

**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended 31 March 2013**

GOVERNMENT OF GUJARAT

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Preface

1. This Report has been prepared for submission to the Governor of Gujarat under Article 151 of the Constitution.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of the Finance Accounts and the Appropriation Accounts respectively, of the State Government for the year ended 31 March 2013. Information has also been obtained from the Government of Gujarat wherever necessary.
3. Chapter III 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.
4. The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

Executive Summary

Background

In response to the Twelfth Finance Commission's recommendations, the Gujarat Government enacted the Gujarat Fiscal Responsibility Act, 2005 (GFRA) which incorporated the objectives of prudence in fiscal management, fiscal stability by progressive elimination of revenue deficit, sustainable debt management, greater transparency in fiscal operations of the Government and State Government is committed to carry forward these objectives.

To maintain a stable and sustainable fiscal environment consistent with equitable growth, the Thirteenth Finance Commission (ThFC) 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 required 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 2013, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter I is based on the Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2013. 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 II 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 III 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 position

The State had a revenue deficit during the period 2008-11 which turned into a revenue surplus during 2011-12 and 2012-13. The fiscal deficit increased from ₹ 10,438 crore in 2008-09 to ₹ 16,492 crore in 2012-13. During 2012-13, the State had a revenue surplus of ₹ 5,570 crore, an increase of ₹ 2,355 crore over previous year. The increase in the revenue surplus during the current year was mainly on account of an increase of ₹ 12,270 crore (19.49 *per cent*) in revenue receipts against an increase of ₹ 9,915 crore (16.59 *per cent*) in revenue expenditure over the previous year. Fiscal deficit during the year was ₹ 16,492 crore, an increase of ₹ 5,465 crore over previous year. The increase was mainly on account of increase of ₹ 7,415 crore (53.69 *per cent*) in capital expenditure. An increase of ₹ 5,465 crore in fiscal deficit together with an increase of ₹ 1,227 crore in interest payment resulted in increase of ₹ 4,238 crore in primary deficit from ₹ 93 crore in 2011-12 to ₹ 4,331 crore in 2012-13.

The expenditure on Grants-in-aid and subsidies should be booked under revenue expenditure in accounts. However, during 2012-13, the Government of Gujarat wrongly budgeted and booked expenditure of ₹ 881.30 crore on account of Grants-in-aid and expenditure of ₹ 207.27 crore on account of subsidy under the capital section instead of revenue section. This has resulted in understatement of revenue expenditure and overstatement of revenue surplus to the tune of ₹ 1,088.57 crore

During the period 2008-09 to 2012-13, the non-debt receipts did not cover the primary expenditure resulting in primary deficit in each year. In 2012-13, all components of primary expenditure increased over the previous year without commensurate increase in non-debt receipts resulting in an increase of ₹ 4,238 crore in primary deficit.

The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹ 13,197 crore and ₹ 13,358 crore at the end of 2011-12 and 2012-13 respectively. High level of investment held in 'Cash Balance Investment Account' at the end of these financial years indicates the need for better cash management.

State's own resources

Actual tax revenue of the State was more than ThFC projections (13.80 *per cent*), Medium Term Fiscal Policy Statement (MTFPS) projections (2.56 *per cent*) and Budget estimates (5.20 *per cent*). Actual non-tax revenue was more than MTFPS projections (12.07 *per cent*) and less than ThFC projections (3.01 *per cent*) and Budget estimates (11.14 *per cent*). The share of non-tax revenue in revenue receipt continuously decreased from 13 *per cent* in 2008-09 to 8 *per cent* in 2012-13.

Revenue expenditure

The share of revenue expenditure in total expenditure declined from 80.56 *per cent* in 2011-12 to 75.91 *per cent* in 2012-13 mainly on account of high growth in capital expenditure during 2012-13. At the same time, The Plan

Revenue Expenditure (PRE) has shown consistent increase over the period 2008-09 to 2012-13 except for a decrease during 2011-12. The Non Plan Revenue Expenditure (NPRE) has shown consistent increase over the period 2008-09 to 2012-13. The Plan Capital Expenditure has shown consistent increase over the period 2008-09 to 2012-13 except for a decrease during 2009-10.

Quality of expenditure

The development expenditure increased from ₹ 35,612 crore in 2008-09 to ₹ 66,177 crore in 2012-13. The percentage of development capital expenditure to the aggregate expenditure during the current year, i.e. 2012-13 was 22.35 *per cent* whereas the revenue expenditure component was 49.44 *per cent*. Government had invested ₹ 47,171 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies and Co-operatives. The average return on the investments was 0.24 *per cent* in the last five years. 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.

Oversight of funds transferred directly from the Union to the State implementing agencies

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for the implementation of various schemes/programmes in social and economic sectors. 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 overall picture of the resources under the control of the State Government. During 2012-13, ₹ 4,819.64 crore was transferred to the State Implementing Agencies which was 9.72 *per cent* more than the previous year.

Funds and other Liabilities

There were 16 Reserve Funds earmarked for specific purposes, out of which 8 funds were active. The total accumulated balance as at the 31 March 2013 in these funds was ₹ 8,906.81 crore out of which ₹ 152.65 crore is in non-operational funds. However, the investment out of these funds was only ₹ 5,587.16 crore.

Debt sustainability

The positive resource gap for two consecutive years turned into negative in 2012-13. It happened mainly on account of 26 *per cent* increase in primary expenditure against 19 *per cent* increase in non-debt receipts during current year.

The OMB raised as a percentage of fiscal deficits ranged between 59 *per cent* in 2009-10 and as high as 150 *per cent* in 2011-12, with an average of 90 *per cent* during five year period. Thus, during 2008-13 a substantial

portion of fiscal deficit of ₹ 68,184 crore was financed through OMB of ₹ 61,080 crore.

The maturity trends of market loans show that the government would be able to repay 22 *per cent* of the loans during first five years from 2013-14 to 2017-18. So, there will be more burden of repayment (78 *per cent*) in the long term. The Government needs to consider investing adequately in sinking funds to meet the needs of debt servicing from 2018-19 onwards.

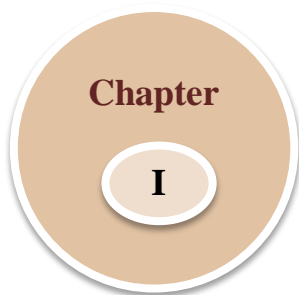
During the period 2008-09 to 2012-13, 92 *per cent* of developmental loans were raised through OMB and the developmental loans raised were in excess of total development expenditure by ₹ 2,482 crore defeating the very purpose of raising the loan to finance the formation of productive assets.

Financial management and budgetary control

Against total provision of ₹ 1,07,439.38 crore during 2012-13, an expenditure of ₹ 99,150.78 crore was incurred. This resulted in a total savings of ₹ 8,288.60 crore which was a result of the total savings of ₹ 8,536.20 crore being offset by the excess of expenditure ₹ 247.59 crore. The excess expenditure of ₹ 12,555.87 crore relating to the period 1999-2000 to 2011-12 requires regularisation under Article 205 of the Constitution of India. In 19 cases, as against savings of ₹ 4,745.07 crore, the amount surrendered was ₹ 4,983.45 crore, resulting in excess surrender of ₹ 238.38 crore. In seven grants/appropriations in which savings of ₹ 34.50 crore occurred, the amounts had not been surrendered by the concerned departments. Under 88 grants, out of the total provision of ₹ 25,249.93 crore in respect of 645 sub-heads, ₹ 8,066.22 crore (31.95 *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 ₹ 9,121.46 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 ₹ 343.86 crore by the departmental authorities. The 166 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.



Finances of the State Government

Profile of Gujarat

Gujarat is situated on the west coast of India, bound by the Arabian Sea in the west, the States of Rajasthan in the north, Madhya Pradesh in the east and Maharashtra in the south. The State also shares an international border with Pakistan on the north western fringe. It has a coast line of about 1,600 kilometres, which is one third of India’s mainland coastline. It is the seventh largest State in terms of geographical area (1,96,024 sq.km) and the ninth largest by population. As indicated in **Appendix 1.1** the State’s population increased from 5.07 crore in 2001 to 6.04 crore in 2011 (Provisional figure) recording a decadal growth of 19.13 *per cent*. The percentage of population below the poverty line was 16.63 *per cent* as compared to the all-India average of 21.92 *per cent*. The State’s Gross State Domestic Product (GSDP) in 2012-13 at current prices was ₹ 6,97,298¹ crore. The State’s literacy rate increased from 69.14 *per cent* (as per 2001 census) to 79.31 *per cent* (as per 2011 census). General data relating to the State is as given in **Appendix 1.1**.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State’s economy as it indicates the standard of living of the State’s population. The trends in the annual growth of the State’s GSDP as compared to India’s GDP at current prices are indicated below:

Table 1.1: Trends- Annual growth of State’s GSDP as compared to India’s GDP

	2008-09	2009-10	2010-11	2011-12	2012-13
India’s GDP (₹ in crore) (Base year 2004-05)	53,03,567	61,08,903	72,66,967	83,53,495	94,61,013
Growth rate of GDP (percentage)	15.75	15.18	18.96	14.95	13.26
State’s GSDP (₹ in crore)	3,67,912	4,31,262(P)	5,30,430(P)	6,11,767(Q)	6,97,298(A)
Growth rate of GSDP (percentage)	11.73	17.22	22.99	15.33	13.98

Estimates: (P) = Provisional, (Q) = Quick and (A) = Advance

(Source: Ministry of Statistics and Programme Implementation, Central Statistical Organisation, Directorate of Economic and Statistics, Gandhinagar)

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

¹ Advance estimates by Directorate of Economic and Statistics, Gandhinagar

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**.

1.1.1 Summary of Fiscal Transactions in 2012-13

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2012-13) *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.

Table 1.2: Summary of Fiscal transactions

(₹ in crore)

Receipts			Disbursements				
	2011-12	2012-13		2011-12	2012-13		
					Non- Plan	Plan	Total
Section-A: Revenue							
Revenue receipts	62,958.99	75,228.53	Revenue expenditure	59,744.46	47,145.69	22,512.80	69,658.49[#]
Tax revenue	44,252.29	53,896.69	General services	21,480.52	23,167.93	960.34	24,128.27
Non-tax revenue	5,276.52	6,016.99	Social services	24,545.79	16,230.47	13,298.50	29,528.97
Share of Union taxes/ duties	7,780.31	8,869.05	Economic services	13,518.37	7,585.01	8,253.96	15,838.97
Grants from Government of India	5,649.87	6,445.80	Grants-in-aid and Contributions	199.78	162.28	-	162.28
Section-B: Capital							
Misc. Capital receipts	10.00	0.00	Capital Outlay	13,811.70	75.49	21,151.03	21,226.52
Recoveries of Loans and Advances	165.44	46.90	Loans and Advances disbursed	605.34	586.68	295.57	882.25
Public Debt receipts*	17,534.76	19,497.19	Repayment of Public Debt*	5,275.19	-	-	6,536.52
Contingency Fund	0.66	80.50	Contingency Fund	80.50	-	-	0.00
Public Account receipts	79,653.14	50,046.35	Public Account disbursements	77,160.79	-	-	46,537.61
Opening Cash Balance	14,986.80	18,631.81	Closing Cash Balance	18,631.81	-	-	18,689.89
Total	1,75,309.79	1,63,531.28		1,75,309.79	47,807.86	43,959.40	1,63,531.28

(Source: Finance Accounts for the respective years)

* Excluding net transactions under ways and means advances and overdrafts

Rounded off to ₹ 69,659 crore and used in the subsequent paragraphs in the Report (after rounding off Non-plan and Plan revenue expenditure as ₹ 47,146 crore and ₹ 22,513 crore, respectively).

The following are the significant changes during 2012-13 over the previous year:

- Revenue receipts grew by ₹ 12,270 crore (19.49 per cent) over the previous year. The increase was mainly due to increase in the State's own tax revenue of ₹ 9,644 crore (21.79 per cent), increase in State's share of Union taxes/ duties of ₹ 1,089 crore (13.99 per cent), increase in grants from the Government of India (GoI) of ₹ 796 crore (14.09 per cent) and the increase in non-tax revenue of ₹ 740 crore (14.03 per cent). Except state's own tax revenue which grew at almost 22 per cent, the growth of other components was around 14 per cent.

- Revenue expenditure increased by ₹ 9,915 crore (16.59 *per cent*) over the previous year mainly due to increase in expenditure on Social Services by ₹ 4,983 crore (20.30 *per cent*), on Economic Services by ₹ 2,320 crore (17.17 *per cent*) and on General Services by ₹ 2,648 crore (12.33 *per cent*).
- Capital expenditure increased by ₹ 7,415 crore (53.69 *per cent*) over the previous year whereas the disbursement of loans and advances increased by ₹ 277 crore (45.74 *per cent*).
- Receipts under Public Debt increased by ₹ 1,962 crore (11.19 *per cent*) against an increase of ₹ 1,261 crore (23.91 *per cent*) in payments. The net availability of public debt receipt of ₹ 12,961 crore during 2012-13 was 5.72 *per cent* more than that of previous year ₹ 12,260 crore.

1.1.2 Review of fiscal situation

As per the Gujarat Fiscal Responsibility Act, 2005 (GFRA 2005) enacted in line with the recommendations of the Twelfth Finance Commission (TwFC), 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 GSDP by 31 March 2009. Similarly, the target of the ratio of Public Debt to GSDP was 30 *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, the fiscal deficit targets for 2009-10 and 2010-11 were relaxed by one *per cent* and 0.5 *per cent* of GSDP respectively by GoI.

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 2011-12 onwards, reduce the fiscal deficit to three *per cent* of the estimated GSDP of the year beginning 2011-12 and maintain it thereafter and to cap the total outstanding 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 respective financial year. The State Legislature in March 2011 amended the Fiscal Responsibility Act after the recommendations of the ThFC.

Major fiscal variables provided in the budget based on recommendations of the ThFC and as targeted in the GFRA Act of the State, the projections made in the Medium Term Fiscal Policy Statement (MTFPS) - 2013 are depicted in **Table 1.3**.

Table 1.3: Major Fiscal variables

Fiscal variables	2012-13				Achievement
	ThFC targets for the State	Targets as prescribed in GFR Act	Targets proposed in the Budget	Projections made in MTFPS	
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	0	0	+ 3,615	+3,615	+ 5,570
Fiscal Deficit/GSDP (in per cent)	3.0	3.0	2.63	2.63	2.37
Ratio of total outstanding debt of the Government to GSDP (in per cent)	28.10	-	-	-	23.90

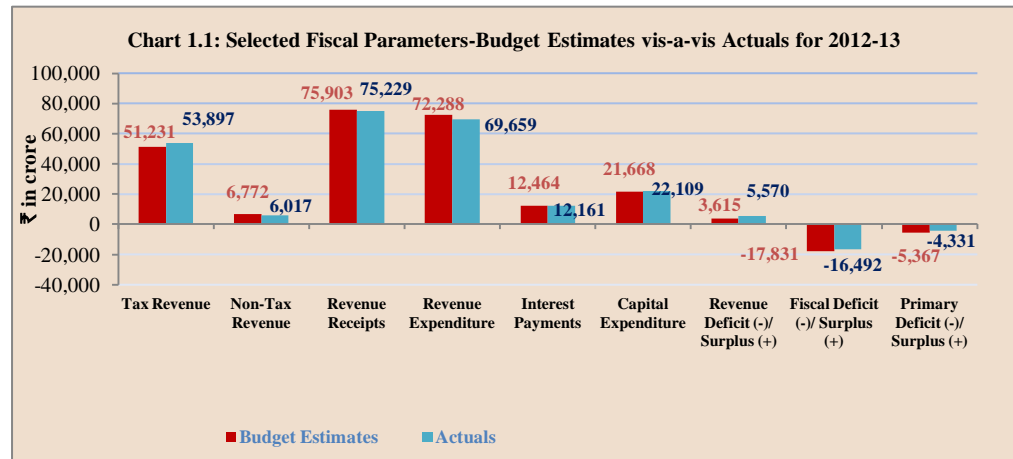
The State achieved the target of reduction of revenue deficit to zero in 2011-12, as the State achieved a revenue surplus of ₹ 3,215 crore. The revenue surplus stood at ₹ 5,570 crore in 2012-13 against the projection in MTFPS of ₹ 3,615 crore. At the end of 2012-13, the fiscal deficit as percentage to GSDP was 2.37, which was within the limit of three per cent. In the Fiscal Consolidation Roadmap, ThFC fixed the target of 28.10 per cent for the 'Total Outstanding Debt' as percentage of GSDP. However, the State Government fixed the target for 'Total Public Debt' instead of 'Total Outstanding Debt' as percentage of GSDP in GFRA 2005, Budget and in MTFPS. This was not in consonance with the recommendations of ThFC. In any case, the State's total outstanding debt as percentage of GSDP was 23.90 per cent in 2012-13 which was within the target of 28.10 per cent fixed by the ThFC.

The expenditure on Grants-in-aid and subsidies should be booked under revenue expenditure in accounts. However, during 2012-13, the Government of Gujarat wrongly budgeted and booked expenditure of ₹ 881.30 crore on account of Grants-in-aid and expenditure of ₹ 207.27 crore on account of subsidy under the capital section instead of revenue section. This has resulted in understatement of revenue expenditure and overstatement of revenue surplus to the tune of ₹ 1,088.57 crore.

1.1.3 Budget Estimates and Actuals

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 the fact that due care has not been taken while their estimation. Further, it also indicates 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 beyond the control of the Government.

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



During 2012-13, compared to the budget estimates, the tax revenue increased by ₹ 2,666 crore (5.20 per cent) and non-tax revenue decreased by ₹ 755 crore (11.15 per cent). Further, the revenue receipts decreased over the budget estimates by ₹ 674 crore (0.89 per cent). Against an estimated revenue surplus of ₹ 3,615 crore, the financial year ended with a revenue surplus of ₹ 5,570 crore.

The revenue expenditure reflected decrease of ₹ 2,629 crore (3.64 per cent) over the budget estimates while capital expenditure against budget estimates was increased by ₹ 441 crore (2.04 per cent). The decrease in revenue expenditure over budget estimates resulted in improvement in budgeted revenue surplus. The decrease in the fiscal deficit over budget estimates led to decrease in primary deficit.

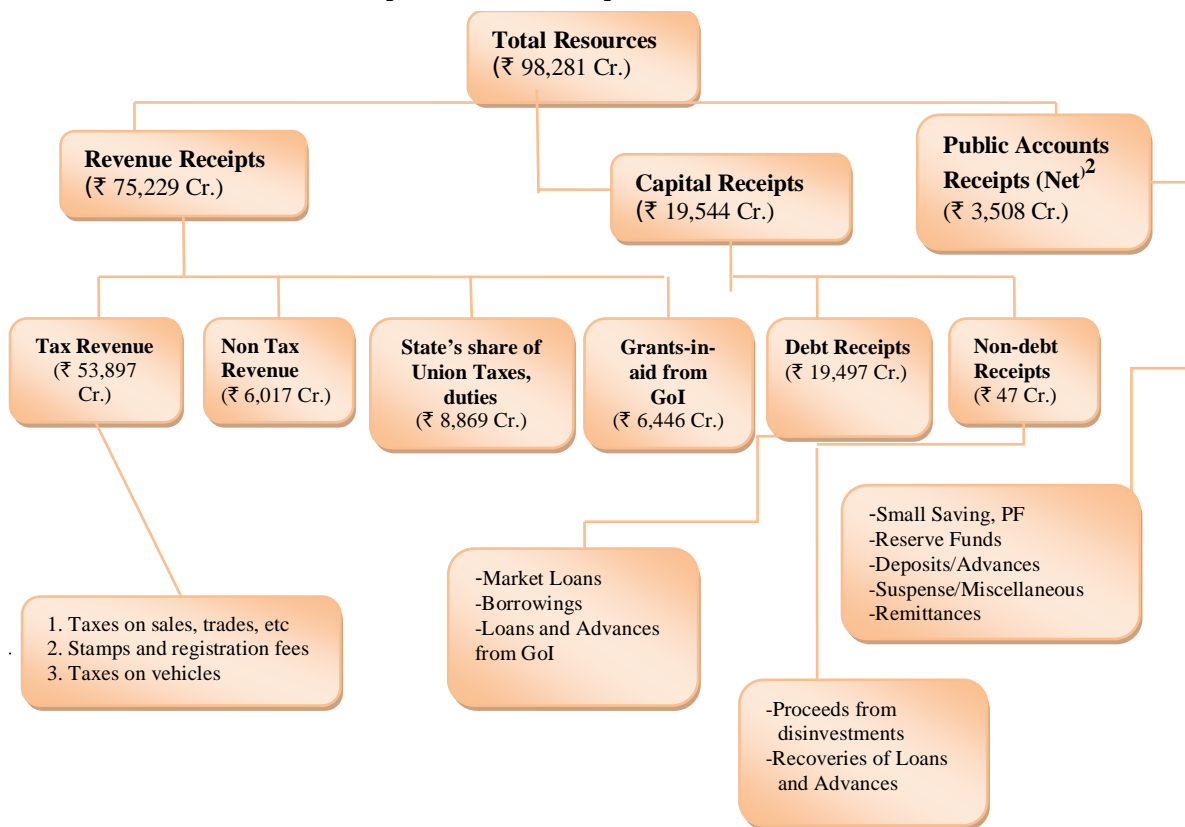
The Budget speech did not mention any major proposals for increasing the State's revenue receipts and reducing the revenue expenditure. On the contrary, concessions were given in VAT, Stamp duty and registration fee and electricity duty totalling about ₹ 410 crore.

1.2 Resources of the State

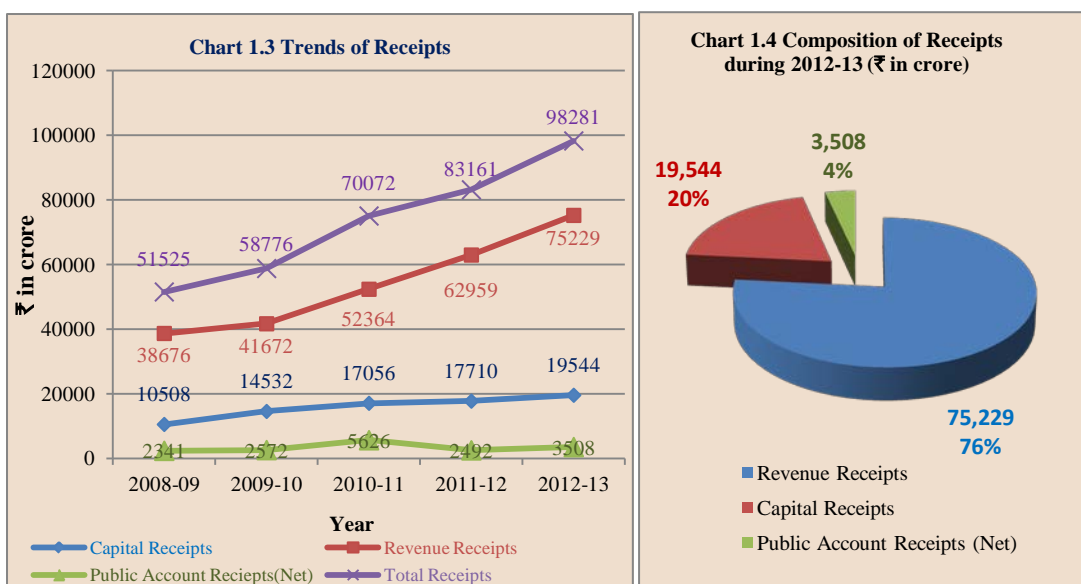
1.2.1 Resources of the State as per Annual Finance Accounts

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 disinvestment, 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 1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts. The flow **Chart 1.2** depicts the components and sub-components of resources during the year 2012-13.

Chart 1.2: Components and sub-components of resources in 2012-13



While **Chart 1.3** depicts the trends of various components of the State's receipts during 2008-09 to 2012-13, the **Chart 1.4** depicts the composition of resources of the State during the current year 2012-13.



The total resources of the State Government increased steadily from ₹ 51,525 crore in 2008-09 to ₹ 98,281 crore in 2012-13. The increase in total

² Public Account Receipts (Gross) is ₹ 50,046 crore.

resources during the period of 2008-09 to 2012-13 was 90.74 per cent. The relative share of Revenue receipts which stood at 75.06 per cent of the total resources in 2008-09 increased to 76.54 per cent in 2012-13, while that of Capital receipts and Public Account receipts to total resources, declined from 20.39 per cent and 4.54 per cent in 2008-09 to 19.89 per cent and 3.57 per cent in 2012-13 respectively. During the period, the State's tax revenue increased by 128.79 per cent from ₹ 23,557 crore in 2008-09 to ₹ 53,897 crore in 2012-13. The percentage of tax receipts to revenue receipts increased significantly from 60.91 per cent in 2008-09 to 71.64 per cent in 2012-13.

1.2.2 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 the State Implementing Agencies³ for the implementation of various schemes/programmes in social and economic sectors. 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 2012-13, ₹ 4,819.64 crore was transferred to the State Implementing Agencies which was 9.72 per cent more than that of the previous year. The funds directly transferred to State Implementing Agencies are presented in **Table 1.4**.

Table 1.4: Funds transferred directly to State Implementing Agencies

(₹ in crore)

Sr. No.	Programme/Scheme	Implementing Agency in the State	2010-11	2011-12	2012-13
1	Sarva Shiksha Abhiyan	Gujarat Council of Primary Education	440.65	880.28	1,139.18
2	Accelerated Rural Water Supply Scheme	Gujarat Water Supply and Sewerage Board	609.10	571.05	717.47
3	National Rural Health Mission	State Health Society Gujarat	388.04	550.92	455.39
4	Integrated Watershed Management Program	DRDAs	224.75	198.06	348.05
5	Mahatma Gandhi National Rural Employment Guarantee Scheme	DRDAs	889.65	324.29	342.59
6	Rural Housing (Indira Awas Yojana)	DRDAs	527.81	380.53	206.49
7	Micro Irrigation	Gujarat Green Revolution Company Limited	120.00	166.64	182.00
8	MPs Local Area Development Scheme	District Collectors	78.00	103.50	144.50
9	Pradhan Mantri Gram Sadak Yojana	Gujarat State Rural Roads Development Agency	160.02	66.59	125.74
10	National Horticulture Mission	Gujarat Horticulture Mission	54.97	92.98	100.25
11	Others	NGOs and other institutions (each receiving less than ₹ 100 crore)	1,182.40	1,058.00	1,057.98
	Total		4,450.64	4,392.84	4,819.64

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

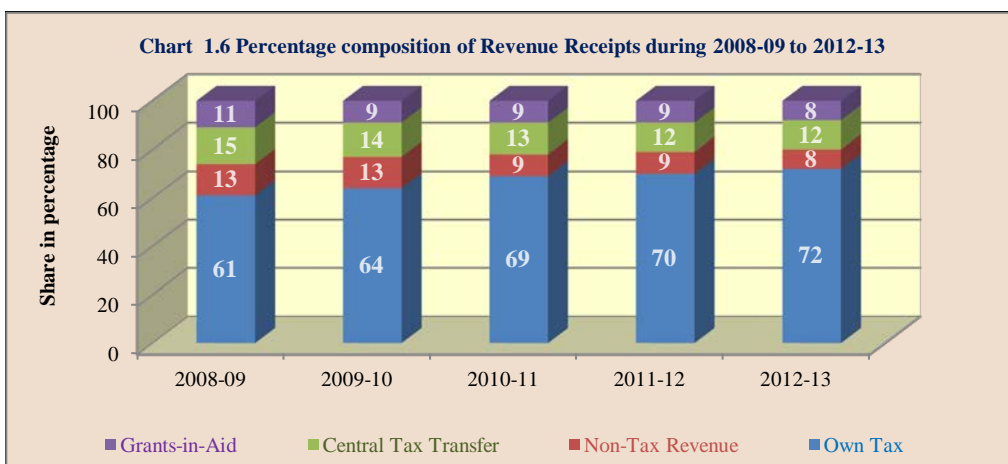
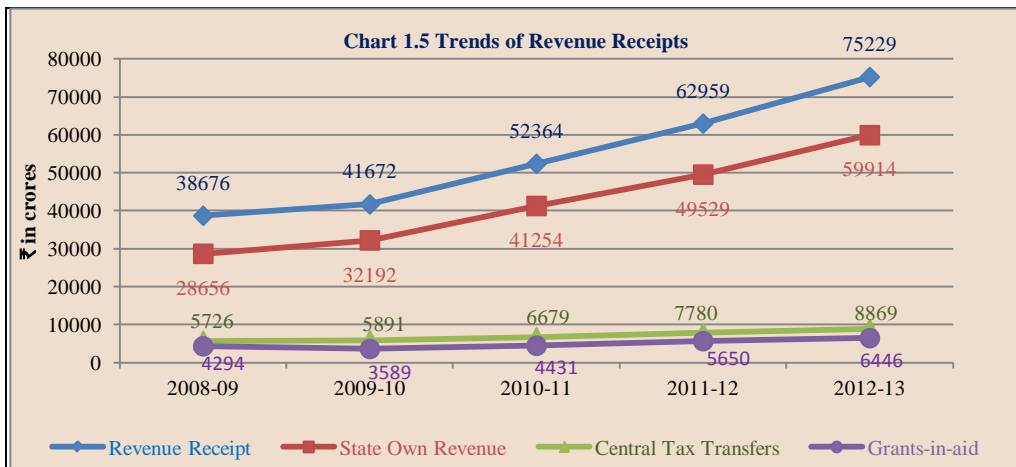
³ See glossary

During 2012-13, direct transfers from the Union Government to Sarva Shiksha Abhiyan constituted 23.64 per cent of the total transfers. Other major programmes/schemes which received funds directly from the Union Government were Accelerated Rural Water Supply Scheme (14.89 per cent), National Rural Health Mission (9.45 per cent), Integrated Watershed Management Program (7.22 per cent) and Mahatma Gandhi National Rural Employment Guarantee Scheme (7.11 per cent).

Direct transfer of funds from the Union Government to the State Implementing Agencies carry 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.

1.3 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 2008-09 to 2012-13 are presented in the **Charts 1.5** and **1.6** below and also depicted in **Appendix 1.4**.



The revenue receipts during the year 2012-13 grew by 19.49 *per cent* over the previous year, due to 20.97 *per cent* increase in State's own revenue, 14.09 *per cent* increase in grants-in-aid and 13.99 *per cent* increase in central tax transfers.

The revenue receipts of the State increased steadily from ₹ 38,676 crore in 2008-09 to ₹ 75,229 crore in 2012-13 with significant improvement in the share of State's own tax revenue while share of non-tax revenue declined from 13 *per cent* in 2008-09 to eight *per cent* in 2012-13.

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 1.5** below:

Table 1.5: Trends of Revenue Receipts relative to GSDP

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹in crore)	38,676	41,672	52,364	62,959	75,229
Rate of growth of RR (<i>per cent</i>)	8.37	7.75	25.66	20.23	19.49
R R/GSDP (<i>per cent</i>)	10.51	9.66	9.87	10.29	10.79
Buoyancy Ratios					
Revenue Buoyancy w.r.t. GSDP ⁴	0.71	0.45	1.12	1.32	1.39
State's Own Tax Buoyancy w.r.t. GSDP.	0.65	0.78	1.56	1.42	1.56
Revenue Buoyancy with reference to State's own taxes	1.10	0.57	0.71	0.93	0.89

Source: Finance Account of Gujarat State 2012-13

The GSDP at current prices was estimated to increase from ₹ 6,11,767 crore in 2011-12 to ₹ 6,97,298 crore in 2012-13, representing an increase of 13.98 *per cent*. The growth rate of revenue receipts declined from a high of 25.66 *per cent* in 2010-11 to 20.23 *per cent* in 2011-12 and further declined to 19.49 *per cent* during the year 2012-13 mainly due to sharp decline in growth rate of own tax revenue in 2011-12 from 36 *per cent* in 2010-11 to 22 *per cent* in 2011-12 and stagnation in 2012-13. Revenue Buoyancy during this period with reference to the growth rate of GSDP showed increasing trend except during 2009-10. During current year the revenue buoyancy improved over previous year mainly on account of higher growth of State's own taxes.

1.3.1 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 2008-09 to 2012-13 along with the respective all-India average are presented in **Appendix 1.5**.

⁴ Figures differ from last year's report due to change in GSDP figures of 2009-10 to 2011-12

The States actual tax and non-tax receipts for the year 2012-13 *vis-à-vis* assessment made by ThFC and MTFPS (February 2013) are given in the **Table 1.6** below:

Table 1.6: Projections and actual of tax and non-tax revenues

(₹ in crore)

	ThFC projections	Budget estimates	MTFPS projection	Actual
Tax revenue	47,359	51,231	52,549	53,897
Non tax revenue	6,204	6,772	5,369	6,017

Source: Finance Account of Gujarat State 2012-13 and Budget Publication No. 30 of GoG.

Actual tax revenue was more than ThFC projections (13.80 *per cent*), MTFPS projections (2.56 *per cent*) and Budget estimates (5.20 *per cent*). Actual non-tax revenue was more than MTFPS projections (12.07 *per cent*) and less than ThFC projections (3.01 *per cent*) and Budget estimates (11.14 *per cent*). Thus, wide variations were observed between the actual tax revenue and the projections made in ThFC and also between the actual non-tax revenue and the projections made in MTFPS and Budget estimates.

1.3.1.1 Tax revenue

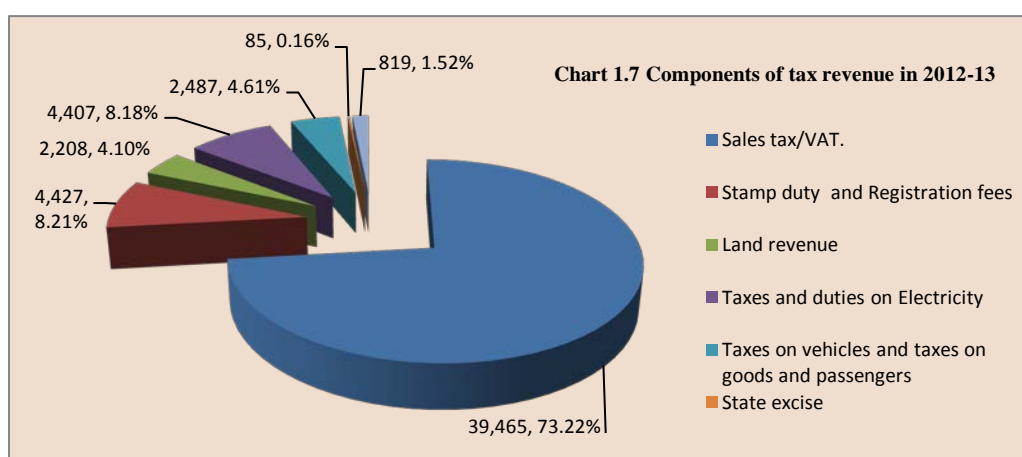
The main components of tax revenue raised in the State during 2008-09 to 2012-13 are given in **Table 1.7**.

Table 1.7: Main components of State's tax revenue

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage increase over previous year
Sales tax/VAT.	16,810.65	18,199.79	24,893.45	31,202.31	39,464.67	26.48
Stamp duty and Registration fees	1,728.50	2,556.72	3,666.24	4,670.27	4,426.93	-5.21
Land revenue	543.50	1,161.20	1,788.78	1,477.18	2,207.85	49.46
Taxes and duties on Electricity	2,369.91	2,643.65	3,262.64	3,654.56	4,406.60	20.58
Taxes on vehicles and taxes on goods and passengers	1,551.01	1,549.55	2,010.07	2,459.37	2,486.84	1.12
State excise	48.71	65.94	62.97	72.11	84.91	17.75
Other taxes	504.75	563.38	654.48	716.49	818.89	14.29
Total	23,557.03	26,740.23	36,338.63	44,252.29	53,896.69	21.79

Source: Finance Account of Gujarat State 2012-13



The State's own tax revenue increased by 21.79 *per cent* during 2012-13 over the previous year. Except Stamp duty and Registration fees, all the components of own tax revenue grew during 2012-13. The most important contributor to the State's own resources has been VAT. It has registered a growth of 26.48 *per cent* over previous year.

Taxes and duties on electricity showed an increase of ₹ 752 crore during the year and was 20.58 *per cent* more than previous year. Stamp duty and registration fees decreased by ₹ 243 crore registering decrease of 5.21 *per cent* during 2012-13 from the previous year due to decline in the receipt of court fee and other receipts.

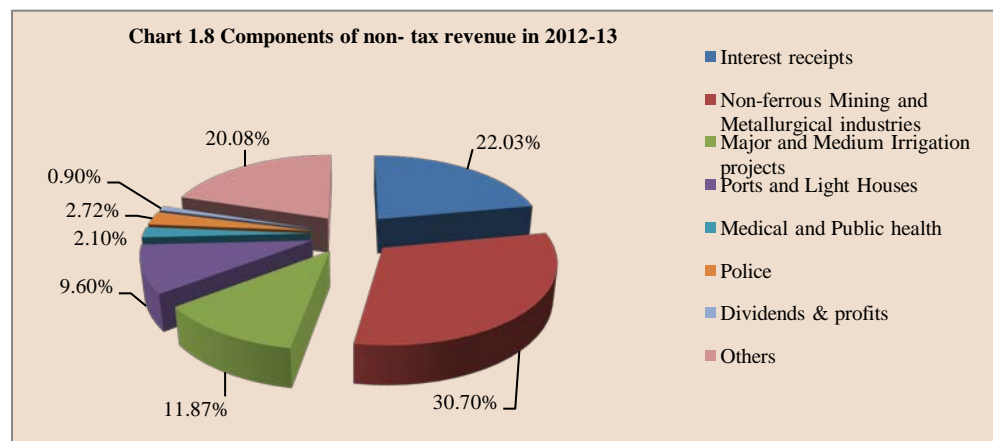
1.3.1.2 Non-tax Revenue

The main components of non- tax revenue raised in the State during 2008-09 to 2012-13 are given in **Table 1.8**.

