89	17.52	16.22

* Source of General data: BPL (Planning Commission & NSSO data, 61st Round);

** Life Expectancy at birth (Office of the Registrar General of India, Ministry of Home Affairs), Economic Review, 2010-11;

*** Infant Mortality Rate (SRS Bulletin December-2011);

**** Gini-Coefficient (Unofficial estimates of Planning Commission & NSSO data, 61st Round 2004-05 MRP)

Gini-Coefficient is a measure of Inequality of Income among the population. Value rate is from zero to one, closer to zero Inequality is less; closer to one inequality is higher;

***** Excluding of three General Category States i.e. Delhi, Goa and Pondicherry
Financial data is based on Finance Accounts of the State Government.

Part B: Structure and Form of Government Accounts

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

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

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

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

PART C: Layout of Finance Accounts

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

APPENDIX 1.2

(Reference: Paragraph 1.1; Page 1)

Part A: Methodology adopted for the assessment of Fiscal Position

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

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

Trends in Gross State Domestic Product (GSDP)

	2007-08	2008-09	2009-10	2010-11	2011-12
Gross State Domestic Product at current prices (₹ in crore)	3,29,285	3,67,912	4,27,555(P)	5,13,173(Q)	5,91,175(A)
Growth rate of GSDP (<i>per cent</i>)	16.07	11.73	16.21	20.03	15.20

Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2012-13)

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

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

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

PART B: Fiscal Responsibility Act

The Gujarat Fiscal Responsibility Act, 2005

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

- a) Eliminate the revenue deficit by 31st March 2012 and maintain it at that level or generate revenue surplus thereafter.
- b) Reduce fiscal deficit to not more than three *per cent* of GSDP beginning 1st April 2011.
- c) Cap the total public debt of the State Government from the level of 28.8 *per cent* in FY 2011-12 to 27.1 *per cent* at the end of FY 2014-15 of the estimated GSDP for the FY beginning 1st April 2011 and ending on 31st March 2015.
- d) Cap outstanding guarantees within the limit provided in the Gujarat State Guarantees Act, 1963.

Keeping in view the fiscal targets laid down in the Fiscal Responsibility and Budget Management Act and and/or the rules made there under and the anticipated annual rate of reduction of fiscal deficit of the States worked out by the Government of India for the Thirteenth Finance Commission (ThFC) award period following its recommendation, the State Government has developed its Own Fiscal Correction Path indicating the milestones of outcome indicators with target dates of implementation during the period from 2008-09 to 2011-12 as given below

Fiscal indicators of medium term fiscal statement

(₹ in crore)

Sr. No.	Item	Previous year		Current Year		Ensuing	Targets for next two years*	
		Actuals		BE	RE	Year	2012-13	2013-14
		Y-3	Y-2					
		2008-09	2009-10	2010-11	2010-11	2011-12		
1	2	3	4	5	6	7	8	9
1	Revenue Deficit (-)/ Surplus (+) (₹ in crore)	(-66)	(-6,966)	(-4,502)	(-5,561)	443	500	500
2	Fiscal Deficit(-) /Surplus(+) (₹ in crore)	(-10,437)	(-15,153)	(-15,143)	(-16,018)	(-14,279)	(-20,067)	(-22,822)
3	Public Debt	87,010	98,009	1,12,462	1,13,125	1,29,446	1,48,213	1,69,735
4	GSDP	3,67,745	4,29,356	5,14,750	5,14,750	5,88,102	6,73,377	7,71,016
5	Fiscal Deficit as percentage of GSDP	2.84	3.53	2.94	3.11	2.43	2.98	2.96
6	Public Debt as percentage of GSDP	23.66	22.83	21.85	21.98	22.01	22.01	22.01
7	Government guarantee outstanding (₹ in crore)	10,340	9,980	9,243	9,243	16,000 [▼]	16,000 [▼]	16,000 [▼]

Source: Budget Publication No. 30 (2011-12)

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

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

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

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

APPENDIX 1.3
(Reference: Paragraphs 1.2 and 1.10.1; Pages 1 and 20)

(₹ in crore)

Part I: Abstract of Receipts and Disbursements for the year 2011-12										
Section-A: Revenue										
Receipts				Disbursements						
2010-11			2011-12	2010-11			Non-Plan	Plan	Total	2011-12
52,363.64	I	Revenue receipts-	62,958.99	57,440.02	I	Revenue expenditure-	43,053.93	16,690.53	59,744.46	59,744.46
36,338.63		-Tax revenue	44,252.29	19,840.46		General services	20,738.84	741.68	21,480.52	
				23,701.61		Social Services-	14,902.66	9,643.13	24,545.79	
4,915.02		-Non-tax revenue	5,276.52	10,988.17		-Education, Sports, Art and Culture	10,460.57	1,247.40	11,707.97	
				2,499.42		-Health and Family Welfare	1,256.29	1,401.06	2,657.35	
6,679.44		-State's share of Union Taxes	7,780.31	5,997.24		-Water Supply, Sanitation, Housing and Urban Development	2,464.64	2,929.25	5,393.89	
				76.93		-Information and Broadcasting	38.29	51.29	89.58	
1,063.60		-Non-Plan grants	1,467.13	1,266.71		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	172.94	1,348.79	1,521.73	
2,029.25		-Grants for State Plan Schemes	2,227.80	408.03		-Labour and Labour Welfare	212.10	202.14	414.24	
				2,412.89		-Social Welfare and Nutrition	247.14	2,454.29	2,701.43	
1,337.70		-Grants for Central and Centrally sponsored Plan Schemes	1,954.94	52.22		-Others	50.69	8.91	59.60	
				13,712.67		Economic Services-	7,212.65	6,305.72	13,518.37	
				2,737.20		-Agriculture and Allied Activities	895.60	2,013.03	2,908.63	
				2,058.67		-Rural Development	383.32	1,070.72	1,454.04	
				44.74		-Special Areas Programmes	48.89	9.51	58.40	
				915.64		-Irrigation and Flood control	553.99	372.27	926.26	
				3,146.33		-Energy	3,030.25	328.46	3,358.71	
				895.25		-Industry and Minerals	82.13	707.92	790.05	
				3,164.42		-Transport	1,947.89	1,429.78	3,377.67	
				133.32		-Science, Technology and Environment	1.15	153.09	154.24	
				617.10		-General Economic Services	269.43	220.94	490.37	
				185.28		Grants-in-aid and Contributions-	199.78		199.78	
5,076.38	II	Revenue deficit carried over to Section B		-	II	Revenue Surplus carried over to Section B				3,214.53
57,440.02		Total	62,958.99	57,440.02		Total				62,958.99

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Receipts					Disbursements				
2010-11			2011-12	2010-11		Non-plan	Plan	Total	2011-12
Section B : Others									
11,654.80	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	14,986.80	130.49	III	Opening Overdraft from Reserve Bank of India		--	
91.18	IV	Miscellaneous Capital receipts	10.00	9,683.54	V	Capital Outlay-	204.47	13,607.23	13,811.70
				242.99		General Services-	129.38	426.28	555.66
				2,681.81		Social Services-	21.80	3,284.10	3,305.90
				424.61		-Education, Sports, Art and Culture	0	801.89	801.89
				511.04		-Health and Family Welfare	0	671.04	671.04
				1,371.38		-Water Supply, Sanitation, Housing and Urban Development	21.66	1,504.66	1,526.33
				-		-Information and Broadcasting	0	0.20	0.20
				50.09		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0	70.89	70.89
				111.05		-Social Welfare and Nutrition	0	116.86	116.86
				213.64		-Others	0.14	118.55	118.69
				6,758.74		Economic Services-	53.28	9,896.86	9,950.14
				356.66		-Agriculture and Allied Activities	0.03	681.05	681.08
				-		-Rural Development	0	922.11	922.11
				-		-Special Areas Programmes	0	7.14	7.14
				3,624.01		-Irrigation and Flood Control	0	4,590.58	4,590.58
				735.26		-Energy	0	880.20	880.20
				504.12		-Industry and Minerals	0.23	719.85	720.08
				1,519.92		-Transport	0	1,893.58	1,893.58
				18.77		-General Economic Services	53.02	202.35	255.37
283.10	V	Recoveries of Loans and Advances-	165.44	687.99	V	Loans and Advances disbursed-	70.57	534.77	605.34
161.16		-From Power Projects	68.18	259.25		-For Power Projects		85.00	
61.96		-From Government Servants	43.27	20.97		-To Government Servants	16.67		
59.98		-From Others	53.99	407.77		-To Others	53.90	449.77	
-	VI	Revenue Surplus brought down	3,214.53	5,076.38	VI	Revenue Deficit brought down			
16,681.33	VII	Public debt receipts-	17,534.76	3,817.53	VII	Repayment of Public debt-			5,275.19
		-External debt				-External debt			
16,522.11		-Internal debt other than Ways and Means Advances and overdrafts	17,346.89	3,194.20		-Internal debt other than Ways and Means Advances and overdrafts			4,155.74

Receipts				Disbursements					
2010-11			2011-12	2010-11		Non-plan	Plan	Total	2011-12
-	-Net transactions under Ways and Means Advances					-Net transactions under Ways and Means Advances			
-	-Net transactions under overdraft			623.33		-Repayment of Loans and Advances to Central Government		1,119.46	
159.22	-Loans and Advances from Central Government	187.87							
-	VIII Appropriation to Contingency Fund		-	-	VIII Appropriation to Contingency Fund				-
47.12	IX Amount transferred to Contingency Fund	-	0.66	0.66	IX Expenditure from Contingency Fund				80.50
72,281.47	X Public Account receipts-		79,653.14	66,655.61	X Public Account disbursements-				77,160.79
1,743.47	-Small Savings and Provident Funds	1,793.53		1,038.63	-Small Savings and Provident Funds			1,235.99	
1,135.71	-Reserve Funds	990.47		137.75	-Reserve Funds			310.35	
36,220.41	-Suspense and Miscellaneous	39,798.70		34,908.17	-Suspense and Miscellaneous			39,855.47	
9,276.08	-Remittance	11,101.42		9,198.16	-Remittances			11,148.05	
23,905.80	-Deposits and Advances	25,969.02		21,372.90	-Deposits and Advances			24,610.93	
	XI Closing Overdraft from Reserve Bank of India			14,986.80	XI Cash Balance at end-				18,631.81
				122.71	-Cash in Treasuries and Local Remittances			4.19	
				4.19	-Deposits with Reserve Bank			(-)182.08	
				5,613.96	-Departmental Cash Balance including permanent Advances			5,612.78	
				9,245.94	-Cash Balance Investment			13,196.92	
1,01,039.00	Total		1,15,565.33	1,01,039.00	Total				1,15,565.33

(₹ in crore)

