

**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

Contents

| | Page |
|---|-------------|
| Preface | iii |
| Executive Summary | v |
| Chapter 1 | |
| FINANCES OF THE STATE GOVERNMENT | |
| 1.1 | 1 |
| Introduction | |
| 1.2 | 1 |
| Summary of Current Year's Fiscal Transactions | |
| 1.3 | 3 |
| Budget Analysis | |
| 1.4 | 4 |
| Review of fiscal situation | |
| 1.5 | 4 |
| Resources of the State | |
| 1.6 | 7 |
| Revenue Receipts | |
| 1.7 | 9 |
| Application of Resources | |
| 1.8 | 14 |
| Quality of Expenditure | |
| 1.9 | 17 |
| Financial Analysis of Government Expenditure and Investments | |
| 1.10 | 20 |
| Assets and Liabilities | |
| 1.11 | 22 |
| Debt Sustainability | |
| 1.12 | 23 |
| Fiscal Imbalances | |
| 1.13 | 27 |
| Conclusion and Recommendations | |
| Chapter 2 | |
| FINANCIAL MANAGEMENT AND BUDGETARY CONTROL | |
| 2.1 | 29 |
| Introduction | |
| 2.2 | 29 |
| Summary of Appropriation Accounts | |
| 2.3 | 30 |
| Financial Accountability and Budget Management | |
| 2.4 | 40 |
| Review of Budget Control Mechanism | |
| 2.5 | 43 |
| Advances from Contingency Fund | |
| 2.6 | 44 |
| Conclusion and Recommendations | |
| Chapter 3 | |
| FINANCIAL REPORTING | |
| 3.1 | 45 |
| Delay in furnishing Utilisation Certificates | |
| 3.2 | 46 |
| Non-submission/delay in submission of Accounts by Autonomous Bodies/Authorities | |
| 3.3 | 46 |
| Submission of Accounts/Audit Reports of Autonomous Bodies | |
| 3.4 | 47 |
| Failure to account for amount drawn on Abstract Contingent Bills | |

Contents

| | | Page |
|-----------------------|--|-------------|
| 3.5 | Personal Deposit Accounts | 48 |
| 3.6 | Misappropriations, losses, defalcations etc. | 48 |
| 3.7 | Operation of omnibus minor Head 800 | 49 |
| 3.8 | Conclusion and Recommendations | 50 |
| Appendices | | |
| Appendix 1.1 Part A | State Profile | 53 |
| Appendix 1.1 Part B | Structure and Form of Government Accounts | 54 |
| Appendix 1.1 Part C | Layout of Finance Accounts | 54 |
| Appendix 1.2 Part A | Methodology adopted for the assessment of Fiscal Position | 55 |
| Appendix 1.2 Part B | Fiscal Responsibility Act | 56 |
| Appendix 1.3 Part-I | Abstract of Receipts and Disbursements for the year 2011-12 | 57 |
| Appendix 1.3 Part -II | Summarized financial position of the Government of Gujarat as on 31 March 2012 | 60 |
| Appendix 1.4 | Time series data on State Government finances | 61 |
| Appendix 1.5 | Comparison of main components of Tax Revenue during 2007-12 | 64 |
| Appendix 2.1 | Statement of various grants/appropriations where savings were more than ₹ 10 crore each or more than 20 <i>per cent</i> of the total provision | 65 |
| Appendix 2.2 | Cases where persistent savings noticed during 2009-12 | 69 |
| Appendix 2.3 | Excess over provision of previous years requiring regularisation | 74 |
| Appendix 2.4 | Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary | 75 |
| Appendix 2.5 | Excess/Unnecessary/Insufficient re-appropriation of funds more than ₹ 50 lakh | 76 |
| Appendix 2.6 | Substantial surrenders of more than ₹ one crore or more than 50 <i>per cent</i> (<i>Selected top 17 cases</i>) | 80 |
| Appendix 2.7 | Surrenders in excess of actual savings (₹ 50 lakh or more) | 82 |
| Appendix 2.8 | Rush of Expenditure | 84 |
| Appendix 3.1 | Utilisation Certificates outstanding as on 31 March 2012 | 86 |
| Appendix 3.2 | Statement showing names of bodies and authorities, the accounts of which had not been received | 87 |
| Appendix 3.3 | Statement showing performance of autonomous bodies | 89 |
| Appendix 3.4 | Pending DC Bills for the years upto 2011-12 | 91 |
| Appendix 3.5 | Department-wise/duration-wise break-up of cases of misappropriation, defalcation, etc. | 92 |
| Appendix 3.6 | Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material | 93 |
| Appendix 4.1 | Glossary | 94 |