Table 1.8: Main components of State's non-tax revenue

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage increase over previous years
Interest receipts	567.81	419.44	403.89	631.89	1,325.84	109.82
Non-ferrous Mining and Metallurgical industries	1,559.82	2,138.98	2,019.31	1,819.64	1,847.16	1.51
Major and Medium Irrigation projects	455.77	504.61	618.14	684.15	714.13	4.38
Ports and Light Houses	434.73	344.41	361.23	453.51	577.68	27.38
Medical and Public health	126.50	62.40	118.11	90.76	126.34	39.20
Police	77.44	101.45	149.08	138.97	163.84	17.90
Dividends & profits	49.40	76.72	114.43	128.93	54.31	-57.88
Others	1,827.85	1,803.70	1,130.83	1,328.67	1,207.69	-9.11
Total	5,099.32	5,451.71	4,915.02	5,276.52	6,016.99	14.03

Source: Finance Accounts for the respective years



The non-tax revenue of the State during 2012-13 increased by ₹ 740 crore (14.03 *per cent*) over previous year mainly on account of higher growth of interest receipts. The interest receipts grew at significant 110 *per cent* over previous year mainly due to increase of interest income of ₹ 753 crore as against ₹ 434 crore in year 2011-12 on surplus cash balance invested with RBI. The major contributor of non-tax revenue i.e. the receipts from Non-

Ferrous Mining and Metallurgical Industries increased merely by 1.51 *per cent* in 2012-13 over the previous year.

The dividends and profits decreased by 58 *per cent* during 2012-13 over previous year. The State Government had not yet formulated any dividend policy regarding payment of minimum return by the PSUs on paid up share capital contributed by the State Government.

As pointed out earlier in the **Chart 1.6** the share of non-tax revenue in revenue receipt continuously decreased from 13 *per cent* in 2008-09 to eight *per cent* in 2012-13. The State Government needs to review the reasons for the drop in non-tax revenue.

1.3.2 Grants-in-aid from Government of India

The components of grants in aid received from the Government of India (GoI) during 2008-09 to 2012-13 are given in **Table 1.9**.

Table 1.9: Main components of grants-in-aid from GoI

(₹ in crore)					
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	1,338.31	837.39	1,063.60	1,467.13	1,230.30
Grants for State Plan Schemes	2,070.82	1,801.22	2,029.25	2,227.79	3,466.74
Grants for Central Plan Schemes	68.74	55.98	94.46	70.71	83.41
Grants for Centrally Sponsored Schemes	815.63	894.91	1,243.24	1,884.23	1,665.35
Total	4,293.50	3,589.50	4,430.55	5,649.86	6,445.80
Percentage of increase over previous year	13.93	-16.40	23.43	27.52	14.09
Total grants as a percentage of Revenue Receipts	11.10	8.61	8.46	8.97	8.57

Source: Finance accounts of Government of Gujarat

The grants-in-aid from GoI increased from ₹ 4,294 crore in 2008-09 to ₹ 6,446 crore in 2012-13 (50.13 *per cent*) mainly on account of increase in grants for State Plan Schemes (67.41 *per cent*) and Centrally Sponsored Schemes (104.18 *per cent*).

The increase of 14.09 *per cent* in grants-in-aid from GoI in 2012-13 over previous year was mainly due to increase in grants for State Plan Schemes (55.61 *per cent*) and grants for Central Plan Schemes (17.96 *per cent*).

1.3.3 Debt waiver under the debt consolidation and relief facilities

The TwFC had framed a scheme of debt relief of central loans named the Debt Consolidation and Relief Facilities (DCRF) based on the fiscal performance of the State linked to the reduction of deficits in the States. The GoI recovered (March 2012) the debt waiver of ₹ 471.87 crore granted to the State Government for the year 2009-10 on the ground of breach of DCRF conditionality by the State related to achieving the ratio of fiscal deficit to GSDP. On account of this, the liability of the State increased to that extent.

1.3.4 Central Tax transfers

The ThFC had recommended the States' share of Central taxes to be increased to 32 *per cent* from 30.50 *per cent* as recommended by TwFC. It awarded 3.041 *per cent* of shareable taxes excluding service tax and 3.089 *per cent* of

shareable service tax to Gujarat in its award period (2010-11 to 2014-15). The central tax transfer stood at ₹ 8,869 crore in 2012-13 registering a growth of 14 *per cent* over the previous year (₹ 7,780 crore).

1.3.5 Optimisation of the ThFC grants

The recommendations of ThFC for the award period 2010-15 include release of grants-in-aid to the State Governments. 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 ₹ 2,115.81 crore as grants from GoI during 2012-13. The category wise amounts allocated and the amounts received there against are given in **Table 1.10** below:

Table 1.10: Details of amounts awarded and received

Sl no	Transfers	Recommendation of the FC	Actual release	Difference
1.	Local Bodies	802.34	344.60	457.74
	Grants to PRIs	294.42	147.22	147.20
	General performance grants to PRIs	202.06	0.00	202.06
	Grants to ULBs	164.28	172.60	(-)8.32
	General performance grants to ULBs	112.74	17.58	95.16
	Scheduled Area Grant	14.42	7.20	7.22
	Scheduled Area Performance Grant	14.42	0.00	14.42
2	Disaster Relief	421.19	421.19	0.0
3	Improving outcome grants	85.80	20.56	65.24
4	Environment related grants	79.48	20.48	59.00
5	Elementary education	98.00	98.00	0.0
6	Roads and bridges	304.00	304.00	0.0
7	State specific grants	325.00	217.07	107.93
	Total	2,115.81	1,425.90	689.91

Source: Finance Department of Government of Gujarat

As per the ThFC award, during 2012-13 the State was entitled to receive ₹ 2,115.81 crore as grants-in-aid from GoI against which it had received ₹ 1,425.90 crore only (67.39 *per cent* of the award).

State specific needs

The State was entitled to receive ₹ 325 crore as grant from GoI during 2012-13 under the category of state specific needs. The amounts allocated and the amounts received there against are given in **Table 1.11**.

Table 1.11: Details of amounts awarded and received

(₹ in crore)

Sr. No.	Specific need	Amount awarded	Amount received	Difference
1	Ingress of Salinity	37.50	42.07	(-)4.57
2	Coastal Erosion	37.50	0.00	37.50
3	Ground Water Recharge	50.00	0.00	50.00
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	0.00	25.00
8	Gir Lion Project	12.00	12.00	0.00
	Total	325.00	217.07	(-) 107.93

Source: Finance Department, Government of Gujarat

Out of eight projects/schemes, in two schemes pertaining to Narmada, Water Resources, Water Supply and Kalpsar department, one scheme pertaining to Road and Buildings Department the State Government did not receive ₹ 112.50 crore in 2012-13.

1.4 Capital Receipts

Trends in growth and composition of receipts of the State are given in the **Table 1.12**.

Table 1.12: Details of Capital Receipts

(₹ in crore)

Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	10,508	14,532	17,056	17,710	19,544
Miscellaneous Capital Receipts	21	136	91	10	0
Recovery of Loans and Advances	181	151	283	165	47
Public Debt Receipts	10,306	14,245	16,681	17,535	19,497
Rate of growth of debt capital receipts	19.68	38.21	17.10	5.11	11.19
Rate of growth of non-debt capital receipts	-34.62	42.08	30.31	-53.21	-73.14
Rate of growth of GSDP	11.73	17.22	22.99	15.33	13.98
Rate of growth of CR (<i>per cent</i>)	17.80	38.29	17.34	3.83	10.36

Source: Finance accounts of Government of Gujarat

The capital receipts of the State increased continuously from ₹ 10,508 crore in 2008-09 to ₹ 19,544 crore in 2012-13. As public debt receipts form almost 98-99 *per cent* of capital receipts, the growth rate of capital receipts of state reflected a similar trend as debt capital receipts. During the period 2008-09 to 2012-13, the growth rate of debt capital receipts was higher than the State's GSDP growth rate in first two years but remained low in last three years. The trends in the total Public Debt Receipts are given in **Table 1.13**.

Table 1.13: Public Debt Receipts

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Market Borrowings	8,534	9,000	11,500	16,500	15,546
NSSF (National Small Saving Fund)	671	4,168	4,136	67	1,659
Loans from Other Financial Institutions	874	991	886	780	1,700
Total Internal Debt	10,079	14,159	16,522	17,347	18,905
Loans and Advances from GoI	227	86	159	188	592
Total Public Debt Receipts	10,306	14,245	16,681	17,535	19,497

Source: Finance accounts of Government of Gujarat

The total receipt of Debt from internal sources increased continuously (88 per cent) from 2008-09 to 2012-13. Despite decrease of 5.78 per cent in Market Borrowings there was increase of 8.98 per cent in Debt receipts from internal sources in 2012-13 over previous year mainly due to increase in NSSF loans and loans from financial institutions.

The total public debt receipts also increased continuously (89 per cent) from 2008-09 to 2012-13. Against increase of 8.98 per cent in Debt receipts from Internal Sources in 2012-13 over previous year, there was increase of 11.19 per cent in Public Debt Receipts. This was due to increase in Loans and Advances from the Government of India.

1.5 Public Accounts Receipts

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. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use. The resources under various heads of Public Account Receipts are given in **Table 1.14**.

Table: 1.14: Public Accounts Receipts

	(₹ in crore)				
Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
Public Account Receipts					
a. Small Savings, Provident Fund etc.	1,132	1,901	1,743	1,794	1,930
b. Reserve Funds	842	957	1,136	990	768
c. Deposits and Advances	14,082	18,033	23,906	25,969	31,463
d. Suspense and Miscellaneous	23,327	28,985	36,220	39,799	772*
e. Remittances	10,243	8,784	9,276	11,101	15,113
Total	49,626	58,660	72,281	79,653	50,046

Source: Finance accounts of Government of Gujarat

It can be seen that the receipts from Deposits and Advances are steadily increasing. The receipts from Remittances are also increasing steadily from 2009-10 onwards.

1.6 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

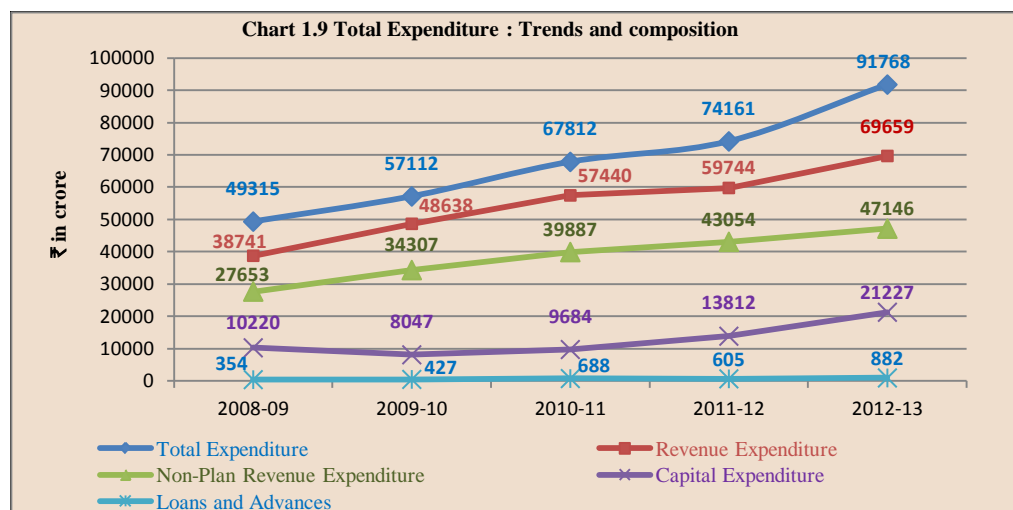
*The receipt under Suspense and Miscellaneous has reduced as the receipts under Major head 8670 Cheques and bills have been shown as net in the Finance Accounts. The receipts under various Major heads are as follows –

Major head	(₹ in lakh)
	Receipts
8658 Suspense Account	-4,678.51
8670 Cheques and Bills	81,840.26
8674 Security Deposits made by Government	0.04
8680 Misc. Government Accounts	0.00
Total	77,161.75

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 the State's working as a welfare state.

1.6.1 Growth and Composition of Expenditure

Chart 1.9 presents the trends in total expenditure over a period of five years (2008-09 to 2012-13) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in Tables 1.15 and 1.16 respectively.



The total expenditure during 2012-13 increased by 23.74 per cent over the previous year mainly due to 53.69 per cent increase in capital expenditure. The revenue expenditure grew at 16.59 per cent during the current year instead of four per cent in previous year. The growth of revenue expenditure during current year was mainly on account of 34.27 per cent growth in plan revenue expenditure. The revenue expenditure stood at 76 per cent of the total expenditure, of which 68 per cent was the Non-Plan component.

Table 1.15: Total Expenditure- Trends of Share of its components

(Figures in per cent)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Expenditure	78.56	85.16	84.70	80.56	75.91
Capital Expenditure	20.72	14.09	14.28	18.62	23.13
Loans and Advances	0.72	0.75	1.01	0.82	0.96

The share of revenue expenditure in total expenditure declined from 80.56 per cent in 2011-12 to 75.91 per cent in 2012-13 mainly on account of high growth in capital expenditure during 2012-13.

The capital expenditure during 2012-13 increased significantly by 53.69 per cent over the previous year thus resulting in increase of its share to 23.13 per cent of the total expenditure. The sharp increase in capital expenditure was due to increased expenditure on Major Irrigation (₹ 1,836 crore), Urban Development (₹ 666 crore), Road and Bridges (₹ 655 crore) and Minor Irrigation (₹ 384 crore).

Table 1.16: Total Expenditure- Trends by activities*(Share in per cent)*

	2008-09	2009-10	2010-11	2011-12	2012-13
General Services	27.30	29.98	29.62	29.72	27.07
Social Services	34.37	37.90	38.91	37.56	38.81
Economic Services	37.27	31.19	30.19	31.64	32.98
Loans and Advances	0.72	0.75	1.01	0.82	0.96
Grants-in-aid	0.34	0.18	0.27	0.26	0.18

The movement of relative share of these components indicates that the share of General Services remained static from 2009-10 to 2011-12 and decreased during 2012-13. During 2012-13, the marginal increase in share of Social Services from 37.56 *per cent* to 38.81 *per cent* and of Economic Services from 31.64 *per cent* to 32.98 *per cent* resulted in increase in development expenditure as a whole.

1.6.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services. The overall revenue expenditure, its rate of growth and ratio of revenue expenditure to GSDP are indicated in **Table 1.17**.

Table 1.17: Trends of Revenue Expenditure relative to GSDP

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹in crore)	38,676	41,672	52,364	62,959	75,229
Rate of growth of RR (<i>per cent</i>)	8.37	7.75	25.66	20.23	19.49
Revenue Expenditure (RE) (₹in crore)	38,741	48,638	57,440	59,744	69,659
Rate of growth of RE (<i>per cent</i>)	15.51	25.55	18.10	4.01	16.59
RE/ GSDP Ratio (<i>per cent</i>)	10.53	11.28	10.83	9.77	9.99

Source: Finance accounts of Government of Gujarat

Revenue expenditure continuously increased from ₹ 38,741 crore in 2008-09 to ₹ 69,659 crore in 2012-13. However, the growth rate fluctuated widely from 25.55 *per cent* in 2009-10 to 4.01 *per cent* in 2011-12.

The increase in revenue expenditure during 2012-13 was mainly due to more expenditure on Urban Development (₹ 1,646 crore), General Education (₹ 1,256 crore), Pension and Other Retirement Benefits (₹ 1,053 crore) and Housing (₹ 951 crore). Revenue expenditure during 2012-13 decreased on Water Supply and Sanitation (₹ 471 crore), Appropriation for reduction of avoidance of Debts (₹ 300 crore), Special Programme for Rural Development (₹ 129 crore) and Road and Transport (₹ 103 crore).

1.6.3 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.18** and **Chart 1.10** present the trends in the expenditure on these components during 2008-2013.

Table 1.18: Components of Expenditure

(₹ in crore)

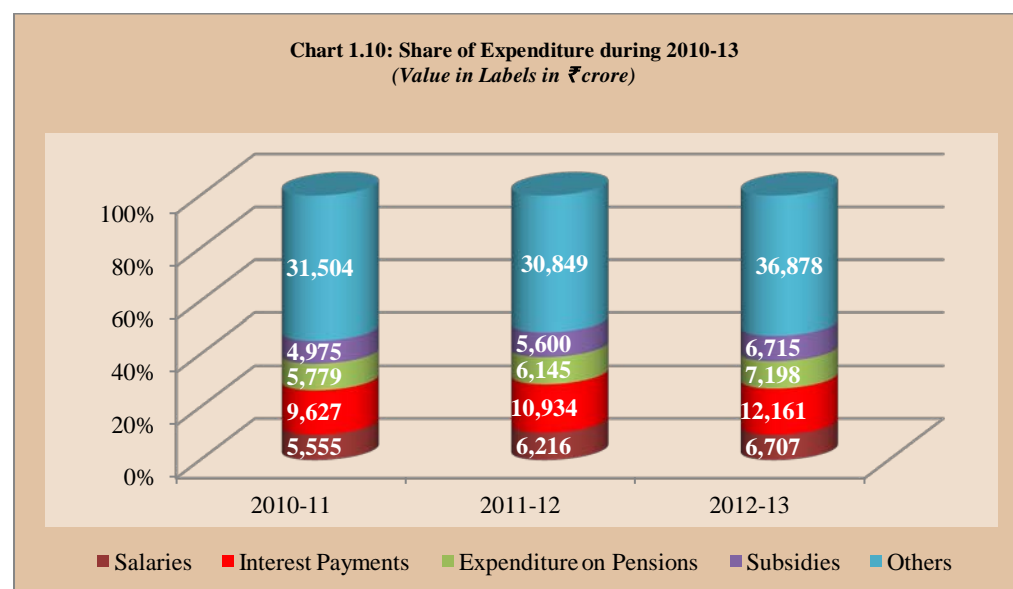
Components of Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	Actuals
Salaries, of which	3,189	4,760	5,555	6,216	6,682 (8.80) @	6,707
Non-Plan Head	2,764	4,014	4,563	4,900		5,174
Plan Head*	425	746	992	1,316		1,533
Interest Payments	7,884	8,590	9,627	10,934	12,464	12,161
	(20.38)	(20.61)	(18.38)	(17.37)	(16.42)	(16.17)
Expenditure on Pensions	2,963	4,513	5,779	6,145	6,243	7,198
	(7.66)	(10.83)	(11.04)	(9.76)	(8.22)	(9.57)
Subsidies	3,983	4,653	4,975	5,600	4,072	6,715
	(10.30)	(11.17)	(9.50)	(8.89)	(5.36)	(8.93)
Total expenditure on Salaries, Interest Payments, Pensions and Subsidies	18,019	22,516	25,936	28,895	29,461	32,781
	(46.59)	(54.03)	(49.53)	(45.89)	(38.81)	(43.57)
Other components	20,722	26,122	31,504	30,849	42,827	36,878
	(53.58)	(62.68)	(60.16)	(49.00)	(56.42)	(49.02)
Total Revenue Expenditure	38,741	48,638	57,440	59,744	72,288	69,659
Total Revenue Receipts	38,676	41,672	52,364	62,959	75,903	75,229

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

@ The bifurcation in Non-Plan and Plan is not available for BE.

Figures in parentheses indicate percentage of Revenue Receipts.

Source: Finance Accounts for the years 2008-09 to 2012-13 of the State Government



1.6.3.1 Expenditure on Salaries

In 2012-13, the expenditure on salaries increased by 7.90 per cent over the previous year. As a percentage of the revenue receipts, the expenditure on salaries decreased from 9.87 per cent in 2011-12 to 8.92 per cent in 2012-13. The expenditure on salaries under the Non-Plan head increased from ₹ 2,764 crore in 2008-09 to ₹ 5,174 crore in 2012-13 mainly due to implementation of the recommendations of the Sixth Pay Commission. The

expenditure on salaries showed marked increase in the Home Department (₹ 202 crore) and Health and Family Welfare Department (₹ 95 crore) during 2012-13.

1.6.3.2 Interest Payments

Interest payments increased steadily from ₹ 7,884 crore in 2008-09 to ₹ 12,161 crore in 2012-13. Interest payments, however, increased by 11.22 *per cent* over the previous year. The increase was mainly due to more payment of interest on market loans (₹ 1,396 crore) than that in the previous year. The share of interest payment on market borrowings and special securities issued to NSSF was 43 *per cent* and 38 *per cent* respectively. However, interest payments as a percentage of revenue receipts as well as revenue expenditure declined from 20.38 *per cent* to 16.17 *per cent* and 20.35 *per cent* to 17.46 *per cent* during 2008-09 to 2012-13 respectively.

1.6.3.3 Pension Payments

The actual expenditure on pension was 15.29 *per cent* higher than the budget estimates of the Government. The estimated yearly pension liabilities were prepared on the basis of trend growth rates instead of actuarial basis. The expenditure on Pension during current year increased by ₹ 1,053 crore (17.14 *per cent*) over previous year, mainly on account of increase in payment of Superannuation and Retirement Allowance along with Gratuities.

In its disclosure in compliance of Gujarat Fiscal Responsibility Act, 2005 the Government estimated the pension payment as percentage of Revenue Receipts to 8.24 *per cent*, however, it stood much higher at 9.75 *per cent*.

1.6.3.4 Migration to New Pension Scheme

The State Government has introduced the New Defined Contribution Pension Scheme (NPS) with effect from 1 April 2005. The State Government signed (January 2009) agreements with the NPS trust for the fund management of the Scheme and adopted (May 2009) the central architecture designed for this scheme. However, the fund for 2005-06 was transferred in April 2012 and funds for 2006-07 and 2007-08 were transferred in June 2012. 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 to ₹ 31.11 crore in 2012-13 from ₹ 25.35 crore in 2011-12. The Government contributed ₹ 152.50 crore as matching contribution in 2012-13 as compared to ₹ 99.88 crore in 2011-12.

1.6.3.5 Expenditure on Subsidies

The expenditure on subsidies increased by 68.59 *per cent* from ₹ 3,983 crore in 2008-09 to ₹ 6,715 crore in 2012-13. The expenditure on subsidies increased during the current year by 19.91 *per cent* over the previous year. The subsidy in the Power Sector increased to ₹ 3,820 crore in the current year when compared to ₹ 3,238 crore in the previous year, registering a growth of 17.97 *per cent*. The subsidy for the Power Sector against total subsidy was 56.89 *per cent* in the current year. The food and related subsidy increased by 16.57 *per cent* from ₹ 181 crore (2011-12) to ₹ 211 crore (2012-13).

1.6.4 Financial Assistance by the 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 1.19**.

Table 1.19: Financial Assistance to Local Bodies etc.

(₹ in crore)

Financial Assistance to Institutions	2008-09	2009-10	2010-11	2011-12	2012-13
Panchayati Raj Institutions (PRIs)	5,926.51	8,526.14	7,039.32	13,087.87	14,464.38
Urban Local Bodies	1,496.21	4,000.48	10,258.27	3,619.49	3,100.74
Public sector Undertakings	1,205.26	638.11	-----	119.69	4.05
Autonomous Bodies	2,625.12	5,410.85	8,574.68	1,626.18	644.45
Others	1,359.73	1,849.81	----	9,489.01	12,910.99
Total	12,612.83	20,425.39	25,872.27	27,942.24	31,124.61
Assistance as percentage of Revenue Expenditure	32.56	41.99	45.04	46.77	44.68

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 ₹ 31,225 crore in 2012-13 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 increased from 32.56 *per cent* in 2008-09 to 44.68 *per cent* in 2012-13.

1.7 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, efficiency of expenditure use and its effectiveness.

1.7.1 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 1.20** depicts the trend in revenue expenditure indicating the percentage of expenditure on developmental and non-developmental activities and **Table 1.21** depicts Share of Revenue and Capital Expenditure in Plan and Non Plan Expenditure during 2008-09 to 2012-13.

Table 1.20: Percentage of expenditure on developmental and non-developmental activities

Components of Revenue Expenditure (RE)	2008-09	2009-10	2010-11	2011-12	2012-13
Development Revenue Expenditure (DRE) (₹ in crore)	25,188	31,598	37,414	38,064	45,368
Share of DRE in RE (in percent)	65.02	64.97	65.14	63.71	65.13
a. Non-Development Revenue Expenditure (NDRE) (₹ in crore)	13,553	17,040	20,026	21,680	24,291
Share of NDRE in RE (in percent)	34.98	35.03	34.86	36.29	34.87
Total Revenue Expenditure (₹ in crore)	38,741	48,638	57,440	59,744	69,659

Source: Finance accounts of Government of Gujarat

Table 1.21: Share of revenue and capital Expenditure in plan and non plan expenditure (₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Expenditure	38,741	48,638	57,440	59,744	69,659
Plan Revenue Expenditure	11,088	14,331	17,553	16,690	22,513
Non-Plan Revenue Expenditure	27,653	34,307	39,887	43,054	47,146
Capital Expenditure	10,220	8,047	9,684	13,812	21,227
Plan Capital Expenditure	10,200	8,026	9,662	13,608	21,151
Non-Plan Capital Expenditure	20	21	22	204	76
Total Expenditure	49,315	57,112	67,812	74,161	91,768
Percentage of Total Expenditure					
Plan Revenue Expenditure	22.48	25.09	25.88	22.51	24.53
Non-Plan Revenue Expenditure	56.07	60.07	58.82	58.05	51.37
Capital Expenditure (Plan and Non-Plan)	20.72	14.09	14.28	18.62	23.13

Source: Finance accounts of Government of Gujarat

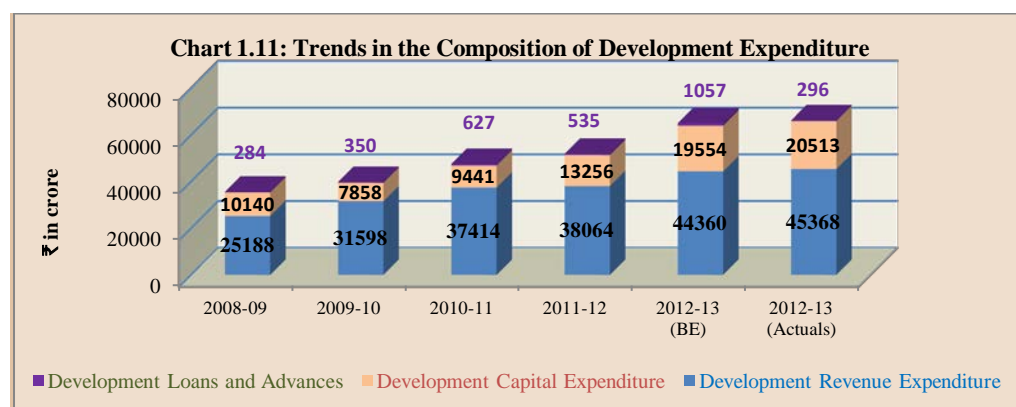
The Plan Revenue Expenditure (PRE) has shown consistent increase over the period 2008-09 to 2012-13 except for a decrease during 2011-12. The Non Plan Revenue Expenditure (NPRE) has shown consistent increase over the period 2008-09 to 2012-13. The Plan Capital Expenditure has shown consistent increase over the period 2008-09 to 2012-13 except for a decrease during 2009-10.

The increase in PRE during 2012-13 over previous year was mainly due to increased expenditure on Integrated Development of Small and Medium Town (₹ 1,540 crore) and Rural Housing (₹ 958 crore) over the previous year. The increase in NPRE during 2012-13 was mainly due to increased expenditure on interest payment (₹ 1,277 crore), Pension and other Retirement benefits (₹ 1,053 crore) and General Education (₹ 1,043 crore). The increase in Plan Capital Expenditure during 2012-13 over previous year mainly due to increased expenditure on Major Irrigation (₹ 1,836 crore), Water Supply and Sanitation (₹ 812 crore) and Urban Development (₹ 666 crore).

1.7.2 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 goods⁵. Apart from improving the allocation towards development expenditure⁶, 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. **Chart 1.11** presents the trends in development expenditure relative to the aggregate expenditure *vis-à-vis* budget estimates during the current year i.e. 2012-13. **Table 1.22** provides the details of capital expenditure and the components of revenue expenditure under selected social and economic services.



Development expenditure of the State comprises revenue and capital expenditure including loans and advances on socio-economic services. The development expenditure increased from ₹ 35,612 crore in 2008-09 to ₹ 66,177 crore in 2012-13. As a percentage of the total expenditure, the total development expenditure of the State decreased from 72.21 per cent in 2008-09 to 72.11 per cent in 2012-13. The capital expenditure component increased from ₹ 10,140 crore in 2008-09 to ₹ 20,513 crore in 2012-13. The percentage of development capital expenditure to the aggregate expenditure during the current year, i.e. 2012-13 was 22.35 per cent whereas the revenue expenditure component was 49.44 per cent. The percentage of Development Loans and Advances to aggregate expenditure decreased from 0.72 per cent in 2011-12 to 0.32 per cent in 2012-13.

Table 1.22: Efficiency of Expenditure under selected Social and Economic Services
(in per cent)

Social/Economic Infrastructure	2011-12		2012-13	
	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)	3,306	-	6,083	-

⁵ See glossary

⁶ 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.

Social/Economic Infrastructure	2011-12		2012-13	
	Share of CE to TE	In RE, the share of Salaries	Share of CE to TE	In RE, the share of Salaries
Education	6.41	4.32	6.72	4.64
Health and Family Welfare	20.16	36.38	27.21	31.65
Water Supply, Sanitation, Housing and Urban Development	22.06	0.81	28.66	0.62
Total (SS)	11.86	8.22	17.08	7.50
Economic Services (ES) (absolute figures- ₹ in crore)	9,950	-	14,430	-
Agriculture & Allied Activities	18.97	16.37	14.98	12.85
Irrigation and Flood Control	83.21	38.10	86.97	28.13
Power & Energy	20.36	1.16	25.48	1.03
Transport	33.24	1.13	41.74	1.02
Total (ES)	41.49	7.96	47.67	6.62
Total (SS+ES)	25.56	8.17	31.14	7.19

Expenditure on Social Services

Capital expenditure on the Social Services increased by 84 *per cent* in absolute terms from ₹ 3,306 crore in 2011-12 to ₹ 6,083 crore in 2012-13. The share of Capital expenditure to the total expenditure under Social Services grew from 11.86 *per cent* to 17.08 *per cent*.

In the selected components of the Social Services, the share of Capital expenditure increased in 2012-13 over previous year. In Health and Family Welfare, the capital expenditure increased mainly on Hospitals and Dispensaries in urban areas and Primary Health Centres in rural areas during current year. In Water Supply, Sanitation, Housing and Urban Development, the Capital expenditure increased on account of various activities for State Capital Development and Capital Contribution in Metro-link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited during 2012-13. The capital contribution for MEGA increased by ₹ 450 crore from ₹ 50 crore during 2011-12 to ₹ 500 crore in 2012-13.

The share of salaries in revenue expenditure under Social Services decreased from 8.22 *per cent* in 2011-12 to 7.50 *per cent* in 2012-13.

Expenditure on Economic Services

Capital expenditure on Economic Services increased from ₹ 9,950 crore in 2011-12 to ₹ 14,430 crore in 2012-13, registering a growth of 45 *per cent*. The share of capital expenditure to total expenditure under Economic Services increased from 41.49 *per cent* in 2011-12 to 47.67 *per cent* in 2012-13. In Agriculture and Allied activities, the capital expenditure during current year was almost as the previous year. Capital expenditure on major, medium and minor irrigation projects increased during current year by 57,37 and 60 *per cent* respectively. In power and energy, capital expenditure increased mainly due to investment in Gujarat Urja Vikas Nigam Limited.

The share of salaries in revenue expenditure under Economic Services decreased from 7.96 *per cent* to 6.62 *per cent*, mainly on account of decrease in the share of salaries under Irrigation and Flood Control (38.10 *per cent* to

28.13 per cent) and under Agricultural and Allied activities (16.37 per cent to 12.85 per cent).

1.8 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.

1.8.1 Financial Results of Irrigation Projects

At the end of March 2013, ₹ 2,097.70 crore was spent on 33 Major and Medium Irrigation Projects which were treated as completed. The revenue realized from these irrigation projects during the year was ₹ 289.39 crore, against which the maintenance expenditure was ₹ 146.82 crore, indicating a revenue surplus of ₹ 142.57 crore. When compared with the investment on these projects, the return was 6.80 per cent.

1.8.2 Incomplete projects

At the end of March 2013, there were 41 incomplete capital works involving ₹ 3,096 crore. The Department-wise details of incomplete works (each costing ₹ 10 crore or more) are given in **Table 1.23**.

Table 1.23: Department-wise Profile of Incomplete Works

(₹ in crore)

Department	Number of incomplete works	Initial Budgeted Cost	Cumulative actual expenditure as on 31 March 2013
Road and Buildings	37	4,162.13	2,787.96
Narmada, Water Resources, Water Supply and Kalpsar	4	181.00	308.14
Total	41	4,343.13	3,096.10

Source : Finance Accounts of the State Government

It can be seen from the **Table 1.23** that Road and Buildings Department could incur expenditure to the extent of 67 per cent on the 37 incomplete projects. In Narmada Water Resources, Water Supply and Kalpsar Department even after excess expenditure of 70 per cent over the initial budgeted expenditure, four projects remained incomplete.

1.8.3 Investment and returns

As of 31 March 2013, Government had invested ₹ 47,171 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies, Co-operative Institutions and Local Bodies (**Table 1.24**). The average return on the investments was 0.24 per cent in the last five years while the Government paid an average 7.66 per cent as interest on its borrowings during 2008-09 to 2012-13. 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 1.24: Return on Investment

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year ⁷ (₹ in crore)	26,542	31,051	34,496	39,179	47,171
Return (₹ in crore)	49.40	76.72	114.43	128.93	54.31
Return (per cent)	0.19	0.25	0.33	0.33	0.12
Average rate of interest on Government borrowings (per cent)	7.80	7.64	7.56	7.63	7.66
Difference between average interest rate on Government borrowings and rate of return (per cent)	7.61	7.39	7.23	7.30	7.54

Source: Finance Accounts of the State Government

During the period of last five years, 2008-09 to 2012-13, the State Government's Investments had increased by ₹ 20,629 crore. During 2012-13, Government invested ₹ 29 crore in Statutory Corporations, ₹ 7,929 crore in Government Companies and ₹ 34 crore in Co-operative institutions and local bodies. Out of ₹ 7,992 crore invested during 2012-13, more than 60 per cent (₹ 4,828 crore) was invested in the Sardar Sarovar Narmada Nigam Limited, a State-owned Company, which is executing the multi-purpose Narmada Project.

Investment in PPP projects

Public Private Partnership (PPP) is formed by the government agencies and bodies usually to promote and develop infrastructure facilities.

The status of Public Private Partnership (PPP) projects in infrastructure sector at various stages is presented in **Table 1.25** below:

Table 1.25: Status of Public Private Partnership (PPP) projects in infrastructure sector at various stages (As on 31 March, 2013)

Sl. No.	Sector /Project Name	Projects completed		Projects under Implementation		Projects in Pipeline	
		No.	Estimated Cost (₹ crore)	No.	Estimated Cost (₹ crore)	No.	Estimated Cost (₹ crore)
1	Road Sector	18	2,081	6	2,925	8	2,900
2	Urban Infrastructure	49	994	6	1,408	24	1,827
3	Water Sector	-	0	0	0	6	5,853
4	Power Sector	4	7,600	0	0	11	22,245
5	Ports	34	21,977	25	8,886	28	8,069
6	Any Other Sector	6	895	4	1,416	12	4,930
	Total	111	33,547	41	14,635	89	45,824

Source: Gujarat Industries Development Board

The **Table 1.25** shows that out of 241 PPP projects of ₹ 94,006 crore in infrastructure sector in Gujarat, 111 projects of ₹ 33,547 crore were completed at the end of 2012-13. The maximum number of projects and investment was in Ports sector. The review of Gujarat Maritime Board (GMB) revealed that no accounting framework and auditing arrangement was prescribed under

⁷ Includes all investments to Government companies, Statutory Corporations, Rural Banks, Joint Stock Companies, Co-operatives Institutions and Local Bodies.

concessional agreement entered with concessionaire i.e. Gujarat Adani Port Limited (GAPL) for the development of private port at Mundra.

1.8.4 Loans and Advances by State Government

In addition to investments in Co-operative institutions, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. **Table 1.26** presents the position of loans and advances as on 31 March 2013 and interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.26: Average Interest Received on Loans Advanced by the State Government
(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2010-11	2011-12	2012-13
Opening Balance	4,905	5,310	5,750
Amount advanced during the year	688	605	882
Amount repaid during the year	283	165	47
Closing Balance	5,310	5,750	6,585
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	5,000	5,599	6,585 ⁸
Net addition	405	440	835
Interest Receipts	92	192	26
Interest receipts as percentage of outstanding Loans and Advances	1.73	3.34	0.39
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.10	7.25	7.30
Difference between interest receipts and interest payments (per cent)	(-)5.37	(-) 3.91	(-) 6.91

Source: Finance Accounts of the State Government

The total amount of outstanding loans and advances increased from ₹ 4,905 crore in 2010-11 to ₹ 5,750 crore in 2012-13. The loans advanced during the year increased by ₹ 277 crore over the previous year. Out of the loans advanced and disbursed during the year, ₹ 21.07 crore was under Social Services, ₹ 804.50 crore under Economic Services and ₹ 56.68 crore as personal advances to Government and local self-government employees. The loans advanced under Social Services were used for the welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes. Major portion (73 per cent) of the loan advanced for Economic Services went to road transport.

1.8.5 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 1.27**.

Table 1.27: Cash Balances and Investment of Cash Balances

(₹ in crore)		
Cash Balances and Investment of Cash balances	Opening balance on 1/4/2012	Closing balance on 31/3/2013
(a) General Cash Balance -	13,019.04	13,075.67
Cash in Treasuries	0.00*	0.00*
Deposits with Reserve Bank	-182.08	-286.17

⁸ This does not include loans of ₹ 35 lakh given to Gujarat Industrial Investment Corporation Limited and ₹ 10 lakh to Gujarat Small Industries Corporation Limited.