Part II: Summarized financial position of the Government of Gujarat as on 31 March 2012			
As on 31.03.2011	Liabilities		As on 31.03.2012
1,01,489.92	Internal Debt -		1,14,954.07
46,369.67	Market Loans bearing interest	61,452.90	
1.38	Market Loans not bearing interest	1.24	
-	Loans from Life Insurance Corporation of India		
55,118.87	Loans from Other Institutions	53,499.93	
-	Ways and Means Advances	-	
-	Overdrafts from Reserve Bank of India	-	
9,383.88	Loans and Advances from Central Government -		8,452.29
2.54	Pre 1984-85 Loans	2.52	
58.36	Non-Plan Loans	54.38	
9,237.18	Loans for State Plan Schemes	8,319.34	
26.20	Loans for Central Plan Schemes	21.83	
59.60	Loans for Centrally Sponsored Plan Schemes	54.22	
199.34	Contingency Fund		119.50
6,894.51	Small Savings, Provident Funds, etc.		7,452.06
15,736.72	Deposits		17,094.79
7,738.40	Reserve Funds		8,418.52
939.72	Suspense and Miscellaneous Balances		882.95
424.24	Remittance Balances		377.62
1,42,806.73	Total		1,57,751.80
	Assets		
82,074.30	Gross Capital Outlay on Fixed Assets -		96,159.00
34,495.92	Investments in shares of Companies, Corporations, etc.	39,178.93	
47,578.38	Other Capital Outlay	56,980.07	
5,310.37	Loans and Advances -		5,750.27
955.68	Loans for Power Projects	972.50	
4,138.21	Other Development Loans	4,574.84	
216.48	Loans to Government servants and Miscellaneous loans	202.93	
5,587.15	Reserve Fund Investments		5,587.15
0.78	Advances		0.77
-	Suspense and Miscellaneous Balances		-
9,399.31	Cash -		13,044.32
4.19	Cash in Treasuries and Local Remittances	4.19	
122.71	Deposits with Reserve Bank	(-)182.08	
26.47	Departmental Cash Balance including	25.29	
	Permanent Advances		
9,245.94	Cash Balance Investments	13,196.92	
40,434.82	Deficit on Government Account -		37,210.29
5,076.38	(i) Less Revenue Surplus /Add Revenue deficit of the current year	(-)3,214.53	
(-)91.18	(ii) Miscellaneous Deficit	(-)10.00	
35,449.62	Accumulated deficit at the beginning of the year	40,434.82	
1,42,806.73	Total		1,57,751.80

APPENDIX 1.4
Time series data on the State Government finances
(Reference: Paragraph 1.6 and 1.10.2; Page 7 and 21)

(₹ in crore)

	2007-2008	2008-09	2009-10	2010-11	2011-12
Part A- Receipts					
1. Revenue Receipts	35,690	38,676	41,672	52,364	62,959
(i) Tax Revenue	21,886	23,557	26,740	36,339	44,252
Taxes on Agricultural Income	-	-	-	-	---
Taxes on Sales, Trade, etc	15,105	16,811	18,200	24,893	31,202
State Excise	47	49	66	63	72
Taxes on Vehicles	1,310	1,382	1,543	2,004	2,251
Stamps and Registration fees	2,018	1,728	2,557	3,666	4,670
Land Revenue	683	544	1,161	1,789	1,477
Taxes on Goods and Passengers	152	169	7	6	208
Other Taxes	2,571	2,875	3,206	3,918	4,370
(ii) Non Tax Revenue	4,609	5,099	5,452	4,915	5,277
(iii) State's share of Union taxes and duties	5,426	5,726	5,891	6,679	7,780
(iv) Grants in aid from Government of India	3,769	4,294	3,589	4,431	5,650
2. Miscellaneous Capital Receipts	95	21	136	91	10
3. Recoveries of Loans and Advances	214	181	151	283	165
4. Total Revenue and Non debt capital receipts (1+2+3)	35,785	38,877	41,959	52,738	63,134
5. Public Debt Receipts	8,611	10,306	14,245	16,681	17,535
Internal Debt (excluding Ways and Means Advances and Overdrafts)	8,402	10,079	14,159	16,522	17,347
Net transactions under Ways and Means Advances and Overdrafts	..	--	-	-	--
Loans and Advances from Government of India	209	227	86	159	188
6. Total Receipts in the Consolidated Fund (4+5)	44,610	49,184	56,204	69,419	80,669
7. Contingency Fund Receipts	3	10	34	47	1
8. Public Account Receipts	42,311	49,626	58,660	72,281	79,653
9. Total Receipts of the State (6+7+8)	86,924	98,820	1,14,898	1,41,747	1,60,323
Part B- Expenditure/Disbursement					
10. Revenue Expenditure	33,539	38,741	48,638	57,440	59,744
Plan	8,458	11,088	14,331	17,553	16,690
Non Plan	25,081	27,653	34,307	39,887	43,054
General Services (including interest payments)	13,654	13,385	16,934	19,840	21,481
Social Services	11,801	14,932	19,605	23,702	24,546
Economic Services	7,937	10,256	11,993	13,713	13,518
Grants-in-aid and contributions	147	168	106	185	200
11. Capital Expenditure	6,801	10,220	8,047	9,684	13,812
Plan	6,780	10,200	8,026	9,662	13,608
Non Plan	21	20	21	22	204
General Services	55	80	189	243	556
Social Services	1,927	2,017	2,038	2,682	3,306
Economic Services	4,819	8,123	5,820	6,759	9,950

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	2007-2008	2008-09	2009-10	2010-11	2011-12
12. Disbursement of Loans and Advances	429	354	427	688	605
13. Total (10+11+12)	40,769	49,315	57,112	67,812	74,161
14. Repayments of Public Debt	1,934	2,605	3,245	3,817	5,275
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,380	2,046	2,681	3,194	4,156
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	554	559	564	623	1,119
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	42,703	51,920	60,357	71,629	79,436
17. Contingency Fund disbursements	10	34	47	1	81
18. Public Account disbursements	40,032	47,285	56,088	67,216	77,161
19. Total disbursement by the State (16+17+18)	82,745	99,238	1,16,492	1,38,846	1,56,678
Part C- Deficits					
20. Revenue Deficit(-) / Revenue Surplus (+) (1-10)	(+)2,151	(-)66	(-)6,966	(-)5,076	(+)3,215
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)4,770	(-)10,438	(-)15,153	(-)15,074	(-)11,027
22. Primary Deficit(-)/Primary Surplus(+)(21+23)	(+)2,714	(-)2,554	(-)6,563	(-)5,447	(-)93
Part D- Other data					
23. Interest Payments (included in revenue expenditure)	7,484	7,884	8,590	9,627	10,934
24. Financial Assistance to local bodies etc.	6,837	12,612.83	20,425.39	25,872.27	27,942.24
25. Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP)Φ	3,29,285	3,67,912	4,27,555(P)	5,13,173(Q)	5,91,175(A)
28. Outstanding Fiscal liabilities (year end)	96,452	1,05,652	1,19,117	1,35,656	1,50,785
29. Outstanding guarantees (year end) (including interest)	11,308	10,027	9,667	8,661	7,449
30. Maximum amount guaranteed (year end)	11,843	10,562	10,202	10,382	10,387
Part E- Fiscal Health Indicators					
I. Resource Mobilization					
Own Tax revenue/GSDP (<i>per cent</i>)	6.65	6.40	6.25	7.08	7.49
Own Non-Tax Revenue/GSDP (<i>per cent</i>)	1.40	1.39	1.28	0.96	0.89
Central Transfers/GSDP (<i>per cent</i>)	2.79	2.72	2.22	2.16	2.27
II. Expenditure Management					
Total Expenditure/GSDP (<i>per cent</i>)	12.38	13.40	13.36	13.21	12.54
Total Expenditure/Revenue Receipts	1.14	1.27	1.37	1.30	1.18
Revenue Expenditure/Total Expenditure	0.88	0.79	0.85	0.85	0.81
Expenditure on Social Services/Total Expenditure	0.34	0.34	0.38	0.39	0.38
Expenditure on Economic Services/Total Expenditure	0.32	0.38	0.32	0.31	0.32
Capital Expenditure/Total Expenditure	0.17	0.21	0.14	0.14	0.19

	2007-2008	2008-09	2009-10	2010-11	2011-12
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.16	0.20	0.14	0.15	0.18
III. Management of Fiscal Imbalances					
Revenue deficit or surplus/GSDP (<i>per cent</i>)	(+)0.65	(-)0.02	(-)1.63	(-)0.99	(+)0.54
Fiscal deficit/GSDP (<i>per cent</i>)	(-)1.45	(-)2.84	(-)3.54	(-)2.94	(-)1.87
Primary Deficit or Surplus/GSDP (<i>per cent</i>)	(-)0.82	(-)0.69	(-)1.54	(-)1.06	(-)0.02
Revenue Deficit/Fiscal Deficit	(-)0.45	(+)0.006	(-)0.46	(-)0.34	(-)0.29
Primary Revenue Balance/GSDP (<i>per cent</i>)	2.93	2.12	0.38	0.89	2.39
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.29	0.29	0.28	0.26	0.26
Fiscal Liabilities/RR (<i>per cent</i>)	270	273	286	259	239
Primary deficit vis-à-vis quantum spread (<i>per cent</i>)	(-)35.63	(-)26.11	116	37.09	0.91
Debt Redemption (Principal +Interest) / Total Debt Receipts	1.20	1.04	0.87	0.84	0.94
V. Other Fiscal Health Indicators					
Return on Investment	0.23	0.19	0.25	0.33	0.33
Balance from Current Revenue (₹ in crore)	8,685	30,408	5,173	9,610	16,022
Financial Assets/Liabilities	0.72	0.75	0.72	0.72	0.76

Φ Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2012-13)

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

APPENDIX 1.5

Comparison of main components of Tax Revenue during 2007-12

(Reference Paragraph 1.6.1, page 8)

(₹ in crore)

Heads of Revenue	Year	Revenue collected	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage of cost of collection
Sales Tax/ Commercial Tax	2007-08	15,104.54	98.43	0.65	0.83
	2008-09	16,810.65	99.51	0.59	0.88
	2009-10	18,199.79	117.47	0.65	0.96
	2010-11	24,893.45	135.83	0.55	0.75
	2011-12	31,202.31	149.11 [♦]	0.48	N.A.
Taxes on vehicles and Taxes on goods and passengers	2007-08	1,461.71	38.57	2.64	2.58
	2008-09	1,551.01	43.43	2.80	2.93
	2009-10	1,549.55	54.80	3.54	3.07
	2010-11	2,010.07	76.20	3.79	3.71
	2011-12	2,459.37	66.07 [*]	2.69	N.A.
Stamp duty and Registration fees	2007-08	2,018.44	36.23	1.79	2.09
	2008-09	1,728.50	42.16	2.44	2.77
	2009-10	2,556.72	53.38	2.09	2.47
	2010-11	3,666.24	62.73	1.71	1.60
	2011-12	4,670.28	70.68	1.51	N.A.
State Excise	2007-08	47.20	7.65	16.21	3.27
	2008-09	48.71	6.88	14.12	3.66
	2009-10	65.94	9.26	14.04	3.64
	2010-11	62.97	10.09	16.02	3.05
	2011-12	72.11	10.73	14.88	N.A.