* ₹ 48,000.

Cash Balances and Investment of Cash balances	Opening balance on 1/4/2012	Closing balance on 31/3/2013
Remittances in transit - Local	4.19	4.19
Total	(-) 177.89	(-) 281.98
Investments held in Cash Balance investment account	13,196.93	13,357.65
Total (a)	13,019.04	13,075.67
(b) Other Cash Balances and Investments	5,612.79	5,614.22
Cash with departmental officers viz Public Works Department Officers, Forest Department Officers, District Collectors	25.02	26.45
Permanent advances for contingent expenditure with departmental officers	0.27	0.27
Investment of earmarked funds	5,587.50	5,587.50
Total (b)	5,612.79	5,614.22
Grand total (a)+ (b)	18,631.83	18,689.89

Source: Finance Accounts of the State Government

Due to large surplus cash balance, during 2012-13, the State Government did not avail of any Ways and Means Advance from the RBI for maintenance of its minimum cash balance.

Outstanding balances under the head ‘Cheques and Bills’.

The Major Head ‘8670 – Cheques and Bills’ is an intermediary account head for initial record of transactions which are to be cleared eventually. The outstanding balance under the Major Head ‘8670 –Cheques and Bills’ represents the amount of unencashed cheques. Due to increase in Treasury cheques the outstanding balance under the Major Head ‘8670 –Cheques and Bills’ increased by ₹ 818.40 crore over the previous year and cheques of ₹ 2,667.35 crore remained unencashed as on 31 March, 2013. This led to overstatement of expenditure depicted in the Accounts.

Fresh borrowings by State with large cash balance.

The ThFC has also suggested that there should be a directed effort by States with large balances towards utilising their existing cash balances before resorting to fresh borrowings. Further, it has suggested to consider utilising their surplus cash balances for lump sum repayment of market borrowings raised for debt swap during the period 2002-05, which was likely to become due during the next few years. The Reserve Bank of India also has reiterated the fact and advised the States to manage their cash balance more efficiently. The investment held in ‘Cash Balance Investment Account’ by the State Government stood at ₹ 13,197 crore and ₹ 13,358 crore at the end of 2011-12 and 2012-13 respectively. The high level of investment held in ‘Cash Balance Investment Account’ at the end of these financial years indicates that there is need for better cash management. The State Government should adopt the policy of need based borrowing and maintain basic minimum surplus cash balance.

1.9 Assets and Liabilities

1.9.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of the fixed assets like land and buildings owned by the Government is not done.

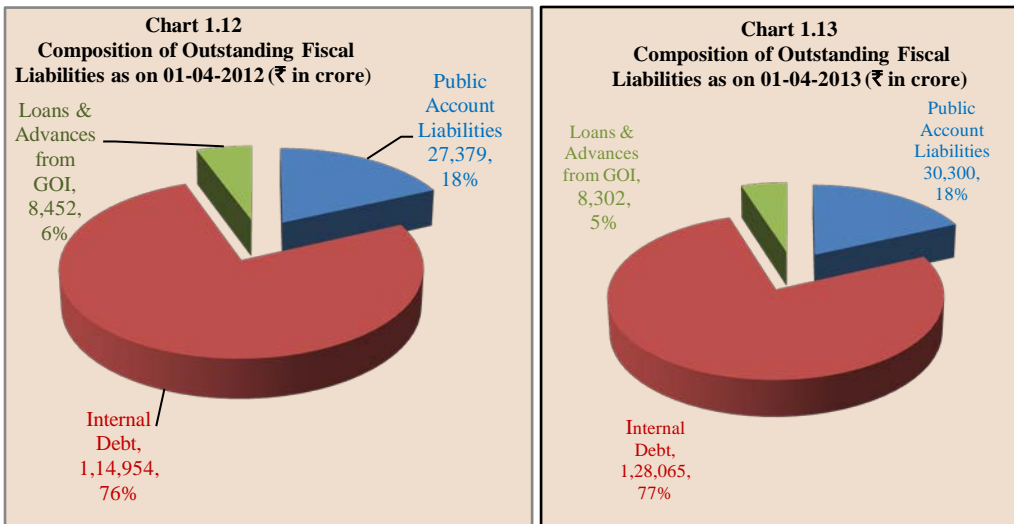
However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and the assets as on 31 March 2013 compared with the corresponding position on 31 March 2012. While the 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.

1.9.2 Fiscal Liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is as presented in the **Charts 1.12** and **1.13** below:



The outstanding fiscal liabilities have shown a steady increase over the years from ₹ 1,05,652 crore at the end of 2008-09 to ₹ 1,66,667 crore as at the end of 2012-13. The fiscal liabilities increased by 11 per cent in 2012-13 over the previous year mainly due increase of Internal Debt and Public Account Liabilities. The fiscal liabilities at the end of 2008-09 represented 273 per cent of the revenue receipts during the year 2008-09, which reduced to 222 per cent at the end of 2012-13. The outstanding debt to GSDP ratio at 23.90 per cent in the current year was in line with the projected ratio of 28.10 per cent in the fiscal consolidation road map of ThFC.

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**.

1.9.3 Transactions under Reserve fund

There were 16 Reserve Funds earmarked for specific purposes, out of which eight funds were active. The total accumulated balance as at the 31 March 2013 in these funds was ₹ 8,906.81 crore (₹ 8,754.16 crore in operational funds and ₹ 152.65 crore in non-operational funds). However, the investment out of these funds was only ₹ 5,587.16 crore. Action is to be initiated for examination for the required continuation or otherwise of these funds.

1.9.4 Contingent liabilities

Status of Guarantees

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 1.28**.

Table 1.28: Guarantees given by the Government of Gujarat

	(₹ in crore)				
Guarantees	2008-09	2009-10	2010-11	2011-12	2012-13
Ceiling limit on Government guarantees under Gujarat State Guarantees Act, 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	10,562	10,202	10,382	10,387	10,525
Outstanding amount of guarantees	10,027	9,667	8,661	7,449	6,195
Percentage of outstanding amount of guarantees to total revenue receipts	25.93	23.20	16.54	11.83	8.23

Source: Finance Accounts of the State Government

The Gujarat Fiscal Responsibility Act, 2005 prescribed to cap outstanding guarantees within the limit (₹ 20,000 crore) as prescribed in the Gujarat State Guarantees Act, 1963. During the year, the State Government extended guarantees of ₹ 70.46 crore, ₹ 60 crore and ₹ 8 crore to Gujarat Scheduled Caste Economic Development Corporation, Gujarat Tribal Development Corporation and Gujarat Thakor and Koli Vikas Nigam Limited. Out of total outstanding guarantees of ₹ 6,195 crore, 45 *per cent* (₹ 2,783 crore) were towards Sardar Sarovar Narmada Nigam Limited and nearly 22 *per cent* (₹ 1,355 crore) were towards Gujarat Urja Vikas Nigam Limited. The outstanding guarantees (₹ 6,195 crore) accounted for 8.23 *per cent* of the revenue receipts (₹ 75,229 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 ₹ 1,322 crore at the end of 2012-13. During the year the Government did not contribute any amount towards the Guarantee Redemption Fund. During the year, the Government received ₹ 33 crore as guarantee fees against ₹ 47 crore received in the previous year.

1.10 Debt Management

1.10.1 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse the various indicators that determine the debt sustainability⁹ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation¹⁰; sufficiency of non-debt receipts¹¹; net availability of borrowed funds¹² and burden of interest payments (measured by interest payments to revenue receipts ratio). **Table 1.29** analyses the debt sustainability of the State according to these indicators for the period from 2008-09 to 2012-13.

Table 1.29: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
Debt Stabilisation (Quantum Spread +/- Primary Deficit/Surplus)	7,226	3,558	12,945	10,353	5,199
Sufficiency of Non-debt Receipts (Resource Gap)	(-)5,667	(-)4,716	80	4,047	(-)5,465
Net Availability of Borrowed Funds	1,317	4,874	6,912	3,921	3,722
Burden of Interest Payments (IP/RR Ratio)	0.20	0.21	0.18	0.17	0.16

Source: Finance Accounts of the State Government

The quantum spread together with primary deficit has been positive from 2008-09 to 2012-13, which indicates that the debt was sustainable. The persistent negative resource gap is indicative of the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. The positive resource gap for two consecutive years turned into negative in 2012-13. It happened mainly on account of 26 *per cent* increase in primary expenditure against 19 *per cent* increase in non-debt receipts during current year. The net funds available from borrowed fund after providing for the interest and repayment declined from ₹ 6,912 crore in 2010-11 to ₹ 3,722 crore in 2012-13.

As per TwFC recommendations, the ratio of interest payments to revenue receipts should decline by 2009-10 to 15 *per cent*. The percentage gross interest payments on the total liabilities to the revenue receipts of the State for the period 2008-09 to 2012-13 had declined from 20 *per cent* to 16 *per cent*. Thus, the State Government could not achieve this target during the period 2008-13.

1.10.2 Study on Open Market Borrowings of Government:

(I) Introduction:

A study on Open Market Borrowings (OMB) for the period from 2008-09 to 2012-13 of the Government of Gujarat was conducted to draw linkage between market borrowings and capital formation, and there from study the regular revenue generation within the State for servicing of debts and

⁹ See glossary

¹⁰ See glossary

¹¹ See glossary

¹² See glossary

repayment of principal. Records relating to OMB of the State Government as maintained in the Finance Department (FD) were reviewed during May to September 2013.

The observations from the study are detailed in the following paragraphs:

There are two types of borrowings resorted to by the State Government, viz.

- a. Specific purpose borrowings like borrowings from National Bank for Agriculture and Rural Development (NABARD) for Rural Infrastructure Development Fund (RIDF) works and borrowings from Government of India (GoI) for externally aided projects, which have one to one correspondence with specific plan schemes.
- b. General purpose borrowings like market borrowings and small saving loans that do not have one to one correspondence with any particular scheme, but are used to finance budget in general and annual plan in particular.

The market borrowings are part of total borrowings that are used to finance annual plan. The position of the plan size of the Government, balance from current revenue (BCR)¹³ and the net open market borrowings are brought out in the **Table 1.30** below:

Table 1.30: Annual Plan, BCR and Net OMB

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Annual Plan size	21,000	23,500	30,000	38,000	51,000
BCR	30,408	5,173	9,610	16,022	22,867
Net open market borrowings	7,618	7,908	10,443	15,083	12,846
Percentage of net OMB to Annual Plan Size	36.28	33.65	34.81	39.69	25.18

It could be seen from above table that financing of the annual plan by market borrowing ranged between 39.69 per cent and 25.18 per cent during the period from 2008-09 to 2012-13.

The availability of the OMB after repayment of loan and interest thereon is as shown in the **Table 1.31** below:

Table-1.31: Details of OMB for the period from 2008-09 to 2012-13

	(₹ in crore)				
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Annual Plan size	21,000	23,500	30,000	38,000	51,000
Gross borrowing ceiling limit fixed by GoI	10,345	10,103	13,851	16,323	20,201
Total outstanding OMB	28,020	35,928	46,371	61,454	74,300
GoI consent for OMB under Article 293(3)	8,534	9,000	11,500	16,500	18,600
OMB raised	8,534	9,000	11,500	16,500	15,546
Repayment of OMB made during the year	916	1,092	1,057	1,417	2,700
Net OMB raised	7,618	7,908	10,443	15,083	12,846
Interest paid on OMB	1,618	2,270	2,896	3,890	5,286
Interest payment as a percentage of OMB raised	18.96	25.22	25.18	23.58	34.00

¹³ BCR – Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Net availability of OMB	6,000	5,638	7,547	11,193	7,560
Percentage of net availability of OMB to OMB raised	70.31	62.64	65.63	67.84	48.63

It is seen from the above that

- The OMB increased continuously from ₹ 8,534 crore in 2008-09 to ₹ 16,500 crore during 2011-12. It decreased to ₹ 15,546 crore in 2012-13.
- The repayments of OMB increased from ₹ 916 crore in 2008-09 to ₹ 2,700 crore in 2012-13 except for a marginal decrease during 2009-10.
- The interest paid on market loans also increased from ₹ 1,618 crore in 2008-09 to ₹ 5,286 crore in 2012-13. As a result, the net availability of borrowed funds has decreased from 70.31 per cent to 48.63 per cent leading to decrease in availability for development expenditure.

(II) Overall position

The Ministry of Finance, GoI fixes the annual borrowing ceilings for States as per the fiscal deficit targets recommended by the Finance Commission. Debt sustainability refers to the sufficiency of liquid assets to meet current/committed obligations. Debt sustainability indicators of the State are as shown in **Table 1.32** below:

Table-1.32: Debt sustainability indicators

Description	₹ in crore				
	2008-09	2009-10	2010-11	2011-12	2012-13
Total liabilities	1,05,652	1,19,117	1,35,656	1,50,785	1,66,667
Total public debt	87,010	98,010	1,10,874	1,23,406	1,36,367
Total outstanding OMB	28,020	35,928	46,371	61,454	74,300
GSDP ¹⁴	3,67,912	4,31,262	5,30,430	6,11,767	6,97,298
Percentage of OMB to total liabilities	26.52	30.16	34.18	40.76	44.58
Percentage of OMB to total public debt	32.20	36.66	41.82	49.80	54.49
OMB raised as a percentage of Fiscal deficit	82	59	76	150	94
Weighted average interest rate on OMB-financial year wise	7.24	8.15	8.36	8.80	8.85
Interest paid on OMB ¹⁵	1,617	2,269	2,896	3,890	5,286
Gross interest payments on total liabilities	7,884	8,590	9,627	10,934	12,161
Primary surplus(+) / deficit(-)	(-) 2,554	(-) 6,563	(-) 5,447	(-) 93	(-) 4,331
Revenue surplus(+)/deficit (-)	(-) 66	(-) 6,966	(-) 5,076	(+) 3,215	(+) 5,570
Fiscal deficit ¹⁶	(-)10,438	(-)15,153	(-)15,074	(-)11,027	(-) 16,492
Total public debt to GSDP (in per cent)	23.65	22.73	20.90	20.17	19.56
Outstanding guarantees	10,027	9,667	8,661	7,449	6,195

Source: Finance Accounts, Budget Publication No. 30 of GoG

During the period 2008-09 to 2012-13 the total liabilities, total public debt and total outstanding OMB of the State increased by 57.55 per cent, 56.73 per cent

¹⁴ The figures were on provisional estimates for the years 2009-10 and 2010-11, were on quick and advance estimates for the years 2011-12 and 2012-13 respectively.

¹⁵ Major Head 2049-sub major head 01- minor head 101 of the Finance Account.

¹⁶ The excess of total disbursements from the Consolidated Fund of the State (excluding repayment of debt) over total receipt into the Fund (excluding the debt receipts), during a financial year.

and 165.17 *per cent* respectively. The total outstanding OMB at the end of year increased from ₹ 28,020 crore (2008-09) to ₹ 74,300 crore (2012-13). The percentage of OMB to total liabilities increased from 26.52 to 44.58 and the percentage of OMB to total public debt increased from 32.20 to 54.49 during 2008-09 to 2012-13.

The OMB raised as a percentage of fiscal deficits ranged between 59 *per cent* in 2009-10 and 150 *per cent* in 2011-12, with an average of 90 *per cent* during five year period. Thus, during 2008-13 a substantial portion of fiscal deficit¹⁷ of ₹ 68,184 crore was financed through OMB of ₹ 61,080 crore.

Investment in Intermediary Treasury Bills

The surplus cash balance of the State Government maintained with the RBI stood invested in the 14 or 91 days Treasury Bills (TBs). The yields on these TBs were low; in respect of 14 day bills, it was between four to five *per cent* per annum and in respect of 91 day bills it was about 8.6 *per cent* per annum. The position of market borrowings (net) and the average investment of the surplus cash of the State Government with the RBI in the TBs during the year 2009-13 are indicated in **Table 1.33** below:

Table 1.33: Net OMB, Average investments in TBs and Closing Cash Balance

Year	2008-09	2009-10	2010-11	2011-12	2012-13
Net Open Market borrowings	7,618	7,908	10,443	15,083	12,846
Average investments in TBs	4,625	1,143	1,285	2,229	3,203
Interest earned	387	320	311	434	753
Closing Cash Balance	8,466	6,598	9,246	13,197	13,358

Source: Finance Accounts

Maturity Profile of Market Borrowings

The maturity profile of borrowings showed that upto 2011-12, all issues of the State Development Loans (SDL) had a maturity of 10 years. A significant shift in this trend took place in 2012-13 when the State Government went for development loans of four year tenure also. The tenure profile of market loan raised during 2008-09 to 2012-13 is given in **Table 1.34**.

Table-1.34: Tenure Profile of OMB

Tenure and details of the loans raised under OMB	Amount of loan raised under OMB				
	2008-09	2009-10	2010-11	2011-12	2012-13
< One Year	-----	-----	-----	-----	-----
1-3 years	-----	-----	-----	-----	-----
4-7 years	-----	-----	-----	-----	3,146
> 7 years	8,534	9,000	11,500	16,500	12,400
Loans raised during the year	8,534	9,000	11,500	16,500	15,546
Outstanding loans as on 31 March	28,020	35,928	46,371	61,454	74,300
Percentage of loans raised during the year to total outstanding loans	30.46	25.05	24.80	26.85	20.92

Source: Finance Accounts

During the period 2008-09 to 2012-13, the State Government raised loans of ₹ 57,934 crore with maturity tenure of ten years and also raised loans of ₹ 3,146 crore with maturity tenure of four years under OMB in 2012-13. The

¹⁷ 2008-09 (-) ₹ 10,438 crore, 2009-10 (-) ₹ 15,153 crore, 2010-11 (-) ₹ 15,074 crore, 2011-12 (-) ₹ 11,027 crore and 2012-13 (-) ₹ 16,492 crore.

reason reported for raising funds with lesser tenure of four years was to reduce the burden of repayment at later years i.e., after 2016-17. As such, the weighted average maturity tenure of loans of OMB raised during 2012-13 was 8.8 years¹⁸.

Interest payment profile

The weighted average rate of interest on the various components of public debt raised during the period 2008-09 to 2012-13 is given in **Table 1.35**.

Table-1.35: Weighted average rate of interest on the components of Public Debt

Sl. no	Components	Weighted average rate of interest				
		2008-09	2009-10	2010-11	2011-12	2012-13
1	NSSF Loans	9.50	9.50	9.50	9.50	9.50
2	GoI Loans	7.26	0.79	0.74	0.74	0.72
3	OMB	7.24	8.15	8.36	8.80	8.85
4	Institutional loans	6.51	6.50	6.50	6.50	7.41
5	Public debt	7.33	8.36	8.52	8.62	8.67

Source: Budget Publication No. 30 of GoG

The weighted average rate of interest of NSSF was the highest and GoI loans was the least. However, based on the recommendations of the TwFC, the GoI stopped giving plan loans from 2005-06 to the States, except in case of on-going externally aided projects. Hence, relevance of GoI loans in public debt had become less. Between the OMB and loans from financial institutions, the weighted average interest rate of loans from financial institutions was lesser.

Position of Market Borrowings

The position of the opening balances, borrowings/repayments together with closing balances, of open market loans is brought out in the **Table 1.36** below:

Table 1.36: Position of Market Borrowings

(₹ in crore)

Year	Opening Balance	Borrowings	Repayments	Closing Balance	Net increase (in per cent)
2008-09	20,402	8,534	916	28,020	37.34
2009-10	28,020	9,000	1,092	35,928	28.22
2010-11	35,928	11,500	1,057	46,371	29.07
2011-12	46,731	16,500	1,417	61,454	32.51
2012-13	61,454	15,546	2,700	74,300	20.90
Total	1,92,535	61,080	7,182	2,46,073	

Source: Finance Accounts

The weighted average maturity of markets loans raised and their maturity during the next ten years is shown in **Tables 1.37** and **1.38**.

Table 1.37: Weighted Average Maturity of Market Loans raised during the year

(₹ in crore)

Year	Market loans raised	Weighted Average Maturity (Years)	Outstanding Market Loans
2008-09	8,534	10	28,020
2009-10	9,000	10	35,928
2010-11	11,500	10	46,371
2011-12	16,500	10	61,454
2012-13	15,546	8.8	74,300

Source: Finance Accounts

¹⁸ $(₹ 3,146.25 * 4 \text{ years}) + (₹ 12,400 * 10) / (₹ 3,146.25 + ₹ 12,400)$

Maturity profile of loans under OMB

The redemption profile of loans of OMB is on an increasing trend up to 2021-22. It can be seen from the **Table-1.38**, reckoning outstanding loans of OMB of ₹ 74,300 crore as on 31 March 2013, the State Government will be liable to redeem only three *per cent* of outstanding loans of OMB in 2013-14. However, in 2021-22, the State Government will be liable to redeem 22 *per cent* of outstanding market loans. The details of redemption profile up to 2022-23 are as under:

Table 1.38 Maturity trends of market loans:

Maturity year	Maturity amount (₹ in crore)	As a percentage of total Market Loans
2013-14	2,534	3.41
2014-15	1,505	2.03
2015-16	1,695	2.28
2016-17	3,857	5.19
2017-18	6,775	9.12
2018-19	8,534	11.49
2019-20	9,000	12.11
2020-21	11,500	15.48
2021-22	16,500	22.21
2022-23	12,400	16.68
Total	74,300	100

Source: Finance Accounts

It can be seen from the **Table 1.38**, the percentage of maturity amount to market loans would be highest during the year 2021-22 (22.21 *per cent*) and lowest during the year 2014-15 (2.03 *per cent*).

The maturity trends of market loans show that the Government would be able to repay 22 *per cent* of loans during first five years. So, there will be more burden of repayment (78 *per cent*) in the long term. The Government should consider investing adequately in sinking funds to meet the needs of debt servicing from 2018-19 onwards.

Interest rate profile

The interest rate profile of open market borrowings during the period 2008-13 is detailed in the **Table 1.39**.

Table 1.39: Interest rate profile

Rate of interest (in <i>per cent</i>)	Market loans raised during the year				
	2008-09	2009-10	2010-11	2011-12	2012-13
6-6.99	1,875	-----	-----	-----	-----
7-7.99	4,999	2,500	-----	-----	-----
8-8.99	1,660	6,500	11,500	14,000	12,546
9-9.99	-----	-----	-----	2,500	3,000
10-10.99	-----	-----	-----	-----	-----
Total	8,534	9,000	11,500	16,500	15,546
Average interest rate (in <i>per cent</i>)	7.24	8.15	8.36	8.80	8.85

Source: Finance Accounts

The weighted average interest rate ranged between 7.24 *per cent* and 8.85 *per cent* during 2008-09 and 2012-13 respectively. Thus, the interest rates were

hardening. Further, during 2008-09, 2010-11 and 2012-13 there was variation between the budget estimates and actual interest payments relating to loans of OMB as shown in the **Table 1.40**.

Table-1.40: Budgeted and Actual interest payment on market borrowings
(₹ in crore)

Year	Budget Estimates for interest payment	Actual Interest payment	Excess (+)/Savings (-)
2008-09	1,732.09	1,617.54	(-) 114.55
2009-10	2,280.13	2,269.71	(-) 10.42
2010-11	3,138.43	2,896.13	(-) 242.30
2011-12	3,876.53	3,890.14	(+) 13.61
2012-13	5,621.36	5,285.72	(-) 335.64

Source: Budget Estimates and Finance Accounts

It was observed that though actual OMB was ₹ 8,534 crore against the budgeted OMB of ₹ 7,990 crore during 2008-09, the savings of interest against the budget provision was attributable to reduction in average interest rate on OMB over previous year (i.e. from 8.18 *per cent* in 2007-08 to 7.24 *per cent* in 2008-09). However, during the year 2010-11 and 2012-13 the savings of interest against the budget provision was attributable to reduction in actual OMB against the budgeted amount.

(III) Application of borrowings

The borrowed funds (secured and unsecured) are to be applied for capital expenses for creation of durable assets of material character.

Development Loans

The State Government raises development loans from two source, *viz.*, under OMB and loans from financial institutions. The loans from financial institutions are project based and part of overall borrowings programme. Loans are to be raised for the purpose of formation of productive assets. The details of total developmental loans raised and application of the same to developmental capital expenditure during the period 2008-2013 is as **Table 1.41**.

Table-1.41: Developmental expenditure incurred against total developmental loans raised

Period	Market loans	Loans from financial institutions/ bank	Total developmental loans raised	Developmental capital expenditure	Excess/short (-) raising of developmental loans over developmental expenditure
1	2	3	4=2+3	5	6=4-5
2008-09	8,534	874	9,408	10,424	(-) 1,016
2009-10	9,000	991	9,991	8,208	1,783
2010-11	11,500	886	12,386	10,068	2,318
2011-12	16,500	780	17,280	13,791	3,489
2012-13	15,546	1,700	17,246	21,338	(-) 4,092
Total	61,080	5,231	66,311	63,829	2,482

Source: Finance Accounts

It was observed that during 2008-09 to 2012-13, 92 *per cent* of developmental loans were raised through OMB. The State Government raised the developmental loans in excess of total development expenditure by

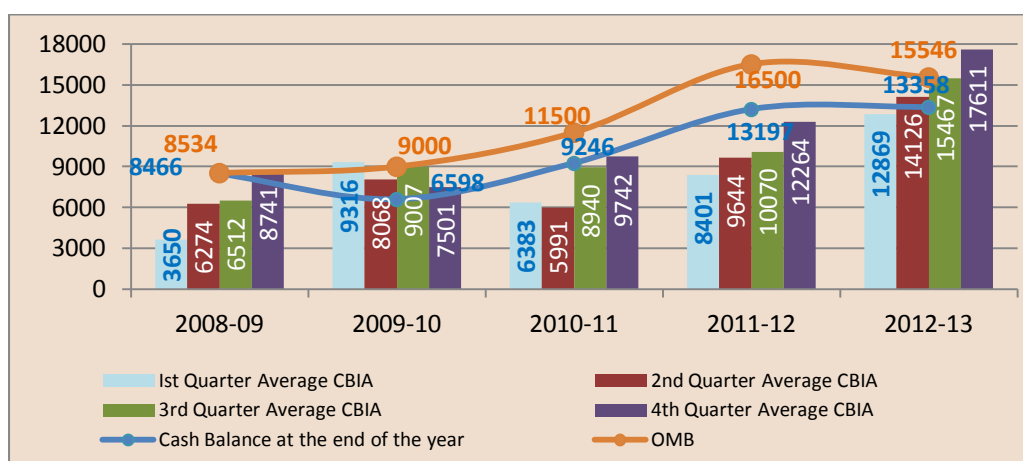
₹ 2,482 crore. The raising of excess developmental loans would lead to imprudent application of funds to meet non-developmental expenditure, thereby defeating the very purpose of raising the loan to finance the formation of productive assets.

Fund Management

Trend Analysis of Cash Balance Investment Account

There is a steady increase in the closing balance of Cash Balance Investment Account (CBIA) as on 31 March of each year. It increased from ₹ 8,466 crore as on 31 March 2009 to ₹ 13,358 crore as on 31 March 2013 except for a reduction during 2009-10. The increase in the closing balance is shown in **Chart 1.14**.

Chart 1.14: Trend Analysis of Cash Balance Investment Account



Investment of cash surplus

The State Government deploys its cash surplus in short term investments and accounts the same under Cash Balance Investment. Further, various Departments, Boards and State PSUs have the option of depositing their surplus funds with Gujarat State Financial Services Limited (GSFS)¹⁹. The details of public debt, short term deployment of funds by the State Government and deposits by various other agencies with GSFS are as **Table 1.42**.

Table-1.42: Details of investment of cash surplus and public debt

		(₹ in crore)				
	Year	2008-09	2009-10	2010-11	2011-12	2012-13
1	Public debt raised during the year	10,306	14,245	16,681	17,535	19,497
2	Cash Balance Investment as on 31 March	8,466	6,598	9,246	13,197	13,358
3	Cash Balance Investment as a percentage of public debt	82	46	55	75	68
4	Deposit with GSFS as on 31 March	7,122	10,012	9,804	13,640	16,169
5	Deposit with GSFS as on 31st March of every year as a percentage of public debt	69	70	59	78	83

Source: Finance Accounts and GSFS

¹⁹ A Gujarat state PSU gives avenues to Government, Government institutions for earning return on their surplus funds by accepting their surplus funds under inter-corporate deposits (ICDs) and liquid deposit schemes (LDS) of GSFS.

The liquidity of the State improved significantly resulting in significant increase in cash balance investment over the period of five years. The cash balance investment to the public debt was highest at 82 *per cent* (2008-09) and was lowest at 46 *per cent* (2009-10). Further, the substantial deposits of surplus funds held with GSFS by various departments, Boards and State PSUs indicated that the funds were not utilised for the purpose for which it was raised. Deposit with GSFS as on 31 March of every year as a percentage of public debt ranged between 59 *per cent* in 2010-11 to 83 *per cent* in 2012-13. It was also observed that in order to finance the deficit, the State Government raised public debt at the weighted average interest rate of 7.33 *per cent* to 8.67 *per cent* during period 2008-09 to 2012-13. Whereas, its huge surplus funds kept in GSFS deposits earned interest at the rate of 7.22 *per cent* to 7.46 *per cent* which was lesser to the interest rate of public debt by 0.05 *per cent* to 5.57 *per cent* during the above period.

Thus, the State Government had not factored in surplus cash available with it including the funds parked in GSFS while finalising the borrowing plans to finance fiscal deficit.

The FD replied (January 2014) that GSFS is a non-banking finance company which accepts deposits from State PSUs/ Boards and the balance lying in GSFS is not necessarily the money given to State agency out of State budget. More than 50 *per cent* of the funds lying in GSFS are investments of internal accruals of State PSUs and Boards and it is not available to State Government. Therefore GSFS funds need not be factored in while finalising the borrowing plan of the State Government.

The reply is not acceptable as it is observed that sanctions releasing grant in aid to PSUs/Boards were issued with instructions that such funds be parked with GSFS till they are spent. The GSFS in turn earns interest on these parked funds by investing the same. The GSFS in return pays interest to PSUs/Boards on these funds. The Government funds are thus used for earning interest both by the GSFS and PSUs/Boards which need to be factored in while finalising the borrowing plan of the State Government.

Poor performance of recovery of loans

The State Government gives loans and advances to various organisations²⁰. To keep a track of these, the FD (July 2010) instructed the concerned administrative departments to furnish data relating to loans given to various organisations, so as to monitor the payment of loans, repayments and adherence to the terms and condition of the said loans by the organisations. The details of the loans given, the repayments received and the outstanding balances are given in **Table 1.43**.

Table-1.43: Recovery of loans

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Opening Balance	4,456	4,629	4,905	5,310	5,750
Amount advanced during the year	354	427	688	605	882
Total	4,810	5,056	5,593	5,915	6,632
Repayment	181	151	283	165	47

²⁰ includes Government companies, Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives

	2008-09	2009-10	2010-11	2011-12	2012-13
Closing Balance	4,629	4,905	5,310	5,750	6,585
Repayment as percentage of opening balance	4.06	3.26	5.77	3.11	0.82
Net Increase /Decrease	173	276	405	440	835

Source: Finance Accounts

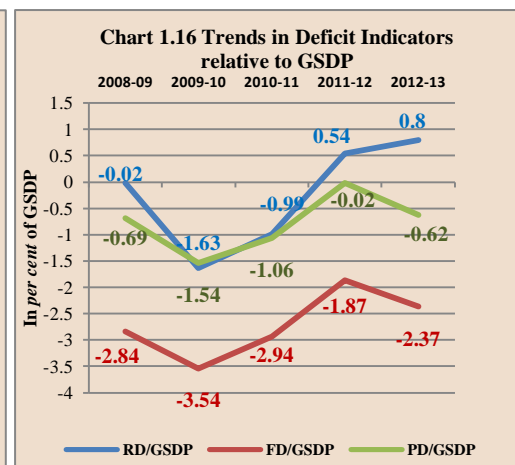
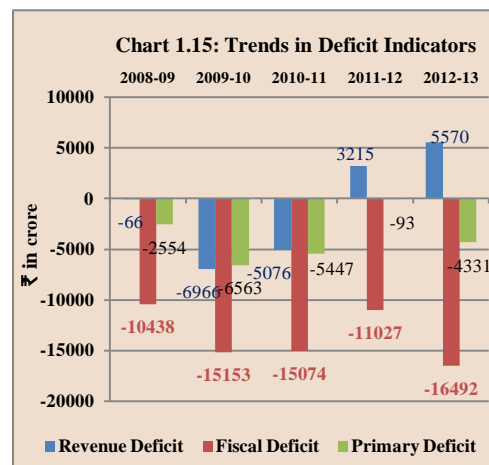
The repayment of loan and advances made by the organisations was very low as compared to the amount of loans and advances given by the State Government. Further, in the absence of the details of year wise amounts due for repayment, arrears of instalments, dues outstanding for more than three years from these organisations, it would be difficult to conclude that the outstanding dues as on 31 March 2013 represent the performing assets of the State Government.

1.11 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 2012-13.

1.11.1 Trends in Deficits

Charts 1.15 and 1.16 present the trends in deficit indicators over the period 2008-09 to 2012-13.



The revenue deficit of ₹ 66 crore in 2008-09 soared to ₹ 6,966 crore in 2009-10 and turned into revenue surplus of ₹ 3,215 crore in 2011-12 and ₹ 5,570 crore in 2012-13. The increase in the revenue surplus during the current year was mainly on account of an increase of ₹ 12,270 crore (19.49 per cent) in revenue receipts against an increase of only ₹ 9,915 crore (16.59 per cent) in revenue expenditure over the previous year.

The fiscal deficit increased from ₹ 10,438 crore in 2008-09 to ₹ 16,492 crore in 2012-13. The increase in fiscal deficit during current year was mainly on

account of increase of ₹ 7,415 crore (53.69 per cent) in capital expenditure. An increase of ₹ 5,465 crore in fiscal deficit together with an increase of ₹ 1,227 crore in interest payment resulted in increase in primary deficit from ₹ 93 crore in 2011-12 to ₹ 4,331 crore in 2012-13.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.44**.

Table 1.44: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
Particulars		2008-09	2009-10	2010-11	2011-12	2012-13
Decomposition of Fiscal Deficit		10,438	15,153	15,074	11,027	16,492
1	Revenue Deficit(-)/(+)Surplus	(-)66	(-)6,966	(-)5,076	(+)3,215	(+) 5,570
2	Net Capital Expenditure	10,199	7,910	9,593	13,802	21,227
3	Net Loans and Advances	173	277	405	440	835
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings(net)	7,618	8,404	10,725	15,083	12,846
2	Loans from GoI	(-)332	(-)478	(-)464	(-)932	(-) 150
3	Special Securities issued to NSSF	(-)74	3,099	2,628	(-)1,864	(-) 561
4	Loans from Financial Institutions	490	(-)26	(-)25	(-)28	826
5	Small Savings, PF etc	320	1,018	705	558	589
6	Deposits and Advances	798	1,178	2,533	1,358	1844
7	Suspense and Miscellaneous	663	(-)582	1,311	(-)56	656
8	Remittances	(-)22	190	78	(-)47	(-) 69
9	Reserve Funds	582	768	998	680	488
10	Contingency Fund	(-)24	(-)13	47	(-) 80	81
Total		10,019	13,558	18,536	14,672	16,550
Increase/Decrease(-) in Cash Balance		(-)419	(-)1595	(+)3,462	(+)3,645	(+) 58

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

The revenue surplus of ₹ 3,215 crore of 2011-12 increased to ₹ 5,570 crore in 2012-13. The fiscal deficit of ₹ 16,492 crore in 2012-13 was mainly met out from net borrowing of ₹ 12,846 crore. In 2012-13 there was substantial decrease in market borrowings and its share in financing the fiscal deficit decreased to 78 per cent. Hence, there was increased share in loans from financial institutions and deposits and advances over the previous year.

1.11.3 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 1.45**) 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 1.45: 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)
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
2012-13	75,276	57,498	21,227	882	79,607	(+) 17,778	(-) 4,331

Source: Finance Accounts of the State Government

During the period 2008-09 to 2012-13, primary expenditure increased from ₹ 41,431 crore to ₹ 79,607 crore (increase of 92 *per cent*) against the increase of non-debt receipt from ₹ 38,877 crore to ₹ 75,276 crore (increase 94 *per cent*). During the period 2008-09 to 2012-13, the non-debt receipts did not cover the primary expenditure resulting in primary deficit in each year. In 2012-13, all component of primary expenditure increased over the previous year without commensurate increase in non-debt receipts resulting in increase of ₹ 4,238 crore in primary deficit.

1.12 Conclusion and Recommendations

The share of the State's own tax revenue in revenue receipts increased continuously from 61 *per cent* in 2008-09 to 72 *per cent* in 2012-13. The share of non-tax revenue to revenue receipts decreased substantially from 13 *per cent* in 2008-09 to eight *per cent* in 2012-13.

The State Government may consider mobilizing additional resources through non- tax sources by rationalising the user charges.

The revenue expenditure of the State increased by 80 *per cent* from ₹ 38,741 crore in 2008-09 to ₹ 69,659 crore in 2012-13 though its share in total expenditure declined from 78.56 *per cent* in 2008-09 to 75.91 *per cent* in 2012-13 indicating improvement in quality of expenditure. However, the understatement of revenue expenditure of ₹ 1,089 crore on account of depicting grants-in-aid and subsidy as capital expenditure also contributed to decline of revenue expenditure.

The Government of India transferred ₹ 4,820 crore to State Implementing Agencies during the year against ₹ 4,393 crore transferred during the previous year. Direct transfer of funds from the Union Government to the State Implementing Agencies carry the risk of insufficient control on the part of Union as well as State Government and consequential improper utilisation of funds by these agencies.

The outstanding fiscal liabilities have shown a steady increase over the years, from ₹ 1,05,652 crore at the end of 2008-09 to ₹ 1,66,667 crore at the end of 2012-13. The composition of fiscal liabilities changed with respect to the previous year with Internal Debt accounting for 77 *per cent*, Public Account Liabilities for 18 *per cent* and Loans and Advances from GoI for 5 *per cent* at the end of March 2013. The increasing fiscal liabilities accompanied with negligible rate of return on government investment and inadequate cost

recovery on loan advanced might lead to a situation of unsustainable debt situation in the medium to long run, unless suitable measures are initiated to mobilise additional resources through tax and non-tax revenues.

2.1 Introduction

2.1.1 Appropriation Accounts are the accounts of 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 2012-13 against 108 grants/appropriations is as given in **Table 2.1**.

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

Nature of expenditure		Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual Expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	60,740.99	3,914.46	64,655.45	58,031.05	(-)6,624.40
	II Capital	20,806.26	1,595.65	22,401.91	21,414.40	(-)987.51
	III Loans and Advances	1,133.05	0.00	1,133.05	882.25	(-)250.80
Total Voted		82,680.30	5,510.11	88,190.41	80,327.70	(-)7,862.71
Charged	IV Revenue	12,579.41	112.72	12,692.13	12,268.65	(-)423.48
	V Capital	0.01	19.15	19.16	17.91	(-)1.25
	VI Public Debt- Repayment	6,452.01	85.67	6,537.68	6,536.52	(-)1.16
Total Charged		19,031.43	217.54	19,248.97	18,823.08	(-)425.89
Grand Total		1,01,711.73	5,727.65	1,07,439.38	99,150.78	(-)8,288.60

Source : Appropriation Accounts and Appropriation Act of the State Government

Overall savings of ₹ 8,288.60 crore was the result of savings of ₹ 8,536.20 crore in 87 grants and 17 appropriations under the Revenue Section, 47 grants and four appropriations under the Capital Section and one appropriation related to Public Debt-Repayments, offset by excess of ₹ 247.59 crore in five grants and three appropriations under the Revenue Section and one grant and one appropriation under the Capital Section.

The savings/excesses were intimated (July 2013) to the Controlling Officers by the Accountant General (Accounts and Entitlement), requesting them to explain the reasons for significant variations. Explanations received till August 2013 have been suitably incorporated in the Appropriation accounts.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

Audit of the Appropriation Accounts revealed that in 90 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.	Up to ₹ 5 crore	38	105.49	36.46	34.56
2.	More than ₹ 5 crore and up to ₹ 10 crore	4	49.49	22.69	45.85
3.	More than ₹ 10 crore and up to ₹ 25 crore	10	9,386.97	152.08	1.62
4.	Above ₹ 25 crore	38	55,535.24	8,199.45	14.76
Total		90	65,077.19	8,410.68	12.92

Source: Appropriation Accounts of the State Government

The reasons furnished by 22 Departments for savings under a few major heads of account, as reported in the Appropriation Accounts, are as given below:

Agriculture and Co-operation Department

- Grant No.4-Major Head-2403-Animal Husbandry- The savings of ₹ 14.28 crore were under various partly/fully Centrally Sponsored Schemes due to non-release of funds by the Government of India (GoI) and therefore non matching share from the State. Savings of ₹ 12.10 crore were due to non-establishment of animal hostels in four districts and savings of ₹ 4.99 crore was due to non-filling of vacant posts.
- Grant No.6-Major Head-2405-Fisheries-Out of supplementary provision of ₹ 70.19 crore made in February 2013, savings of ₹ 32.82 crore were mainly due to non-submission of high speed diesel bills by fishermen as estimated by District offices under the scheme 'Sales Tax Subsidy on High Speed Diesel to Mechanised Fishing Vessels below 20 meters length'.

Education Department

- Grant No.9- Major Head-4202-Capital Outlay on Educations, Sports, Arts and Culture- Out of the total savings of ₹ 176.70 crore, savings of ₹ 160.62 crore were due to less release of grant by the GoI under three¹ partly Centrally sponsored schemes and therefore less matching share from state. Further, savings of ₹ 13.74 crore were due to non-commencement of construction work of Polytechnics and Engineering colleges under PPP mode.

Energy and Petro-chemicals Department

- Grant No.11- Major Head-3451-Secretariat–Economic Services- The savings of ₹ 0.91 crore were due to non-sanction by the Finance Department of the computerisation billing process under scheme ‘Information Technology’ and ₹ 0.39 crore was due to non filling up of vacant posts.
- Grant No.13- Major Head-6801-Loans for Power Projects- The savings of loans provision ₹ 63.72 crore were due to reduction of State Government Share in the equity of Gujarat Energy Transmission Corporation and savings of ₹ 147.64 crore were due to less sanction by the GoI for Gujarat Solar Transmission Project.

Finance Department

- Grant No.16-Major Head-2040-Taxes on Sales, Trade etc. - The Savings of ₹ 44.25 crore were due to less expenditure on project related to computerisation in the Commercial Tax Department.
- Grant No.19-Major Head-2048-Appropriation for reduction or avoidance of Debt. The entire budget provision of ₹ 1,000 crore under the Gujarat State Sinking Fund was saving due to non-requirement of the amount to be transferred to sinking fund as the Fund had sufficient balance to maintain the desired level required as per recommendations of the Reserve Bank of India.
- Grant No.19-Major Head-2075- Miscellaneous General Services- The savings of ₹ 40 crore under the Gujarat State Guarantee Redemption Fund occurred due to non-requirement in the concerned fund.
- Grant No.19-Major Head-2075- Miscellaneous General Services-Savings of ₹ 2500 crore were due to the fact that the provision for Dearness Allowance (DA) payable by different Departments was made initially under the Finance Department, but at the time of revised estimates necessary provision was made under respective Departments.

Audit observed that these large savings was mainly due to the provision made by the Finance Department for payment of DA in respect of other Departments. As per the paragraph 38 of the Gujarat Budget Manual, such

¹ Sarva Shiksha Abhiyan, Kasturba Gandhi Balika Vidhyalaya Scheme and Rashtriya Madhyamik Shiksha Abhiyan Scheme

provisions are required to be made by the respective Departments in their budget estimates.

Food Civil Supplies and Consumer Affairs Department

- Grant No.21-Major Head-3451-Secretariat-Economic Service-The saving of ₹ 3.80 crore was surrendered in March due to non-purchasing of barcode readers & biometric devices and ₹ 0.57 crore due to non-completion of renovation work by the R&B Department.
- Grant No.23-Major Head-2408-Food, Storage and Warehousing- The savings of entire provision of ₹ 26.95 crore was due to discontinuation of the scheme 'Defatted Soya Fortification to Below Poverty Line and Antyoday Anna Yojana beneficiaries'. Savings of ₹ 30.87 crore were due to late implementation of Doorstep Delivery Scheme. Savings of ₹ 35.40 crore was due to non-completion of godown construction being done from NABARD's loan and savings of ₹ 6.04 crore were on pay and allowances in Fair Price Shops Scheme in District offices.

General Administration Department

- Grant No.32-Major Head-2051-Public Service Commission- The savings of ₹ 2.44 crore were due to non-filling up of the sanctioned posts, non-conducting of some competitive examinations and less expenditure on newspaper advertisement owing to placement of advertisement on website.
- Grant No.33-Major Head-2052 and 3451- Secretariat-General Service & Economic Services – The savings of ₹ 13.02 crore were due to non-filling of vacant posts at various levels, few promotional activities and reduction in grant to Gujarat Social Infrastructure Development Board Society.

Health and Family Welfare Department

- Grant No. 38-Major Head-2251-Secretariat-Social Services- The savings of ₹ 2.90 crore were due to non-filling of the vacant posts.
- Grant No. 40-Major Head-2211-Family Welfare- Out of the total savings of ₹ 151.93 crore, savings of provision of ₹ 11.75 crore were due to non-filling of vacant posts in State Family Planning Bureau, State/Regional Family Planning centre, Training School, etc. Savings of ₹ 28 crore were due to less expenditure in Gujarat State Nutrition Mission and savings of ₹ 110 crore due to late implementation of Mukhyamantrishri Amrutam Yojana (MAA).

Home Department

- Grant No.43-Major Head-2055-Police- The savings of ₹ 6.46 crore were due to non-filling up of the vacant posts, savings of ₹ 4.38 crore due to non-receipt of administrative approval, savings of ₹ 14.06 crore due to less expenses on purchase of equipment and maintenance.

Industries and Mines Department

- Grant No.49-Major Head-2851-Village and Small Industries- The savings of ₹ 3.30 crore were due to erroneous provision made in charged appropriation instead of voted. Further in revenue voted, savings of

₹ 5.29 crore were due to non-conduction of training programmes, exhibition, receipt of less proposals etc.

Under Major Head-2852-Industries-₹ 98.70 crore were saved due to non-receipt of proposals and delay in approvals and savings of ₹ five crore were due to non-finalisation of infrastructure projects.

- Grant No.49-Major Head-6885-Other Loans to Industries and Mines-The provision of ₹ 100 crore was re-appropriated due to non-finalisation of terms and conditions of loan to Gujarat Industrial Investment Corporation Ltd. for creation of Golden Gujarat Growth Fund and non-receipt of sufficient proposals.

Information and Broadcasting Department

- Grant No.53-Major Head-2052-Secretariat-General Services- The savings of ₹ 0.94 crore were due to non-conducting of training programmes owing to election as well as other administrative works.
- Grant No.55-Major Head-2045-Other Taxes, Duty on Commodities-₹ 0.96 crore was saved due to non-filling of the vacant posts.

Labour and Employment Department

- Grant No.56-Major Head-2251- Secretariat-Social Services- The savings of ₹ 3.25 crore were due to non-filling up of vacant posts by Labour and Employment Department and also due to economy measures.
- Grant No.57-Major Head-2230- Labour and Employment- The savings of ₹ 4.57 crore were due to rejection of bills by treasury, ₹ 1.55 crore due to non-filling up of the vacant posts.

Legal Department

- Grant No.59-Major Head-2052- Secretariat-General Services-The savings of ₹ 4.92 crore were due to non-filling up of the vacant posts. Further, savings of ₹ 1.17 crore were due to non-supply of computers and hardware by Gujarat Informatics Limited.
- Grant No.60-Major Head-2014- Administration of Justice- Out of the total savings of ₹ 175.16 crore, savings of ₹ 53.27 crore were due to non-execution of action plan relating to evening and morning courts, training of judicial officers and non-construction of new court building for Gujarat State Judicial Academy under ThFC by State Government, savings ₹ 37.69 crore were due to non-filling of the vacant posts and savings of ₹ 64.88 crore were due to non-receipt of administrative approval for installation of CCTV cameras in various District Courts.

Legislative and Parliamentary Affairs Department

- Grant No.62-Major Head-2052- Secretariat-General Services- The savings of ₹ 1.59 crore were due to non-completion of renovation of Department's building. Further, saving of ₹ 0.33 crore were due to non-appointment of members to the State Law Commission.

Narmada, Water Resources, Water Supply and Kalpsar Department

- Grant No.64-Major Head-3451-Secretariat-Economic Services-The savings of ₹ 5.98 crore were due to non-filling up of the vacant posts and more retirement of staff.
- Grant No.66- Savings of ₹ 56.89 crore under revenue voted, revenue charged and capital voted occurred for which no reasons were provided.

Panchayats, Rural Housing and Rural Development Department

- Grant No.70-Major Head-2515-Other rural development Programmes- Out of the total savings of ₹ 266.29 crore, savings of ₹ 237.57 crore were due to non-utilisation of central assistance to the Panchayat Raj Institution, savings of ₹ 18.98 crore were due to less expenditure under Garib Kalyan Mela scheme and savings of ₹ 6.86 crore were due to less receipt of demand from the District Development Offices.
- Grant No.71-Major Head-2216-Housing- The entire provision of ₹ 5 crore was saved under Sardar Patel Awas Yojana due to non-receipt of proposals from the beneficiaries. Saving of ₹ 17.23 crore occurred under Indira Awas Yojana due to less release of grant from the GoI.

Major Head 2501- Special programmes for Rural development – ₹ 109.26 crore was saved under Ajeevika Scheme and Rural Sanitation Programme due to non-receipt of sanction from the GoI. The savings of ₹ 28.27 crore was due to less release from the GoI in Aam Adami Bima Yojana and Backward Region Grant Fund.

Ports and Transport Department

- Grant No.74-Major Head- 2041-Taxes on vehicles- The savings of ₹ 39.86 crore were due to non-completion of modernisation work in different cities and non-filling up of the vacant posts.
- Grant No.75-Major Head-5051-Capital outlay on Ports and Light House- The savings of ₹ 64 crore were due to non-completion of the infrastructure and development of ports projects by Gujarat Maritime Board owing to various reasons like hindrances by the local villagers, delay in release of port boundaries and change of alignment of rock bund.

Revenue Department

- Grant No.76-Major Head-2052- Secretariat-General Services- The savings of ₹ 9.44 crore were due to receipt of less demand from Collectorate Offices under Information Technology.
- Grant No.77-Major Head-2029- Land Revenue- The savings of ₹ 1.60 crore were due to less demand from villages for their development works. Further, savings of entire budget provision of ₹ 1.50 crore and ₹ 72.84 crore were due to non-finalisation of the tenders for the survey equipment. In addition, under the same head, savings of ₹ 15.52 crore were due to delay in finalising the tender process for Modernisation work at Din Dayal Institute Survey Revenue Administration, non-approval of works related to Modern record rooms. Similarly, savings of ₹ 2.74 crore were

due to non-carrying out the work of City Survey in town and cities. The savings of ₹ 3.50 crore was due to non-filling up of the vacant posts.

Major Head 3475-Other General Economic Services-The Savings of ₹ 1.03 crore were due to non-filling up of the vacant posts under different cadre.

- Grant No.78-Major Head-2053- District Administration-The savings of ₹ 31.01 crore were due to deputation of staff to the election commission and resultant non-payment of pay and allowances. Further, savings of ₹ 13.73 crore were due to non-filling up of the vacant posts in panchayat offices. Similarly, savings of ₹ 2.51 crore were due to less expenditure on purchase of equipment.

Roads and Buildings Department (R&B Department)

- Grant No.84-Major Head-4059,4202,4851,4853 and 4220-Capital outlay on Public Works, Capital outlay on Education, Sports, Arts and Culture Capital outlay on Village and Small industries, Capital outlay on Non-ferrous Mining and Metallurgical Industries and Capital outlay on Information and Publicity –The savings of ₹ 401.07 crore were mainly on account of higher provision for new works, time consuming tender procedures, delay in preparation of estimates and non-allotment of land.
- Grant No.85-Major Head-4216-Capital Outlay on Housing- The savings of ₹ 64.42 crore were due to excessive provision in new works and non-receipt of the Administrative Approvals.
- Grant No.88-Major Head-5053-Capital Outlay on Civil Aviation- The savings of ₹ 3.90 crore were due to non-requirement of funds for development of airline strip at Ankleshwar, Amreli, Mehsana and Kutch.

Social Justice and Empowerment Department

- Grant No.92-Major Head-2225&2235–Welfare of SC, ST and OBC & Social Security and Welfare- The savings of ₹ 27.40 crore were due to less applicants under various schemes.
- Grant No.93-Major Head-4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes-The savings of ₹ 10.51 crore were due to provision made for completed construction works of hostels and residential schools.

Sports, Youth and Cultural Activities Department

- Grant No.97-Major Head-2251- Secretariat-Social Services- The savings of ₹ 0.55 crore were due to non-filling up of the vacant posts of various category of class I to class III cadres.
- Grant No.98-Major Head-2205-Arts and Culture- The savings of ₹ 6.91 crore were due to non-organisation of cultural activities, ₹ 3.14 crore was saved from provision for development of museums due to delay in approvals.

Urban Development and urban Housing Department

- Grant No.100-Major Head-2251- Secretariat-Social Services- The savings of ₹ 1.15 crore were due to non-filling up of the vacant posts.

Women and Child Development Department

- Grant No.105-Major Head-2251- Secretariat-Social Services- The savings of ₹ 0.70 crore were due to less demand made for the purchase of computers/hardware by the Departments.
- Grant No.106-Major Head-2235 and 2236- Social security and welfare, nutrition – The savings of ₹ 19.93 crore were due to less beneficiaries under Balika Smrudhhi Yojana and Indira Gandhi Matrutwa Sahyog Yojana. Further, ₹ 2.92 crore was saved due to non-conducting of training and awareness programmes for women.

From the reasons furnished by the various Departments, Audit noticed that savings due to non-filling up of the vacant posts contributes one of the major components. Savings of ₹ 330.16 crore in 46 grants were attributed to this reason.

2.3.2 Persistent Savings

In ten 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 2008-09 to 2012-13.

(₹ in crore)

Sr. No.	No. and name of the grant	Amount of savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue- Voted						
1	19- Other Expenditure pertaining to Finance Department	1,988.87	1,491.49	951.78	2,224.81	3,535.42
2	49-Industries	83.89	13.77	117.65	46.64	110.35
3	60 -Administration of Justice	15.46	18.80	315.77	160.50	175.16
4	71 - Rural Housing and Rural Development	23.76	29.48	142.25	116.08	191.81
5	85 - Residential Buildings	13.49	24.77	21.02	28.46	30.90
6	95-Special Component Plan For Scheduled Castes	85.11	148.10	88.72	50.72	143.72
7	98 -Youth Services and Cultural Activities	22.16	37.53	22.21	14.50	29.03
Capital- Voted						
1	84-Non-Residential Buildings	252.61	249.33	295.22	501.70	294.39
2	95 - Special Component Plan For Scheduled Castes	41.21	23.52	32.94	266.60	153.07
3	96 -Tribal Area Sub-Plan	79.44	85.95	199.92	31.78	19.07

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. On the test check of grant files, Audit further observed that there were savings of more than ₹ five crore consistently for the last three years in respect of 44 schemes under 25 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 being implemented by Agriculture Department, ₹ 55.38 crore were provided but only ₹ 5.67 crore could be spent. Reasons attributed for savings were release of lesser amount by GoI for this centrally sponsored scheme during 2010-11 and 2012-13 and non-filling up of vacant posts during 2011-12.
2. Under the scheme of Construction of Polytechnics under PPP mode for Education Department, ₹ 50.00 crore was provided for but only ₹ three crore could be spent. No expenditure was incurred during 2010-12 due to procedural and administrative delay. During 2012-13, 70 per cent of the provision was not utilised due to non-commencement of construction work.
3. Under the scheme of 'Coastal Security' for Home Department, ₹ 32.78 crore were provided but only ₹ 5.08 crore could be spent. Non finalisation of purchases of equipment, machinery during 2010-11, less expenditure on maintenance during 2011-12 and more grant allocation than requirement during 2012-13 were attributed for savings.
4. For the purpose of assistance for research and training in Industries and Mines Department, ₹ 98.93 crore was granted, but due to non-receipt of proposals during the period 2010-13 there were savings of ₹ 85.96 crore.
5. For the purpose of improvement on Justice in Legal Department, ₹ 179.80 crore was provided, of which savings were ₹ 167.56 crore due to delay in formulation of action plan and state litigation policy during 2010-11, non-appointment of Court Manager for Evening/Morning Courts during 2011-12, non-construction of new court building for Gujarat State Judicial Academy and lack of time for imparting training to judicial officers during 2012-13.
6. Out of the provision of ₹ 122.41 crore towards survey and investigation in Irrigation Department, ₹ 90.10 crore could not be spent due to non-commencement of Kalpsar project and Bhadbhoot barrage during 2010-12 and non-payment of Second instalment during 2012-13.
7. Out of the provision of ₹ 238.12 crore towards Drip Contribution of Pressurised Irrigation Network System in Irrigation Department, ₹ 188.90 crore could not be spent due to non-receipt of demand for works from villages during 2010-11 and 2012-13.
8. Out of the provision of ₹ 322.81 crore towards 'Strengthening of Revenue Administration and updating of Land Records' in Revenue Department, ₹ 251.01 crore could not be spent due to non-finalisation of purchase

procedure for modern record room and also due to delay in finalisation of the tender for re-survey works.

9. Out of the total provision of ₹ 1,394.85 crore towards office buildings in R&B Department, ₹ 708.82 crore could not be spent due to huge provisions made for new works, non-receipt of administrative approval from concerned Department and tender procedure during 2010-13.
10. In respect of Scheme for Roads and Bridges under R&B Department, out of the provisions of ₹ 1,474.53 crore, ₹ 880.30 crore could not be spent for which no reasons were furnished during 2010-13.

2.3.3 Expenditure without Provision

As per Paragraph 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 ₹ 132.32 crore were incurred during 2012-13 in four cases under two grants without any provision in the original estimates/supplementary demand as given in **Table 2.4**.

Table 2.4: Statement of Expenditure without Provision

(₹ in crore)

Sr. No.	Grant No.	Major Head and details of the Grant/ Appropriation	Expenditure	Reasons
1	96	2236-02-796C- 01 NTR-Introduction of Integrated Child Development Service Scheme GIA to Panchayats (Pay & allowances)	98.88	Reasons for incurring expenditure without provision of funds were not intimated (August 2013).
2	96	2236-02-796C- 02 NTR-Introduction of Integrated Child Development Service Scheme GIA to Panchayats (Materials)	31.93	
3	96	2236-02-796C-09 Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA) GIA to Panchayats (Others)	1.37	
4	98	2205-00-800-09ART-21 Celebration of Golden Jubilee year of Formation of Gujarat	0.14	To pay the bill of celebration of Golden Jubilee year of formation of Gujarat State.
Total			132.32	

Source: Appropriation Accounts and Appropriation Act of the State Government

2.3.4 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 ₹ 12,555.87 crore for the years 1999-2000 to 2011-12 was yet to be regularised, as detailed in **Appendix 2.3**.

2.3.5 Excess over provisions during 2012-13 requiring regularisation

Table 2.5 contains the summary of total excess over provision of funds in respect of ten grants/appropriations amounting to ₹ 247.59 crore during 2012-13 requiring regularisation under Article 205 of the Constitution.

Table 2.5: Excess over provisions requiring regularisation during 2012-13

(₹ in crore)

Sr. No	Number and Title of Grants	Total grant	Expenditure	Excess
1	9 Education - Revenue Voted	13,932.24	14,081.33	149.09
2	12 Tax collection charges - Revenue Voted	16.14	16.14	0.00 ²
3	18 Pensions and other retirement benefits - Revenue Voted	5,255.18	5,270.18	15.00
4	26 Forest - Revenue Charged	0.19	0.24	0.05
5	26 Forest - Capital Voted	249.59	251.70	2.11
6	73 Other expenditure pertaining to Panchayats, Rural Housing and Rural Development Department - Revenue Voted	516.19	597.08	80.89
7	81 Compensation and Assignments - Capital Charged	0.02	0.04	0.02
8	86 Road and Bridges - Revenue Charged	2.34	2.35	0.01
9	88 Other expenditure pertaining to Roads and Buildings Department - Revenue Voted	16.61	17.02	0.41
10	88 Other expenditure pertaining to Roads and Buildings Department - Revenue Charged	11.50	11.51	0.01
Total		20,000.00	20,247.59	247.59

Source : Appropriation Accounts of the State Government

In Grant No.9, excess was due to payment of arrears and retirement benefits, increase in Dearness Allowances, Leave Travel Concession claims, filling of the vacant posts and receipt of more funds from GoI.

In Grant No.18, excess was mainly due to payment for medical facilities, commuted value of pension, family pension, gratuities payable to pensioners and State Government Contribution Pension Scheme as these expenses are of fluctuating nature.

In Grant No.26 (Capital voted) excess was due to increase in daily wages rates, additional plantation, creation of new Clone Seedling Production Centres and payment of consultancy charges.

In Grant No.73, excess was due to increase in number of family pensioners and temporary expenses.

Reasons for excess in other cases have not been intimated (August 2013).

2.3.6 Persistent Excess

On the test check of grant files, Audit further observed that there was excess expenditure over provision of more than ₹ two crore consistently for the last three years in respect of 19 schemes under 10 different grants (**Appendix 2.4**) indicating that budgetary estimates were not reviewed properly resulting in

² ₹ 40,464

either the provisions being insufficient or the executive not successful in planning according to the legislative aspirations. Some cases of the excess under different schemes/purposes are briefly discussed below:

1. Out of the provision of ₹ 264 crore towards maintenance and repairs in Irrigation Department, ₹ 311.98 crore were spent on payment of electricity bills of pumping stations during the period 2010-13. The amount of advance payments made for the electricity charges were more than the monthly average expenditure on electricity charges. The system followed in assessment of advance payments for each pumping station needs to be reviewed.
2. Under the scheme of Original works being done by the R&B Department, ₹ 2,803.05 crore were provided but ₹ 3,284.18 crore were spent during 2010-13. Reasons for excess expenditure during each year were attributed to good progress in state highway works and completion of works by target date.
3. Under the scheme of Special provision for Roads & Bridges under tribal Area Sub Plan for R&B Department, ₹ 87.60 crore was provided for but ₹ 184.13 crore was spent during 2010-13. More demand from tribal district offices and state planning were reasons for excess expenditure during 2010-13.
4. For the Promotional Efforts for Industrial Development (Plan) in Industries and Mines Department, ₹ 131.74 crore was granted, but there was excess expenditure of ₹ 54.45 crore during 2010-13. In 2010-11, the expenditure was excess by ₹ 47.26 crore for construction of Mahatma Mandir, in 2011-12 it was excess by ₹ 2.19 crore for conducting more seminars and workshops and in 2012-13 it was excess by ₹ 5 crore on account of more proposals received by Udyog Bhavan society.

2.3.7 Supplementary provision

A supplementary provision is an addition to the total original authorised provision and is obtained in the same manner in which the original provision is obtained.

2.3.7.1 Unnecessary/Excessive supplementary provision

Supplementary provisions (₹ one crore or more in each case) aggregating to ₹ 489.40 crore made and obtained on the basis of eight months actual expenditure in 19 cases during the year proved unnecessary. The expenditure incurred did not come up even to the levels of the original provision as detailed in **Appendix 2.5**. Some cases are briefly discussed below:

- 1) In case of the Home Department, the supplementary provision of ₹ 62.57 crore under Grant No-43 –Police (Revenue Voted) was made due to increase in Pay and Allowances, pending bills and purchase of vehicles for the VVIP arrangements. However, at the end of the year, the expenditure fell short of original provision of ₹ 2,744.98 crore by ₹ 201.33 crore.
- 2) In case of the Social Justice and Welfare Department, the supplementary provision of ₹ 49.29 crore under Grant No-92 –Social Security and

Welfare (Revenue Voted) was made on cash assistance under different schemes. However, at the end of the year, there were savings of ₹ 2.04 crore from the original provision of ₹ 784.76 crore.

- 3) In case of the Tribal Development Department, the supplementary provision of ₹ 213.72 crore under Grant No-96 –Tribal Area Sub-Plan (Revenue Voted) was made. The supplementary provision was to be spent on Pay and Allowances, beneficiaries under Sardar Patel Awas Yojana and recoupment of expenses made from contingency fund. However, at the end of the year, there was saving of ₹ 97.54 crore from original provision of ₹ 4,171.42 crore.

It can be observed from the above cases that the estimation of requirement of funds by the Departments need to be strengthened and the basis for supplementary provisions needs to be reviewed.

2.3.7.2 Inadequate supplementary provision

In three cases, supplementary provisions of ₹ 1,475.80 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 244.98 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	Supplement-ary Provision	Total Provision	Expend-iture	Excess
1	9	Education - Revenue Voted	12,856.32	1,075.92	13,932.24	14,081.33	149.09
2	18	Pension and Other Retirement Benefit - Revenue Voted	4,896.17	359.02	5,255.18	5,270.18	15.00
3	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department - Revenue Voted	475.33	40.86	516.19	597.08	80.89
Total			18,227.82	1,475.80	19,703.61	19,948.59	244.98

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 many cases in view of final excesses and savings over the grants. Instances where re-appropriation of more than ₹ one crore in each case proved excessive or unnecessary by more than ₹ one crore resulting in savings of ₹ 159.23 crore in 26 sub-heads and excesses of ₹ 772.79 crore in 28 sub-heads are detailed in **Appendix 2.6**.

2.3.9 Surrenders of unspent provisions

As per Paragraph 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.

2.3.9.1 Substantial surrenders

Substantial surrenders (more than 50 *per cent* of the total provision or more than ₹ one crore) were made in respect of 645 sub-heads under 88 grants mainly on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 25,249.93 crore in these sub-heads, ₹ 8,066.22 crore (31.95 *per cent*) was surrendered, which included cent *per cent* surrender in 234 cases (₹ 1,406.23 crore). The details of selected top 17 cases where cent *per cent* surrenders were done are given in **Appendix 2.7**.

2.3.9.2 Surrender in excess of actual saving

In 19 cases, the amounts surrendered (₹ one crore or more in each case) were in excess of the actual savings, indicating inadequate budgetary control in these Departments. As against savings of ₹ 4,745.07 crore, the amount surrendered was ₹ 4,983.45 crore, resulting in excess surrender of ₹ 238.38 crore. Details are given in **Appendix 2.8**. Some cases are briefly discussed below:

In Grant No 13, ₹ 223.86 crore was surrendered due to change in investment of equity pattern in BECL³ for Ghogha Power Project, reduction in revised estimates for loans to GETCO⁴ for Gujarat Solar Power Transmission Project along with less sanctions received from the GoI for the same and time consumption in development activities relating to implementation of Tidal Wave Based Power Project with GPCL⁵. However, the year ended with savings of ₹ 186.22 crore and resulted in excess surrender of ₹ 37.64 crore.

In Grant No.20, ₹ 64.64 crore was surrendered. It included ₹ 63.14 crore interest payable on GoI loans which were written off on recommendation of ThFC, ₹ one crore as no ways and means advances were obtained during the year and ₹ 0.50 crore due to less past period/current year claims from investors. However, the year ended with savings of ₹ 1.18 crore and resulted in excess surrender of ₹ 63.46 crore.

In Grant No.65, ₹ 97.96 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 savings of ₹ 56.33 crore and resulted in excess surrender of ₹ 41.63 crore.

In Grant No.96, ₹ 58.29 crore were surrendered which included ₹ 20.16 crore by the R&B Department due to non-receipt of administrative approval and savings under different tenders, ₹ 2.17 crore by the Women and Child Welfare Department due to non-payment of subsidiary charges like water charges, gas

³ Bhavnagar Electricity Company Limited

⁴ Gujarat Energy Transmission Corporation Limited

⁵ Gujarat Power Corporation Limited

connection, electrical fittings, etc. after construction works and ₹ 7.26 crore by the Forest Department due to non-requirement of purchase of vehicle and non/delay in approval of certain activities under Gujarat Development project under Japan Bank for International Co-operation (JBIC), Japan. However, the year ended with savings of ₹ 19.07 crore and resulted in excess surrender of ₹ 39.22 crore.

2.3.9.3 Savings not surrendered

At the close of the year 2012-13, there were seven grants/appropriations under which savings exceeded 10 *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 ₹ 34.50 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)

Sr. No.	Grant No.	Name of Grant/Appropriation	Total provision	Saving	Percentage
1	39	Medical and Public health - Revenue Charged	0.01 ⁶	0.01 ⁷	87.14
2	42	Home Department - Revenue Voted	13.93	1.75	12.56
3	66	Irrigation and Soil Conservation - Revenue Charged	0.86	0.43	50.00
4	84	Non Residential buildings - Revenue Charged	0.92	0.38	41.30
5	85	Residential buildings - Revenue Voted	163.47	30.90	18.90
6	96	Tribal Area Sub-Plan - Revenue Charged	7.95	0.81	10.19
7	96	Tribal Area Sub-Plan– Capital Charged	1.48	0.22	14.86
TOTAL			188.62	34.50	18.29

(₹ in crore)

Source: Appropriation Accounts of the State Government

Similarly, out of the total savings of ₹ 1,276.15 crore under 27 grants/appropriations (saving of more than ₹ one crore and more than 10 *per cent* of the provision not surrendered), grants aggregating ₹ 709.80 crore were not surrendered, details of which are given in **Appendix 2.9**.

2.3.10 Rush of expenditure

According to paragraph 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 2013. In respect of 32 Major Heads listed in **Table 2.8** expenditure exceeded ₹ 10 crore and more than 50 *per cent* expenditure was incurred either during the last quarter or during the last month of the financial year.

⁶ ₹ 70,000

⁷ ₹ 61,000

Table 2.8: Cases of Rush of Expenditure towards the end of the financial year 2012-13
(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of 2013		Expenditure during March 2013	
			Amount	Percentage of Total Expenditure	Amount	Percentage of Total Expenditure
1	2015	209.28	117.42	56.11	79.70	38.08
2	2052	168.00	89.12	53.05	50.16	29.86
3	2075	21.46	12.76	59.46	11.73	54.66
4	2204	141.19	76.12	53.91	39.55	28.01
5	2245	776.49	487.52	62.79	68.37	8.81
6	2405	95.22	63.24	66.41	53.48	56.16
7	2408	68.92	45.89	66.58	28.35	41.13
8	2425	246.59	137.47	55.75	96.22	39.02
9	2505	326.45	191.15	58.55	185.97	56.97
10	2711	45.43	25.64	56.44	20.22	44.51
11	2851	534.10	275.12	51.51	250.89	46.97
12	2852	431.22	250.18	58.02	205.87	47.74
13	2853	65.98	37.80	57.29	24.91	37.75
14	3452	18.79	10.47	55.72	9.16	48.75
15	3454	59.38	47.39	79.81	44.00	74.10
16	3604	163.42	89.66	54.86	73.01	44.68
17	4055	308.20	174.77	56.71	145.11	47.08
18	4059	396.19	205.46	51.86	123.93	31.28
19	4210	1,254.53	633.32	50.48	605.45	48.26
20	4215	1,334.14	676.93	50.74	641.25	48.06
21	4236	567.64	284.04	50.04	178.77	31.49
22	4250	234.93	150.19	63.93	79.21	33.72
23	4408	12.60	12.50	99.21	12.33	97.86
24	4435	16.99	14.41	84.81	10.17	59.86
25	4515	974.94	767.12	78.68	586.35	60.14
26	4856	500.00	500.00	100.00	500.00	100.00
27	5053	47.37	30.34	64.05	29.78	62.87
28	5425	30.00	30.00	100.00	30.00	100.00
29	5465	600.00	600.00	100.00	600.00	100.00
30	6225	21.07	12.96	61.51	5.71	27.10
31	6858	207.20	207.20	100.00	207.20	100.00
32	7615	42.56	41.24	96.90	12.39	29.11
Total		9,920.28	6,297.43	63.48	5,009.24	50.50

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

In case of Major Head 5465 and 4856 the expenditure of ₹ 600.00 crore and ₹ 500.00 crore incurred during March 2013, was related to investment in general financial institutions and Gujarat State Petrochemicals Company Limited respectively. In case of Major Head 6858, loans and advances of ₹ 207.20 crore were given for the implementation of mega project and also to Alcock Ashdown during March 2013. In case of Major Head 4515, an expenditure of ₹ 586.35 crore was booked under other expenditure relating to community development and tribal area sub plan for capital outlay on other rural development programme.

A test check of vouchers from monthly accounts of 18 Public Works Divisions revealed that ₹ 8.56 crore was booked under 17 Major Heads⁸ in respect of advance payments made through Form 28 hand receipts during the month of March 2013 for Deposit Works. The details are in **Appendix 2.10**. These divisions had made 30.98 *per cent* of their annual total expenditure during the month of March 2013. The payments through hand receipts were made for carrying out electrical installation work, special repairs to buildings, earth works, procurement, etc. This shows that the Divisions were incurring huge expenditure through hand receipts at the end of the financial year. Audit observed that Irrigation Division, Amreli has transferred ₹ 1.36 crore to Irrigation Mechanical Division-6, Rajkot. Similarly, City R&B Division, Rajkot transferred ₹ 1.09 crore to Electrical R&B Division, Rajkot and Capital Project Division-4, Gandhinagar transferred ₹ 1.02 crore to Capital Project Electrical Division, Gandhinagar. The expenditure carried out from this amount was credited to deposit head of account during 2013-14 and would be without Legislative approval.

During 2012-13, in respect of five units under the Revenue Department, Audit observed that funds were transferred to PLA and no expenditure was done for a period of 12 to 40 months. The details are in **Appendix 2.11**.

2.4 Review of Budget Control Mechanism

The Gujarat Budget Manual (manual) provides that the authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing the estimates 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, Audit test checked records of the administrative department/controlling officers relating to Grant No. 39 (Medical and Public Health) and Grant No. 86 (Roads and Bridges). The observations thereof are as follows:

2.4.1 Submission of Budget estimates

As per the manual⁹ 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 of the State Government, the controlling officers (COs) should submit the budget estimates to their Administrative Department by 30 September and the Administrative Department should submit their budget estimate to the Finance Department by 15 October every year.

The delays in submission of the budget estimates for the year 2012-13 are shown in **Table 2.9**.

⁸ 2049, 2059, 2075, 2216, 2245, 2251, 2700, 2701, 3054, 4059, 4202, 4216, 4217, 4700, 4701, 4702, 4711

⁹ Chapter XI, Paragraph 93

Table 2.9: 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	
Health and Family Welfare Department										
1	7 Head of Departments ¹⁰	11/10/2011 to 14/12/2011	10/10/2011 to 17/10/2011	Dates not furnished	Dates not furnished	11 to 75	10 to 17	Not furnished		
Roads and Buildings Department										
2	All 18 nos. of COs-Superintending Engineers, R&B Department	05/11/2011 to 09/11/2011	03/10/2011 to 05/10/2011	15/11/2011 to 20/11/2011	11/10/2011 to 15/10/2011	36 to 40	3 to 5	30 to 35	0	

Source: Health & Family Welfare Department, Road and Buildings Department of the State Government

Audit observed that the time schedule was not adhered to either by the COs or by the Administrative Departments except Road and Buildings Department for Non-Plan expenditure. 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-39 Medical and Public Health (Health and Family Welfare Department)

The Department of Health & Family Welfare, Government of Gujarat (GoG) is responsible to create wide network of health and medical care facilities in the state to provide primary, secondary and tertiary health care at the door step of every citizen of Gujarat with prime focus on BPL families, marginalised population and weaker sections in rural and urban slum areas. The Department has also to take appropriate actions for reducing Maternal and Child Mortality, reducing mortality and morbidity due to major communicable and non-communicable diseases, providing emergency medical care during calamities, creating adequate infrastructure for medical and paramedical education, creating awareness on self-care, family care and community care.