[♦] Expenditure under Minor Head 101 of Major Head 2040 “Collection Charges” has been considered

^{*} Expenditure under Minor Head 102 of Major Head 2041 “Inspection of motor vehicles” has been considered

APPENDIX 2.1
Statement of various grants/appropriations where savings were more than ₹10
crore each or more than 20 per cent of the total provision
(Reference: Paragraph 2.3.1; Page 30)

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	(₹ in crore)
					Percentage
1	1	Agriculture and Co-operation Department - Revenue Voted	14.73	3.74	25.39
2	1	Agriculture and Co-operation Department - Capital Voted	1.25	1.25	100.00
3	2	Agriculture - Capital Voted	164.88	164.38	99.70
4	2	Agriculture -Revenue Charged	*	* ¹	100.00
5	4	Animal Husbandry and Dairy Development -Revenue Voted	268.77	15.91	5.92
6	6	Fisheries -Capital Voted	18.31	7.58	41.40
7	7	Other Expenditure pertaining to Agriculture and Co-operation Department -Capital Voted	1.10	0.89	80.91
8	9	Education -Revenue Voted	12,664.13	328.94	2.60
9	9	Education -Capital Voted	447.93	13.41	2.99
10	11	Energy and Petro-chemicals Department- Revenue Voted	4.51	1.12	24.83
11	13	Energy Projects -Capital Voted	627.20	24.00	3.83
12	16	Tax Collection Charges (Finance Department) -Revenue Voted	173.92	10.42	5.99
13	17	Treasury and Accounts Administration- Revenue Voted	108.31	12.40	11.45
14	19	Other Expenditure pertaining to Finance Department -Revenue Voted	2,686.64	2,224.81	82.81
15	19	Other Expenditure pertaining to Finance Department -Capital Charged	0.01	0.01	100.00
16	20	Repayment of debt pertaining to Finance Department and its Servicing -Revenue Charged	10,466.01	12.45	0.12
17	22	Civil Supplies -Revenue Voted	227.58	18.46	8.11
18	23	Food -Revenue Voted	135.27	57.53	42.53
19	23	Food -Capital Voted	10.21	6.18	60.53
20	24	Other Expenditure pertaining to Food, Civil Supplies and Consumers Affairs Department -Capital Voted	0.16	0.11	68.75
21	28	Other Expenditure pertaining to Forest and Environment Department -Capital Voted	0.58	0.19	32.76
22	32	Public Service Commission -Revenue Voted	7.07	2.02	28.57
23	33	General Administration Department- Revenue Voted	77.80	11.14	14.32
24	34	Economic Advice and Statistics -Revenue Voted	138.59	68.79	49.64
25	36	State Legislature -Revenue Charged	0.26	0.12	46.15
26	37	Loan and Advances to Government Servants in Gujarat Legislature Secretariat - Capital Voted	0.34	0.10	29.41

¹ ₹ 10,000

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Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
27	38	Health & Family Welfare Department- Revenue Voted	10.80	2.74	25.37
28	39	Medical and Public Health -Revenue Voted	2,070.84	81.34	3.93
29	39	Medical and Public Health -Capital Voted	482.56	17.31	3.59
30	39	Medical and Public Health -Revenue Charged	0.03	0.02	66.67
31	41	Other Expenditure pertaining to Health and Family Welfare Department -Capital Voted	1.60	1.26	78.75
32	41	Other Expenditure pertaining to Health and Family Welfare Department- Revenue Voted	0.39	0.36	92.31
33	42	Home Department -Revenue Voted	21.24	5.46	25.71
34	43	Police -Revenue Voted	2,239.92	72.72	3.25
35	43	Police -Revenue Charged	0.62	0.60	96.77
36	46	Other Expenditure pertaining to Home Department -Revenue Voted	88.14	28.88	32.77
37	46	Other Expenditure pertaining to Home Department -Capital Voted	498.03	19.96	4.01
38	46	Other Expenditure pertaining to Home Department -Revenue Charged	0.62	0.15	24.19
39	48	Stationery and Printing -Capital Voted	9.43	4.15	44.01
40	49	Industries -Capital Voted	230.26	110.05	47.79
41	49	Industries -Revenue Voted	733.23	46.64	6.36
42	50	Mines and Minerals -Revenue Voted	71.02	18.65	26.26
43	50	Mines and Minerals -Capital Voted	4.30	4.30	100.00
44	51	Tourism -Capital Voted	213.95	11.30	5.28
45	53	Information and Broadcasting Department - Revenue Voted	2.59	1.15	44.40
46	55	Other Expenditure pertaining to Information and Broadcasting Department -Capital Voted	0.26	0.16	61.54
47	56	Labour and Employment Department - Revenue Voted	12.70	6.43	50.63
48	57	Labour and Employment -Revenue Voted	374.71	47.98	12.80
49	57	Labour and Employment -Revenue Charged	0.33	0.08	24.24
50	58	Other Expenditure pertaining to Labour and Employment -Capital Voted	0.33	0.21	63.64
51	59	Legal Department -Revenue Voted	9.47	2.45	25.87
52	60	Administration of Justice -Revenue Voted	550.24	160.50	29.17
53	60	Administration of Justice -Revenue Charged	66.06	10.85	16.42
54	61	Other Expenditure pertaining to Legal Department -Capital Voted	1.77	0.63	35.59
55	62	Legislative and Parliamentary Affairs Department -Revenue Voted	6.38	1.37	21.47
56	63	Other Expenditure pertaining to Legislative and Parliamentary Affairs Department - Capital Voted	0.09	0.04	44.44
57	64	Narmada Water Resources, Water Supply and Kalpsar Department -Revenue Voted	22.01	8.08	36.71
58	66	Irrigation and Soil Conservation -Capital Voted	1,322.02	100.52	7.60

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
59	66	Irrigation and Soil Conservation -Revenue Voted	927.08	92.38	9.96
60	66	Irrigation and Soil Conservation -Capital Charged	5.65	1.86	32.92
61	66	Irrigation and Soil Conservation -Revenue Charged	0.71	0.23	32.39
62	68	Other Expenditure pertaining to Narmada Water Resources, Water Supply and Kalpsar Department -Capital Voted	1.60	1.09	68.13
63	70	Community Development -Revenue Voted	846.49	57.33	6.77
64	71	Rural Housing and Rural Development- Revenue Voted	634.12	116.08	18.31
65	73	Other Expenditure pertaining to Panchayat, Rural Housing and Rural Development Department -Revenue Voted	512.78	22.20	4.33
66	73	Other Expenditure pertaining to Panchayat, Rural housing and Rural Development Department -Capital Voted	8.08	4.09	50.62
67	74	Transport -Revenue Voted	832.68	60.86	7.31
68	76	Revenue Department -Revenue Voted	25.69	6.96	27.09
69	77	Tax Collection Charges (Revenue Department) -Revenue Voted	309.90	155.62	50.22
70	78	District Administration -Revenue Voted	325.66	95.58	29.35
71	79	Relief on account of Natural Calamities - Revenue Voted	1,059.68	351.90	33.21
72	79	Relief on account of Natural Calamities- Capital Voted	210.00	97.94	46.64
73	81	Compensation and Assignments -Capital Voted	0.11	0.09	81.82
74	81	Compensation and Assignments -Revenue Charged	0.08	0.06	75.00
75	82	Other Expenditure pertaining to Revenue Department -Capital Voted	0.72	0.63	87.50
76	84	Non- residential Buildings -Capital Voted	1,014.50	501.70	49.45
77	84	Non- residential Buildings -Revenue Charged	0.68	0.31	45.59
78	85	Residential Buildings -Capital Voted	81.15	53.50	65.93
79	85	Residential Buildings -Revenue Voted	165.27	28.46	17.22
80	86	Road and Bridges -Capital Voted	1,626.04	15.19	0.93
81	86	Road and Bridges -Revenue Charged	0.98	0.38	38.78
82	88	Other Expenditure pertaining to Road and Buildings Department -Capital Voted	7.10	3.58	50.42
83	89	Science and Technology Department - Revenue Voted	87.05	65.28	74.99
84	90	Other Expenditure pertaining to Science and Technology Department -Revenue Voted	110.83	40.74	36.76
85	90	Other Expenditure pertaining to Science and Technology Department -Capital Voted	9.45	6.79	71.85
86	91	Social Justice and Empowerment Department -Revenue Voted	4.73	1.07	22.62
87	93	Welfare of Scheduled Tribes -Capital Voted	9.26	6.87	74.19
88	95	Scheduled Castes Sub-Plan -Capital Voted	581.30	266.60	45.86

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Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
89	95	Scheduled Castes Sub- Plan -Revenue Voted	1,504.63	50.72	3.37
90	96	Tribal Area Sub- Plan -Revenue Voted	3,167.48	60.14	1.90
91	96	Tribal Area Sub- Plan -Capital Voted	2,134.53	31.78	1.49
92	97	Sports, Youth and Culture Activities Department -Revenue Voted	6.38	1.38	21.63
93	98	Youth Services and Culture Activities-Revenue Voted	198.27	14.50	7.31
94	98	Youth Services and Culture Activities-Revenue Charged	0.01	0.01	100.00
95	101	Urban Housing -Revenue Voted	0.12	0.04	33.33
96	102	Urban Development -Revenue Voted	4,074.96	127.23	3.12
97	104	Other Expenditure pertaining to Urban Development and Urban Housing Department -Capital Voted	0.20	0.17	85.00
98	104	Other Expenditure pertaining to Urban Development and Urban Housing Department -Revenue Voted	0.98	0.75	76.53
99	105	Women and Child Development Department -Revenue Voted	5.99	3.49	58.26
			57,784.42	6,097.87	10.55

Appendix 2.2
Cases where persistent savings noticed during 2009-12
(Reference: Paragraph 2.3.2; Page 31)

(₹ in crore)

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2401-00-108-P - 02 AGR-5 Intensive Cotton Production Programme. Revenue Voted					
2	2009-10	18.13	11.18	6.95	Release of less amount by Government of India in Centrally Sponsored Scheme (P)
2	2010-11	18.13	1.43	16.70	Release of less amount by Government of India in Centrally Sponsored Scheme (P)
2	2011-12	17.61	2.22	15.39	Non filling up of Vacant post
2401-00-800-P 11 AGR-9 Supplementation / Compliments States efforts through Work Plan -P-CSS					
2	2009-10	96.78	43.97	52.81	Release of less amount by Government of India in Centrally Sponsored Scheme (P)
2	2010-11	69.35	46.87	22.48	Some projects were not approved by Government of India
2	2011-12	67.55	46.53	21.02	Release of less amount by Government of India in Centrally Sponsored Scheme (P)
2202-02-110 01 EDN-18 Regulated growth of non-Government Secondary schools					
9	2009-10	63.04	30.62	32.42	Non receipt of Administrative Approval for new item
9	2010-11	30.35	22.77	7.58	Additional Classes were not sanctioned
9	2011-12	24.94	17.83	7.11	Non-approval of new schools.
2202-02-110 12 EDN-25 Teaching courses through computers					
9	2009-10	11.83	0.00	11.83	Non-receipt of Administrative Approval
9	2010-11	10.80	0.00	10.80	Non-receipt of Administrative Approval
9	2011-12	25.94	8.10	17.84	Delay in implementation of Scheme.
2202-02-110C 13 CSS - Computer Literacy and Studies in Schools.					
9	2009-10	98.00	4.00	94.00	Administrative Approval given for lesser number of schools under this Scheme.
9	2010-11	97.00	32.56	64.44	Reasons not furnished.
9	2011-12	97.00	51.68	45.32	Reasons not furnished.
2202-80-800 22 EDN-48 Information and Technology					
9	2009-10	17.35	7.98	9.37	Less demand received from Head of department.
9	2010-11	24.50	5.33	19.17	
9	2011-12	24.50	8.83	15.67	
2075-00-800 01 Liability on account of increase in the Dearness Allowance					
19	2009-10	350.00	0.00	350.00	Provision was made on account of Dearness Allowance. But at the time of revised estimates necessary Provision made under respective departments
19	2010-11	1,000.00	0.00	1,000.00	
19	2011-12	1,500.00	0.00	1,500.00	
3456-00-190 02 Losses on Sale of edible oil through fair price shop					
22	2009-10	34.50	14.88	19.62	Less purchase of edible oil
22	2010-11	33.00	10.50	22.50	Less purchase of edible oil
22	2011-12	31.00	19.38	11.62	Fewer Subsidies paid to GSCSC.
2055-00-115-P 01 Partially Centrally Sponsored Scheme-MEP-2 Police Proper					
43	2009-10	86.00	48.10	37.90	The sanctioned items under Modernization of Police Force Scheme have not been fully purchased