The budgetary procedures followed and the expenditure controls exercised during the years 2010-13 by the Department in respect of the grant of Medical and Public Health were reviewed. The Secretary Public Health is assisted by seven¹¹ Head of Department (HoD) in preparation of Budget Estimates. The purchase of medicines and equipment is done for the Department through Gujarat Medical Services Corporation Limited (GMSCL). The construction activity for new projects of the Department is done by various HoDs through Project Implementation Unit (PIU), Gandhinagar.

¹⁰ Medical Services, Medical Education, Public Health, Homeopathy, Food and Drugs Control, Employees State Insurance Scheme, Gujarat Medical Services Corporation Ltd.

¹¹ Medical Services, Medical Education, Public Health, Homeopathy, Food and Drugs Control, Employees State Insurance Scheme, Gujarat Medical Services Corporation Limited.

Table 2.10: Budget and Expenditure

(₹ in crore)

Year	Voted/Charged	Budget Provision			Expenditure	Unutilised provision (percentage)
		Original	Supplementary	Total		
Revenue						
2010-11	Voted	1,666.28	308.11	1,974.39	1,923.90	50.49 (2.56)
2011-12	Voted	1,991.91	78.92	2,070.83	1,989.49	81.34(3.93)
2012-13	Voted	2,320.62	359.89	2,680.51	2,585.98	94.53(3.53)
Capital						
2010-11	Charged	0	1.13	1.13	0.60	0.53(46.90)
2011-12	Charged	0	0.03	0.03	0.01	0.02(66.67)
2012-13	Charged	0	0.01	0.01	0.00 ¹²	0.01(87.14)
Capital						
2010-11	Voted	473.57	2.00	475.57	397.67	77.90(16.38)
2011-12	Voted	457.68	24.88	482.56	465.25	17.31(3.59)
2012-13	Voted	1,015.53	0.00	1,015.53	1,008.06	7.47(0.74)

Source: Appropriation Accounts of the State Government

The unutilised provision under Revenue Voted Section has increased marginally from 2.56 per cent in 2010-11 to 3.53 per cent during 2012-13, while it went up from 46.90 to 87.14 per cent under Revenue Charged Section and reduced appreciably from 16.38 to 0.74 per cent under Capital Voted Section, during the same period.

The provision under Revenue Section comprises plan and non-plan components. The non-plan components mainly comprise the salary and administrative expenditure of the Department. The plan component comprises expenditure on implementation of various programmes.

The breakup of provision/ expenditure against **plan/non-plan** during the years 2010-13 are given in **Table 2.11** and **2.12**.

Table 2.11: Deviation in Revenue Expenditure

Revenue		Major Head 2210				(₹ in crore)	
Year	Budget (including supplementary)		Expenditure		Deviation percentage		
	Non plan	Plan	Non plan	Plan	Non plan	Plan	
2010-11	1,053.07	922.45	1,039.87	884.63	1.25	4.10	
2011-12	1,243.50	827.36	1,217.89	771.61	2.06	6.74	
2012-13	1,407.68	1,272.84	1,380.13	1,205.85	1.96	5.26	

Source: Appropriation Accounts of the State Government

The percentage of deviation (unutilised provision) has increased from 1.25 in 2010-11 to 1.96 in 2012-13 in case of non-plan expenditure and increased from 4.10 to 5.26 per cent during the same period for plan expenditure.

Table 2.12: Deviation in Capital Expenditure

Capital		Major Head 4210/4216		(₹ in crore)		
Year	Budget (including supplementary)		Expenditure		Deviation percentage	
	Plan		Plan		Plan	
2010-11	475.57		397.67		16.38	
2011-12	482.56		465.25		3.59	
2012-13	1,015.53		1,008.06		0.74	

Source: Appropriation Accounts of the State Government

¹² ₹ 9,300

The percentage deviation (unutilised provision) varied between 0.74 and 16.38 per cent during 2010-13.

Unrealistic Estimates

As per Paragraph 30 of the Gujarat Budget Manual the budget estimates should be framed after careful and thorough consideration of all items of expenditure so that they neither be inflated nor pitched. Audit observed that the estimate for the Community Health Centres for 2012-13 were framed without careful consideration in respect of items detailed below in **Table 2.13**.

Table: 2.13 Unrealistic Estimates

Head of Account	(₹ in crore)				
	O ¹³	S ¹⁴	R ¹⁵	AE ¹⁶	Saving
HLT-31 Community Health Centres (2210-03-104-01)	86.09	1.83	0.00	81.11	(-) 6.81

Source: Appropriation Accounts of the State Government

In the above case there was original provision which was increased by the supplementary demand based on actual of eight months along with re-appropriations to meet increase in rate of various allowances, payment of arrears and office expenses. However, the year ended with savings of ₹ 6.81 crore indicating improper supplementary demand.

Persistent Excess over the provision during 2010-13

As per Paragraph 108 chapter XV of the Gujarat Budget Manual, incurring excess expenditure is irregular and ordinarily it should be incurred only in the circumstances beyond the control of the Government so that rare cases of excess expenditure should occur.

In case of Directorate of Ayurved, there is persistent excess over budget provisions in spite of supplementary demand during the years 2010-13 in case mentioned in **Table 2.14** which reflects the consistently improper control of administrative department over incurring of expenditure out of budget provision.

Table 2.14: Persistent Excess over the provision

Year	Head of Account	(₹ in crore)			
		O + S	R	AE	Excess
2010-11	2210-02-101-01	1.99 + 0.67	0	2.93	0.27
2011-12	HLT-20 Directorate	2.52 + 0.29	0	3.67	0.86
2012-13	of Ayurved	2.66 + 0.38	0.33	3.50	0.13

Source: Appropriation Accounts of the State Government

During 2012-13, the Department stated that the excess was due to increase in rates of various allowances, payment of arrears and office expenses. No reason has, however, been furnished for other periods.

Unnecessary/Inadequate re-appropriations

The Department has made re-appropriation, inadequately or in excess of requirements during the period 2010-13 as detailed in **Table 2.15**.

¹³ O - Original Grant

¹⁴ S - Supplementary

¹⁵ R - Re appropriations

¹⁶ AE - Actual Expenditure

Table 2.15: Unnecessary re-appropriation/excess re-appropriation

(₹ in crore)					
Head of Account	Year	O + S	R	AE	Saving
HLT-11 Directorate of Medical Education and Research 13th Finance Commission-NABH/NABL 2210 01 001 02	2010-11	285.32	14.23	293.15	6.40
	2011-12	173.81	(-) 15.46	154.40	3.95
	2012-13	245.52	(-) 35.87	208.81	0.84
HLT-21 Medical Relief New Ayurvedic Hospital & Expansion of Ayurvedic Hospital. 2210 02 101 04	2010-11	6.87 + 3.69	(-) 1.68	8.60	0.28
	2011-12	8.65	(-)1.65	6.31	0.69
	2012-13	11.07	(-) 3.96	6.40	0.71
HLT-22 Medical Relief Ayurved Dispensaries in Rural areas 2210 04 101 01	2010-11	8.91 + 6.38	(-) 0.5	14.40	0.39
	2011-12	17.52	(-)2.38	13.65	1.49
	2012-13	19.77	(-) 4.37	15.07	0.33
HLT-18 Opening of New Homeopathy Dispensary in Rural Area 2210 04 102 01	2010-11	1.53	(-) 0.08	1.25	0.20
	2011-12	2.28	1.35	3.39	0.24
	2012-13	8.01	(-) 1.40	6.54	0.07
HLT-45 Food & Drug Control Administration 2210 06 104 01	2010-11	6.22	(-) 0.12	5.47	0.63
	2011-12	6.71	(-) 1.35	5.22	0.14
	2012-13	8.76	(-) 1.31	7.29	0.16
HLT-9 Expansion of M.P Shah Medical College, Jamnagar 2210 05 105 01	2010-11	19.44 + 8.16	(-)1.12	26.36	0.12
	2011-12	26.27 + 5.29	(-) 2.00	28.34	1.22
	2012-13	27.56 + 10.43	(-) 2.93	34.39	0.67

Source: Appropriation Accounts of the State Government

The re-appropriations were made due to non-filling up of vacancies. Persistent provisions for the vacant posts and non-filling up of the same needs to be reviewed.

Parking of grant:

The budget estimates for the year 2012-13 proposed to introduce and implement various programmes/schemes/new items. The status of a few items that Audit test checked was as follows:

- The State Health Society, Gujarat (SHSG) at Gandhinagar was set up under Gujarat State Health Mission in the year 2005 to serve in an additional managerial and technical capacity to the Department of Health & Family Welfare, Government of Gujarat for the implementation of National Rural Health Mission (NRHM) in the State. In case of provision under Major Head 2210 during the year 2012-13, SHSG was given grant-in-aid of ₹ 6.65 crore under National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Disease and Stroke (NPCDCS) and National Programme for Health Care Elderly (NPHCE) to implement it in various Districts. From the accounts of SHSG, it was observed that the allocation during 2012-13 for the above schemes was in excess of requirement as follows:

Table 2.16: Excess requirement

(₹ in crore)

Scheme	Opening Balance as on 1 st April 2012	Amount Received	Expenditure	Closing Balance as on 31 st March 2013
Cancer Component	3.70	1.02	1.25	3.47
D.C.S component	8.20	2.08	2.41	7.87
NPHCE	2.52	3.58	1.03	5.07
Total	14.42	6.68	4.69	16.41

Source: Health and Family Welfare Department of the State Government

Thus, the balance amount with SHSG was not properly assessed during budget estimates as the expenditure of ₹ 4.69 crore incurred in the year was not even on par with opening balance.

- The Government decided to establish Hospitals with medical colleges and administer them through a society in August 2009. In this connection, the Gujarat Medical Education Research Society (GMERS) was constituted for carrying out work to provide service and construction work for five self finance Medical Colleges in Gujarat State. During the year 2012-13, ₹ 467.50 crore were given as grant-in-aid to GMERS for the purpose of salary, construction, equipment and recruitment of staff. The details of utilisation certificate and unutilised funds were not furnished to Audit. It was also observed that statutory auditor for period 2011-12 was appointed late in March 2013 and no steps were taken to audit the accounts for 2012-13 till date. Audit brought this to the notice of the concerned HoD, but no reply has been received till date.
- The Central Medical Stores Organisation (CMSO) was established in 1978 to procure, store, distribute medicines, surgical goods, equipment, instrument and insecticides for health institutions under the State Government. In July 2012, Government resolved to establish GSMCL and transferred the activities of CMSO to GSMCL. Capital outlay of ₹ 3.44 crore was sanctioned by the Department for purchase of equipment and furniture for various Civil Hospitals in the State on 30th March 2013 along with instruction to transfer the amount to Gujarat State Finance Services Ltd (GSFS), Ahmedabad, a corporation which provides treasury management services to GoG. As the grant was sanctioned on last working day of the financial year, the purchase procedures by inviting tender within the financial year was not possible, therefore, the Government decided to park the funds with the GSFS. The utilisation of funds have not been furnished (September 2013).
- Under primary health Sagar Khedu Yojana, it was provisioned for seven mobile Health Care Units for coastal areas under NABARD Project at the cost of ₹ 1.15 crore in budget estimates 2012-13. These mobile units were not purchased despite getting administrative approval in April 2012. The Director, Public Health stated (September 2013) that the approval for entering into Memorandum of Understanding (MoU) with GVK EMRI (108 emergency services provider) was not given by the State Government. So the amount was transferred to State Health Society on 30th March 2013. The approval for MoU was received on 25 July 2013 and the adherence to purchase procedures was in progress. The delay had deprived the intended beneficiaries the services for this period.

- Under Epidemic Control Programme, ₹ 2.66 crore for purchasing medicines and equipment, ₹ 1.93 crore for Tissue Culture Vaccine were transferred to SHSG during the year 2012-13. Under National Programme for Control of Blindness (NPCB), for procurement of ophthalmic equipments at District and Sub-district Hospitals ₹ 1.95 crore was transferred to SHSG in March 2013. These funds could not be utilised by the year end (2012-13). SHSG has sent a proposal for extension of time limit for utilising the grant (September 2013).

Non filling of posts

In the budget for the year 2012-13, there was provision for filling up of the vacant posts in various hospitals and institutions under the Department. Audit scrutiny revealed that the grants remained under utilised as the vacant/new posts could not be filled up during the year.

- Provision was made under Civil Hospital Administration (Medical) to provide manpower to various hospitals, Financial Assistance to Gujarat Foundation for Mental Health and Allied Sciences and creation of manpower for Breast Cancer Treatment Programme. Against provision of ₹ 118.76 crore, there was saving of ₹ 16.76 crore.
- Provision was made under the scheme Auxiliary Nurse Midwife and General Nursing to establish nine General Nursing School at various hospitals in the State. Against budget estimates of ₹ 3.49 crore, there was saving of ₹ 1.38 crore.
- Provision for additional Teaching, Nursing, Paramedical, Senior Resident Staff was made as per Medical Council of India norms at six Government Medical Colleges and Teaching Hospitals under Medical Education for P.G and U.G. course at Jamnagar, Vadodara, Ahmedabad, Surat, Bhavnagar and Rajkot. Out of total provision of ₹ 9.50 crore, ₹ 0.73 crore only was spent.

Receipt not credited to Government Account

As per Rule-7 under Chapter-2 of the General Finance Rule 2005 all moneys received by or on behalf of the Government shall be brought into the Government Account without delay, in accordance with such general or special rules as may be issued under Articles 150 and 283 (1) of the Constitution.

During scrutiny of Income and Expenditure Account (unaudited) for the year 2012-13 of the Project Implementation Unit (PIU)¹⁷, Gandhinagar, it was noticed that the indirect income of ₹ 6.38 crore on account of interest on mobilisation advances (₹ 5.58 crore), liquidated damages (₹ 0.49 crore), receipt and recovery (₹ 0.28 crore) and tender fees (₹ 0.03 crore) was received during the current year. It has also earned interest of ₹ 35.49 crore from investments in GSFS and others. The income and interest earned out of Government fund is required to be credited in the Government Account.

¹⁷ An organisation set up in July 2002 for the purpose of reconstruction works and reforms in the Department in earthquake affected districts and entrusted with the task to implement new items of work relating to the Department from 2006-07 onwards.

When Audit pointed this out, the Chief Engineer of PIU has stated (September 2013) that the receipt would be credited to the Government Account on completion of internal audit (September 2013). Further, it was also observed that the accounts of the PIU were not audited since 2009-10.

The State Government should put in place a mechanism so that bodies/authorities which receive grants should credit the income/interest arising out of the same in Government Accounts immediately. Further, auditing of such bodies/authorities should be completed timely.

2.4.3 Review of Grant-86 Roads and Bridges (Roads and Buildings Department)

The main function of the R&B Department is to construct, maintain public works concerning to roads and Government buildings in the State, provide basic infrastructure throughout the State to meet with public demand as well as commercial and industrial demand. Further, the Department is also responsible to look after and liaison with the Government of India with regard to railways, telephones and civil aviation (State Owned Airports).

Deviation of Budget

The breakup of provision/ expenditure against plan / non plan during the years 2010-13 are given in **Table 2.17**.

Table 2.17: Deviation of Budget for Revenue Expenditure

(₹ in crore)

Year	Budget (including supplementary)		Expenditure		Deviation Percentage	
	Non Plan	Plan	Non Plan	Plan	Non plan	Plan
2010-11	1,193.17	879.81	1,232.44	854.08	-3.29	2.92
2011-12	1,206.68	969.39	1,223.13	962.58	-1.36	0.70
2012-13	1,575.83	1,064.50	1,575.39	1,064.34	0.03	0.02

Source: Appropriation Accounts of the State Government

The percentage of deviation (unutilised provision) in case of plan revenue expenditure has improved from 2.92 to 0.02 during 2010-13. Similarly, in the case of non-plan revenue expenditure, there was an excess utilisation of provision by 3.29 and 1.36 *per cent* during 2010-11 and 2011-12 respectively whereas there was only 0.03 *per cent* unutilised provision for 2012-13.

Table 2.18: Deviation of Budget for Capital Expenditure

(₹ in crore)

Year	Budget (including supplementary)		Expenditure		Deviation Percentage	
	Non Plan	Plan	Non Plan	Plan	Non plan	Plan
2010-11	152.44	1,222.70	128.83	1,145.91	15.49	6.28
2011-12	0.00	1,626.04	0.00	1,610.85	0.00	0.93
2012-13	0.00	2,050.14	0.00	2,047.94	0.00	0.11

Source: Appropriation Accounts of the State Government

The percentage of deviation (unutilised provision) in case of non-plan Capital expenditure was 15.49 *per cent* during the year 2010-11. In case of plan Capital expenditure during 2010-11, unutilised provision was 6.28 *per cent*. But, for the year 2011-12 and 2012-13 deviation percentages was less than one

per cent i.e. 0.93 and 0.11 for the corresponding years. Thus, the deviation percentage from budget estimates under this grant has improved significantly during 2011-12 and 2012-13.

Improper reconciliation

Scrutiny of appropriation accounts revealed that there was wide variation in the provision and actual expenditure under following heads of account shown in **Table 2.19**.

Table: 2.19 Improper Reconciliation

Head of Account	O	S	R /Su	Total Grant	A E	Excess(+)/ Saving(-)
3054-04-337-11-RBD-4 Road & Bridges	608.71	1,39.30	0.00	748.01	90.10	-657.91
3054-80-800-02-Thirteenth Finance Commission (CSS)	304.00	0.00	3.84	307.84	662.53	354.69

(₹ in crore)

Source: Appropriation Accounts of the State Government

In the first case Department stated as per IFMS¹⁸ the expenditure was correct and hence there was no major savings. In the second case it stated that the expenditure of ₹ 662.54 crore shown in the sub-head is due to misclassification of expenditure for which Department had submitted transfer entry, but AG (A&E) has not accepted it and the matter is under correspondence.

The reply is not acceptable as the Divisions carry reconciliation with manual records maintained by them and not the figures in IFMS. Further, as per Paragraph 101 of Chapter XIV of the Gujarat Budget Manual 1983, the consolidated accounts of the controlling officer have to be reconciled monthly/quarterly, depending upon the magnitude of transactions, with the accounts of the Accountant General. The object of this procedure is to ensure accuracy of departmental accounts to prevent misclassification and other errors in the accounts.

The existence of such irregularity despite monthly/quarterly reconciliation needs to be reviewed.

Persistent Savings

As per Paragraph 103 Chapter XV of the Gujarat Budget Manual watching the progress of expenditure against appropriations and careful assessment of the commitments/liabilities may help the controlling officers to know savings in the appropriations controlled by them.

Audit scrutiny of the Appropriation Accounts revealed persistent savings during 2010-13 under the heads of accounts detailed in **Table 2.20**

¹⁸ Integrated Financial Management System, which is used by treasuries and Secretariat to keep track of fund allocations.

Table 2.20: Persistent Savings

Head of Account	(₹ in crore)		
	2010-11	2011-12	2012-13
3054-80-052-01-Repair & Carriage	0.25	0.13	0.58
3054-80-052-02-New Supplies	2.08	0.30	0.05
3054-80-107-01-Railway Safety Works (CSS)	0.00 ¹⁹	0.02	0.73
3054-80-799-01-Stock	2.88	5.32	3.55
3054-80-800-02-Maintenance & Repairs	0.02	76.59	357.59
5054-01-337-11-RBD-1 Road & Bridges	0.02	0.02	0.01
5054-03-101-11-RBD-2(b) Original works	0.84	0.17	0.03

Source: Appropriation Accounts of the State Government

The Department has not furnished any reasons for these persistent savings (September 2013).

Persistent non-utilisation/less utilisation of provision

Audit scrutiny of Appropriation Accounts revealed persistent non-utilisation/less utilisation during 2010-13 under the heads of accounts as detailed in **Table 2.21**.

Table 2.21: Non-utilisation/less utilisation of provision

Year	Head of Account	(₹ in crore)				
		Original Grant	Re-app /Surrender	Actual Expenditure	Total Unutilised	Percentage
2010-11	5054-03-337-14 World Bank	0.50	(-)0.48	0.02	0.48	96.00
2011-12		65.37	(-)60.37	4.75	60.62	92.73
2012-13		90.00	(-)85.88	4.07	85.93	95.48
2010-11	5054-03-337-12 NABARD(CSS)	8.00	(-)3.45	4.38	3.62	45.25
2011-12		0.00	(+)0.36	0.00	0.36	100.00
2012-13		0.10	(-)0.05	0.05	0.05	50.00

Source: Appropriation Accounts of the State Government

- Under head of Account 5054-03-337-14 (World Bank) provision was made for capital outlay on Roads and bridges to be constructed from World Bank loans. Provision was made in budget and on the basis of expenditure incurred; claim was raised before World Bank for providing the loan. On the basis of terms and conditions for providing loans, World Bank sanctions loan against claims submitted. The Department has surrendered 92.73 to 96.00 *per cent* of grant consistently in last three years due to administrative reasons and non completion of tender procedure.
- Under head of Account 5054-03-337-12 (NABARD (CSS)) provision was made for capital outlay on Roads and bridges to be constructed from NABARD loans under Centrally Sponsored Scheme (CSS). The Department has surrendered the grant consistently in last three years ranging between 45.25 and 100 *per cent* resulting in non utilisation of provisions under the Centrally Sponsored Scheme. During 2010-11, the amount was surrendered due to non completion of tender procedure.

Unnecessary /excess re-appropriation

The Department made the re-appropriation unnecessarily or in excess of requirements during 2012-13 as detailed in **Table 2.22**.

¹⁹ ₹ 20,293

Table 2.22 Unnecessary re-appropriation/excess re appropriation

(₹ in crore)

Head of Account	Original Grant	Re-appropriations	Actual Expenditure	Saving	Savings out of re-appropriation
3054-80-001-02-Administration	28.14	1.16	26.81	2.49	1.16
3054-80-001-01-Direction	12.69	0.19	12.84	0.04	0.04

Source: Appropriation Accounts of the State Government

The Department replied (September 2013) that savings were minor and in respect of pay and allowances and office expenditure of staff.

However, Audit noticed that the re-appropriation of the grant was made only on the last working day of March 2013, when the Department was in a position to realistically estimate the actual funds required.

Huge balance in Personal Ledger Accounts (PLAs) and unnecessary allotment of grant

Verification of statement of grant-in-aid and expenditure details for the year 2012-13 revealed that there were large opening balances in the Personal Ledger Accounts (PLAs) of the divisions under the control of Superintending Engineer, Panchyat (R&B) Circle, Gandhinagar. In spite of this, grant was allotted during the year which resulted in huge closing balances as detailed in **Table 2.23**, with expenditure during the year not even reaching to level of opening balances.

Table 2.23 Unnecessary allotment of Grant-in-aid

(₹ in crore)

Sl. No	Name of division	Opening Balance as on 01/04/2012	Allotment up to 31/03/2013	Total	Expenditure up to March 31/03/2013	Excess Saving 31/03/2013
Major Head 3054 Road & Bridges 80 General M&R to Road – 800 Other Expenditure S.R						
1	Kutch	22.42	3.46	25.88	21.92	3.96
2	Gadhinar	5.00	1.21	6.21	4.43	1.78
Major Head 3054 Road & Bridges 80 General M&R to Road – 800 Other Expenditure C.R						
3	Kutch	3.05	2.29	5.34	1.23	4.11
Major Head 3054 Road & Bridges 04 Dist & Other Road – 337 Road Work, 26 – C.R.F Allocation						
4	Palanpur	4.66	2.50	7.16	1.92	5.24
5	Kutch	1.52	0.50	2.02	0.22	1.80
Major Head 3054 Road & Bridges 80 Dist. & Other Road, 800-Road & Bridges Kisanpath Yojna. N.P						
6	Mehsana	11.87	1.20	13.07	9.69	3.38

Source: Superintendent Engineer, Panchayat (R&B) Circle, Gandhinagar

Superintendent Engineer, Panchayat (R&B) Circle, Gandhinagar replied (September 2013) that necessary action would be taken to avoid the balance in respective head of accounts.

Inclusion of new works without obtaining administrative/technical sanction

Following new items of works as shown in **Table 2.24** were included in the budget estimates 2012-13 without having administrative approval, technical sanction and without ascertaining the feasibility and essentiality as there is negligible progress in these works.

Table 2.24 Inclusion of new Items

(₹ in crore)

Sr. No	Head/ Name of Work	Total estimated cost	Estimate for 2012-13	Expenditure during year	Remarks
5054-03-337-11 RBD-2					
1	Up-gradation of road "GIFT" city.	64.00	4.55	0.00	Land Acquisition underway
5054-03-337-14 World Bank					
2	Widening the different state roads	900.00	62.00	0.00	Delay due to time consumption in project appraisal as per World Bank guidelines.
3	World Bank aided roads	20.00	0.01	0.00	
4	Technical knowhow for World Bank aided roads	60.00	6.94	0.00	
5054-03-337-16					
5	Privatisation of Road & Bridges Ahmedabad-Dholera-Bhavnagar six lane express Highway	2,800.00	63.00	0.77	Land Acquisition underway

Source: Road and Buildings Department of the State Government

The Department stated (September 2013) in item at Sl. No. 1, the land acquisition was under process. In items at Sl. No. 2 to 4, project was at appraisal stage and all procedures would be initiated after approval of project. In item at Sl. No. 5 Gujarat State Road Development Corporation (GSRDC) incurred ₹ 0.77 crore on various clearance and consultancy services for the required land.

Non reconciliation of expenditure leading to diversion of funds

As per Appropriation Accounts, funds of ₹ 157.03 crore were provided during the year to GSRDC for the purpose of Construction of Ahmedabad-Dholera-Bhavnagar six lane express highway, Bharuch-Dahej state highway and other ancillary works of the Corporation. At the end of the year ₹ 39.26 crore was surrendered because some of the tender processes could not be completed in stipulated time and expenditure of ₹ 117.77 crore was booked.

The records of GSRDC, however, revealed the following:

Table No 2.25: Details of budget provision and expenditure

(₹ in crore)

Provision (5054-03-337-16-Privatisation of Road & Bridges)	Budget provision	Expenditure booked by GSRDC during the year
Construction of Ahmedabad-Dholera-Bhavnagar 6 lane state highway	63.00	0.77
Preparation of project report for BOT project	1.82	0.24
Land acquisition for road works	0.02	0.00
Land acquisition and other activities	18.20	153.33
Contribution for additional 2 lane of Bharuch-Dahej road	0.01	0.00
Ahmedabad Bhavnagar expressway land acquisition	63.70	3.50
Construction of expressway	0.91	0.00
6 laning Bharuch-Dahej road	0.91	65.42
9% centage charges	8.46	0.00
Total	157.03	223.26

Source: Budget Estimates of the State Government and GSRDC

The above shows that on one hand surrender of ₹ 39.26 crore were made as per Appropriation Accounts, while on the other hand the Corporation had incurred excess expenditure of ₹ 66.23 crore. Thus, reconciliation of expenditure needs to be done at regular intervals by GSRDC to ensure that expenditure against provisions is not exceeded.

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 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, ₹ 0.69 crore was spent from Contingency Fund. The same was recouped along with previous years' unrecouped amount ₹ 80.50 crore. Thus, no amount is left for recoupment during the year and the corpus of ₹ 200 crore was available in Contingency Fund for utilisation during the financial year 2013-14.

2.6 Misclassification of 'Grants-in-aid' and 'Subsidies'

Indian Government Accounting Standard (IGAS)-2 regarding Accounting and Classification of Grants-in-aid prescribes that the Grants-in-aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. Only, in cases specifically authorised by the President of India on the advice of the Comptroller and Auditor General of India, be debited to a capital head of account in the Financial Statements of the Government. Further, Rule 30 (1) of Government Accounting Rule, 1990 states that the expenditure of a capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character. Also the assumptions underlying the Fiscal Indicators for the Gujarat Fiscal Responsibility Rules, 2006 stipulates inclusion of "Major Subsidies" as expenditure on revenue account.

During the year 2012-13, amounts of ₹ 881.30 crore and ₹ 207.27 crore have been disbursed as Grants-in-Aid and subsidy respectively under following capital major heads of expenditure against approved budgetary provision in violation of IGAS-2 as detailed in **Table 2.26**.

Table 2.26: Misclassification of grants-in-aid and subsidy under capital Major Heads

Sr. No	Classification-Major Head	(₹ in crore)	
		Grants-in-aid	Subsidy
1	4055- Capital outlay on Police	17.01	-
2	4202- Capital Outlay on Education, Sports, Arts and culture	71.69	-
3	4210- Capital outlay on Medical and Public Health	103.11	-
4	4215- Capital outlay on water supply and sanitation	37.50	-
5	4217- Capital outlay Urban Development	519.00	-
6	4225- Capital outlay on Welfare of schedule Caste, scheduled Tribes and other backward classes	4.55	-
7	4235- Capital outlay on social security and welfare	1.00	-
8	4236- Capital outlay on Nutrition	122.68	-
9	4402- Capital outlay on soil and water conservation	4.57	-

Sr. No	Classification-Major Head	Grants-in-aid	Subsidy
10	4408- Capital outlay on Food storage and warehousing	-	7.50
11	4435- Capital outlay on other Agriculture Programmes	-	16.99
12	4851- Capital outlay on Village and small industries	0.19	1.27
13	4852- Capital outlay on Iron and Steel Industries	-	117.51
14	5051- Capital outlay on Ports and Light Houses	-	64.00
Total		881.30	207.27

Source: Finance Accounts of the State Government

The expenditure on 'Grants-in-aid' and 'Subsidies' should be booked under revenue expenditure. However, the expenditure of ₹ 1,088.57 crore in respect of 'Grants-in-aid' and Subsidies' were booked in Capital Section. This resulted in understatement of revenue expenditure and also consequential overstatement of the revenue surplus to that extent.

2.7 Conclusion and Recommendations

Conclusion

During 2012-13, ₹ 99,150.78 crore was incurred against total grants and appropriations of ₹ 1,07,439.38 crore resulting in savings of ₹ 8,288.60 crore. The overall savings of ₹ 8,288.60 crore was the result of savings of ₹ 8,536.20 crore, offset by excess of ₹ 247.59 crore. This excess requires regularisation under Article 205 of the Constitution of India.

In 19 cases, the amounts surrendered (₹ one crore or more in each case) were in excess of the actual savings, indicating inadequate budgetary control in these Departments. As against savings of ₹ 4,745.07 crore, the amount surrendered was ₹ 4,983.45 crore, resulting in excess surrender of ₹ 238.38 crore.

There were 27 grants/appropriations under which savings of more than ₹ one crore and more than 10 *per cent* of the provision had occurred but the same had not been surrendered by the concerned Departments. The total amount involved in these cases was ₹ 1,276.15 crore out of which ₹ 709.80 crore were not surrendered. Similarly, in seven grants/appropriations under which savings exceeding 10 *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 ₹ 34.50 crore.

Out of the total provision of ₹ 25,249.93 crore in respect of 645 sub-heads under 88 grants, ₹ 8,066.22 crore (31.95 *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.

The excess expenditure needs to be regularised as per provisions under Article 205 of the Constitution.

Fund releases and issuance of re-appropriation/surrender orders at the end of the financial year, particularly on the last working day, should be avoided.

Rush of expenditure during the last quarter of the financial year particularly in the month of March should be avoided.

Chapter
III

Financial Reporting

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 year 2012-13.

3.1 Delay in furnishing Utilisation Certificates

The 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 to the Head of Department concerned and after verification; these should be forwarded to the Accountant General. However, 16,586 UCs aggregating ₹ 9,121.46 crore due in respect of grants paid during the period 2001-02 to 2012-13 were outstanding as on 31 March 2013. 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	Utilisation Certificates Outstanding	
		Number	Amount
1.	Upto one year	1,162	2,303.80
2.	1-3	2,419	2,377.15
3.	3-5	1,111	2,879.03
4.	5-7	1,059	909.90
5.	7-9	2,119	347.18
6.	9 and above	8,716	304.40
	Total	16,586	9,121.46

Source: Information compiled by Accountant General (A&E), Gujarat

Almost 30 *per cent* of the outstanding UCs of ₹ 3,005.14 crore pertained to the Urban Development and Urban Housing Department. The Social Justice and Empowerment Department had yet to furnish ₹ 1,832.42 crore of UCs and ₹ 908.62 crore of UCs were to be received from the Industries & Mines Department for the period 2001-13.

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

Review of utilisation certificates in selected departments

As per the Gujarat Financial Rules, 1971 (GFR) administrative department may sanction grants-in-aid (GIA) to an institution or body, subject to the condition that the sanction is in accordance with the Rules or principals prescribed in these Rules or prescribed with the previous consent of the Finance Department (FD). With a view to ascertain how far the authorities were adhering to these Rules relating to GIA, Audit test checked (August 2013) the records of the administrative department/ controlling officers of the Department of Agriculture and Co-operation (ACD)(July 2013) and the Department of Ports and Transport (PTD) along with its units. The findings in this regard areas given below:

3.1.1. Non observance of the Gujarat Financial Rules, 1971

Rule 153(2) of the GFR provides that every order sanctioning a GIA should clearly indicate the details such as, the objects of giving GIA, the conditions attached to it and also its nature (i.e. capital/revenue and/or recurring or non-recurring). In case of non-recurring grant for specified object, the order shall also specify the time limit within which the amount of the grant or the amount of each instalment thereof, as the case may be, is to be spent. Further, if a recurring GIA is given to the same institution for the same purpose, the competent officer should ensure that the unspent balance of the previous year has either been surrendered to the Government or has been taken into account in sanctioning the grant for the subsequent year. A certificate to this effect should be incorporated in the order sanctioning the grant.

While verifying the data in respect of GIA disbursed by the Director of Agriculture, the Commissioner of Fisheries and the Commissioner of Cooperation under ACD for the year 2010-11 and 2011-12, Audit noticed that the sanctioning authority had released grants without receiving UCs of the previous grant.

While sanctioning the GIA to various Agriculture Universities for implementation of State as well Centrally Sponsored Schemes of ₹ 242.22 crore during 2012-13, the ACD did not specify the nature (recurring or non-recurring) of the grant. Further, it was observed that while sanctioning the GIA for the successive years for “Krishi Mahotsav” to Gujarat Agro Industries Corporation Limited (GAIC) and Gujarat State Seeds Corporation Limited (GSSC) for the period 2010-13, the ACD did not reckon the unspent balance of the previous years.

Similarly in case of Gujarat Maritime Board (GMB), Audit noticed that the nature (recurring or non-recurring) and the time frame for utilisation of the grant was not specified by the PTD while sanctioning (2012-13) the GIA of ₹ 192 crore. The sanctioning authority had also not incorporated any certificate of unspent balance of the previous grant while sanctioning the GIA.

3.1.2. Non Utilisation of Grant-in-aid

Director of Agriculture under ACD allotted ₹ 19.34 crore grant to GAIC for execution of different Projects during 2010-11, viz., Cobalt 60 based Irradiation Projects, Tomato Cluster Development, Setting up of a Modern Potato Cold Storage at Deesa and Tissue Culture Plant project. During test check of records of GAIC, it was observed that the GAIC had utilised ₹ 1.19 crore till

March 2011 and transferred the remaining ₹ 18.15 crore to other nodal agencies of the State Government at the instance of Director of Agriculture.

This indicated that the sanctioning authority had released the full grant amount without properly assessing the requirement of the funds for execution of the projects by GAIC.

Audit observed that in respect of three² universities there were grants of ₹ 0.68 crore relating to terminated schemes co-ordinated by Indian Council of Agriculture Research (ICAR). These schemes were terminated prior to 2006-07 but no steps have been taken to surrender these amounts to GoI. Further, in case of GoI schemes being implemented by the Anand Agricultural University, grant of ₹ 0.08 crore and ₹ 4.83 crore was lying unspent for a period of last two years and for a period of two to four years respectively. No steps have been taken to reconcile the unspent balances.

In respect of PTD, Gujarat State Road Transport Corporation was sanctioned a loan for purchase of new buses with the condition to furnish UC during 2010-11 for ₹ 296 crore under normal and tribal component of budget estimates. It was observed that only ₹ 164.33 crore was spent for the purchase of buses. However, no UC was furnished to the PTD (August 2013).

3.1.3. Transaction through single bank account

The GAIC and GSSC receive GIA from ACD for various schemes financed by the State/ Central Government. It was observed that the above public sector undertakings (PSUs) maintain only single bank account for all transactions of GIA as well as for their regular transactions. Thus, there was a possibility for using the scheme funds for other purposes including the parking of funds in banks/financial institutions for earning the interest.

Insisting the grantee to maintain a separate bank account for GIA would enable the sanctioning authority to compile the data on the unspent grant amount and the interest earned there on. These data are vital in assessing and sanctioning the grant amount for the successive years to the same grantee.

3.1.4. Non submission of UC in prescribed format

The UC has to be submitted as per the Form 19 A as prescribed by the Central Government under Rule-212(1) of the General Financial Rules, 2005 and has to disclose the types of checks carried out for authenticity of certificate. GMB receives grant for administrative expenses and grant for capital project every year. The GMB submits UCs to the PTD at the end of each quarter with respect to these grants.

During the scrutiny of UCs submitted by GMB in last three years for ₹ 530.84 crore, Audit observed that the GMB was not submitting the UCs in prescribed form.

Further, in respect of grant of ₹ 188.84 crore for administrative charges for the period 2010-13, it was noticed that there was a difference between the grants recognised in annual accounts and the actual grant received as per the sanction

² Anand Agricultural University, Sardar Krushinagar Dantiwada Agricultural University and Navsari Agricultural University

order. The grant was in excess by ₹ 22.69 crore in year 2010-11 and less by ₹ 21.12 crore in 2011-12, but the UCs submitted by the GMB certified the amount of expenditure of grant was as per the sanction order. In respect of 2012-13 grant of ₹ 65.07 crore was sanctioned for which GMB has to submit the UC during 2013-14.

The Departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes and put in place a system to watch proper utilisation of grants along with the checks prescribed in Gujarat Financial Rules, 1971.

3.2 Non-receipt of information pertaining to bodies/authorities substantially financed by the Government

In order to identify the institutions which attract Audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of Department (HoD) are 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. Further, Regulation on Audit and Accounts 2007 provide that the Governments and HoD which sanction grants and/or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

On taking up the issue with various Departments (August 2013), only four³ out of 26 Departments furnished the details of grants in aid given to various bodies and authorities during 2012-13. Based on this, 12 new bodies/authorities under the Forest Department have been identified for Audit. In the absence of complete information on the financial assistance given, reasonable assurance could not be provided to the Legislature/Government about the manner in which the grants sanctioned/paid by them had been utilised. This dilutes the legislative control over government expenditure systems.

The FD (September 2013) replied that necessary instructions had been issued to all the Departments to furnish details by July of respective year. The receipt of information from the remaining Departments is still awaited (December 2013).

³ Energy and Petrochemical, Forest, Finance, Ports and Transport

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

There are 189 autonomous bodies/ authorities covered by Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 identified for audit by the Comptroller and Auditor General of India. These are audited with regard to their transactions, operational activities and accounts, review of systems/procedures and internal controls etc.

A total of 479 annual accounts of 124 autonomous bodies/ authorities due up to 2012-13 were not received as of 30 November 2013 by the Accountant General (Economic and Revenue Sector Audit) and the Accountant General (General and Social Sector Audit). Further, 93 accounts (including accounts of earlier years) relating to 38 bodies/authorities, audit of which was due, were audited during the year 2012-13.

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	Less than one year	40
2	1-3	26
3	3-5	25
4	5-7	22
5	7-9	10
6	9 and above	1
	Total	124

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

It can be seen from the above table that in respect of 33 autonomous bodies/authorities, accounts were in arrears for more than five years. Of these, the accounts of Gujarat University, Ahmedabad since 1999-2000 and Gujarat Ecology Commission, Gandhinagar, Dr. V H Dave Homeopathic Medical College & Hospital, Akshar Purshottam Arogya Mandir, Vaghodia, Goraj, Vadodara, Institute of Kidney Diseases and Research Centre, Ahmedabad and Seth V S General Hospital & Seth Chinai Maternity Hospital, Ahmedabad since 2004-05 were in arrears. In the absence of annual accounts the accountal/utilisation of the grants and loans disbursed to these bodies/authorities could not be verified by Audit.

In response to Audit observations for the year 2011-12, FD stated (December 2012) that necessary instructions were issued to all the concerned Departments to take appropriate action in respect of the pending annual accounts. Year after year Audit has asked for the submission of annual accounts, however, due to apathy of the bodies/authorities in maintaining their own accounts and laxity in their controlling Departments, adequate steps were not taken by them to expedite the finalisation of their accounts.

3.4 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. These are audited with regard to their transactions, operational activities and accounts, review of systems and procedures and internal management and financial controls etc. The separate audit report (SAR) in relation to each account is submitted to the Government. The audit of accounts of 29 such autonomous bodies in the State has been entrusted to the C&AG of India. However, only three⁴ bodies have rendered accounts in time. For the remaining 26, the periods of delay are given in **Appendix 3.3**. Out of 29 autonomous bodies, 18 do not require placement of their SARs before the State Legislature (**Appendix 3.3**).

The frequency distribution of autonomous bodies according to the delays in submission of accounts to the 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	9	0-1	5
6-12	-	1-2	2
12-18	4	2-3	-
18-24	-	3-4	1
24 & above	13	4-5	-
Total	26		8

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

Four Area Development Authorities⁵ auditable under section 20(1) have not submitted their accounts since the period of entrustment for audit i.e. 2007-08 onwards.

In response to the observations issued for the year 2011-12, the Finance Department had stated (December 2012) that necessary instructions were issued to all the concerned Departments to take appropriate action in respect of the pending annual accounts. However, adequate steps were not taken to expedite the finalisation of accounts by the autonomous bodies.

⁴ Gujarat Rural Housing Board, Gandhinagar, Gujarat Municipal Finance Board, Gandhinagar, Gujarat Maritime Board, Gandhinagar.

⁵ Junagadh Area Development Authority, Ambaji Area Development Authority, Alang Area Development Authority, Kevadia Area Development Authority

3.5 Departmental commercial undertakings

The Departmental Undertakings of certain Government Departments performing activities of commercial and quasi-commercial nature are required to prepare *pro forma* accounts in the prescribed format annually, showing the working results of financial operations, so that the Government can assess their working. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood also opens the system to the risk of fraud and leakage of public money.

The HoDs in the Government are to ensure that the undertakings prepare and submit such accounts to the Accountant General for audit within a specified time frame.

One undertaking under the FD i.e. Directorate of Insurance, Gandhinagar, which deals with General insurance activities for the State Government has submitted accounts for the period till 2011-12 and have been duly audited. The accounts for the period 2012-13 are due for audit (September 2013).

3.6 Failure to account for amount drawn on Abstract Contingent Bills

As per Rule 302 of the GFR read with the Government Resolution dated 5 February 1976, every drawing officer has to certify in each Abstract Contingent (AC) bill that the 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 (10,970 Nos.) of ₹ 343.86 crore were drawn up to March 2013 by 21 Departments for which DC bills were not furnished (March 2013). Year-wise details are given in **Table 3.4**.

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

(₹ in crore)		
Year	Outstanding AC bills	Amount of AC bills
Upto 2005-06	2,481	35.09
2006-07	477	5.90
2007-08	417	6.86
2008-09	312	4.26
2009-10	328	8.65
2010-11	617	17.69
2011-12	1,126	34.82
2012-13	5,212	230.59
Total	10,970	343.86

Source: Information compiled by Accountant General (A&E), Gujarat

Department-wise details of pending DC bills for the years up to 2012-13 are given in **Appendix 3.4**. The Home Department had a pendency of 2,718 bills

of ₹ 119.79 crore and the Education Department had 3,280 bills pending of ₹ 100.10 crore.

In response to observations issued for the year 2011-12, the FD stated (December 2012) that necessary instructions had been issued to all the concerned departments to expedite the process of reconciliation/submission of pending DC bills. However, adequate steps were not yet taken by the Department concerned to expedite the submission of DC bills by the drawing officers (September 2013).

Further, the FD replied (January 2014) that it was under consideration to develop a module in Integrated Financial Management System to monitor submission of DC bills and that the Home Department had appointed a nodal officer for settlement of pending DC bills which facilitated settlement of pending DC bills with AG in the current financial year. It was further stated that all the departments would be instructed to settle the pending DC bills in line of the actions taken by Home Department.

A rigorous monitoring mechanism should be put in place in the Departments to ensure adjustment of the advances drawn in Abstract Contingent bills, as required under the extant Rules.

3.7 Personal Deposit Accounts

Government is authorised to open Personal Deposit Accounts (PD Accounts) in order to deposit (Public Account) money by transferring funds from the Consolidated Funds to Public Accounts for specific purposes. Generally, the designated Administrators are required to transfer the unspent balances back to Government Accounts (Consolidated Funds) and to close such accounts on the last working day of the financial year. These transfers between Consolidated Fund and Public Accounts are in the nature of book transfer without any actual cash flow.

There were 509 PD Accounts in District Treasuries in operation as on 31 March 2013 having a balance amount of ₹ 383.41 crore. All the Administrators of PD Accounts had carried out reconciliation of their balances with the treasury offices. During 2012-13, eight inoperative PD Accounts with a balance of ₹ 0.18 crore were closed.

3.8 Misappropriations, losses, defalcations, etc.

The State Government reported 166 cases of misappropriation, defalcation, etc, involving government money of ₹ 8.37 crore (up to March 2013) 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 i.e. 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
Upto 5	7	0.05
5 – 10	33	5.36
10 – 15	23	2.15
15 – 20	17	0.13
20 – 25	28	0.35
25 and above	58	0.33
Total	166	8.37

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

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	33	3.31
ii)	Departmental action initiated but not finalised	41	0.28
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	53	4.60
vi)	Others	2	0.05
Total		166	8.37

Source: Information compiled by Accountant General (E&RS Audit) & Accountant General (G&SS Audit), Gujarat

Out of the total 166 cases involving ₹ 8.37 crore outstanding, 33 cases involving ₹ 3.31 crore were awaiting departmental action/criminal investigation which needs to be speeded up. In 53 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. Narmada, Water Resources and Water Supply and Kalpsar Department had 22 cases and Land Revenue Department had 19 cases which are pending for more than 25 years.

3.9 Operation of omnibus Minor Head 800

During the past two decades, the range and diversity of the 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 2012-13, expenditure aggregating ₹ 11,062.38 crore, constituting 12.17 *per cent* of the total expenditure was classified under Minor Head 800-Other Expenditure against 71 Major Heads under Revenue and Capital Sections. Entire expenditure on Ports and Light Houses (Major Head 3051), Capital outlay on miscellaneous general service (Major Head 4075), Capital outlay on nutrition (Major Head 4236) and Capital outlay on iron and steel industries (Major Head 4852), were classified under omnibus Minor Head – 800 instead of depicting distinctly. Also, 57.93 *per cent* expenditure of Power (Major Head 2801) was classified under this Major Head.

Similarly, revenue receipts aggregating ₹ 3,507.63 crore constituting 4.66 per cent of total receipts, were classified under omnibus Minor Head '800-Other Receipts' under 56 Major Heads under Revenue and Capital Sections. Entire receipts of Medium Irrigation (Major Head 0701) and power (Major Head 0801) and 71.61 per cent receipt of Major Irrigation (Major Head 0700), were classified under omnibus Minor Head – 800 instead of depicting distinctly.

Classification of large amounts under the omnibus Minor Head 800 – Other Expenditure/Receipts affects the transparency in financial reporting, as it fails to indicate disaggregated information on different activities of the Government separately in the accounts. This shows that the existing structure of the Government Accounts does not truly reflect the current activities of the Government in these Departments and is required to be updated/ modified.

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'.

3.10 Comments on Accounts

3.10.1 Transparency in accounts

To bring out greater transparency and to enable informed decision making in Government Accounts, the TwFC had recommended inclusion of certain statements/appendices in the Finance Accounts which would give details of subsidies given, both explicit and implicit, expenditure on salaries by various departments/units, detailed information on pensioners and expenditure on government pensions, data on committed liabilities in the future, statement on debt and other liabilities as well as repayment schedule, accretion to or erosion in financial assets held by the Government including those arising out of changes in the manner of spending by the Government, implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows and statement on maintenance expenditure with segregation of salary and non-salary portions.

Presently, in the Finance Accounts of the State, the appendix on subsidy does not provide information regarding implicit subsidies. Regarding details of salary, the data captured in accounts is related to State sector only, and those regarding the aided institutions details are included under the grants released to them. The appendix on maintenance expenditure does not give data on salary expenditure. Accounting reforms are required to be undertaken to bring the data available into accounts to make the accounts more transparent.

3.10.2 Important factors affecting accuracy of accounts

The accounts of the Government are kept on cash basis. Certain transactions that arise in Government Account, the receipts and payments of which cannot at once be taken to a final head of receipt or expenditure owing to lack of information as to the nature or for any other reasons, are to be booked temporarily under the 'Suspense Head'. On the receipt of relevant details/information these heads of accounts are finally cleared by minus debit or minus credit when the amounts under them are booked to their respective final heads of accounts. If these amounts remain uncleared, the balances under

the suspense heads would accumulate and would not reflect Government's receipts and expenditure accurately. Debt, Deposit and Remittances heads account for such transactions where the Government, as a custodian of public money, receives and holds such money in trust.

The accuracy of the State Finance accounts 2012-13 has been adversely affected by large number of transactions under suspense heads awaiting final classification. A general review of the transactions showed the following:

- **Outstanding balances under major suspense accounts**

The balances under certain major suspense heads of accounts, as recorded in the ledger maintained by Accountant General (Accounts and Entitlement), are indicated in **Table 3.7**.

Table 3.7: Suspense Head (8658 – Suspense Accounts)

Name of Minor Head	2010-11		2011-12		2012-13	
	Dr	Cr	Dr	Cr	Dr	Cr
101- Pay and Accounts office Suspense	85.63	4.78	73.75	4.02	111.78	2.18
	Net Dr 80.85		Net Dr. 69.73		Net Dr. 109.60	
102- Suspense Accounts (Civil)	25.95	-6.43	25.54	-6.99	109.61	50.52
	Net Dr. 32.38		Net Dr. 32.53		Net Dr. 59.09	
110- Reserve Bank suspense Central Accounts Office	293.14	0.49	293.36	4.43	148.40	-95.82
	Net Dr. 292.65		Net Dr. 288.93		Net Dr. 244.22	

Source: Finance Accounts

The Finance Accounts reflect the net balances under these heads. The outstanding balances are worked out by aggregating the outstanding debit and credit separately. The implications of the balances under these heads are discussed in the succeeding paragraphs.

- **Pay and Accounts Office (PAO) Suspense**

This minor head is operated for the settlement of inter-departmental and intergovernmental transactions arising in the books of PAOs and the Accountant General. Transactions under this minor head represent either recoveries effected or payments made by an Accounts Officer on behalf of another Accounts Officer, against whom the minor head "PAO Suspense" has been operated. Credit under the head is cleared by 'minus credit' when cheque is issued by the Accounts Officer in whose books initial recovery was accounted for. Debit under 'PAO Suspense' is cleared by 'minus debit' on receipt and realisation of cheque from the Accounts Officer on whose behalf payment was made.

Outstanding debit balance under this head would mean that payments have been made by the Accountant General on behalf of a PAO, which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the Accountant General on behalf of a PAO, which are yet to be paid. The net debit balance under this head has decreased during 2011-12 but again increased during 2012-13. On clearance/settlement of this, the cash balance of the State Government will increase.

- ***Suspense Account (Civil)***

This transitory minor head is operated for accounting of the transactions, which for want of certain information/documents viz., vouchers, challans etc., cannot be taken to the final head of expenditure or receipt. This minor head is credited for recording receipts and debited for expenditure incurred. On receipt of the requisite information/documents etc., the minor head is cleared by minus debit or minus credit by per contra debit or credit to the concerned major/sub-major/minor heads of accounts.

Outstanding debit balance under this head would mean payments were made which could not be debited to final expenditure head for want of details like vouchers etc. Outstanding credit balance would mean amounts were received which could not be credited to the final receipt head for want of details. The net debit balance under this head has shown a sudden spurt during 2012-13 indicating that necessary details for classification of final expenditure head were not available. Steps need to be taken for obtaining the requisite details.

3.11 Conclusion and Recommendations

Conclusion

Though the Finance Department has assured to issue fresh instructions to concerned Administrative Departments for having proper reporting mechanism, there was no change in status of most of the issues reported earlier regarding delay/non submission of UCs, details of loans/grants, submission of accounts, submission of pending DC bills, etc. Year after year Audit ask for the submission of annual accounts, however, due to apathy of the bodies/authorities in maintaining their own accounts and laxity on part of their controlling Departments, adequate steps were not taken by them to expedite the finalisation of their accounts.

Non-submission of utilisation certificates of ₹ 9,121.46 crore indicated lack of proper monitoring by the Departments in utilisation of grants given for specific purposes. The Government Departments need to furnish details of loans and advances given to different autonomous bodies/authorities. There has been non-submission/delay in submission of accounts of autonomous bodies/authorities. There was delay in submission of Detailed Contingent bills against large amounts drawn on Abstract Contingent bills for ₹ 343.86 crore by the Departmental authorities. The 166 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 the annual accounts in respect of the autonomous bodies/authorities.

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

Accounting reforms by introducing separate object heads to capture data on salary/ non-salary items of expenditure in respect of the maintenance, salary expenditure of the staff of aided institutions and PSUs, as recommended by the Twelfth Finance Commission, is required to be undertaken.



(H K DHARMADARSHI)

Accountant General

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**Ahmedabad
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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 and 2)

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 = 21.92 per cent)		16.63 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 = 74.04 per cent)	79.31 per cent
6	Life Expectancy at birth** (2001 census) (All India Average = 66.1 years)		64.1 years
7	Infant Mortality Rate***(per 1000 live births) (All India Average = 42 per 1000 live births)		38
Gini –Coefficient ****			
8	a.	Rural (All India = 0.29)	0.25
	b.	Urban (All India = 0.38)	0.32
9	Gross State Domestic Product (GSDP) 2012-2013 at current prices		₹ 6,97,298 crore
10	Per capita GSDP CAGR * (2003-04 to 2012-13)		Gujarat 14.52 per cent
			General Category States***** 14.94 per cent
11	GSDP CAGR (2003-04 to 2012-13)		Gujarat 16.16 per cent
			General Category States 16.37 per cent
12	Population Growth***** Rate (2003-04 to 2012-13)		Gujarat 15.53 per cent
			General Category States 13.22 per cent

B. Financial Data

Sr. No.	Particulars		Figures (in per cent)		
1	CAGR		2003-04 to 2011-12		2003-04 to 2012-13
			General Category States	Gujarat	Gujarat
	a.	of Revenue Receipts	17.48	16.74	17.05
	b.	of Own Tax Revenue	17.44	18.77	19.11
	c.	of Non Tax Revenue	12.64	6.16	7.00
	d.	of Total Expenditure	14.15	14.35	15.34
	e.	of Capital Expenditure	16.83	20.00	23.35
	f.	of Revenue Expenditure on Education	16.85	15.55	15.12
	g.	of Revenue Expenditure on Health	15.35	14.84	16.11
	h.	of Salary and Wages	14.18	12.69	12.53
	i.	of Pension	18.36	17.13	17.13

* Source of General data - Press note July 2013 Planning Commission: BPL 2011-12 by Tendulkar methodology.

** Life Expectancy at birth -Economic survey indicators for 2010-11;

*** Infant Mortality Rate (SRS Bulletin September 2013);

**** Gini-Coefficient (Planning Commission data for 2009-10)

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

***** projected total population 2001-2026 by Census India

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 made 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 made 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 2)

Part A: Methodology adopted for the assessment of Fiscal Position

The norms/ceilings prescribed by the TwFC 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 the 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 the 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 the GSDP.

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

Trends in Gross State Domestic Product (GSDP)

	2008-09	2009-10	2010-11	2011-12	2012-13
Gross State Domestic Product at current prices (₹ in crore)	3,67,912	4,31,262(P)	5,30,430(P)	6,11,767(Q)	6,97,298(A)
Growth rate of GSDP (<i>per cent</i>)	11.73	17.22	22.99	15.33	13.98

Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2013-14)

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	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance}) \text{ of Loans and Advances} / 2] * 100$
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 Act 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 2009-10 to 2012-13 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				Year		
		Y-3	Y-2	BE	RE	BE	2013-14	2014-15
		2009-10	2010-11	2011-12	2011-12	2012-13		
1	2	3	4	5	6	7	8	9
1	Revenue Deficit (-)/ Surplus (+) (₹ in crore)	-6,966	-5,076	+443	+1,921	+3,615	+3,500	+4,000
2	Fiscal Deficit(-) /Surplus(+) (₹ in crore)	-15,153	-15,073	-14,279	-12,772	-17,831	-21,314	-24,404
3	Public Debt	98,009	1,10,873	1,29,446	1,24,580	1,40,238	1,59,552	1,81,956
4	GSDP	4,27,555	5,13,173	5,88,102	5,91,175	6,76,895	7,75,045	8,87,427
5	Fiscal Deficit as percentage of GSDP	3.54	2.94	2.43	2.16	2.63	2.75	2.75
6	Public Debt as percentage of GSDP	22.92	21.61	22.01	21.07	20.72	20.59	20.50
7	Government guarantee outstanding (₹ in crore)	9,980	8,824	16,000 [▼]	7,957 [#]	16,000 [▼]	16,000 [▼]	16,000 [▼]

Source: Budget Publication No. 30 (2012-13)

Outstanding Guarantees as on 31/01/2012

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 1.1.1 and 1.9.1; Pages 2 and 28)

(₹ in crore)

Part I: Abstract of Receipts and Disbursements for the year 2012-13											
Section-A: Revenue											
Receipts				Disbursements							
2011-12			2012-13	2011-12			Non-Plan	Plan	Total	2012-13	
62,958.99	I	Revenue receipts-	75,228.53	59,744.46	I	Revenue expenditure-	47,145.69	22,512.80	69,658.49	69,658.49	
44,252.29		-Tax revenue	53,896.69	21,480.52		General services	23,167.93	960.34	24,128.27		
				24,545.79		Social Services-	16,230.47	13,298.50	29,528.97		
5,276.52		-Non-tax revenue	6,016.99	11,707.97		-Education, Sports, Art and Culture	11,525.55	1,553.11	13,078.66		
				2,657.35		-Health and Family Welfare	1,428.83	1,938.82	3,367.65		
7,780.31		-State's share of Union Taxes	8,869.05	5,393.89		-Water Supply, Sanitation, Housing and Urban Development	2,475.18	5,043.75	7,518.93		
				89.58		-Information and Broadcasting	48.59	62.99	111.58		
1,467.13		-Non-Plan grants	1,230.30	1,521.73		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	215.67	1,768.10	1,983.77		
2,227.80		-Grants for State Plan Schemes	3,466.74	414.24		-Labour and Labour Welfare	228.77	251.02	479.79		
				2,701.43		-Social Welfare and Nutrition	255.85	2,670.13	2,925.98		
1,954.94		-Grants for Central and Centrally sponsored Plan Schemes	1,748.76	59.60		-Others	52.03	10.58	62.61		
				13,518.37		Economic Services-	7,585.01	8,253.96	15,838.97		
				2,908.63		-Agriculture and Allied Activities	1,008.04	2,885.22	3,893.26		
				1,454.04		-Rural Development	367.89	1,005.94	1,373.83		
				58.40		-Special Areas Programmes	46.44	12.19	58.63		
				926.26		-Irrigation and Flood control	616.57	438.37	1,054.94		
				3,358.71		-Energy	3,608.25	369.90	3,978.15		
				790.05		-Industry and Minerals	89.08	942.29	1,031.37		
				3,377.67		-Transport	1,547.53	2,282.16	3,829.69		
				154.24		-Science, Technology and Environment	1.26	142.23	143.49		
				490.37		-General Economic Services	299.95	175.66	475.61		
				199.78		Grants-in-aid and Contributions-	162.28	0	162.28		
-	II	Revenue deficit carried over to Section B		3,214.53	II	Revenue Surplus carried over to Section B					5,570.04
62,958.99		Total	75,228.53	62,958.99		Total					75,228.53

Receipts				Disbursements						
2011-12		2012-13	2011-12		Non-plan	Plan	Total	2012-13		
Section B : Others										
14,986.80	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	18,631.81	--	III	Opening Overdraft from Reserve Bank of India				
10.00	IV	Miscellaneous Capital receipts	0.0	13,811.70	IV	Capital Outlay-	75.49	21,151.03	21,226.52	
				555.66		General Services-	61.30	652.49	713.79	
				3,305.90		Social Services-	17.00	6,065.95	6,082.95	
				801.89		-Education, Sports, Art and Culture	0.0	941.82	941.82	
				671.04		-Health and Family Welfare	0.0	1,258.71	1,258.71	
				1,526.33		-Water Supply, Sanitation, Housing and Urban Development	17.00	3,003.17	3,020.17	
				0.20		-Information and Broadcasting	0.0	2.47	2.47	
				70.89		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.0	53.90	53.90	
				116.86		-Social Welfare and Nutrition	0.0	570.95	570.95	
				118.69		-Others	0.0	234.93	234.93	
				9,950.14		Economic Services-	(-)2.80	14,432.60	14,429.78	
				681.08		-Agriculture and Allied Activities	(-)2.97	689.15	686.18	
				922.11		-Rural Development	-	974.94	974.94	
				7.14		-Special Areas Programmes	-	11.85	11.85	
				4,590.58		-Irrigation and Flood Control	0.00	7,041.98	7,041.98	
				880.20		-Energy	-	1360.00	1360	
				720.08		-Industry and Minerals	0.17	620.35	620.52	
				1,893.58		-Transport	-	2,743.81	2,743.81	
				-		-Science, Technology and Environment	0	30.00	30.00	
				255.37		-General Economic Services	-	960.50	960.50	
165.44	V	Recoveries of Loans and Advances-	46.90	605.34	V	Loans and Advances disbursed-	586.68	295.57	882.25	
68.18		-From Power Projects	68.86	85.00		-For Power Projects	-	7.28	-	
43.27		-From Government Servants	(-)76.02	16.67		-To Government Servants	14.12	-	-	
53.99		-From Others	54.06	503.67		-To Others	572.56	289.29		
3,214.53	VI	Revenue Surplus brought down	5,570.04	0	VI	Revenue Deficit brought down				
17,534.76	VII	Public debt receipts-	19,497.19	5,275.19	VII	Repayment of Public debt-			6,536.52	
17,346.89		-Internal debt other than Ways and Means Advances and overdrafts	18,905.54	4,155.74		-Internal debt other than Ways and Means Advances and Overdrafts			5,794.42	

Receipts			Disbursements						
2011-12		2012-13	2011-12		Non-plan	Plan	Total	2012-13	
-	-Net transactions under Ways and Means Advances								
-	-Net transactions under overdraft		1,119.46				742.10*		
187.87	-Loans and Advances from Central Government	591.65							
-	VIII Appropriation to Contingency Fund		-	VIII Appropriation to Contingency Fund				-	
0.66	IX Amount transferred to Contingency Fund	80.50	80.50	IX Expenditure from Contingency Fund				0.0	
79,653.14	X Public Account receipts-	50,046.35	77,160.79	X Public Account disbursements-				46,537.61	
1,793.53	-Small Savings and Provident Funds	1,930.20	1,235.99	-Small Savings and Provident Funds			1,340.69		
990.47	-Reserve Funds	768.42	310.35	-Reserve Funds			280.14		
39,798.70	-Suspense and Miscellaneous	771.62†	39,855.47	-Suspense and Miscellaneous			115.77		
11,101.42	-Remittance	15,113.57	11,148.05	-Remittances			15,182.75		
25,969.02	-Deposits and Advances	31,462.54	24,610.93	-Deposits and Advances			29,618.26		
	XI Closing Overdraft from Reserve Bank of India		18,631.81	XI Cash Balance at end-				18,689.89	
			4.19	-Cash in Treasuries and Local Remittances			4.19		
			(-182.08)	-Deposits with Reserve Bank			(-286.17)		
			5,612.78	-Departmental Cash Balance and investment including permanent Advances			5,614.22		
			13,196.92	-Cash Balance Investment			13,357.65		
1,15,565.33	Total	93,872.79	1,15,565.33	Total			93,872.79	93,872.79	

** This includes write-off of Central Government Loans amounting to Rs. 114.41 crore waived by GoI on the recommendation of ThFC.

† The receipt under Suspense and Miscellaneous has reduced as the receipts under Major head 8670 Cheques and bills have been shown as net in the Finance Accounts. The receipts under various Major heads are as follows –

Major head	Receipts
8658 Suspense Account	-4,678.51
8670 Cheques and Bills	81,840.26
8674 Security Deposits made by Government	0.04
8680 Misc. Government Accounts	0.00
Total	77,161.75

Part II: Summarized financial position of the Government of Gujarat as on 31 March 2013		
As on 31.03.2012	Liabilities	As on 31.03.2013
1,14,954.07	Internal Debt -	1,28,065.19
61,452.90	Market Loans bearing interest	74,299.35
1.24	Market Loans not bearing interest	0.92
	Loans from Life Insurance Corporation of India	-
53,499.93	Loans from Other Institutions	53,764.92
-	Ways and Means Advances	-
-	Overdrafts from Reserve Bank of India	-
8,452.29	Loans and Advances from Central Government -	8,301.84
2.52	Pre 1984-85 Loans	2.52
54.38	Non-Plan Loans	50.53
8,319.34	Loans for State Plan Schemes	8,248.61
21.83	Loans for Central Plan Schemes	-
54.22	Loans for Centrally Sponsored Plan Schemes	0.18
119.50	Contingency Fund	200.00
7,452.06	Small Savings, Provident Funds, etc.	8,041.56
17,094.79	Deposits	18,939.07
8,418.52	Reserve Funds	8,906.81
882.95	Suspense and Miscellaneous Balances	1,538.81
377.62	Remittance Balances	308.43
1,57,751.80	Total	1,74,301.71
	Assets	Assets
96,159.00	Gross Capital Outlay on Fixed Assets -	1,17,385.53
39,178.93	Investments in shares of Companies, Corporations, etc.	47,171.49
56,980.07	Other Capital Outlay	70,214.04
5,750.27	Loans and Advances -	6,585.62
972.50	Loans for Power Projects	910.92
4,574.84	Other Development Loans	5,378.29
202.93	Loans to Government servants and Miscellaneous loans	296.41
5,587.15	Reserve Fund Investments	5,587.16
0.77	Advances	0.77
-	Suspense and Miscellaneous Balances	-
13,044.32	Cash -	13,102.38
4.19	Cash in Treasuries and Local Remittances	4.19
(-) 182.08	Deposits with Reserve Bank	(-)286.17
25.29	Departmental Cash Balance including Permanent Advances	26.71
13196.92	Cash Balance Investments	13,357.65
37,210.29	Deficit on Government Account -	31,640.25
(-) 3214.53	(i) Less Revenue Surplus /Add Revenue deficit of the current year	(-)5,570.04
(-) 10.00	(ii) Miscellaneous Deficit	-
40,434.82	Accumulated deficit at the beginning of the year	37,210.29
1,57,751.80	Total	1,74,301.71

APPENDIX 1.4

Time series data on the State Government finances

(Reference: Paragraph 1.3 and 1.9.2; Page 8 and 29)

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Part A- Receipts					
1. Revenue Receipts	38,676	41,672	52,364	62,959	75,229
(i) Tax Revenue	23,557	26,740	36,339	44,252	53,897
Taxes on Agricultural Income	-	-	-	---	-
Taxes on Sales, Trade, etc	16,811	18,200	24,893	31,202	39,465
State Excise	49	66	63	72	85
Taxes on Vehicles	1,382	1,543	2,004	2,251	2,276
Stamps and Registration fees	1,728	2,557	3,666	4,670	4,427
Land Revenue	544	1,161	1,789	1,477	2,208
Taxes on Goods and Passengers	169	7	6	208	211
Other Taxes	2,875	3,206	3,918	4,370	5,225
(ii) Non Tax Revenue	5,099	5,452	4,915	5,277	6,017
(iii) State's share of Union taxes and duties	5,726	5,891	6,679	7,780	8,869
(iv) Grants in aid from Government of India	4,294	3,589	4,431	5,650	6,446
2. Miscellaneous Capital Receipts	21	136	91	10	-
3. Recoveries of Loans and Advances	181	151	283	165	47
4. Total Revenue and Non debt capital receipts (1+2+3)	38,877	41,959	52,738	63,134	75,276
5. Public Debt Receipts	10,306	14,245	16,681	17,535	19,497
Internal Debt (excluding Ways and Means Advances and Overdrafts)	10,079	14,159	16,522	17,347	18,905
Net transactions under Ways and Means Advances and Overdrafts	..	--	-	-	-
Loans and Advances from Government of India	227	86	159	188	592
6. Total Receipts in the Consolidated Fund (4+5)	49,184	56,204	69,419	80,669	94,773
7. Contingency Fund Receipts	10	34	47	1	81
8. Public Account Receipts	49,626	58,660	72,281	79,653	50,046
9. Total Receipts of the State (6+7+8)	98,820	1,14,898	1,41,747	1,60,323	1,44,900
Part B- Expenditure/Disbursement					
10. Revenue Expenditure	38,741	48,638	57,440	59,744	69,659
Plan	11,088	14,331	17,553	16,690	22,513
Non Plan	27,653	34,307	39,887	43,054	47,146
General Services (including interest payments)	13,385	16,934	19,840	21,481	24,128
Social Services	14,932	19,605	23,702	24,546	29,529
Economic Services	10,256	11,993	13,713	13,518	15,839
Grants-in-aid and contributions	168	106	185	200	163
11. Capital Expenditure	10,220	8,047	9,684	13,812	21,227
Plan	10,200	8,026	9,662	13,608	21,151
Non Plan	20	21	22	204	76
General Services	80	189	243	556	714
Social Services	2,017	2,038	2,682	3,306	6,083
Economic Services	8,123	5,820	6,759	9,950	14,430

	2008-09	2009-10	2010-11	2011-12	2012-13
12. Disbursement of Loans and Advances	354	427	688	605	882
13. Total (10+11+12)	49,315	57,112	67,812	74,161	91,768
14. Repayments of Public Debt	2,605	3,245	3,817	5,275	6,536
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,046	2,681	3,194	4,156	5,794
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	559	564	623	1,119	742
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	51,920	60,357	71,629	79,436	98,304
17. Contingency Fund disbursements	34	47	1	81	-
18. Public Account disbursements	47,285	56,088	67,216	77,161	46,538
19. Total disbursement by the State (16+17+18)	99,238	1,16,492	1,38,846	1,56,678	1,44,842
Part C- Deficits					
20. Revenue Deficit(-) / Revenue Surplus (+) (1-10)	(-)66	(-)6,966	(-)5,076	(+)3,215	(+)5,570
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)10,438	(-)15,153	(-)15,074	(-)11,027	(-)16,492
22. Primary Deficit(-)/Primary Surplus(+)(21+23)	(-)2,554	(-)6,563	(-)5,447	(-)93	(-)4,331
Part D- Other data					
23. Interest Payments (included in revenue expenditure)	7,884	8,590	9,627	10,934	12,161
24. Financial Assistance to local bodies etc.	12,612.83	20,425.39	25,872.27	27,942.24	31,125
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	3,67,912	4,27,555(P)	5,13,173(Q)	5,91,175(A)	6,97,298(A)
28. Outstanding Fiscal liabilities (year end)	1,05,652	1,19,117	1,35,656	1,50,785	1,66,667
29. Outstanding guarantees (year end) (including interest)	10,027	9,667	8,661	7,449	6,195
30. Maximum amount guaranteed (year end)	10,562	10,202	10,382	10,387	10,525
Part E- Fiscal Health Indicators					
I. Resource Mobilization					
Own Tax revenue/GSDP (per cent)	6.40	6.25	7.08	7.49	7.73
Own Non-Tax Revenue/GSDP (per cent)	1.39	1.28	0.96	0.89	0.86
Central Transfers/GSDP (per cent)	2.72	2.22	2.16	2.27	2.20
II. Expenditure Management					
Total Expenditure/GSDP (per cent)	13.40	13.36	13.21	12.54	13.16
Total Expenditure/Revenue Receipts	1.27	1.37	1.30	1.18	1.22
Revenue Expenditure/Total Expenditure	0.79	0.85	0.85	0.81	0.76
Expenditure on Social Services/Total Expenditure	0.34	0.38	0.39	0.38	0.39
Expenditure on Economic Services/Total Expenditure	0.38	0.32	0.31	0.32	0.33
Capital Expenditure/Total Expenditure	0.21	0.14	0.14	0.19	0.23

	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.20	0.14	0.15	0.18	0.22
III. Management of Fiscal Imbalances					
Revenue deficit or surplus/GSDP (<i>per cent</i>)	(-)0.02	(-)1.63	(-)0.99	(+)0.54	(+)0.80
Fiscal deficit/GSDP (<i>per cent</i>)	(-)2.84	(-)3.54	(-)2.94	(-)1.87	(-)2.37
Primary Deficit or Surplus/GSDP (<i>per cent</i>)	(-)0.69	(-)1.54	(-)1.06	(-)0.02	(-)0.62
Revenue Deficit/Fiscal Deficit	(+)0.006	(+)0.46	(+)0.34	(-)0.29	(-)0.34
Primary Revenue Balance/GSDP (<i>per cent</i>)	2.12	0.38	0.89	2.39	2.54
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.29	0.28	0.26	0.26	0.24
Fiscal Liabilities/RR (<i>per cent</i>)	273	286	259	239	222
Primary deficit vis-à-vis quantum spread (<i>per cent</i>)	(-)26.11	116	37.09	0.91	45.45
Debt Redemption (Principal +Interest) / Total Debt Receipts	1.04	0.87	0.84	0.94	0.93
V. Other Fiscal Health Indicators					
Return on Investment	0.19	0.25	0.33	0.33	0.12
Balance from Current Revenue (₹ in crore)	30,408	5,173	9,610	16,022	22,867
Financial Assets/Liabilities	0.75	0.72	0.72	0.76	0.82

Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2013-14)

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

APPENDIX 1.5

Comparison of main components of Tax Revenue during
2008-09 to 2012-13

(Reference Paragraph 1.3.1, page 9)

(₹ 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	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	0.83
	2012-13	39,464.67	149.07 [♦]	0.38	N.A.
Taxes on vehicles and Taxes on goods and passengers	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	2.96
	2012-13	2,486.84	83.44	3.36	N.A.
Stamp duty and Registration fees	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	1.89
	2012-13	4,426.93	70.13	1.58	N.A.
State Excise	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	2.98
	2012-13	84.91	11.38	13.40	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 44)

(₹ in crore)					
Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
1	1	Agriculture and Co-operation Department - Capital Voted	1.25	1.25	100.00
2	2	Agriculture - Revenue Voted	2,206.92	41.75	1.89
3	4	Animal Husbandry and Dairy Development -Revenue Voted	382.88	47.26	12.34
4	6	Fisheries - Revenue Voted	123.50	38.88	31.48
5	7	Other Expenditure pertaining to Agriculture and Co-operation Department - Capital Voted	0.55	0.46	83.64
6	9	Education - Capital Voted	658.78	176.70	26.82
7	11	Energy and Petrochemicals Department - Revenue Voted	4.48	1.30	29.02
8	13	Energy Projects - Capital Voted	1,266.00	186.22	14.71
9	13	Energy Projects - Revenue Voted	3,823.70	12.50	0.33
10	14	Other Expenditure pertaining to Energy and Petro-Chemicals Department - Revenue Voted	0.60	0.14	23.33
11	16	Tax Collection Charges (Finance Department) - Revenue Voted	210.32	46.09	21.91
12	18	Pensions and Other Retirement Benefits - Revenue Charged	0.40	0.40	100.00
13	19	Other Expenditure pertaining to Finance Department - Revenue Voted	3,586.27	3,535.42	98.58
14	19	Other Expenditure pertaining to Finance Department - Capital Charged	0.01	0.01	100.00
15	19	Other Expenditure pertaining to Finance Department - Capital Voted	1.13	0.85	75.22
16	20	Repayment of debt pertaining to Finance Department and its Servicing - Revenue Charged	11,999.23	402.93	3.36
17	21	Food Civil Supplies and Consumer Affairs Department -Revenue Voted	24.48	4.90	20.02
18	23	Food - Revenue Voted	152.34	100.28	65.83
19	24	Other Expenditure pertaining to Food Civil Supplies and Consumer Affairs Department - Capital Voted	0.11	0.08	72.73
20	28	Other Expenditure pertaining to Forest and Environment Department - Capital Voted	0.58	0.26	44.83
21	32	Public Service Commission - Revenue Charged	10.05	2.44	24.28