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Grant No.	Year	Provision	Expenditure	Savings	Reasons
43	2010-11	90.00	66.69	23.31	Less purchases.
43	2011-12	85.00	69.19	15.81	Less sanction under the Scheme by Government of India.
7610-00-201 01 House Building Advance					
46	2009-10	30.00	20.09	9.91	Non-Sanctioning of HBA according to the Pay Scales recommended by Six Pay Commission.
46	2010-11	30.00	12.45	17.55	Provision made for HBA anticipating the upward revision.
46	2011-12	25.00	10.11	14.89	Due to receipt of few applications
2851-00-200 01 IND-30 Gujarat Matikam Kalakari and Rural Technology					
49	2009-10	57.52	39.51	18.01	Non-receipt of proposal from beneficiaries.
49	2010-11	67.08	41.96	25.12	Insufficient time to conduct target training programme
49	2011-12	19.49	10.90	8.59	Non-approval of proposals by the State Government.
2014-00-105 02 Civil Judges (Special courts)					
60	2009-10	128.53	104.99	23.54	Retirement and non-receipt of Administrative Approval to fill-up the vacant posts.
60	2010-11	294.29	125.16	169.13	Non-establishing of Special Court Under Section-138 of Negotiable Instrument Act.
60	2011-12	207.13	147.35	59.78	Function of less number of court.
2014-00-105 07 Fast Track Court					
60	2009-10	27.91	13.28	14.63	Retirement and non-receipt of Administrative Approval to fill-up vacant posts.
60	2010-11	32.33	23.95	8.38	Function of less number of court.
60	2011-12	23.91	1.43	22.48	Fast Track Court were discontinued after 31.03.2011 as per notification
2700-80-005 11 IRG-47 Survey and Investigation					
66	2009-10	40.00	12.12	27.88	Non-commencement of various plan project activities of Kalpsar Project
66	2010-11	47.80	12.52	35.28	Non-receipt of Administrative Approval for model study of Bhadbhoot Barrage.
66	2011-12	46.82	4.44	42.38	Non-receipt of Administrative Approval for model study of Bhadbhoot Barrage.
4701-71-800 80 Other Expenditure					
66	2009-10	20.00	7.00	13.00	Slow progress of work on check-dam
66	2010-11	7.10	1.94	5.16	Works of big check-dam of Surendranagar under process of approval.
66	2011-12	16.00	3.63	12.37	Non-finalisation of design for check dam
4711-01-103 01 Flood Control Works					
66	2009-10	90.24	56.22	34.02	Revised design was to be obtained
66	2010-11	75.65	51.60	24.05	Non finalisation of design.
66	2011-12	51.95	32.02	19.93	Non finalisation of design.
2041-00-102 01 Inspection of Motor Vehicle					
74	2009-10	98.94	54.84	44.10	Non-receipt of Administrative Approval for up-gradation of check-post, creation of New Transport Offices. etc.
74	2010-11	145.42	76.24	69.18	Non-receipt of Administrative Approval for up-gradation of check-post, creation of New Transport Offices. etc.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
74	2011-12	127.11	66.12	60.99	Reasons not furnished.
2245-01-102 01 Water Supply arrangement					
79	2009-10	20.00	0.00	20.00	Non-occurrence of any natural calamity
79	2010-11	15.00	0.00	15.00	Non-occurrence of any natural calamity
79	2011-12	21.00	0.00	21.00	Un-certainty of nature
2245-02-111 01 Cash-doles					
79	2009-10	10.00	3.85	6.15	Non-occurrence of any natural calamity
79	2010-11	10.00	0.49	9.51	Non-occurrence of any natural calamity
79	2011-12	35.00	0.03	34.97	Non-occurrence of heavy rains in some parts of state.
2245-02-113 03 Assistance for repair/restoration of houses.					
79	2009-10	10.00	1.51	8.49	Non-occurrence of any natural calamity
79	2010-11	10.00	1.08	8.92	Non-occurrence of any natural calamity. Reasons for final excess have not have intimated.
79	2011-12	35.00	2.66	32.34	Non-occurrence of heavy rains in some parts of state.
2245-02-282 02 Cleaning of mud and debris.					
79	2009-10	80.00	2.77	77.23	Non-occurrence of any natural calamity.
79	2010-11	10.00	4.00	6.00	Non-occurrence of any natural calamity.
79	2011-12	15.00	0.00	15.00	Non-occurrence of any natural calamity.
2245-02-800 06 Assistance to small farmers					
79	2009-10	87.21	45.33	41.88	Non-occurrence of any natural calamity.
79	2010-11	75.00	0.00	75.00	Non-occurrence of any natural calamity.
79	2011-12	150.00	0.00	150.00	Non-occurrence of any natural calamity.
2245-06-901 01 Contribution of Central government for Calamity Relief Fund.					
79	2009-10	224.25	77.47	146.78	Reasons not furnished
79	2010-11	224.25	75.49	148.76	Reasons not furnished
79	2011-12	395.42	161.46	233.96	Reasons not furnished
2245-06-901 02 Contribution of State Government for Calamity Relief Fund.					
79	2009-10	74.75	0.00	74.75	Reasons not furnished
79	2010-11	74.75	0.00	74.75	Reasons not furnished
79	2011-12	131.81	0.00	131.81	Reasons not furnished
2059-01-052-98 Expenditure transferred on pro-rata basis to MH 2216					
84	2009-10	22.17	10.14	12.03	Reasons not furnished
84	2010-11	23.46	12.27	11.19	Reasons not furnished
84	2011-12	28.13	9.04	19.09	Reasons not furnished
4059-01-051-42 R&B office buildings					
84	2009-10	159.12	138.74	20.38	Land for two works could not be made available and Administrative Approval for 17 works were not received
84	2010-11	250.03	151.70	98.33	High provision for new works and slow progress of construction works.
84	2011-12	548.80	207.91	340.89	High provision for new works and slow progress of construction works.
4059-01-051-P 42 HSG-12(A) Building					
84	2009-10	54.52	5.23	49.29	Works were incorporated in budget at the end of July' 2009 and hence period available to start work was very less.

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Grant No.	Year	Provision	Expenditure	Savings	Reasons
84	2010-11	22.67	0.07	22.60	High provision for new works, Delay in work due to land allotment, Design preparation, tender procedure etc.
84	2011-12	16.92	4.20	12.72	Reasons not furnished
4202-01-203-42 EDN-29 Building, Capital outlay on Education, Sports, Arts and culture.					
84	2009-10	33.58	11.03	22.55	Due to late or non-receipt of Administrative Approval, works could not be started
84	2010-11	54.47	14.32	40.15	High provision for new work, time consuming process for land allotment, Administrative Approval, Technical Sanction, Tendering etc.
84	2011-12	45.85	37.93	7.92	High provision for new work, Time Consuming process for land allotment, Administrative Approval, Technical Sanction, Tendering etc.
4202-02-104-42 TED-22 Building for Polytechnics					
84	2009-10	42.79	11.43	31.36	Works decided in PPP mode, land acquisition problem, Time taking process for Administrative Approval, Technical Sanction, Tendering etc.
84	2010-11	51.20	18.83	32.37	High provision for new works, time consuming process for land acquisition, Administrative Approval, Technical Sanction, Tendering etc.
84	2011-12	62.50	41.40	21.10	High provision for new works, time consuming process for land acquisition, Administrative Approval, Technical Sanction, Tendering etc.
4225-03-277-42 Building for welfare of backward classes					
84	2009-10	9.90	2.95	6.95	Due to new works, time consuming process for Administrative Approval, Technical Sanction, Tendering etc.
84	2010-11	11.80	1.98	9.82	Due to new works, time consuming process for Administrative Approval, Technical Sanction, Tendering etc.
84	2011-12	23.28	11.39	11.89	Due to new works, time consuming process for Administrative Approval, Technical Sanction, Tendering etc.
2216-80-001 05 Expenditure transferred on Prorata basis from MH - 2059					
85	2009-10	22.17	10.14	12.03	Reasons not furnished.
85	2010-11	28.31	12.29	16.02	Additional pro rata transfer of fund.
85	2011-12	29.87	9.04	20.83	Reasons not furnished.
4216-01-106P 02 (ii + iii) Construction Partially CSS - HSG-12 (B) Construction					
85	2009-10	12.56	5.52	7.04	Delay in receipt of Administrative Approval and commencement of Work
85	2010-11	11.57	5.34	6.23	Time consuming process for land acquisition, Administrative Approval, Technical Sanction, Tendering etc
85	2011-12	22.02	0.00	22.02	Non-receipt of Administrative Approval
3054-04-337 11 RBD-4 Roads and Bridges					
86	2009-10	229.03	204.12	24.91	Time consuming process for Administrative Approval, Technical Sanction, Tendering etc
86	2010-11	326.63	311.30	15.33	Reasons not furnished
86	2011-12	397.83	190.77	207.06	Reasons not furnished
3054-80-001 98 Percentage changes of establishment at 7% transferred to capital head 5054					
86	2009-10	57.00	12.27	44.73	Reasons not furnished