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
22	33	General Administration Department - Revenue Voted	102.42	12.66	12.36
23	36	State Legislature - Revenue Charged	0.26	0.13	50.00
24	37	Loans and Advances to Government Servants in Gujarat Legislature Secretariat - Capital Voted	0.34	0.28	82.35
25	38	Health and Family Welfare Department - Revenue Voted	11.93	3.10	25.98
26	39	Medical and Public Health - Revenue Voted	2,680.51	94.53	3.53
27	39	Medical and Public Health - Revenue Charged	0.01	0.01	100.00
28	40	Family Welfare - Revenue Voted	573.55	151.93	26.49
29	41	Other Expenditure pertaining to Health and Family Welfare Department - Capital Voted	1.05	0.51	48.57
30	43	Police - Revenue Voted	2,807.55	263.90	9.40
31	44	Jails - Revenue Voted	98.27	17.63	17.94
32	46	Other Expenditure pertaining to Home Department - Capital Voted	563.78	26.03	4.62
33	46	Other Expenditure pertaining to Home Department - Revenue Charged	0.53	0.19	35.85
34	49	Industries - Revenue Voted	1,027.03	110.35	10.74
35	49	Industries - Capital Voted	350.51	24.37	6.95
36	49	Industries - Revenue Charged	3.30	3.30	100.00
37	53	Information and Broadcasting Department - Revenue Voted	2.35	0.95	40.43
38	55	Other Expenditure pertaining to Information, Broadcasting Department - Capital Voted	0.26	0.20	76.92
39	56	Labour and Employment Department - Revenue Voted	9.80	4.46	45.51
40	57	Labour and Employment - Revenue Voted	416.95	28.32	6.79
41	58	Other Expenditure pertaining to Labour and Employment Department - Capital Voted	0.32	0.21	65.63
42	59	Legal Department - Revenue Voted	13.09	5.55	42.40
43	60	Administration of Justice - Revenue Voted	584.83	175.16	29.95
44	60	Administration of Justice - Revenue Charged	69.77	11.03	15.81
45	61	Other Expenditure pertaining to Legal Department - Capital Voted	1.77	1.06	59.89
46	62	Legislative and Parliamentary Affairs Department - Revenue Voted	7.29	3.08	42.25

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
47	63	Other Expenditure pertaining to Legislative and Parliamentary Affairs Department - Capital Voted	0.09	0.09	100.00
48	64	Narmada, Water Resources, Water Supply and Kalpsar Department - Revenue Voted	22.19	6.96	31.37
49	65	Narmada Development Scheme - Capital Voted	3,600.00	56.33	1.56
50	66	Irrigation and Soil Conservation - Revenue Voted	984.52	44.11	4.48
51	66	Irrigation and Soil Conservation - Capital Voted	1,746.19	12.35	0.71
52	66	Irrigation and Soil Conservation - Revenue Charged	0.86	0.43	50.00
53	68	Other Expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department - Capital Voted	1.10	0.57	51.82
54	70	Community Development - Revenue Voted	1,009.86	266.29	26.37
55	71	Rural Housing and Rural Development - Revenue Voted	1,070.19	191.81	17.92
56	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department - Capital Voted	7.83	5.12	65.39
57	74	Transport - Revenue Voted	728.01	41.45	5.69
58	75	Other Expenditure pertaining to Ports and Transport Department - Capital Voted	256.00	64.00	25.00
59	76	Revenue Department - Revenue Voted	52.51	20.25	38.56
60	77	Tax Collection Charges (Revenue Department) - Revenue Voted	319.69	138.99	43.48
61	78	District Administration - Revenue Voted	331.40	67.53	20.38
62	79	Relief On Account of Natural Calamities - Revenue Voted	1,137.78	361.27	31.75
63	79	Relief On Account of Natural Calamities - Capital Voted	190.00	114.85	60.45
64	81	Compensations and Assignments - Capital Voted	0.11	0.11	100.00
65	81	Compensations and Assignments - Revenue Charged	0.08	0.06	75.00
66	82	Other Expenditure pertaining to Revenue Department - Revenue Voted	2.32	1.41	60.78
67	84	Non-Residential Buildings- Capital Voted	1,115.01	294.39	26.40
68	84	Non-Residential Buildings - Revenue Charged	0.92	0.38	41.30
69	85	Residential Buildings - Capital Voted	91.39	66.52	72.79

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
70	85	Residential Buildings - Revenue Voted	163.47	30.90	18.90
71	88	Other Expenditure pertaining to Roads and Buildings Department - Capital Voted	6.38	5.06	79.31
72	89	Science and Technology Department - Revenue Voted	92.59	59.95	64.75
73	90	Other Expenditure pertaining to Science and Technology Department - Revenue Voted	110.05	55.55	50.48
74	92	Social Security and Welfare - Revenue Voted	834.05	51.33	6.15
75	93	Welfare of Scheduled Tribes - Capital Voted	12.57	11.07	88.07
76	94	Other Expenditure pertaining to Social Justice & Empowerment Department - Capital Voted	0.24	0.05	20.83
77	95	Special Component Plan For Scheduled Castes - Capital Voted	1,076.08	153.07	14.22
78	95	Special Component Plan For Scheduled Castes - Revenue Voted	2,038.40	143.72	7.05
79	96	Tribal Area Sub-Plan - Revenue Voted	4,385.13	311.25	7.10
80	96	Tribal Area Sub-Plan - Capital Voted	3,021.44	19.07	0.63
81	97	Sports, Youth and Cultural Activities Department - Revenue Voted	6.11	1.27	20.79
82	98	Youth Services and Cultural Activities - Revenue Voted	228.08	29.03	12.73
83	99	Other Expenditure pertaining to Sports, Youth and Cultural Activities Department - Capital Voted	0.12	0.04	33.33
84	100	Urban Development and Urban Housing Department - Revenue Voted	4.98	1.15	23.09
85	102	Urban Development - Revenue Voted	5,448.06	176.31	3.24
86	104	Other Expenditure pertaining to Urban Development and Urban Housing Department - Capital Voted	0.11	0.11	100.00
87	104	Other Expenditure pertaining to Urban Development and Urban Housing Department - Revenue Voted	0.38	0.13	34.21
88	105	Women and Child Development Department - Revenue Voted	5.22	1.09	20.88
89	106	Other Expenditure pertaining to Women and Child Development Department - Revenue Voted	1,085.04	55.05	5.07
90	108	Other Expenditure pertaining to Climate Change Department - Revenue Voted	109.59	11.15	10.17
Total			65,077.19	8,410.68	12.92

APPENDIX 2.2
Cases where persistent savings were noticed during 2010-13
(Reference: Paragraph 2.3.2; Page 51)

(₹ in crore)

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2401-00-108P 02 AGR-5 Intensive Cotton production programme (Technology mission for Cotton development) Partly Centrally Sponsored Scheme-Revenue voted					
2	2010-11	18.13	1.43	16.70	Release of lesser amount by GOI on Central Sponsored scheme (P).
2	2011-12	17.61	2.22	15.39	Due to non-filling of vacant posts.
2	2012-13	19.64	2.02	17.62	Due to sanction of lesser amount by GOI.
2403-00-101P 15 ANH-3 Disease control programme for foot & mouth disease (75% Centrally Sponsored Scheme)					
4	2010-11	34.80	4.72	30.08	GOI has not made available the FMD and brucella vaccine
4	2011-12	33.60	15.30	18.30	GOI did not release remaining fund so purchase procedure stopped.
4	2012-13	20.90	9.94	10.96	In this scheme less expenditure incurred due to non-release of fund by GOI in time limit.
2202-02-110 01 EDN-18 Regulated growth of Non Govt. Secondary School					
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.
9	2012-13	39.07	19.29	19.78	Due to non-recruitment of staff.
2202-02-110 05 Provision for educational facilities-Maintenance grant					
9	2010-11	2,115.91	2,076.61	39.30	Due to non-recruitment of staff.
9	2011-12	2,285.96	2,176.05	109.91	Reason not furnished.
9	2012-13	2,334.04	2,311.24	22.80	Due to vacant posts of teachers.
2202-02-110C 13 CSS- Computer literacy and studies in school					
9	2010-11	97.00	32.56	64.44	Reason not furnished.
9	2011-12	97.00	51.68	45.32	Reason not furnished.
9	2012-13	68.10	37.95	30.15	Due to non-satisfactory performance of agency.
2236-02-102C 01-MDM-1 Mid-Day Meal Scheme for Children in Public Primary Schools					
9	2010-11	451.00	410.06	40.94	Due to less beneficiaries. Purchase of kitchen utensils not sanctioned.
9	2011-12	451.99	402.39	49.60	Due to vacant posts in District and head office. Steel rack and weighing scale has not been purchased.
9	2012-13	539.00	496.31	42.69	Due to less beneficiaries and vacant posts in the District and Taluka offices.
4202-02-104 01 Construction of polytechnics under PPP mode at various places					
9	2010-11	22.50	0.00	22.50	Procedure for starting college under PPP mode had to undergo time taking lengthy process.
9	2011-12	17.50	0.00	17.50	As partial administrative approval was given.
9	2012-13	10.00	3.00	7.00	Proposed amount could not be utilised as construction works were not started by all private partners.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
4202-02-105 01 Construction of engineering colleges under PPP mode at various places					
9	2010-11	50.00	0.00	50.00	Procedure for starting college under PPP mode had to undergo time taking lengthy process.
95	2011-12	10.50	0.00	10.50	Due to non-finalization of tender process & approval of plan estimate.
9	2011-12	32.01	6.50	25.51	As partial administrative approval was given.
9	2012-13	21.74	12.66	9.08	Construction works had not been started by all private partners.
2071-01-101 01 Superannuation and Retirement allowances					
18	2010-11	3,160.00	3,125.34	34.66	Due to non-finalization of pension disbursement cases.
73	2011-12	390.00	322.97	67.03	Reason not furnished
18	2012-13	3,620.00	3,478.40	141.60	The expenditure under this head is fluctuating nature and it mainly depends on finalization of pension cases.
2075-00-800 01 Liability on account of increase in the rate of Dearness Allowance					
19	2010-11	1,000.00	0.00	1,000.00	Due to revised estimates of Dearness Allowance.
19	2011-12	1,500.00	0.00	1,500.00	Due to revised estimates of Dearness Allowance.
19	2012-13	2,500.00	0.00	2,500.00	Due to revised estimates of Dearness Allowance.
2408-01-001 02 PDS-21 Fair Price Shops Scheme District Offices					
23	2010-11	36.22	27.56	8.66	Reasons not furnished.
23	2011-12	39.00	28.34	10.66	Less expenditure on pay & allowances.
23	2012-13	34.48	28.39	6.09	No specific reasons furnished.
2210-01-110 01 MLT-2 Civil Hospital Administration (Medical)					
39	2010-11	243.70	232.69	11.01	Saving due to excess revised budget estimates submitted by institute.
39	2011-12	236.89	202.45	34.44	Saving occurred in pay & allowances.
39	2012-13	238.19	211.69	26.50	Due to vacant posts in taluka medical institution.
2055-00-109 01 MEP-6 District Police Proper					
43	2010-11	996.86	990.80	6.06	Due to vacant Posts. Less expenditure booked under pay and allowances.
43	2011-12	1,176.97	1,088.02	88.95	Due to vacant posts, non purchase of vehicles & equipment for Quick Response Team & Bomb Squad.
43	2012-13	1,408.04	1,297.03	111.01	Due to vacant posts and less expenditure for the adhoc financial assistance for the families of late employees.
2055-00-115P 01 MEP-2 Police Proper (75% Centrally Sponsored scheme)					
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 GOI.
43	2012-13	120.00	28.79	91.21	Due to less administrative approval.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2055-00-800C 10 Coastal Security					
43	2010-11	10.00	1.54	8.46	Due to non-finalization of purchase of equipments machinery etc. for coastal police station.
43	2011-12	12.78	1.79	10.99	Due to less expenditure of petrol, lubricants & other charges like repairing & purchase of equipments.
43	2012-13	10.00	1.75	8.25	More grants was received under this head than what was demanded. Hence saving.
7610-00-201 01 House Building Advance					
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.
46	2012-13	15.00	9.15	5.85	Provision made for HBA anticipating the upward revision in admissible advance for HBA which didn't happen. Some applicants refused to obtain HBA.
2852-80-003 02 IDN-2 Assistance for Research and Technology Development					
49	2010-11	28.93	4.83	24.10	Due to less claims received for research and technical development.
49	2011-12	35.00	1.38	33.62	Due to non-receipt of proposals.
49	2012-13	35.00	6.76	28.24	Due to non-receipt of sufficient proposals.
2014-00-102 02 Administration of Justice High Court- Judges-Registrar					
60	2010-11	54.35	40.72	13.63	Due to non-approval for purchase of furniture and other equipment.
60	2011-12	55.78	48.06	7.72	Due to non-implementation of CCTV security system, mobile storage system, non-purchase of office items and non-filling up of vacant posts.
60	2012-13	58.75	50.22	8.53	Due to vacant posts, non-installation of CCTV security and surveillance and non-receipt of approval for biometric.
2014-00-105 02 Civil Judge (Special Court)					
60	2010-11	294.29	125.16	169.13	Non-establishment of Special Court Under Section-138 of Negotiable Instrument Act.
60	2011-12	207.13	147.35	59.78	Functioning of less number of courts.
60	2012-13	226.21	151.36	74.85	Due to non-fixation of pay of the staff members of the courts.
2014-00-105 08 Scheme for improvement on Justice Delivery under 13 th Finance Commission					
60	2010-11	59.90	0.06	59.84	Action plan and state litigation policy not formulated.
60	2011-12	59.95	5.53	54.42	The plan to appoint Court Manager for courts not executed for Evening/Morning Courts.
60	2012-13	59.95	6.65	53.30	The plan to appoint court manager, construction of new court building for Gujarat State Judicial Academy and training of judicial officers could not be executed due to paucity of time.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2014-00-114 01 Law Officers					
60	2010-11	48.08	38.07	10.01	Non-receipts of Advocates' Professional Fee claims.
60	2011-12	49.76	38.02	11.74	1. Non-appointment of Assistant Public Prosecutors (A.P.P.) for 375 new courts of civil Judge and Judicial Magistrate First Class (JMFC). Government has not established courts of civil Judge and JMFC. 2. Advocates Professional Fee claims were under scrutiny. Hence savings occurred.
60	2012-13	55.46	46.93	8.53	Due to vacant posts of Assistant Government Pleaders (A.G.P.) and A.P.P.
4700-31-190 01- IRG-1 Share Capital contribution to Sardar Sarovar Narmada Nigam Ltd.					
65	2010-11	198.75	133.00	65.75	Share of beneficiaries' states has not been received as per estimates.
65	2011-12	194.71	120.00	74.71	Share of beneficiaries' states has not been received as per estimates.
65	2012-13	182.28	172.97	9.31	Share of beneficiaries' states has not been received as per estimates.
4700-32-190C 01 IRG-1 Share Capital contribution to Sardar Sarovar Narmada Nigam Ltd.					
65	2010-11	72.16	65.00	7.16	Share of beneficiaries' states has not been received as per estimates.
65	2011-12	140.10	70.00	70.10	Share of beneficiaries' states has not been received as per estimates.
65	2012-13	245.60	239.35	6.25	Share of beneficiaries' states has not been received as per estimates.
4801-35-190 01 Share Capital contribution to Sardar Sarovar Narmada Nigam Ltd.					
65	2010-11	80.96	44.00	36.96	Share of beneficiaries' states has not been received as per estimates.
65	2011-12	93.84	40.00	53.84	Share of beneficiaries' states has not been received as per estimates.
65	2012-13	50.00	37.50	12.50	Share of beneficiaries' states has not been received as per estimates.
2700-80-005 11 IRG-47 Survey & Investigation					
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.
66	2012-13	27.79	15.35	12.44	Amount kept for the second installment surrendered.
2702-01-103 13 Minor Irrigation Works					
66	2010-11	22.06	16.59	5.47	Due to less demand received from Panchayat offices for maintenance.
66	2011-12	22.02	14.35	7.67	Due to less demand received from Panchayat offices for maintenance.
66	2012-13	25.59	11.38	14.21	No specific reasons furnished.
4701-71-800 80 Other Expenditure					
66	2010-11	7.10	1.94	5.16	Works of big check-dam of Surendranagar under process of approval.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
66	2011-12	16.00	3.63	12.37	Non-finalization of design for check dam.
66	2012-13	133.00	126.35	6.65	Non-finalization of work of circle office
4702-00-800 02 Drip contribution of pressurised irrigation network system					
66	2010-11	19.62	2.91	16.71	Sufficient beneficiaries not received.
95	2011-12	99.50	7.19	92.31	No reasons furnished
95	2012-13	119.00	39.12	79.88	Due to non-receipt of demand from villages in which schedule caste sub plan population is more.
4711-01-103 01 Flood Control Works					
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.
66	2012-13	27.30	14.01	13.29	Due to non-finalisation of design in time because of Assembly elections in 2012.
2515-00-800 05 CDP-2 Survey and studies					
70	2010-11	37.00	21.18	15.82	Due to less Garib Kalyan Melas organization.
70	2011-12	34.50	19.59	14.91	Due to less expenditure in Garib Kalyan Melas.
70	2012-13	102.45	72.31	30.14	Due to less expenditure in Garib Kalyan Melas.
2041-00-102 01 Inspection of Motor Vehicle					
74	2010-11	145.42	76.24	69.18	Non-receipt of administrative approval for upgradation of check post, creation of new transport offices etc.
74	2011-12	127.11	66.12	60.99	Reasons not furnished.
74	2012-13	125.02	83.49	41.53	Due to non-completion of various works by agencies. Payment was not made.
2029-001-03P 03 –LND-3-Strengthening of Revenue Administration and Updating of Land Records (50% Centrally Sponsored Scheme)					
77	2010-11	77.26	26.71	50.55	Due to delay in finalisation of tendering process related to resurvey works at various places. At the same time, allotted resurvey works were incomplete.
77	2011-12	118.38	11.63	106.75	Non-finalisation of purchase procedure for modern record room.
77	2012-13	127.17	33.46	93.71	Due to code of conduct regarding Gujarat Legislative elections, tender process of re-survey works could not be carried out in time.
2053-00-093 01-Collectorate Offices					
78	2010-11	62.80	53.08	9.72	Due to non-filling up of vacant posts.
78	2011-12	113.37	72.01	41.36	Due to vacant posts in collector and panchayat offices.
78	2012-13	111.43	87.70	23.73	Vacant posts in Apno Taluko Vibrant Taluko setup.
2053-00-094 01 Other establishment-LND-24 Sub- Divisional Establishment (including Talatis and Kotwals Circle Inspectors) Prant Officers , Mamlatdars and Circle Officers					
78	2010-11	124.19	111.72	12.47	Due to Vacant Posts in Collector & Panchayat Offices.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
78	2011-12	162.52	126.47	36.05	Due to Vacant Posts in Collector & Panchayat Offices.
78	2012-13	166.03	132.43	33.60	Due to vacant posts. Some staff was also on deputation to election commission and their salary debited through election commission head.
4059-01-051 42 R&B Office building					
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.
84	2012-13	596.02	326.42	269.60	High provision for new works and slow progress of construction works.
4059-01-051 P 42 HSG-12(A) Building					
84	2010-11	22.67	0.07	22.60	High provision for new works, delay in work due to land allotment, design preparation, tender procedures etc.
84	2011-12	16.92	4.20	12.72	Reasons not furnished.
84	2012-13	18.68	11.75	6.93	Due to high provision of new works administrative approval not received from concerned department.
4202-01-201C 42 Centrally Sponsored Scheme-EDN-69 Buildings					
84	2010-11	10.43	2.17	8.26	High provision for new works, delay in work due to land allotment, design preparation, tender procedures etc.
84	2011-12	15.28	6.38	8.90	High provision for new works, delay in work due to land allotment, design preparation, tender procedures etc.
84	2012-13	9.08	2.37	6.71	High provision for new works, delay in work due to land allotment, design preparation, tender procedures etc.
4225-03-277P 42 Welfare of SC,ST &OBC-Buildings					
84	2010-11	12.80	6.83	5.97	Due to high provision of new works.
84	2011-12	16.78	0.00	16.78	Due to high provision of new works.
84	2012-13	55.62	18.78	36.84	Due to high provision of new works.
4250-00-203 42 Other Social Services-Employment-Buildings					
84	2010-11	23.92	13.04	10.88	Due to high provision of new works.
84	2011-12	46.85	9.88	36.97	Due to high provision of new works.
84	2012-13	141.17	112.12	29.05	Due to high provision of new works.
2216-80-001 05 Expenditure transferred on pro-rata basis from MH-2059					
85	2010-11	28.31	12.29	16.02	Additional pro-rata transfer of funds.
85	2011-12	29.87	9.04	20.83	Reasons not furnished.
85	2012-13	31.99	5.33	26.66	Reasons not furnished.
3054-04-337 11 RBD-4 Roads and bridges					
86	2010-11	326.63	311.30	15.33	Reasons not furnished.
86	2011-12	397.83	190.77	207.06	Reasons not furnished.
86	2012-13	750.07	92.16	657.91	Reasons not furnished.

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2052-00-090 01 S.T.P.-12 Science & Technology Department					
89	2010-11	52.00	34.06	17.94	As assistance received from GoI under National e-Governance Plan (NeGP) scheme for development of I.T. in the state, some amount was spared and unspent which was transferred to other head.
89	2011-12	82.05	21.76	60.29	Due to revised estimate of GSWAN connectivity.
89	2012-13	92.48	26.59	65.89	Reasons not furnished.
3425-60-004 01 STP-18 Development of biotechnology					
90	2010-11	25.00	10.00	15.00	The grant was not released due to non-completion of tender process of Gendiot project of university or non-completion of tender procedures.
90	2011-12	20.00	5.00	15.00	The project was to be developed under BOOT (Build, Own, Operate and Transfer) model. State Government supported for BT incubator but no agency came forward.
90	2012-13	15.00	6.00	9.00	Reasons not furnished.
2225-01-283 01 BCK-50 Scheduled Castes Sub-plan Financial Assistance for Housing on Individual basis Dr. Ambedkar Awas Yojna					
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.
95	2012-13	30.00	19.89	10.11	Few applications from the beneficiaries.
2217-03-191P 42 UDP-16 Jawahar Lal Nehru National Urban Renewal Mission(JNNURM) for Infrastructure and Governance Poor					
102	2010-11	675.00	575.00	100.00	Progress of projects suffered due to delay occurring in receipt of matching share of GoI.
102	2011-12	514.00	450.00	64.00	Reasons not furnished.
102	2012-13	500.00	415.00	85.00	Due to non-completion of projects during time limit.

APPENDIX 2.3
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.4; Page 52)

(₹ in crore)

Year	Grant/ Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1999-00	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	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	7,8,12,19,34,36,61,66,73,75,82,86,102	2,640.36	-do-
2002-03	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	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	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	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	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	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	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	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	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-
2011-12	10, 18, 51, 82, 86 (Revenue Voted); 87 (Capital Voted); 26, 96 (Revenue Charged); 20, 81, 96 (Capital Charged)	660.62	-do-
Total		12,555.87	

APPENDIX 2.4
Cases where persistent excess were noticed during 2010-13
(Reference: Paragraph 2.3.6; Page 53)

(₹ in crore)

Grant No.	Year	Provision	Expenditure	Excess	Reasons
2071-01-101-01 Superannuation and retirement allowances to primary panchayat teachers					
0009	2010-11	554.62	604.38	49.76	No reasons furnished.
0009	2011-12	616.33	629.53	13.20	No reasons furnished.
0009	2012-13	655.00	936.67	281.67	No reasons furnished.
2071-01-104-01 Gratuities to Primary Panchayats Teachers					
0009	2010-11	95.00	139.01	44.01	No reasons furnished.
0009	2011-12	96.13	123.55	27.42	No reasons furnished.
0009	2012-13	140.00	245.57	105.57	No reasons furnished.
2071-01-104-01 Gratuities					
0018	2010-11	425.00	427.97	2.97	No reasons furnished.
0018	2011-12	425.00	427.91	2.91	No reasons furnished.
0018	2012-13	550.00	628.72	78.72	Due to fluctuating nature in finalisation of pension cases.
2071-01-117-01 State Government Contribution under Defined Contribution Pension Scheme Tier- I					
0018	2010-11	54.00	60.01	6.01	Due to regular deductions and new entrants to the New Defined Contribution Pension Scheme.
0018	2011-12	75.00	99.88	24.88	Due to regular deductions and new entrants to the New Defined Contribution Pension Scheme.
0018	2012-13	149.00	152.50	3.50	Due to regular deductions and new entrants to the New Defined Contribution Pension Scheme.
2049-03-104-02 Interest on General Provident Fund of class IV employees					
0020	2010-11	18.00	24.76	6.76	More payment of interest due to estimated receipt more than withdrawal.
0020	2011-12	24.00	27.99	3.99	More payment of interest due to estimated receipt more than withdrawal.
0020	2012-13	30.00	32.44	2.44	Increase in rate of interest.
2049-03-117-01 Interest on Defined Contribution of Government Employee Pension Scheme Tier-I					
0020	2010-11	1.08	11.78	10.70	New entrants depending upon recruitment.
0020	2011-12	15.56	25.35	9.79	New entrants depending upon recruitment.
0020	2012-13	11.00	31.11	20.11	New entrants depending upon recruitment.

Grant No.	Year	Provision	Expenditure	Excess	Reasons
2210-01-110-17-HLT-58- Gujarat Kidney Institute & Research Centre					
0039	2010-11	17.48	21.54	4.06	Due to increase in contingency expenditure like housekeeping, purchasing of Hemo Dialysis machine.
0039	2011-12	14.31	20.68	6.37	Increase in D.A, Medical Allowance, LTC, TA etc.
0039	2012-13	34.98	46.48	11.50	Increase in D.A, Medical Allowance, LTC, TA etc.
2055-00-109-09-Home Guards/Border wing Home Guard Utilised for Police Department					
0043	2010-11	26.00	32.38	6.38	More forces are required to maintain law and order in state.
0043	2011-12	26.00	29.81	3.81	More forces are required to maintain law and order in state.
0043	2012-13	48.67	51.83	3.16	No reasons furnished.
2852-80-800-24 IND-5 Promotional Efforts for Industrial Development (plan)					
0049	2010-11	76.33	123.59	47.26	Construction of Gandhi Mandir at Gandhinagar
0049	2011-12	9.33	11.52	2.19	Conducting seminars and workshops for promotional efforts for Industrial Development
0049	2012-13	46.08	51.08	5.00	More proposals received by Udyog Bhavan Society
2702-03-102-84 MNR -245 Maintenance and Repairs					
0066	2010-11	75.00	100.84	25.84	Reason not furnished.
0066	2011-12	89.00	93.00	4.00	Increase in expenditure of energy bills for various pipelines.
0066	2012-13	100.00	118.14	18.14	Electricity bill of pumping stations
4700-11-800-46 Distributories and Water Courses (plan)					
0066	2010-11	6.60	8.70	2.10	More renovation works.
0066	2011-12	6.95	10.90	3.95	More renovation works.
0066	2012-13	1.50	7.81	6.31	More renovation works.
4701-41-800-80 Other Expenditure (Plan)					
0066	2010-11	22.66	41.16	18.50	Good progress of safety works and repairing of damaged gates.
0066	2011-12	25.29	56.25	30.96	Good progress of safety works and repairing of damaged gates.
0066	2012-13	81.20	88.71	7.51	Good progress of safety works
3054-80-797-11 Transfer to Deposit accounts of Central Road Fund allocation					
0086	2010-11	104.64	113.62	8.98	No reasons furnished
0086	2011-12	58.07	97.67	39.60	No reasons furnished.
0086	2012-13	113.62	139.42	25.80	No reasons furnished

Grant No.	Year	Provision	Expenditure	Excess	Reasons
5054-03-337-11 RBD-2(a) Original Works					
0086	2010-11	691.96	750.60	58.64	Due to good progress in state highways.
0086	2011-12	813.31	1,100.34	287.03	Speeding up the work in order to complete it by targeted date.
0086	2012-13	1,297.78	1,433.24	135.46	Due to good progress in state highways.
2225-01-277C-05 BCK-6-(i)- Scheduled Castes Sub-plan Government of India Scholarship for (Post S.S.C. students)					
0095	2010-11	40.00	55.43	15.43	Increase in scholarship amount and releases by GoI
0095	2011-12	76.00	89.77	13.77	Due to more beneficiaries.
0095	2012-13	80.00	109.59	29.59	Due to more beneficiaries.
2236-02-796-08 MDM-2 Food grain to Parents of Tribal daughters studying in primary schools					
0096	2010-11	22.00	39.66	17.66	Increase in rate of wheat to pay the bill.
0096	2011-12	22.00	39.12	17.12	More beneficiaries added than targeted.
0096	2012-13	48.41	51.55	3.14	Reasons not furnished.
2402-00-796-11 SLC-25 Integrated Water shed Development programme in Tribal area					
0096	2010-11	12.19	22.23	10.04	Increase in demand for work from farmers.
0096	2011-12	12.19	22.19	10.00	Increase in demand for work from farmers.
0096	2012-13	40.50	56.50	16.00	Increase in demand for work from farmers.
3054-80-796-02 RBD-10 Special provision for Roads & Bridges under Tribal Area Sub-plan					
0096	2010-11	29.20	65.78	36.58	More demand from district offices and more state planning.
0096	2011-12	29.20	63.35	34.15	More demand from district offices and more state planning.
0096	2012-13	29.20	55.00	25.80	More demand from district offices and more state planning.
5054-03-796-01 RBD-2(A) State Highway					
0096	2010-11	257.00	259.04	2.04	Reasons not furnished.
0096	2011-12	249.00	273.73	24.73	Good progress of work.
0096	2012-13	472.63	531.71	59.08	Good progress of work.

APPENDIX 2.5

Cases where supplementary provision (₹ one crore or more in each case) proved unnecessary

(Reference: Paragraph 2.3.7.1; Page 54)

(₹ in crore)

Sr. No.	Number and Name of the Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
1	3-Minor Irrigation, Soil Conservation and Area Development-Revenue Voted	154.07	153.73	0.34	1.57
2	22-Civil Supplies-Revenue Voted	244.64	241.27	3.37	4.71
3	26-Forests-Revenue Voted	294.22	291.88	2.34	1.51
4	33-General Administration Department-Revenue Voted	91.38	89.76	1.62	11.04
5	35-Other Expenditure pertaining to General Administration Department-Revenue Voted	17.24	17.16	0.08	1.18
6	40-Family Welfare-Revenue Voted	571.76	421.62	150.14	1.79
7	43-Police-Revenue Voted	2,744.98	2,543.65	201.33	62.57
8	44-Jails-Revenue Voted	86.87	80.64	6.23	11.41
9	54-Information and Publicity-Revenue Voted	104.10	97.90	6.20	1.84
10	57-Labour and Employment-Revenue Voted	414.88	388.63	26.25	2.07
11	60-Administration of Justice-Revenue Charged	64.64	58.74	5.90	5.13
12	60-Administration of Justice-Revenue Voted	564.99	409.67	155.32	19.85
13	70-Community Development-Revenue Voted	976.70	743.57	233.13	33.16
14	83-Roads and Buildings Department-Revenue Voted	13.85	13.59	0.26	1.67
15	85-Residential Buildings-Revenue Voted	150.70	132.57	18.13	12.77
16	92-Social Security and Welfare-Revenue Voted	784.76	782.72	2.04	49.29
17	95-Special Component plan for Scheduled Castes - Revenue Voted	2,032.53	1,894.68	137.85	5.88
18	96-Tribal Area Sub-Plan-Revenue Voted	4,171.42	4,073.88	97.54	213.72
19	102-Urban Development-Revenue Voted	5,399.81	5,271.74	128.07	48.24
TOTAL		18,883.54	17,707.40	1,176.14	489.40

APPENDIX 2.6
Excess/Saving (more than ₹ one crore) in respect of
Unnecessary/Insufficient Re-appropriation of Funds
(Reference: Paragraph 2.3.8; Page 55)

(₹ in crore)

Sr. No.	Grant No.	Description	Head of Account	Re-appropriation (+/-)	Final excess (+)	Final saving (-)
1	9	MDM-1 Mid-Day Meal Scheme for Children in Public Primary Schools	2236	-38.53	0.00	-7.58
2	9	Provision of educational facilities - Maintenance Grant	2202	-16.02	0.00	-6.78
3	9	EDN-19 Government secondary school	2202	-1.01	0.00	-2.03
4	9	TED-5 Development of Government Engineering colleges	2203	-5.77	0.00	-1.70
5	9	EDN-78 Financial assistance for Kanya Kelavani Rath Yatra	2202	-3.18	2.93	0.00
6	9	MDM-1 Mid-day meal scheme for children in public primary schools	2236	-1.59	5.01	0.00
7	9	TED-3 Development of Government Polytechnics and Girls Polytechnics	2203	2.07	0.00	-4.20
8	9	TED-3 Development of Government Polytechnics and Girls Polytechnics	2203	9.60	0.00	-2.96
9	18	Superannuation and retirement allowances	2071	-156.28	14.68	0.00
10	20	Interest on General Provident Fund (Other than Class-IV employees)	2049	15.00	42.32	0.00
11	26	Payment of Consultancy charges under Gujarat Forestry Development project headed by JICA	4406	1.60	3.68	0.00
12	39	HLT-2 Civil Hospital Administration (Medical)	2210	-1.47	0.00	-2.14
13	39	HLT-72 Hospitals and Dispensaries 13th Finance Commission - NABH/NABL	4210	7.97	0.00	-4.72
14	39	HLT-63 B.J. Medical College Ahmedabad	2210	3.50	0.00	-2.30
15	39	HLT-16 Education Ayurvedic Colleges	2210	1.04	0.00	-1.15
16	43	MEP-6 District Police Proper	2055	-21.10	0.00	-17.70
17	43	MEP-14 Ahmedabad City Police	2055	12.69	0.00	-3.74
18	43	MEP-7 State Reserve Police Force	2055	7.56	11.94	0.00
19	66	Other maintenance expenditure	2700	-4.00	1.60	0.00
20	66	Other maintenance expenditure	2700	-3.51	1.75	0.00
21	66	Administration	2702	-1.89	2.45	0.00
22	66	Administration	2700	-13.03	3.56	0.00
23	66	Other expenditure	4701	-35.94	5.45	0.00
24	66	Drip contribution of pressurised irrigation network system for tube wells of GWRDC	4702	-1.20	5.66	0.00
25	66	Other expenditure	4701	43.72	0.00	-2.52
26	66	Construction and Deepening of Wells and Tanks	2702	3.81	0.00	-2.34
27	66	Minor irrigation	4702	42.25	4.77	0.00
28	70	CDP-2 Survey and Studies	2515	-18.98	0.00	-11.15
29	70	CDP-14 Scheme for Selection of Best Village Panchayats	2515	20.25	0.00	-10.13
30	70	CDP-11 Panchayats Election	2515	12.04	0.00	-1.34

Audit Report on State Finances for the year ended 31 March 2013

Sr. No.	Grant No.	Description	Head of Account	Re-appropriation (+/-)	Final excess (+)	Final saving (-)
31	73	Reimbursement of Family Pension to Panchayat Employees	2071	-10.00	1.51	0.00
32	73	Reimbursement of Gratuities to Panchayat Employees	2071	-7.50	5.14	0.00
33	73	Cost of remittance of Pension by money orders	2071	-2.00	6.06	0.00
34	73	Superannuation and Retirement allowances to Panchayat Employees	2071	-7.91	62.67	0.00
35	73	Family pension to Panchayat Employees	2071	27.01	0.00	-8.02
36	84	RBD-99 Direction	2059	-2.90	2.41	0.00
37	84	Buildings	4059	-272.44	9.65	0.00
38	84	Buildings	4059C	7.52	0.00	-13.51
39	84	Other maintenance expenditure (material and others)	2059	1.23	0.00	-1.50
40	85	Maintenance and Repairs to residential buildings	2216	1.15	0.00	-3.62
41	86	Central Road Fund	5054C	-36.57	0.00	-1.13
42	86	Transfer to deposit accounts of central road and fund allocation	3054	-15.74	41.54	0.00
43	86	Administration	3054	1.16	0.00	-2.50
44	86	Thirteenth Finance Commission	3054C	3.84	354.69	0.00
45	95	Provision for motor vehicle & medical equipment for medical, dental, nursing, physiotherapy colleges & teaching Hospitals	4210	6.35	6.36	0.00
46	96	MDM-1 Mid-day meal scheme for children in public schools	2236	-11.41	0.00	-2.91
47	96	Doorstep Delivery	2408	-5.03	0.00	-1.45
48	96	IRG-34 extension renovation modernisation & improvement or existing scheme & canal system	4700	-19.97	14.20	0.00
49	96	RBD-10 Special provision for roads and bridges under tribal area sub plan	3054	20.19	5.61	0.00
50	96	EDN-21 building	4202	37.94	8.52	0.00
51	96	RBD-2(A) State Highway	5054	48.59	10.50	0.00
52	96	HSG-15A A rural housing construction under poverty alleviation programme Sardar Patel Awas yojana	2216	130.10	81.39	0.00
53	106	NTR-5 Construction of Anganwadi	4236	14.69	0.00	-40.11
54	106	NTR-2 Integrated Child Development Scheme (centrally sponsored scheme)	2236C	4.86	56.74	0.00
		Total			772.79	159.23

APPENDIX 2.7
Substantial surrenders of more than ₹ one crore or more than 50 per cent
(Reference: Paragraph 2.3.9.1; Page 56 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	19	204800101 01 Gujarat State Sinking Fund- Voted Non Plan	1,000.00	1,000.00	100	No amount is required to be transferred to Sinking Fund.
2	19	207500797 01 Gujarat State Guarantee Redemption Fund- Voted Non Plan	40.00	40.00	100	No amount is required to be transferred to Guarantee Redemption Fund.
3	23	240801004 06 Defatted Soya Fortification to BPL and AAY beneficiaries- Voted Plan	26.95	26.95	100	Scheme discontinued.
4	49	547500800 01 OIN - 18 Scheme for Financial Support to PPP Infrastructure Projects Viability Gap fund- Voted Plan	10.00	10.00	100	Payments were not due.
5	79	224502122 02 Repairs and Restoration of damaged irrigation and flood control works- Voted Non plan	40.00	40.00	100	No expenditure has occurred due to uncertainty of nature.
6	79	224501102 04 Urban Water Supply Drinking Water Supply Arrangements in the Scarcity affected Areas Urban Drinking Water Supply- Voted Non plan	28.00	28.00	100	No expenditure has occurred due to uncertainty of nature and no demand has been made from the districts.
7	79	224502282 01 Supply of Medicines drugs disinfectant- Voted Non plan	20.00	20.00	100	No expenditure has occurred due to uncertainty of nature.
8	79	224502282 02 Cleaning of mud and debris- Voted Non Plan	15.00	15.00	100	Less expenditure has occurred due to uncertainty of nature.
9	79	224502101 04 Clothing and utensils for families whose houses have been washed away- Voted Non plan	10.00	10.00	100	As there was no heavy rain in the state.
10	79	224502112 04 Air dropping of food- Voted Non plan	5.00	5.00	100	No expenditure has occurred due to uncertainty of nature.