Grant No.	Year	Provision	Expenditure	Savings	Reasons
86	2010-11	82.92	15.02	67.90	Reasons not furnished
86	2011-12	113.82	22.86	90.96	Reasons not furnished
3054-80-052 97 Percentage Charges of T&P at 2% Transferred to Capital haw 5054					
86	2009-10	16.29	8.18	8.11	Reasons not furnished
86	2010-11	23.69	12.30	11.39	Reasons not furnished
86	2011-12	32.52	11.45	21.07	Reasons not furnished
5054-03-101 11 Original Works (RBD 2 (b)) Bridges on National Highway					
86	2009-10	58.89	44.36	14.53	Tender process could not be completed in stipulated time.
86	2010-11	78.67	42.21	36.46	Delay in completion of tendering process.
86	2011-12	97.41	49.36	48.05	Delay in completion of tendering process.
3425-60-004 01 STP - 18 Development of Bio Technology					
90	2009-10	9.60	3.97	5.63	Non-finalisation of the project under the development of Bio technology Scheme.
90	2010-11	25.00	10.00	15.00	Non-completion of tender procedure.
90	2011-12	20.00	5.00	15.00	The project was development under BOOT Model, State Government Supported for BT incubator but no agency come forward.
2225-01-283 01 BCK-50 Scheduled Caste Sub-Plan-Housing on Dr. Ambedkar Awas Yojna					
95	2009-10	43.50	32.13	11.37	Changes in the rules of the Scheme.
95	2010-11	56.87	24.63	32.24	Few applications from the beneficiaries.
95	2011-12	30.00	22.12	7.88	Few applications from the beneficiaries.
4702-00-800 01 MNR-251- Contribution to Gujarat Green Revolution Company					
95	2009-10	10.50	1.00	9.50	Non-availability of Schedule Caste beneficiaries
95	2010-11	10.50	0.01	10.49	Non- availability of Schedule Caste beneficiaries
95	2011-12	12.41	0.05	12.36	Non- availability of Schedule Caste beneficiaries
2210-06-796 04 HTL-51 Provision for Medical, Tribal Sub-Plan.					
96	2009-10	27.55	19.50	8.05	Less demand from the District Offices.
96	2010-11	30.35	20.07	10.28	Less demand from the District Offices.
96	2011-12	30.35	23.45	6.90	Less demand from the District Offices.
2702-80-796 10 MNR-250 Special Provision for Minor Irrigation, Tribal Sub-Plan					
96	2009-10	57.75	48.90	8.85	Less demand from the District Offices.
96	2010-11	58.75	45.74	13.01	Less demand from the District Offices.
96	2011-12	58.75	53.59	5.16	Less demand from the District Offices.
4202-02-796 42 TED-24 Building EDN-21 Building Capital outlay on Education, Sports, Arts and culture					
96	2009-10	40.09	32.30	7.79	Transfer of the work relating to two Engineering College under PPP mode
96	2010-11	34.98	22.16	12.82	Non-receipt of Administrative Approval, Non-finalisation of PPP mode in prescribed time.
96	2011-12	23.02	17.96	5.06	Non-receipt of Administrative Approval, Non-finalisation of PPP mode in prescribed time.
4701-80-796 59 IRG - 81 Panam High Level Canal					
96	2009-10	40.00	33.18	6.82	Non-commencement work, Delay in approval of tender.
96	2010-11	35.00	27.95	7.05	Non-finalisation of acquisition of land, non-receipt of Administrative Approval
96	2011-12	34.00	14.69	19.31	Non-finalisation of acquisition of land, non-receipt of Administrative Approval

APPENDIX 2.3
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.5; Page 34)

				(₹ in crore)
Year	Number of grants/appropriations	Grant/ Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1999-00	31	4,7,8,9,10,17,18,19,22,23,42,51,55,56,60,66,67,68,74,77,78,79,80,81,82,84,86,87, 88,90,94	1,295.41	Not regularised
2000-01	21	6,7,8,9,12,21,23,25,35,38,42,46,66,67,74,77,80,81, 86,88,94	379.62	-do-
2001-02	13	7,8,12,19,34,36,61,66,73,75,82,86,102	2,640.36	-do-
2002-03	17	30,35,40,42,46,60,61,68,69,73,78,80,84,86,88,104 (Revenue Voted and Charged)	114.18	-do-
2003-04	26	4,8,9,12,17,19,22,40,41,42,49,55,59,60,64,66,67, 68,69,73,78,80,84,86,91,105	401.26	-do-
2004-05	29	2,5,8,12 (Revenue-voted and charged; Capital charged), 17,19,22,36,38,40,43,55,61,63,66,68,73 (Revenue voted and Capital charged), 80,81 (Revenue and Capital charged), 86,88,91,96,100, 104	1,787.26	-do-
2005-06	44	3,7,8 (Revenue voted and charged), 11,12,17,20,22, 25,37,38,40,42,43, 45,46,52 (Revenue voted and charged), 55,64, 66 (Revenue voted and charged), 69,73, 75,77,78,79,84, 86, (Revenue voted and Capital voted), 88 (Revenue voted and charged), 90, 91,92,96,100,102, (Revenue voted and Capital voted), 103,104	2,159.83	-do-
2006-07	41	3,5,8,9,12,15,18 (Revenue voted and charged), 21, 23,25,26 (Revenue and Capital voted), 32,37,38, 39,41, (Revenue voted and Capital voted), 43,44,55, 57,61,64,66,68,73,74 (Revenue and Capital voted), 77,78,80,81,84,86,87,88,91,100,104	583.79	-do-
2007-08	43	3,5,8,9,11,12,13,15,18,21,22,23,25,26,31,32,38,39, 40,41,44,50,51,53,55,57,61,62,64,66,73,74,75,78, 80,81,82,84 (Revenue voted and charge), 86,87,88, 95	1,055.38	-do-
2008-09	26	5,8,9,13,21,22,23,26,38,39,41,43,44,55,58,62,66, 73,79,80,81, 86 (Revenue and Capital), 87,104,106.	347.05	-do-
2009-10	44	1, 3, 5, 9, 10, 12, 17, 18, 21, 23, 26, 32, 39, 41, 43, 45, 46, 48, 55, 57, 61, 62, 64, 66, 69, 73, 75, 80, 84, 86, 87, 88, 96, 97, 101, 102 (Revenue Voted); 20, 32, 43, 68, 84 (Revenue Charged);65, 93 (Capital Voted); 86 (Capital Charged).	1,010.86	-do-
2010-11	15	10, 41, 51, 62, 66, 72, 73, 82, 86, 87, 88, 105 (Revenue Voted); 13 (Capital Voted); 71 (Revenue Charged); 81 (Capital Charged)	120.25	-do-
Total	350		11,895.25	

APPENDIX 2.4

Cases where supplementary provision
(₹ 50 lakh or more in each case) proved unnecessary

(Reference: Paragraph 2.3.7; Page 35)

Sr. No.	Number and Name of the Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	(₹ in crore)
					Supplementary Provision
1	4-Animal Husbandry and Dairy Development -Revenue Voted	266.47	252.87	13.60	2.30
2	5-Co-operation -Revenue Voted	158.66	157.86	0.80	1.34
3	19-Other Expenditure Pertaining to Finance Department -Capital Voted	56.60	53.42	3.18	2.09
4	34-Economic Advice and Statistics - Revenue Voted	111.09	69.80	41.29	27.50
5	39-Medical and Public Health -Revenue Voted	1,991.91	1,989.49	2.42	78.92
6	49-Industries -Capital Voted	213.64	120.21	93.43	16.62
7	50-Mines and Minerals -Revenue Voted	70.11	52.38	17.73	0.92
8	57-Labour and Employment -Revenue Voted	355.40	326.72	28.68	19.31
9	60-Administration of Justice -Revenue Voted	538.29	389.74	148.55	11.95
10	60-Administration of Justice -Revenue Charged	58.24	55.21	3.03	7.82
11	69-Panchayat Rural Housing and Rural Development Department -Revenue Voted	9.65	9.03	0.62	1.29
12	71-Rural Housing and Rural Development -Revenue Voted	627.92	518.04	109.88	6.20
13	85-Residential Building -Revenue Voted	139.16	136.81	2.35	26.11
14	95- Scheduled caste Sub-plan -Revenue Voted	1,468.89	1,453.91	14.98	35.74
15	98-Youth Services and Culture Activities- Revenue Voted	196.56	183.78	12.78	1.72
TOTAL		6,262.59	5,769.27	493.32	239.83

APPENDIX 2.5
Excess/Unnecessary/Insufficient Re-appropriation of Funds
more than ₹ 50 lakh
(Reference: Paragraph 2.3.8; Page 35)

(₹ in crore)

Sr. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+)	Final saving (-)
1	9	00.112.01 TED.5 Development of Government Engineering Colleges	2203	(+) 17.37	0.00	3.14
2	9	00.105.01 TED .3 Development of Government Polytechnics & girls Polytechnics	2203	(+) 9.94	0.00	4.52
3	9	00.105.01 TED .3 Development of Government Polytechnics & girls Polytechnics	2203	(+) 2.42	0.00	1.42
4	9	02.109.01 EDN-19 Government Secondary Schools	2202	(+) 1.25	0.00	0.71
5	9	02.109.02 EDN 99 Government Higher Secondary Schools	2202	(-)1.50	0.00	0.95
6	9	01.106.17 EDN 129 Distance mode Education Programme	2202	(-)2.00	2.00	0.00
7	9	80.001.18 EDN 17 Commissionerate of schools	2202	(-)2.97	1.76	0.00
8	9	02.110.12 EDN 25 Teaching courses through computers	2202	(-)9.33	0.00	8.51
9	9	02.110.01 EDN 18 Regulated Growth of non-govt. secondary school	2202	(-)10.09	2.98	0.00
10	9	80.800.22 EDN 48 Information and Technology	2202	(-)14.50	0.00	1.17
11	18	01.101.01 Superannuation and Retirement Allowances	2071	(+) 144.00	38.43	0.00
12	18	01.101.02 Reimbursement of Medical facilities to pensioners	2071	(+) 3.00	2.15	0.00
13	18	01.105.01 Family pension	2071	(-)38.00	0.00	3.88
14	18	01.102.01 Commuted value of pension	2071	(-)62.00	22.23	0.00
15	18	01.104.01 Gratuities	2071	(-)71.67	74.57	0.00
16	20	03.104.02 Interest on General Provident fund of class IV employees	2049	(+) 2.70	1.29	0.00
17	39	03.104.01 HLT-31 Community Health Centres	2210	(+) 15.75	0.00	2.80
18	39	01.110.02 Dispensaries	2210	(+) 0.89	0.83	0.00
19	39	03.104.01 HLT-31 Community Health Centres	2210	(+) 8.74	0.00	1.44
20	39	01.110.12 HLT-7 Medical College & Hospital, Ahmedabad	2210	(+) 6.05	1.07	0.00
21	39	01.110.01 HLT-2 Civil Hospitals Administration	2210	(+) 3.39	0.00	4.62
22	39	05.105.01 HLT-9 Expansion of M.P. Shah Medical College, Jamnagar	2210	(+) 1.07	0.00	0.60
23	39	05.105.05 HLT-10 Medical College, Surat	2210	(+) 0.92	0.00	0.93
24	39	01.110.04 HLT-5 Mental Hospital	2210	(+) 0.89	0.00	0.96

Sr. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+)	Final saving (-)
25	39	05.105.03 HLT-8 Medical College, Baroda	2210	(-) 0.63	0.00	0.74
26	39	01.110.02 Dispensaries	2210	(-) 0.89	0.83	0.00
27	39	02.101.04 HLT-21 Medical Relief New Ayurvedic Hospitals	2210	(-) 1.65	0.00	0.68
28	39	02.101.01 HLT-20 Directorate of Ayurved	2210	(-) 1.71	0.00	3.35
29	39	05.105.01 HLT-9 Expansion of M.P. Shah Medical College, Jamnagar	2210	(-) 2.00	0.00	1.22
30	39	06.101.03 HLT-29 Epidemic Disease	2210	(-) 2.53	0.00	1.92
31	39	05.105.13 HLT-15 Medical College, Bhavnagar	2210	(-) 5.58	0.00	2.02
32	39	01.001.02 HLT-11 Directorate of Medical Education & Research	2210	(-) 15.46	0.00	3.95
33	39	01.110.42 HLT-72 Hospitals and Dispensaries 13th Finance Commission	4210	(-) 15.90	27.40	0.00
34	40	00.200.02 HLT-70 Post Partum Centre	2211	(-) 3.45	0.00	0.79
35	43	00.800.09 MEP-21 Lok Rakshak	2055	(+) 4.53	1.55	0.00
36	43	00.109.09 Home Guard/Border wing Home guard utilised for Police Department	2055	(+) 2.09	1.72	0.00
37	43	00.109.05 Other Police-Police Supplied to private Company & Persons	2055	(+) 0.53	0.94	0.00
38	43	00.109.01 MEP 6 Dist. Police proper	2055	(-) 49.86	0.00	7.37
39	60	00.105.02 Civil Judge	2014	(+) 9.88	1.59	0.00
40	66	41.800.80 Other Expenditure	4701	(+) 31.84	0.00	0.88
41	66	03.102.31 Works	2702	(+) 3.43	0.00	4.00
42	66	03.101.11 Construction and Deepening of Wells and Tanks	2702	(+) 2.69	0.00	2.70
43	66	11.800.46 Distributaries and Water Courses	4700	(+) 2.50	1.46	0.00
44	66	03.101.11 Construction and Deepening of Wells and Tanks	2702	(+) 2.00	0.80	0.00
45	66	11.800.43 Canals and Branches (CSS)	4700	(-) 1.64	0.00	1.41
46	66	00.800.02 Drip contribution of Pressurize Irrigation Network	4702	(-) 2.49	1.50	0.00
47	66	74.800.80 Other Expenditure (CSS)	4701	(-) 6.56	0.00	0.85
48	66	80.005.11 IRG-47 Survey & Investigation	2700	(-) 45.20	2.81	0.00
49	66	72.800.80 Other Expenditure	4701	(-) 13.43	0.00	0.60
50	66	01.103.01 Flood Control Works	4711	(-) 21.43	1.49	0.00
51	66	75.800.80 Other expenditure (CSS)	4701	(-) 59.66	0.00	5.75
52	70	00.800.05 CDP-2 Survey and Studies	2515	(-) 13.70	0.00	1.21
53	70	00.800.01 CDP-11 Panchayats Elections	2515	(-) 11.16	0.00	1.41
54	71	06.800.08 Backward Region Grant Fund (CSS)	2501	(+) 1.74	4.16	0.00
55	71	03.800.05 Integrated Watershed Management Programme	2501	(-)14.22	1.74	0.00

Audit Report No. 1 (State Finances) for the year ended 31 March 2012

Sr. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+)	Final saving (-)
56	77	02.102.02 Discount on Sale of Stamps	2030	(+) 4.00	2.40	0.00
57	77	01.102.02 Discount on Sale of Stamps	2030	(+) 0.70	0.00	1.09
58	79	02.800.02 Repairs/Restoration to Other Public Properties	2245	(+) 45.81	59.13	0.00
59	80	01.277.01 Education Establishment	2575	(+) 0.55	0.00	0.56
60	84	02.105.42 TED-23 Buildings	4202	(+) 26.08	2.34	0.00
61	84	01.202.42 EDN-21 Buildings	4202	(+) 16.47	0.00	2.66
62	84	01.051.42 HSG-12-A Buildings (CSS (P))	4059	(+) 5.21	0.00	17.93
63	84	80.001.02 Administration	2059	(+) 4.98	0.79	0.00
64	84	01.053.01 Work Charged Establishment (Salary)	2059	(-) 1.07	0.00	1.11
65	84	01.051.01 Minor Original Works	2059	(-) 1.89	0.00	1.17
66	84	80.001.01 RBD-99 Direction	2059	(-) 2.91	2.28	0.00
67	84	01.051.42 Buildings	4059	(+) 337.00	12.09	0.00
68	86	03.337.11 RBD-2 (a) Original Work	5054	(+) 256.41	30.62	0.00
69	86	03.337.15 Central Road Fund	5054	(+) 42.68	0.00	40.92
70	86	03.337.17 Pravashi Paths	5054	(+) 25.72	0.00	3.41
71	86	03.337.13 Border Area Development Programme	5054	(+) 20.48	0.00	20.19
72	86	03.337.16 Privation of Roads and Bridges	5054	(+) 15.90	0.00	13.33
73	86	03.337.18 Prageti Path	5054	(+) 11.21	0.67	0.00
74	86	80.799.01 Stock	3054	(+) 0.83	0.00	5.32
75	86	80.052.02 New Supplies	5054	(-) 6.00	0.00	2.27
76	86	80.800.02 Maintenance and Repairs	3054	(-) 6.41	0.00	76.59
77	95	01.201.02 EDN-8 Separate Sanitation for Girls in Upper Primary Schools.	4202	(+) 4.84	0.00	4.84
78	95	00.800.03 IND-23 Assistance to Index-C	2851	(-) 1.13	0.51	0.00
79	96	80.796.02 RBD-10 Special Provision for Roads & Buildings Under Tribal area Sub-Plan	3054	(+) 35.66	0.00	1.50
80	96	02.794.11 Various Scheme Under Welfare of Scheduled Castes, Scheduled Tribal & Other Backward Classes (100 % Centrally Sponsored Scheme)	2225	(+) 25.75	0.00	1.40
81	96	01.796.42 EDN-21 Building	4202	(+) 20.74	0.00	0.69
82	96	02.796.08 MDM-2 Food Grain to Parents Tribal Daughters Studying in Primary School	2236	(+) 18.00	0.00	0.88
83	96	01.796.01 HLT-31 Conservation of hospital Unit into referral & Strengthening hospitals.	2210	(+) 1.40	2.37	0.00
84	96	01.796.02 HLT-3 Strengthening beds Establishment at Medical institutions in tribal area	2210	(+) 1.24	0.00	1.54
85	96	01.796.06 GIA for free Cardiac Kidney, Cancer & Other treatment of Tribal Patients.	2210	(-) 5.49	0.00	1.15

Sr. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+)	Final saving (-)
86	96	01.796.12 FST-30 Gujarat Forestry Development Project Under J.B.I.C. Japan (Centrally Sponsored Scheme)	4406	(-) 1.42	0.00	0.99
87	96	60.796.02 Constrution (R & B)	4059	(-) 18.28	18.91	0.00
88	96	00.796.02 Minor Irrigation (Centrally Sponsored Scheme)	4702	(-) 3.74	9.58	0.00
89	96	06.796.05 REM-7 Swaran Jayanti Gram Swarozgar Yojana (S.G.S.Y.)	2501	(-) 4.06	0.00	2.37
90	96	04.796.42 R & B 102 Building	4202	(-) 6.82	0.83	0.00
91	96	02.796.02 NTR-Introduction of Integrated Child Development Service Scheme (Centrally Sponsored Scheme)	2236	(-) 4.76	0.00	0.60
92	96	01.796.04 Construction (Health)	4216	(-) 9.45	9.19	0.00
93	96	02.796.42 Building	4225	(-) 19.12	0.00	10.06
94	96	80.796.02 IRG-39	4700	(-) 17.86	0.00	0.92
95	96	01.796.43 Works (Edu Dept)	4202	(-) 18.17	0.00	2.41
96	106	02.800.02 NTR-1 Integrated Child development Scheme	2236	(+) 37.87	0.00	0.67
97	108	00.800.02 (CLC-7) Assistance to GEDA for Renewable Energy	2810	(+) 0.50	3.25	0.00
		Total		609.85	350.26	293.07

APPENDIX 2.6
Substantial surrenders of more than ₹ one crore or more than 50 per cent
(Reference: Paragraph 2.3.9; Page 35 on the selected top 17 cases)

(₹ in crore)

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
1	2	440100800P 01 PCSS AGR 51 Rashtriya Krushi Vikas Yojana voted plan	100.00	100.00	100.00	Capital Assistance to farmers for purchasing heavy farm equipment could not be implemented
2	2	440100800 02 Capital assistance to farmers for purchasing heavy farm implements voted plan	35.00	35.00	100.00	Capital assistance to farmers for purchasing heavy farm equipment could not be implemented
3	2	441501277 01 AER-1 Gujarat Agriculture University for construction of Agriculture research voted plan	22.41	22.41	100.00	Mainly due to government decision to transfer capital provision to revenue account
4	49	685804800 01 Loan to EGA project to implement state support agreement voted plan	110.00	110.00	100.00	Terms and conditions not finalised by government
5	71	250103800 01 RDD-9 Planning & development of water shed project voted plan	14.33	14.33	100.00	Non releasing of grant by the Government of India, so matching state's share got reduced
6	79	224501102 03 Water supply arrangement (Rural area) voted non plan	82.00	82.00	100.00	Mainly due to uncertainty of nature
7	79	224502122 02 Repair and restoration of damaged irrigation & flood control voted non plan	35.00	35.00	100.00	Non occurrence of any natural calamity
8	79	224501102 04 Urban water supply drinking water supply arrangement voted non plan	22.00	22.00	100.00	No drought in the state and uncertainty of nature
9	79	224501102 01 Water supply arrangement voted non plan	21.00	21.00	100.00	No drought in the state and uncertainty of nature
10	79	224502282 01 Supply of medicines drugs disinfectants voted non plan	20.00	20.00	100.00	Non occurrence of any natural calamity
11	79	425000101 02 UDP-43 Assistance to Gujarat Disaster Management authority for Cyclone risk voted plan	10.00	10.00	100.00	Non completion of the process of the approval and sanction for the project by Government of India

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
12	84	422503277P 42 Partially CSS Buildings voted plan	16.78	16.78	100.00	High provision of new works and time consuming tender process/ non allotment of land
13	85	421601106P 02 HSG-12 (B) Construction voted plan	22.02	22.02	100.00	Non-receipt of administrative approval
14	95	421760191 01 UDP-56 Capital outlay for municipalities for making model town voted plan	50.00	50.00	100.00	Transfer under the head for revenue head of the same scheme
15	102	221780192 04 GIA to municipalities voted non plan	12.45	12.45	100.00	Delay in recruitment process
16	108	343503102 02 CLC-2 Climate Change Impact Studies & Related Project Trust Fund voted Plan	15.00	15.00	100.00	Delay in process of formulating state action plan for climate change
17	108	343503102 01 CLC-1 Climate change trust fund voted plan	10.00	10.00	100.00	Delay in process of formulating the state action plan
Total			597.99	597.99		

APPENDIX 2.7
Surrenders in excess of actual savings (₹50 lakh or more)
(Reference: Paragraph 2.3.10; Page 36)

(₹ in crore)

Sr. No	Grant no.	Number and Name of the Grant or Appropriation	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	1	Agriculture and Co-operation Department -Revenue Voted	14.73	3.74	3.75	0.01
2	5	Co-operation -Revenue Voted	159.99	2.13	3.30	1.17
3	11	Energy and Petro-Chemicals Department -Revenue Voted	4.51	1.12	1.13	0.01
4	12	Tax Collection Charges Energy and Petro-Chemical Department - Revenue Voted	14.40	1.22	1.23	0.01
5	15	Finance Department -Revenue Voted	16.07	2.56	2.57	0.01
6	17	Treasury and Accounts Administration -Revenue Voted	108.31	12.40	12.44	0.04
7	38	Health and Family Welfare Department -Revenue Voted	10.80	2.74	3.24	0.50
8	46	Other Expenditure pertaining to Home Department -Capital Voted	498.03	19.96	23.58	3.62
9	46	Other Expenditure pertaining to Home Department -Revenue Voted	88.14	28.88	29.06	0.18
10	47	Industries and Mines Department- Revenue Voted	11.77	1.22	1.23	0.01
11	51	Tourism -Capital Voted	213.95	11.30	11.60	0.30
12	53	Information and Broadcasting Department -Revenue Voted	2.59	1.15	1.15	0.00 [€]
13	54	Information and Publicity - Revenue Voted	80.78	1.18	1.22	0.04
14	60	Administration of Justice - Revenue Voted	550.24	160.50	160.69	0.19
15	61	Other Expenditure pertaining to Legal Department -Revenue Voted	75.94	1.04	1.13	0.09
16	62	Legislative and Parliamentary Affairs Department -Revenue Voted	6.38	1.37	1.37	0.00 [£]
17	65	Narmada Development Scheme - Capital Voted	2828.89	0.06	198.65	198.59
18	78	District Administration -Revenue Voted	325.66	95.58	102.87	7.29