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
11	79	425000101C 02 Centrally Sponsored Scheme UDP-43 Assistance to Gujarat State Disaster Management Authority for Cyclone Risk GSDMA (NCRMP)- Voted Plan	5.00	5.00	100	The detailed Project report could not be sent to National Disaster Management Authority. Due to that project could not be started during the year.
12	79	425000101 06 Four Emergency Response Center Public Private Partnership- Voted Plan	10.00	10.00	100	The project expenditure will be borne by Gujarat Industrial Development Corporation.
13	84	422503277P 42 Partially CSS Buildings- Voted Non Plan	16.77	16.77	100	Due to high provision of new works, time consuming procedures like land allotment and adherence to tender procedure viz., preparation of drawings/ estimates, obtaining administrative approval /technical sanction etc.
14	93	422503277 02 BCK-174- Construction of Govt. Girls Hostels at Bharuch, Navsari, Ahmedabad, Patan, Surat, Himatnagar- Voted Plan	5.82	5.82	100	Works were completed.
15	96	420202796 43 Works (Technical Education)- Voted Plan	9.00	9.00	100	Proposed amount could not be utilised as construction work was not started by private partners.
16	108	343503102 02 CLC-2 Climate Change Impact Studies & Related Project Trust Fund -Voted Plan	14.93	14.93	100	The administrative approval for this scheme was not possible due to model code of conduct during Legislative Assembly Elections.
17	108	343503102 01 CLC-1 Climate change trust fund- Voted Plan	14.67	14.67	100	The administrative approval for this scheme was not possible due to model code of conduct during Legislative Assembly Elections.

APPENDIX 2.8
Amount surrendered (₹ one crore or more) in excess of actual savings
(Reference: Paragraph 2.3.9.2; Page 56)

(₹ 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	2	Agriculture Department -Revenue Voted	2,206.92	41.75	47.80	6.05
2	13	Energy Projects -Capital Voted	1,266.00	186.22	223.86	37.64
3	15	Finance Department -Revenue Voted	19.08	3.49	3.55	0.06
4	19	Other Expenditure pertaining to Finance Department -Revenue Voted	3,586.27	3,535.42	3,535.58	0.16
5	20	Repayment of debt pertaining to Finance Department and its Servicing -Capital Charged	6,537.66	1.18	64.64	63.46
6	49	Industries -Revenue Voted	1,027.03	110.35	114.85	4.50
7	49	Industries - Capital Voted	350.51	24.37	24.39	0.02
8	52	Other Expenditure pertaining to Industries and Mines Department - Revenue Voted	43.28	7.64	10.24	2.60
9	52	Other Expenditure pertaining to Industries and Mines Department - Capital Voted	646.60	0.14	1.39	1.25
10	59	Legal Department -Revenue Voted	13.09	5.55	6.10	0.55
11	60	Administration of Justice -Revenue Voted	584.83	175.16	177.01	1.85
12	61	Other Expenditure pertaining to Legal Department - Revenue Voted	60.00	3.68	3.68	0.00
13	65	Narmada Development Scheme - Capital Voted	3,600.00	56.33	97.96	41.63
14	66	Irrigation and Soil Conservation - Revenue Voted	984.52	44.11	54.99	10.88
15	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department - Capital Voted	7.83	5.12	5.50	0.38
16	79	Relief On Account of Natural Calamities -Revenue Voted	1,137.78	361.27	361.28	0.01
17	95	Special Component Plan For Sceduled Castes -Capital Voted	1,076.08	153.07	158.74	5.67
18	96	Tribal Area Sub-Plan -Capital Voted	3,021.44	19.07	58.29	39.22
19	108	Other Expenditure pertaining to Climate Change Department - Revenue Voted	109.59	11.15	33.60	22.45
Total			26,278.51	4,745.07	4,983.45	238.38

APPENDIX 2.9
Savings of more than ₹ one crore and more than 10 per cent not
surrendered
(Reference: Paragraph 2.3.9.3; Page 57)

							(₹ in crore)
Sr. No.	Grant No.	Name of the Grant/Appropriation	Savings	Surrender	Savings which remained to be surrendered	Percentage of savings not surrendered	
1	3	Minor Irrigation, Soil Conservation and Area Development- Revenue Voted	1.91	0.01	1.90	99.48	
2	31	Elections- Revenue Voted	2.42	0.87	1.55	64.05	
3	35	Other Expenditure pertaining to General Administration Department - Capital Voted	3.25	0.44	2.81	86.46	
4	39	Medical and Public Health- Revenue Voted	94.53	46.39	48.14	50.93	
5	39	Medical and Public Health- Capital Voted	7.47	0.00	7.47	100.00	
6	42	Home Department- Revenue Voted	1.75	0.00	1.75	100.00	
7	43	Police- Revenue Voted	263.90	77.85	186.05	70.50	
8	44	Jails- Revenue Voted	17.63	15.29	2.34	13.27	
9	46	Other Expenditure pertaining to Home Department -Capital Voted	26.03	1.97	24.06	92.43	
10	46	Other Expenditure pertaining to Home Department -Revenue Voted	8.65	7.23	1.42	16.42	
11	66	Irrigation and Soil Conservation- Capital Voted	12.35	7.39	4.96	40.16	
12	66	Irrigation and Soil Conservation- Capital Charged	1.02	0.00	1.02	100.00	
13	68	Other Expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department-Revenue Charged	1.12	0.00	1.12	100.00	
14	70	Community Development- Revenue Voted	266.29	2.62	263.67	99.02	
15	76	Revenue Department- Revenue Voted	20.25	11.04	9.21	45.48	
16	77	Tax Collection Charges (Revenue Department) - Revenue Voted	138.99	112.69	26.30	18.92	
17	78	District Administration - Revenue Voted	67.53	60.09	7.44	11.02	
18	80	Dangs District- Revenue Department	1.08	0.00	1.08	100.00	
19	83	Roads and Buildings Department- Revenue Voted	1.93	0.28	1.65	85.49	
20	84	Non-Residential Buildings- Capital Voted	2.89	0.12	2.77	95.85	

Sr. No.	Grant No.	Name of the Grant/Appropriation	Savings	Surrender	Savings which remained to be surrendered	Percentage of savings not surrendered
21	85	Residential Buildings - Revenue Voted	30.90	0.00	30.90	100.00
22	86	Road and Bridges – Capital Voted	2.20	0.00	2.20	100.00
23	87	Gujarat Capital Construction Scheme- Capital Voted	1.09	0.00	1.09	100.00
24	89	Science and Technology Department- Revenue Voted	59.95	30.02	29.93	49.92
25	90	Other Expenditure pertaining to Science and Technology Department- Revenue Voted	55.55	49.47	6.08	10.95
26	93	Welfare of Scheduled Tribes - Revenue Voted	9.16	7.75	1.41	5.39
27	102	Urban Development -Revenue Voted	176.31	134.83	41.48	23.53
Total			1,276.15	566.35	709.80	55.62

Source: Appropriation Accounts of the State Government

APPENDIX 2.10
Rush of Expenditure through Hand receipts (Reference: Paragraph 2.3.10; Page 59)

(₹ in crore)

Sr no	Division which made advance payment through hand receipts	Major head	Description	Paid to whom	Amount
1	C. P Division -4, Gandhinagar	4059	H.T. connection charges and S.D.	Exe. Eng. C.P Electrical Division, Gandhinagar	0.28
2	C. P Division -4, Gandhinagar	4202	Providing R.O. system at Girls and Boys hostels of engineering college	Exe. Eng. C.P Electrical Division, Gandhinagar	0.05
3	C. P Division -4, Gandhinagar	4202	Providing sound system at auditorium at engineering college campus	Exe. Eng. C.P Electrical Division, Gandhinagar	0.17
4	C. P Division -4, Gandhinagar	4217	Allotment of money for street light	Exe. Eng. S.C. Electrical Division, Gandhinagar	0.05
5	C. P Division -4, Gandhinagar	4217	Providing E.I. in state level M.S. building	Exe. Eng. C.P Electrical Division, Gandhinagar	0.47
6	Irrigation Division, Amreli	4701	Deposit for machinery works	Irrigation Mechanical Dn-6 ,Rajkot	1.36
7	R & B Division, Bhavnagar	2075	Paid to E.I. work of circuit house & M. V.	Ex. Eng. Elect.(R & B) Dn. Rajkot	0.20
8	Irrigation Project Division, Modasa	4700	Repairing of H.R. and C.R.	Irrigation Mechanical Dn-3, Gandhinagar	0.20
9	Irrigation Project Division, Modasa	4701	Deposit for providing 20 m master lighting zone	Irri. Mech. Dn.-7 Ahmedabad	0.12
10	Irrigation Project Division, Modasa	4702	2 nd instalment for deepening of tank	Irri. Mech. Dn.-7 Ahmedabad	0.10
11	Capital Project Division No 2, Gandhinagar	2251	Deposit work for various electrical works	E.E. Sachivalaya Complex Elect. Dn. Gandhinagar	0.11
12	Capital Project Division No 2, Gandhinagar	4216	Capital outlay	E.E. Sachivalaya Complex Elect. Dn. Gandhinagar.	0.21
13	Damanganga,Investigation Dn.,Valsad	4700	Supply of solar street light	Irri Mech Dn-2, Ukai	0.03
14	Jamnagar R&B Dn. Jamnagar	2245	Advance payment for Bulk Ashphalt	IOCL Vadodara	0.14
15	Jamnagar R&B Dn. Jamnagar	3054	Advance payment for Bulk Ashphalt	IOCL Vadodara	0.01
16	Jamnagar R&B Dn. Jamnagar	3054	Advance payment for Bulk Ashphalt	IOCL Vadodara	0.12
17	Jamnagar R&B Dn. Jamnagar	3054	Advance payment for Bulk Ashphalt	IOCL Vadodara	0.37
18	Jamnagar R&B Dn. Jamnagar	2049	Advance payment for Bulk Ashphalt	IOCL Vadodara	0.09
19	Amreli, R & B Division,Amrli	3054	Providing Street Light	Electric R & B, Rajkot	0.05
20	Irrigation & Maintenance Division, Bhavnagar.	4701	Deposit for machinery works	Irrigation Mechanical Dn-3, Gandhinagar	0.31
21	Irrigation & Maintenance Division, Bhavnagar.	4701	Deposit for machinery works	Irrigation Mech. Dn-1 Vadodara.	0.12
22	Irrigation & Maintenance Division, Bhavnagar.	4702	Deposit for machinery works	Irrigation Mech Dn-2 Ukai	0.10
23	Shedhi Irrigation Division,Nadiad.	2701	Re-shifting of drain	Irrigation Mech. Dn-1 Vadodara	0.25

Sr no	Division which made advance payment through hand receipts	Major head	Description	Paid to whom	Amount
24	Shedhi Irrigation Division,Nadiad.	4711	For re-sectioning & strengthening of main canal between ch.00 to 236	Irrigation Mech. Dn-1 Vadodara	0.25
25	Dharoi Head Work Division No.1, Mehsana.	2700	Advance payment For deposit work	Irrigation Mech. Dn.-7 Ahmedabad	0.18
26	Dharoi Head Work Division No.1, Mehsana.	2700	Advance payment for deposit work of H.R./C.R. Gate of RBMC	Irrigation Mech Dn-3 Gandhinagar	0.22
27	Road & Building division, Bhuj-Kutch.	2059	Providing & fixing of AC Machine & fans in Umed Bhavan circuit house at Bhuj.	Electrical R&B division Bhuj	0.08
28	Road & Building division, Bhuj- Kutch.	2059	AC Machine LED Rest House at Rapar.	Electrical R&B division Bhuj	0.03
29	Road & Building division, Bhuj- Kutch.	2059	Electric work at agency bungalow at Mandawi.	Electrical R&B division Bhuj	0.02
30	Road & Building division, Bhuj- Kutch.	2059	Electric work at Anjar.	Electrical R&B division Bhuj	0.03
31	Road & Building division, Bhuj- Kutch.	2059	Electric work at Gandhidham	Electrical R&B division Bhuj	0.03
32	Road & Building division, Bhuj- Kutch.	2059	Electric work at Dayapar.	Electrical R&B division Bhuj	0.03
33	Road & Building division, Bhuj- Kutch.	2059	Electric work at Rapar.	Electrical R&B division Bhuj	0.03
34	Road & Building division, Bhuj- Kutch.	2059	Electric work, compound wall lights etc.	Electrical R&B division Bhuj	0.03
35	Road & Building division, Bhuj- Kutch.	2059	Electric work in Rapar submersible pump.	Electrical R&B division Bhuj	0.03
36	Road & Building division, Bhuj- Kutch.	2059	Compound wall lighting work at Bhachau.	Electrical R&B division Bhuj	0.03
37	Road & Building division, Bhuj- Kutch.	2059	Electric work at Bhuj.	Electrical R&B division Bhuj	0.01
38	Road & Building division, Bhuj- Kutch.	2059	Electric work at Bhachau.	Electrical R&B division Bhuj	0.03
39	Road & Building division, Bhuj- Kutch.	2216	Electric work in IB office in Bhuj.	Electrical R&B division Bhuj	0.03
40	Road & Building division, Bhuj- Kutch.	2216	Electric work in IB at Gandhidham	Electrical R&B division Bhuj	0.06
41	Road & Building division, Bhuj- Kutch.	2216	ITI workshop at Bhuj.	Electrical R&B division Bhuj	0.02
42	Road & Building division, Bhuj- Kutch.	2216	Electric work at Gandhidham	Electrical R&B division Bhuj	0.02
43	Road & Building division, Bhuj- Kutch.	2216	Electric replacement MS building at Bhuj.	Electrical R&B division Bhuj	0.15
44	Road & Building division, Bhuj- Kutch.	2216	Electric replacement At Gandhidham Anjar Mandawi Rapar Bhachau and Bhuj.	Electrical R&B division Bhuj	0.07
45	Road & Building division, Bhuj- Kutch.	2216	Electric replacement At Bhuj.	Electrical R&B division Bhuj	0.06
46	Road & Building division, Bhuj- Kutch.	2216	Electric replacement At Bhuj.	Electrical R&B division Bhuj	0.03
47	Und Irrigation Division, Jamnagar	4701	As deposit for the work of jungle cutting to canal works of Und-II Irrigation scheme.	Irrigation Mech. Dn-6, Rajkot	0.11
48	Nadiad Irrigation division, Nadiad	4711	Restoration to Mator and Chanor/Hadveda Drain	Irrigation Mech. Dn-1, Vadodara	0.07
49	City R & B Division, Rajkot	2059	Special Repairs (S.R) to Various buildings	Ex.Engr Elec R&B Dn Rajkot	0.51
50	City R & B Division, Rajkot	2059	S.R to Various buildings	Ex.Engr Elec R&B Dn Rajkot	0.49

Sr no	Division which made advance payment through hand receipts	Major head	Description	Paid to whom	Amount
51	City R & B Division, Rajkot	2059	S.R to Various buildings	Ex.Engr Elec R&B Dn Rajkot	0.03
52	City R & B Division, Rajkot	2216	Housing 800 CR	Ex. Engr Elec R&B Dn Rajkot	0.06
53	Damanganga canal distributor Dn.3,Vapi	4700	Advance Payment for purchase of solar light	Irrigation Mech Dn-2 Ukai	0.03
54	Irrigation Division, Petlad	4711	Drainage work	Irrigation Mech. Dn-1 Vadodara.	0.08
55	Irrigation Division, Petlad	4711	Drainage const. of R LC (B)	Irrigation Mech. Dn-1 Vadodara.	0.01
56	Surat canal division, Surat	4700	Deposit for machinery works	Irrigation Mech Dn-4, Ahmedabad	0.14
57	Surat canal division, Surat	4701	Deposit for machinery works	Irrigation Mech. Dn-2 Ukai	0.65
	Total				8.56

APPENDIX 2.11
Rush of Expenditure in PLA
(Reference: Paragraph 2.3.10; Page 59)

(₹ in crore)

Sr. No	Office name	Para No. Period of audit Month of audit	Paragraph subject	Scheme	Grant order no.	Amount Granted	Work done till date	Remarks
1	Collector, Palanpur	2_____. 10/2008 to 03/2012. 8/2012	Blockage of funds	Development of Dhalavali Vav	PE/Zilla Pravasani/2009/724 dt 27-10-2009	1.00	-	Amount granted on 27-10-2009, but till date no work done. An amount of ₹ 5 lakh released for digital survey tender procedures to R&B, Palanpur.
2	Prant Officer, Gandhinagar	2_____. 11/2010 to 03/2012 1/2013	Withdrawal of money to avoid lapse of grant	Apno Taluko Vibrant Taluko (ATVT) works in Gandhinagar and Dehgam taluka	VJA-152011-418-A dt 6-2-2012	3.00	-	Kept in PLA of DDO, Gandhinagar on 31-3-2012, AA/TS after 21-8-2012 for ₹ 2.80 crore. But entire amount in PLA as on 23-1-2013.
3	Prant Officer Nadiad	1_____. 04/2010 to 03/2012 2/2013	Withdrawal of money to avoid lapse of grant	ATVT works in Nadiad and Mahuda taluka	VJA-152011-418-A dt 6-2-2012	2.75	-	Kept in PLA of DDO Nadiad on 29-3-2012, AA/TS after 21-9-2012 for ₹ 0.77 crore and amount transferred to PLA of TDO, Nadiad and Mahuva. Balance amount still in PLA of DDO as on 13-2-2013.
4	Prant Officer Nadiad	2_____. 04/2010 to 03/2012 2/2013	Irregular keeping of money out of Govt Account.	IGNOAPS and NOAPS scheme	-	0.69	-	The work allotted to Mamlatdar, Nadiad w.e.f July 2011 but amount still in PLA of Prant officer, Nadiad
5	Dy. Collector, Junagadh	3_____. 12/2003 to 03/2012 02/2013	Withdrawal of money to avoid lapse of grant	ATVT works of Junagadh, Vanthali and Manavadar taluka	VJA-152011-418-A dt 6-2-2012	4.25	-	Kept in PLA of DDO Junagadh on 29-3-2012, AA/TS for ₹ 2.11 crore and amount transferred to PLA of TDO, Junagadh who has no bank account and payment authority.
6	Dy. Collector, Amreli	3_____. 05/2010 to 03/2012 03/2013	Withdrawal of money to avoid lapse of grant	ATVT works of Amreli and Vadia taluka	VJA-152011-418-A dt 6-2-2012	2.75	0.94	Kept in PLA of DDO Amreli on 31-3-2012, AA/TS after June 2012 for ₹ 1.26 crore, Amount of ₹ 2.50 crore transferred to PLA of Prant Officer, Amreli in HDFC bank which is not a nationalised from which payment of ₹ 0.94 crore was made. Balances in respective PLA.
						14.44	0.94	

APPENDIX 3.1

Utilisation certificates outstanding as on 31 March 2013

(Reference: Paragraph 3.1, Page 75)

(₹ in crore)

Sr. No.	Department	Period of Payment of grant	Total grants paid		Utilisation Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Agriculture & Co-operation	2001-13	2,031	2,141.30	1,640	1,913.72	391	227.58
2	Climate change	2010-13	47	230.27	29	146.08	18	84.19
3	Women & Child development	2002-13	638	166.61	304	22.95	334	143.66
4	Education	2001-13	4,003	754.36	3,670	517.15	333	237.21
5	Energy & Petrochemicals	2008-13	10	792.50	2	125.00	8	667.50
6	Food, Civil Supplies & Consumer affairs	2001-12	61	141.04	7	53.92	54	87.12
7	Finance	2012-13	2	0.10	0	0.00	2	0.10
8	Forest & Environment	2001-13	117	27.46	107	23.21	10	4.25
9	General Administration	2001 -13	223	505.04	125	474.04	98	31.00
10	Gujarat Legislature Secretariat	2006-09	13	2.50	6	2.13	7	0.37
11	Health & Family Welfare	2001-13	2,328	541.06	2,081	215.79	247	325.27
12	Home	2001-13	130	315.25	100	309.91	30	5.34
13	Industries & Mines	2001-13	1,937	1,094.97	1,606	186.35	331	908.62
14	Information Broadcasting & Tourism	2002-11	5	0.63	4	0.62	1	0.01
15	Labour & Employment	2001-13	171	7.85	149	7.19	22	0.66
16	Legal	2001-13	48	1.31	34	0.73	14	0.58
17	Narmada Water Resources, Water Supply and Kalpsar	2001-12	1,019	2,434.10	1,010	1,987.55	9	446.55
18	Ports & Transport	2001-13	726	1,106.32	721	857.13	5	249.19
19	Panchayats, Rural Housing and Rural Development	2001-13	2,114	1,168.63	1,524	385.56	590	783.07
20	Roads & Buildings	2003-12	14	1.90	13	1.69	1	0.21
21	Revenue	2001-13	93	47.41	64	34.27	29	13.14
22	Social Justice & Empowerment	2001-13	25,030	2,502.54	12,031	670.12	12,999	1,832.42
23	Science and Technology	2003-13	105	51.95	98	6.21	7	45.74
24	Sports, Youth & Cultural Activities	2001-13	1,644	28.97	741	6.43	903	22.54
25	Urban Development & Urban Housing	2001-13	245	3,084.37	102	79.23	143	3,005.14
	Total		42,754	17,148.44	26,168	8,026.98	16,586	9,121.46

APPENDIX 3.2

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

(Refer paragraph 3.3; Page 79)

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	Akshar Purshottam Arogya Mandir (Muni Seva Ashram), Vaghodia, Goraj- Vadodara; Dr. V H Dave Homeopathic Medical College & Hospital; Gujarat Ecology Commission, Gandhinagar; Institute of Kidney Diseases & Research Centre IKDRC, Ahmedabad; Sheth Vadilal Sarabhai General Hospital and Sheth Chinai Maternity Hospital, Ahmedabad;	2004-05 onwards	5
3	Forest Development Agency, Chhota Udepur; Electronic Quality Development Centre, Gandhinagar; K J Mehta TB Hospital, Songadh; Self Employed Women's Association, Ahmedabad; Gujarat Pollution Control Board, Gandhinagar;	2005-06 onwards	5
4	Aryakanya Shuddha Ayurved Mahavidyalaya, Vadodara; G.K. General Hospital, Bhuj; Gandhi Lincoln Hospital; Gujarat Backward Classes Development Corporation, Gandhinagar; Forest Development Agency, Bhavnagar; Forest Development Agency, Godhra; Forest Development Agency, Junagadh; Forest Development Agency, Narmada Rajpipla (East); Forest Development Agency, Sabarkantha Himmatnagar North; Forest Development Agency, Surendranagar; Forest Development Agency, Valsad (North); Forest Development Agency, Banaskantha; Gujarat Sahitya Academy, Gandhinagar; Gujarat State Lalit Kala Academy, Ahmedabad; Hemchandraacharya North Gujarat University, Patan; Industrial Training Centre Morva-Rena, Panchmahal; J S Ayurved Mahavidyalaya & P T Patel Ayurved Hospital, Nadiad; O.H. Nazar Ayurved College and Hospital, Surat; Smt. B H Shah (Karjanwala), ITI, Kamrej, Surat;	2006-07 onwards	20
5	B.M. Institute of Mental Health, Ahmedabad; Gujarat Ecology Education & Research (GEER) Foundation, Gandhinagar;	2007-08 onwards	2
6	Gujarat Council of Primary Education (SSAM), Gandhinagar; Gujarat Landless Labourers and Halpati Housing Board, Gandhinagar; Forest Development Agency, Dahod; Forest Development Agency, Jamnagar; Forest Development Agency, Rajkot; Forest Development Agency, Sabarkantha Himmatnagar South; Forest Development Agency, Ahwa Dang (South); M.S. University, Vadodara; Mandvi Taluka Kshaya Nivaran Sangh TB Association, Mandvi Kutch; Narayan Eye Hospital; R.K. Technical Institute Industrial Training Centre, Anand; Ravishanker Maharaja Eye Hospital, Anand; S K Patel Industrial Training Institute, Mehsana; Sarvajanic Hospital & Maternity Hospital, Gozaria Mehsana; School for Deaf-Mutes Society, Ahmedabad; Sheth J.B. Upadhyay Deaf and Mute School, Sabarkantha; Shrimant Fateshsinh Rao Gaekwad General Hospital Vatrak, Sabarkantha; Sivanand Mission Saurashtra Central Hospital, Rajkot; Smt. A.J. Savla Homeopathic Medical College, Mehsana; Society for Education Welfare & Action Rural (Sewa Rural), Jhagadia Bharuch; State Examination Board, Gandhinagar; State Literacy Mission, Gandhinagar;	2008-09 onwards	22
7	Bala Hanuman Ayurved Mahavidyalaya, Gandhinagar; C U Shah T B Hospital, Dudhrej Road, Surendranagar; Sardar Smarak Hospital, Bardoli;	2009-10 onwards	3

Sr. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/authorities
8	B S Nathwani T B Hospital, Junagadh; Bhagwat Vidyapith Ashok ITI, Sola Ahmedabad; Bhavan's Shri C T Sutaria ITI, Dakor; Cambay General Hospital; Gujarat Rural Workers Welfare Board, Gandhinagar; Gujarat State Social Welfare Advisory Board, Ahmedabad; Gujarat State Tribal Development Corporation, Gandhinagar; Gujarat State Tribal Development Residential education Institutions Society, Gandhinagar; Gurjareshwar Kumarpal Jain Sarvodaya Technical Institute, Vadodara; Janak Smarak Hospital, Vyara, Surat; Kacheria Mojilal Gordhandas General Hospital, Balasinor, Kheda; Gujarat Mineral Research Development Society, Gandhinagar; Gujarat Rajya Khadi Gramodyog Board; Saurashtra University, Rajkot;	2010-11 onwards	14
9	B V Patel Pharmaceutical Education Research Development Centre, Thaltej, Ahmedabad; C L Patel Technical Institute, Pij – Kheda; Chikhli Education Society's Grant-in-aid Industrial Training Centre, Chikhli; D S Patel Technical Institute, Anand; Development Support Agency of Gujarat, Public Trust (Tribal Development Department), Gandhinagar; Gujarat Institute of Development Research, Gota, Ahmedabad; ITI College, Lunawada; Mahatma Gandhi Labour Institute, Ahmedabad; Sardar Patel Institute of Economic & Social Research, Ahmedabad; Navsari Agriculture University, Navsari; U.N. Mehta Institute of Cardiology and Research Centre, Ahmedabad; Water and Land Management Institute (WALMI), Anand;	2011-12 onwards	12
10	Bhavan's Shri Swaminarayan Technical Institute, Dakor; Bhavnagar University, Bhavnagar; Gandhidham Development Authority, Adipur Kutch; Gujarat State Non-resident Gujarati's Foundation, Gandhinagar; Gujarat Water Supply & Sewerage Board, Gandhinagar; Kutch University, Bhuj Kutch; Methodist Technical Institute, Vadodara; R K Patel Technical Institute, Nadiad; Sabarmati Ashram Preservation & Memorial Trust, Ahmedabad; Sanjivani Hospital, Chaltan Surat; Sardar Vallabhbhai Patel Memorial Society, Ahmedabad; Tribal Research and Training Centre, Gujarat Vidyapith, Ahmedabad; Veer Narmad South Gujarat University, Surat; Veraval People's Co-op Bank, Veraval; Vitthalbhai Patel & Rajratna PT Patel Science College, VV Nagar, Anand; Gujarat Horticulture Mission, Gandhinagar; Gujarat Matikam Kalakari and Rural Technology Institute, Gandhinagar; Anand Agriculture University, Anand; Centre for Entrepreneurship Development, Gandhinagar; Electrical Research & Development Association, Vadodara; Gav Seva Ayog, Gandhinagar; Gujarat Council for Science City, Ahmedabad; Gujarat Energy Development Agency, Gandhinagar; Forest Development Agency, Kutch East; Forest Development Agency, Valsad South; Gujarat State Lion Conservation Society, Junagadh; Forest Development Agency Rajpipla (West), Narmada; Forest Development Agency Vyara; Forest Development Agency, Ahwa Dang (North); Forest Development Agency, Gandhinagar; Forest Development Agency, Gir East; Forest Development Agency, Gir West; Forest Development Agency, Kheda; Forest Development Agency, Kutch West; Forest Development Agency, Patan; Gujarat Environment Management Institute, Gujarat State Biodiversity Board, Sardar Krushinagar Agriculture University, Dantiwada; Gujarat Institute of Educational Technology (GIET), Ahmedabad; Gujarat State AIDS Control Society, Ahmedabad;	2012-13	40

APPENDIX 3.3
Statement showing performance of autonomous bodies
(Reference: Paragraph 3.4; Page 80)

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 in submission of accounts
Under Section 19(2)							
1.	Gujarat State Legal Service Authority, Ahmedabad	Not required	2011-12	2011-12	Yes 30-10-2012 Not placed	Yes	5 months
2.	District Legal Services Authority, Navsari	Not required	2011-12	2011-12	Yes 12-03-2013 Not placed	Yes	5 months
3.	District Legal Services Authority, Valsad	Not required	2011-12	2011-12	Yes 31-10-2012 Not placed	Yes	5 months
4.	Gujarat State Human Rights Commission, Gandhinagar	Not required	2006-07	2006-07	Yes 10-02-2010 Not placed	Yes	5 years 5 months
5.	Gujarat Building and other Construction Workers' Welfare Board, Ahmedabad	Not required	2010-11	2010-11	Yes 10-05-2013 Not placed	Yes	1 years 5 months
6.	Gujarat Electricity Regulatory Commission	Not required	2011-12	2011-12	Yes 23-11-2012 15-03-2013	Yes	5 months
Under Section 19(3)							
1	Gujarat Rural Housing Board, Gandhinagar	2012-13	2012-13	2011-12	Yes 15-02-2013 15-03-2013	No	--
2	Gujarat Housing Board Ahmedabad	2012-13	2011-12	2010-11	Yes 04-03-2013 Not placed	Yes	5 months
3.	Gujarat Slum Clearance Board, Ahmedabad	2012-13	2009-10	2008-09	Yes 26-07-2012 Not placed	Yes	2 years 5 months
Under Section 20(1)							
1	Gujarat Maritime Board	2016-17	2012-13	2011-12	Yes 21-03-2013 02-04-2013	No	--
2	Gujarat Municipal Finance Board, Gandhinagar	2013-14	2012-13	2010-11	Yes 15-02-2012 Not placed	No	--
3	Water and Sanitation Management Organisation, Gandhinagar	2010-11	2010-11	2010-11	Not required 20-11-2012 Not required	Yes	1 year 5 months
4	Ahmedabad Urban Development Authority	2007-12	2011-12	2011-12	Not required 10-05-2013 Not required	Yes	5 months

Appendices

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 re <u>quired</u> Date of issue of <u>SAR</u> Date of placement of SAR	Delay in submission of accounts	Period of delay in submission of accounts
5	Vadodara urban Development Authority	2007-12	2011-12	2011-12	Not required 14-12-2012 Not required	Yes	5 months
6	Rajkot Urban Devbelopment Authority	2007-12	2011-12	2010-11	Not required 16-01-2012 Not required	Yes	5 months
7	Surat Urban Development Authority	2007-12	2011-12	2010-11	Not required 03-05-2012 Not required	Yes	5 months
8	Jamnagar Area Development Authority	2007-12	2009-10	2009-10	Not required 21-09-2010 Not required	Yes	2years 5 months
9	Bhavnagar Urban Development Authority	2007-12	2010-11	2010-11	Not required 10-05-2013 Not required	Yes	1 years 5 months
10	Bhuj Area Development Authority	2007-12	2008-09	2008-09	Not required 23-08-2010 Not required	Yes	3 year 5 months
11	Rapar Area Development Authority	2007-12	2008-09	2008-09	Not required 21-05-2010 Not required	Yes	3 year 5 months
12	Gandhinagar Urban Development Authority	2007-12	2010-11	2009-10	Not required 06-07-2011 Not required	Yes	1year 5 months
13	Anjar Area Development Authority	2007-12	2008-09	2008-09	Not required 19-08-2010 Not required	Yes	3year 5 months
14	Bhachau Area Development Authority	2007-12	2008-09	2008-09	Not required 17-12-2009 Not required	Yes	3 year 5 months
15	Vadinar Area Development Authority	2007-12	2008-09	2008-09	Not required 13-09-2010 Not required	Yes	3 year 5 months
16	Junagadh Area Development Authority	2007-12	--	--	Not required - Not required	Yes	5 years 5 months
17	Ambaji Area Development Authority	2007-12	--	--	Not required - Not required	Yes	5 years 5 months
18	Alang Area Development Authority	2007-12	--	--	Not required - Not required	Yes	5 years 5 months
19	Kevadia Area Development Authority	2007-12	--	--	Not required - Not required	Yes	5 years 5 months
20	Gujarat State CAMPA	2009-15	--	--	Not required - Not required	Yes	3 years 5 months

APPENDIX 3.4
Pending DC bills for the years up to 2012-13
(Reference paragraph 3.6; Page 81)

		(₹ in crore)
Name of Department	Number of AC bills	Amount
Agriculture and Co-operation	24	0.20
Education	3,280	100.10
Food, Civil Supplies and Consumer Affairs	42	0.18
Finance	34	0.22
General Administration	936	39.59
Gujarat Legislature Secretariat	1	0.00 ¹
Health and Family Welfare	284	10.14
Home	2,718	119.79
Industries and Mines	48	3.38
Information and Broadcasting	2	0.00 ²
Labour and Employment	25	0.07
Legal	268	0.52
Narmada Water Resources, Water Supply and Kalpsar	6	0.01
Ports and Transport	4	0.03
Panchayats, Rural Housing and Rural Development	1,574	27.12
Revenue	589	26.57
Roads and Buildings	9	0.01
Social Justice and Empowerment	581	9.39
Sports, Youth and Cultural Activities	531	6.51
Women and Child Development	11	0.02
Urban Development and Urban Housing Department	3	0.01
TOTAL	10,970	343.86

¹ ₹ 23,000

² ₹ 21,000

APPENDIX 3.5

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

(Reference: Paragraph 3.8; Page 82)

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	0	3	0	0	1	4
2	Agriculture, Co-op. & R.D.D.	0	0	2	2	1	0	5
3	Legal (A.J)	1	1	0	3	0	1	6
4	Labour & Employment	0	1	0	0	0	0	1
5	Education	1	8	3	2	0	0	14
6	Industries, Mines & Power	0	1	1	1	0	0	3
7	Health & Family Welfare	0	2	2	3	2	6	15
8	Home	0	3	2	1	5	0	11
9	Forest & Environment	3	11	2	0	1	1	18
10	Food & Civil Supply	0	0	1	0	0	0	1
11	Finance	0	0	0	0	1	1	2
12	Revenue	0	2	0	0	2	6	10
13	Sports, Culture & Youth Services	0	0	1	0	0	0	1
14	Tribal Development	0	0	1	0	0	0	1
15	Gujarat Maritime Board	1	0	0	0	0	0	1
16	Narmada Water Resources, Water Supply and Kalpsar	1	2	2	1	7	22	35
17	Roads and Buildings	0	1	0	2	5	1	9
18	Land Revenue	0	1	3	2	4	19	29
	TOTAL	7	33	23	17	28	58	166

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 3.8; Page 82)

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	10	8.29	4	23.98	0	0	14	32.27
Industries, Mines and Power	1	0.46	2	77.62	0	0	3	78.08
Health and Family Welfare	2	2.57	13	15.22	0	0	15	17.79
Home	0	0	11	79.73	0	0	11	79.73
Forests and Environment	9	1.80	6	8.34	3	0.36	18	10.50
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
Gujarat Maritime Board	0	0	1	3.22	0	0	1	3.22
Roads and Buildings	3	1.57	6	351.88	0	0	9	353.45
Narmada, Water Resources and Water Supply	16	7.66	19	19.9	0	0	35	27.56
Land Revenue	0	0	29	4.02	0	0	29	4.02
Total	45	26.24	118	810.42	3	0.36	166	837.02

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.