€ ₹ 7,000
£ ₹ 2,000

Sr. No	Grant no.	Number and Name of the Grant or Appropriation	Total Grant/Appropriation	Savings	Amount surrendered	Amount surrendered in excess
19	79	Relief on account of Natural Calamities - Revenue Voted	1059.68	351.90	411.23	59.33
20	89	Science and Technology Department - Revenue Voted	87.05	65.28	65.28	0.00 [¥]
21	90	Other Expenditure pertaining to Science and Technology Department -Revenue Voted	110.83	40.74	48.07	7.33
22	91	Social Justice and Empowerment Department -Revenue Voted	4.73	1.07	1.18	0.11
23	92	Social Security and Welfare - Revenue Voted	591.72	8.94	9.31	0.37
24	95	Scheduled castes Sub-Plan - Revenue Voted	1504.63	50.72	73.27	22.55
25	96	Tribal Area Sub-Plan -Capital Voted	2134.53	31.78	86.65	54.87
26	104	Other Expenditure pertaining to Urban Development and Urban Housing Department -Revenue Voted	0.98	0.75	0.75	0.00 ^Ω
27	105	Women and Child Development Department -Revenue Voted	5.99	3.49	3.56	0.07
28	108	Other Expenditure pertaining to Climate Change Department - Revenue Voted	99.64	0.00	25.75	25.75
		Total	10,610.96	902.82	1,285.26	382.44

¥ ₹ 35,000

Ω ₹ 8,000

APPENDIX 2.8
Rush of Expenditure
(Reference: Paragraph 2.3.12; Page 38)

(₹ in crore)

Sr. No.	Head of Account	Expenditure incurred during Jan-Mar 2012	Expenditure incurred during Mar-2012	Total Expenditure	Percentage of total expenditure incurred during	
					Jan-Mar 2012	March 2012
1	2015	30.94	23.89	55.18	56.07	43.29
2	2075	66.00	61.39	72.56	90.96	84.61
3	2245	142.02	132.80	180.55	78.66	73.55
4	2403	189.19	153.92	347.92	54.38	44.24
5	2404	43.69	6.00	83.62	52.25	7.18
6	2505	151.54	71.46	202.67	74.77	35.26
7	2711	19.06	17.24	37.81	50.41	45.60
8	2810	9.75	4.59	19.00	51.32	24.16
9	2852	273.99	192.19	401.98	68.16	47.81
10	2853	29.18	20.97	52.35	55.74	40.06
11	3051	23.45	0.00	46.90	50.00	0.00
12	3054	1285.30	826.67	2457.14	52.31	33.64
13	3425	42.10	20.93	70.10	60.06	29.86
14	3452	46.04	44.72	84.31	54.61	53.04
15	3456	142.04	58.52	227.90	62.33	25.68
16	3604	136.06	112.09	199.58	68.17	56.16
17	4058	5.15	5.09	5.28	97.54	96.40
18	4210	404.18	311.63	621.96	64.98	50.10
19	4211	39.12	38.46	43.07	90.83	89.30
20	4220	0.20	0.20	0.20	100.00	100.00
21	4235	4.38	2.23	6.86	63.65	32.51
22	4408	6.77	6.44	11.34	59.70	56.79
23	4435	8.06	0.30	16.06	50.19	1.87
24	4515	719.26	620.87	922.11	78.00	67.33
25	4575	5.66	2.93	7.14	79.27	41.04
26	4701	336.09	233.95	646.68	51.97	36.18
27	4702	355.79	232.61	634.62	56.06	36.65
28	4852	76.62	76.62	111.47	68.74	68.74
29	4853	0.50	0.50	0.50	100.00	100.00

Sr. No.	Head of Account	Expenditure incurred during Jan-Mar 2012	Expenditure incurred during Mar-2012	Total Expenditure	Percentage of total expenditure incurred during	
					Jan-Mar 2012	March 2012
30	4856	600.00	600.00	600.00	100.00	100.00
31	5452	111.38	95.38	202.35	55.04	47.14
32	5465	53.00	53.00	53.00	100.00	100.00
33	5475	0.02	0.02	0.02	100.00	100.00
34	6225	12.20	8.04	20.55	59.40	39.13
35	6801	85.00	85.00	85.00	100.00	100.00
36	6851	0.02	0.01	0.02	100.00	50.00
37	6885	4.20	1.70	4.20	100.00	40.48
38	7615	36.46	31.82	53.90	67.64	59.03
Total		5,494.41	4,154.18	8,585.90	63.99	48.38

APPENDIX 3.1

Utilisation certificates outstanding as on 31 March 2012

(Reference: Paragraph 3.1, Page 45)

(₹ in crore)

Sr. No.	Department	Period of Payment of grant	Total grants paid		Utilisation Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Agriculture & Co-operation	2001-12	1955	2,125.71	1,005	722.87	950	1,402.83
2	Climate change	2011-12	29	146.08	9	64.09	20	81.99
3	Women & Child development	2002-12	632	165.35	304	22.95	328	142.40
4	Education	2001-12	3,986	714.54	3,656	516.27	330	198.27
5	Energy & Petrochemicals	2011-12	4	325.00	2	125.00	2	200.00
6	Food, Civil Supplies & Consumer affairs	2001-12	61	141.04	7	53.92	54	87.12
7	Forest & Environment	2002-12	113	23.99	100	21.06	13	2.93
8	General Administration	2004 -12	139	476.01	123	473.34	16	2.67
9	Gujarat Legislature Secretariat	2008-09	13	2.50	6	2.13	7	0.37
10	Health & Family Welfare	2001-12	2,320	538.96	2,069	214.22	251	324.74
11	Home	2001-12	129	314.95	51	295.42	78	19.54
12	Industries & Mines	2001-12	1,860	313.88	1,555	180.94	305	132.93
13	Information Broadcasting & Tourism	2003-04	5	0.63	4	0.62	1	0.01
14	Labour & Employment	2003-08	170	7.84	108	5.33	62	2.51
15	Legal	2001-2008	45	0.76	34	0.72	11	0.04
16	Narmada Water Resources, Water Supply and Kalpsar	2008-12	58	1,019.90	48	572.55	10	447.36
17	Narmada Water Resources, Water Supply Department	2002-05	961	1,414.19	956	1,413.79	5	0.41
18	Ports & Transport	2007-12	721	744.75	707	42.90	14	701.85
19	Panchayats, Rural Housing and Rural Development	2001-12	2,110	1,163.04	1,357	279.03	753	884.01
20	Roads & Buildings	2011-12	14	1.90	13	1.69	1	0.21
21	Revenue	2007-11	82	43.36	64	34.27	18	9.09
22	Social Justice & Empowerment	2001-12	24,239	2,206.85	11,055	558.43	1,3184	1,648.42
23	Science and Technology	2009-12	104	22.95	98	6.21	6	16.74
24	Sports, Youth & Cultural Activities	2001-12	1,597	23.83	728	6.42	869	17.41
25	Urban Development & Urban Housing	2001-11	243	2,782.37	90	39.88	153	2,742.49
	Total		41,590	14,720.38	24,149	5,654.04	17,441	9,066.34

APPENDIX 3.2

Statement showing names of bodies and authorities,
the accounts of which had not been received

(Refer paragraph 3.2; Page 46)

Sr. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
1.	Gujarat University, Ahmedabad	1999-2000 onwards	1
2.	Gujarat Ecology Commission, Gandhinagar;	2004-05 onwards	1
3.	Sheth Vadilal Sarabhai General Hospital and Sheth Chinai Maternity Hospital, Ahmedabad; Self Employed Women's Association, Ahmedabad; K J Mehta TB Hospital Songadh; Forest Development Agency, Chhota Udepur; Electronic & Quality Development Centre, Gandhinagar;	2005-06 onwards	5
4.	Forest Development Agency, Godhra; Veer Narmad South Gujarat University, Surat; Industrial Training Centre Morva-Rena, Panchmahal; Gujarat Sahitya Academy, Gandhinagar; Gujarat State Lalit Kala Academy, Ahmedabad; G.K. General Hospital, Bhuj; Forest Development Agency, Junagadh; Forest Development Agency, Surendranagar; Forest Development Agency, Narmada; Forest Development Agency, Sabarkantha Himmatnagar (North); Forest Development Agency, Valsad (North); Forest Development Agency, Palanpur; Forest Development Agency, Bhavnagar; Forest Development Agency and Joint Management Committee, Bhuj; Gujarat Live Stock Development Board, Gandhinagar; Kutch Bhuj Purva Jilla Vanvikas Agency, Bhuj; Aryakanya Ayurved College, Vadodara; Gujarat Homeopathic Medical College, Vadodara; O.H. Nazar Ayurved College and Hospital, Surat; B.M. Institute of Mental Health, Ahmedabad; Dr. Rasiklal Shah Sarvajanic Hospital; Gujarat Backward Classes Development Corporation, Gandhinagar; Gujarat Institute of Educational Technology (GIET), Ahmedabad; Gandhi Lincoln Hospital; Gujarat State Social Welfare Board, Ahmedabad; Hemchandraacharya North Gujarat University, Patan; J S Ayurved Mahavidyalaya & P T Patel Ayurved Hospital, Nadiad; School of Interior Design (CEPT University), Ahmedabad;	2006-07 onwards	28
5.	Rural Technology Institute, Gandhinagar; Blinds Men's Association, Ahmedabad; Smt. B H Shah (Karjanwala), ITI, Kamrej, Surat; Gujarat Ecology Education & Research (GEER) Foundation, Gandhinagar;	2007-08 onwards	4
6.	Gujarat State Non-resident Gujarati's Foundation, Gandhinagar; Sivanand Missionary Eye Hospital, Rajkot; Ravishanker Maharaja Eye Hospital, Anand; Shrimant Fateshsinh Rao Gaekwad General Hospital Vatrak, Sabarkantha; M.S. University, Vadodara; U.N. Mehta Institute of Cardiology and Research Centre, Ahmedabad; Industrial Extension Bureau, Gandhinagar; R.K. Technical Institute Industrial Training Centre, Anand; Shri S.K. Patel Industrial Training Centre, Mehsana; Gujarat Land Less Labourers and Halpati Housing Board, Gandhinagar; Gujarat Council for Science City, Ahmedabad; State Literacy Mission, Gandhinagar; Gujarat Council of Primary Education S.S.A.M., Gandhinagar; Forest Development Agency, Jamnagar; Forest	2008-09 onwards	28

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Sr. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
	Development Agency, Rajkot; Forest Development Agency, Dahod; Forest Development Agency, Sabarkantha Himmatnagar (South); Forest Development Agency, Ahwa Dang (South); J.B. Upadhyay Deaf and Mute School, Sabarkantha; School for Deaf-Mutes Society, Ahmedabad; Society for education Welfare and Action, Jhagadia; Smt. A.J. Savla Homeopathic Medical College, Mehsana; Mandvi Taluka Kshaya Nivaran Sangh (TB Association), Mandvi, Kutch; Narayan Eye Hospital, Aryogya Dham Sanchalit; State Examination Board, Gandhinagar; Sarvajanik Hospital & Maternity Home, Gozaria, Mehsana; Ahmedabad Textile Industries Research Association (ATIRA), Ahmedabad; Tribhovandas Foundation, NJI Granted Rural Health & Development Programme, Anand;		
7.	Bala Hanuman Ayurved College, Gandhinagar; Harikrishna Khadi Gramodhyog, Surendranagar; Electrical Research and Development Association, Vadodara; C U Shah TB Hospital, Surendranagar; Sardar Smarak Hospital, Bardoli, Surat; Sanjivani Hospital, Chaltan, Surat; Central Institute of Plastic Engg. & Technology (CIPET);	2009-10 onwards	7
8.	Gujarat Energy Development Agency, Gandhinagar; Gujarat Vidyapith (Higher Education Department), Ahmedabad; Janak Smarak Hospital, Vyara, Surat; Bhagubhai Mafatlal Hospital Sevasram, Bharuch; Mahila Samakhya, Ahmedabad; Gurjareswar Kumarpal Jain Sarvodaya Technical Institute, Vadodara; Gujarat Rural Workers Welfare Board, Gandhinagar; Saurashtra University, Rajkot; Gujarat Water Supply and Sewerage Board; Gandhinagar; Gujarat Mineral Research Development Society, Gandhinagar; Gujarat State Tribal Development Corporation, Gandhinagar; Gujarat Gau Seva Aayog, Gandhinagar; Gujarat Matikam Kalakari and Rural Technology Institute, Gandhinagar; Birla Vishwakarma Maha Vidyalaya (BVM) Engg. College, Vallabh Vidyanagar; Bhailalbhai & Bhikhabhai Institute of Technology, Vallabh Vidyanagar; B S Nathwani T B Hospital, Junagadh; Bhavnagar University, Bhavnagar; Bhavan's Shri C T Sutaria ITI, Dakor; Bhagwat Vidyapith Ashok ITI, Sola Ahmedabad; Cambay General Hospital; Gujarat Cancer & Research Centre/Institute, Ahmedabad; Gujarat State Social Welfare Advisory Board, Ahmedabad; Gujarat State Tribal Development Residential education Institutions Society, Gandhinagar; Kacheria Mojilal Gordhandas General Hospital, Balasinor, Kheda; Gujarat Industrial Research & Development Agency (GIRDA), Vadodara; Gujarat Horticulture Mission, Gandhinagar; S K Nagar, Dantiwada University, Dantiwada; Baroda Citizens' Council, Vadodara; School of Planning (CEPT) University, Ahmedabad; School of Architecture, Ahmedabad;	2010-11 onwards	30

APPENDIX 3.3
Statement showing performance of autonomous bodies
(Reference: Paragraph 3.3; Page 47)

Sr. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature required Date of issue of SAR Date of placement of SAR	Delay in submission of accounts	Period of delay
Under Section 19(2)							
1.	Gujarat State Human Rights Commission, Gandhinagar	Not required	2006-07	2006-07	Yes 10-02-2010 Not placed	Yes	4 years
2.	Gujarat State Legal Authority, Ahmedabad	Not required	2011-12	2010-11	Yes 27-02-2012 Not placed	No	-
3.	District Legal Service Authority, Navsari	Not required	2011-12	2010-11	Yes 11-08-2011 Not placed	No	-
Under Section 19(3)							
1	Gujarat Rural Housing Board, Ahmedabad	2012-13	2011-12	2010-11	Yes 16-01-2012 24-02-2012	No	-
2	Gujarat Housing Board, Ahmedabad	2012-13	2010-11	2009-10	Yes 21-09-2011 16-03-2012	Yes	9 months
3.	Gujarat Slum Clearance Board, Ahmedabad	2012-13	2008-09	2008-09	Yes 26-07-2012 Not placed	Yes	3 years
Under Section 20(1)							
1	Gujarat Maritime Board	2004-12	2011-12	2010-11	Yes 29-02-2012 29-03-2012	No	-
2	Gujarat Municipal Finance Board, Gandhinagar	2013-14	2010-11	2010-11	Yes 15-02-2012 Not placed	Yes	3 months
3	Water and Sanitation Management Organization, Gandhinagar	2010-11	2009-10	2009-10	Not required	Yes	4 months
4	Ahmedabad Urban Development Authority, Ahmedabad	2007-12	2010-11	2010-11	Not required	Yes	4 months
5	Anjar Urban Development Authority, Anjar	2007-12	2008-09	2008-09	Not required	Yes	1 year
6	Bhachau Urban Development Authority, Bhachau	2007-12	2008-09	2008-09	Not required	Yes	1 year

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Sr. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature required Date of issue of SAR Date of placement of SAR	Delay in submission of accounts	Period of delay
7	Bhavnagar Urban Development Authority, Bhavnagar	2007-12	2009-10	2009-10	Not required	Yes	1 year 4 months
8	Bhuj Urban Development Authority, Bhuj	2007-12	2008-09	2008-09	Not required	Yes	1 year
9	Gandhinagar Urban Development Authority, Gandhinagar	2007-012	2009-10	2009-10	Not required	Yes	9 months
10	Jamnagar Urban Development Authority, Jamnagar	2007-12	2009-10	2009-10	Not required	Yes	9 months
11	Rajkot Urban Development Authority, Rajkot	2007-12	2010-11	2010-11	Not required	Yes	3 months
12	Rapar Urban Development Authority, Rapar	2007-12	2008-09	2008-09	Not required	Yes	1 year
13	Surat Urban Development Authority, Surat	2007-12	2010-11	2010-11	Not required	Yes	5 months
14	Vadinar Urban Development Authority, Vadinar	2007-12	2008-09	2008-09	Not required	Yes	1 year
15	Vadodara Urban Development Authority, Vadodara	2011-12	2011-12	2010-11	Not required	No	-
16	Junagadh Urban Development Authority, Junagadh	2007-12	-	-	Not required	Yes	4 years
17	Ambaji Urban Development Authority, Ambaji	2007-12	-	-	Not required	Yes	4 years
18	Alang Area Development Authority, Bhavnagar	2007-12	-	-	Not required	Yes	4 years
19	Kevadia Area Development Authority, Ahmedabad	2007-12	-	-	Not required	Yes	4 years

APPENDIX 3.4
Pending DC bills for the years up to 2011-12
(Reference paragraph 3.4; Page 48)

Name of Department	Number of AC bills	(₹ in crore)
		Amount
Agriculture and Co-operation	35	0.24
Education	2,808	78.33
Food, Civil Supplies and Consumer Affairs	70	0.48
Finance	29	0.20
General Administration	539	9.66
Gujarat Legislature Secretariat	1	*
Health and Family Welfare	317	38.65
Home	2,862	85.66
Industries and Mines	75	3.51
Information and Broadcasting	8	0.03
Labour and Employment	23	0.06
Legal	280	4.54
Narmada Water Resources, Water Supply and Kalpsar	20	0.06
Ports and Transport	4	0.02
Panchayats, Rural Housing and Rural Development	1,814	35.48
Revenue	558	24.17
Roads and Buildings	13	0.03
Social Justice and Empowerment	493	6.10
Sports, Youth and Cultural Activities	601	5.92
Urban Development and Urban Housing	2	0.20
Women and Child Development	11	0.02
Others - DDR heads	26	0.15
TOTAL	10,589	293.51

* ₹23,000

APPENDIX 3.5

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

(Reference: Paragraph 3.6; Page 48)

Sr. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to More	Total No. of Cases.
1	Ports, Transport & Fisheries	0	1	2	0	0	1	4
2	Agriculture, Co-op. & R.D.D.	0	1	1	2	1	0	5
3	Information & Publicity	0	0	0	0	0	0	0
4	Legal (A.J)	1	1	3	0	1	0	6
5	Labour & Employment	1	0	0	0	0	0	1
6	Education	4	4	5	0	0	0	13
7	Industries, Mines & Power	0	2	2	0	0	0	4
8	Health & Family Welfare	1	4	1	3	1	6	16
9	Home	0	5	2	2	3	0	12
10	Forest & Environment	13	1	1	1	0	1	17
11	Irrigation	0	0	0	0	0	1	1
12	Food & Civil Supply	0	1	0	0	0	0	1
13	Finance	0	0	0	0	1	1	2
14	Revenue	0	2	0	2	0	6	10
15	Sports, Culture & Youth Services	0	0	1	0	0	0	1
16	Tribal Development	0	1	0	0	0	0	1
17	Gujarat Maritime Board	1	0	0	0	0	0	1
18	Narmada Development	0	1	0	0	1	1	3
19	Roads and Buildings	0	1	0	2	5	1	9
20	Irrigation	1	1	2	3	5	19	31
21	Urban Development and Urban Housing	0	0	2	0	0	0	2
22	Land Revenue	0	1	3	2	4	19	29
TOTAL		22	27	25	17	22	56	169

APPENDIX 3.6

**Department/category wise details in respect of cases of loss to Government
due to theft, misappropriation/loss of Government material**

(Reference: Paragraph 3.6; Page 48)

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Fire/Accident cases		Total	
	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
Ports, Fisheries and Transport	2	3.53	2	6.84	0	0	4	10.37
Agriculture, Co-operation and Rural Development	0	0	5	32.98	0	0	5	32.98
Legal	1	0.05	5	15.19	0	0	6	15.24
Labour and Employment	1	0.31	0	0	0	0	1	0.31
Education	9	8.21	4	23.98	0	0	13	32.19
Industries, Mines and Power	2	0.53	2	77.62	0	0	4	78.15
Health and Family Welfare	3	4.47	13	15.22	0	0	16	19.69
Home	0	0	12	80.34	0	0	12	80.34
Forests and Environment	8	1.68	6	8.34	3	0.36	17	10.38
Irrigation	0	0	1	3.67	0	0	1	3.67
Food and Civil Supply	0	0	1	0.49	0	0	1	0.49
Finance	0	0	2	5.47	0	0	2	5.47
Revenue	0	0	10	13.88	0	0	10	13.88
Sports and Culture Youth Services	0	0	1	4.47	0	0	1	4.47
Tribal Development	0	0	1	147.19	0	0	1	147.19
Roads and Buildings	3	1.57	6	351.88	0	0	9	353.45
Narmada, Water Resources and Water Supply	16	7.66	18	16.23	0	0	34	23.89
Urban Development and Urban Housing	0	0	2	9.13	0	0	2	9.13
Land Revenue	0	0	29	4.02	0	0	29	4.02
Gujarat Maritime Board	0	0	1	3.22	0	0	1	3.22
Total	45	28.01	121	820.16	3	0.36	169	848.53

APPENDIX 4.1

Glossary

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