



**State Finances Audit Report  
of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2022**



**Government of Gujarat  
Report No. 1 of the year 2023**



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**GOVERNMENT OF GUJARAT  
Report No. 1 of the year 2023**



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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. Chapter I of this Report contains the basis and approach to State Finances Audit Report, structure of the Report, structure of Government Accounts, budgetary processes, trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/deficit, etc.
3. Chapters II & III of the Report contain audit findings on matters arising from examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2022. Information has been obtained from Government of Gujarat, wherever necessary.
4. Chapter IV on ‘Quality of Accounts & Financial Reporting Practices’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives during 2021-22.
5. Chapter V on the financial performance of State Public Sector Undertakings (SPSUs) discusses the financial performance of Government Companies, Statutory Corporations and Government Controlled other Companies as revealed from their latest accounts and information furnished by them and presents the results of oversight role of the Comptroller and Auditor General of India (CAG).
6. 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

This State Finances Audit Report of the Government of Gujarat is being brought out with a view to objectively assess the financial performance of the State Government during 2021-22 and to provide the State Government and State Legislature with inputs, based on analysis of the financial data. To provide a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged in the Gujarat Fiscal Responsibility Act, 2005, Finance Commission Recommendations and the Budget Estimates of 2021-22 and other financial data obtained from various Government Departments.

### The Report

Based on the audited Accounts of the Government of Gujarat for the year ending March 2022, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in five Chapters.

**Chapter I** describes the basis and approach to the Report and the underlying data provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surpluses.

**Chapter II** provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt profile of the State and key Public Account transactions, based mainly on the Finance Accounts of the State.

**Chapter III** is based on the Appropriation Accounts and gives a Grant-wise description of Appropriations and the way the allocated resources were managed by the service delivery Departments.

**Chapter IV** is an inventory of the Government's compliance with various reporting requirements and financial rules.

**Chapter V** discusses financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies as revealed from their accounts.

The Report also has additional data collated from several other sources in support of the findings.

### Achievements of the State Government: A Brief Summary

The per capita income of Gujarat at ₹ 2,76,588 during 2021-22 was higher than the all-India average of ₹ 1,72,913.

During the year, the State achieved all the targets of major fiscal variables set under the Gujarat Fiscal Responsibility Act, 2005. The percentage of fiscal deficit to Gross State Domestic Product (GSDP) at 1.17 *per cent* and to public debt at 15.86 *per cent* were within the targets set under the Gujarat Fiscal Responsibility Act, 2005.

Outstanding guarantees of the State at ₹ 3,044 crore during 2021-22 were much lower than the ceiling of ₹ 20,000 crore prescribed under the Gujarat State Guarantees Act, 1963.

The State has taken initiatives for better fiscal management by setting up of the Consolidated Sinking Fund to provide a cushion for repaying market loans and the Guarantee Redemption Fund to provide a cushion for servicing contingent liabilities.

The State Government, improved its revenue receipts-GSDP ratio (8.58 *per cent*) which was higher than 7.74 *per cent* achieved during previous year.

### Contents of the Report

#### Chapter I

##### Overview

##### *Fiscal Position*

The State achieved the target of elimination of revenue deficit from 2011-12 to 2019-20. The revenue deficit at ₹ 22,548 crore during 2020-21 turned revenue surplus at ₹ 6,409 crore in 2021-22.

At the end of 2021-22, fiscal deficit as percentage to GSDP stood at 1.17 *per cent*, which was within the limit of three *per cent* target set in Gujarat Fiscal Responsibility Act by State Government.

In the fiscal consolidation roadmap, the State Government could maintain the percentage of public debt to GSDP at 15.86 *per cent* during 2021-22 against the target of 17.40 *per cent* set out in MTFPS.

*(Paragraph 1.5.1 and 1.5.2)*

##### *Trends in Deficits*

During 2021-22, fiscal deficit decreased by ₹ 17,746 crore (43.88 *per cent*) from ₹ 40,438 crore in 2020-21 to ₹ 22,692 crore in 2021-22.

During 2021-22, primary surplus increased by ₹ 18,730 crore from primary deficit of ₹ 16,235 crore in 2020-21 to primary surplus of ₹ 2,495 crore in 2021-22.

*(Paragraph 1.5.2)*

The State Government did not discharge interest liabilities of ₹ 45 crore on Other than Contributory Pension Scheme and State Compensatory Afforestation Deposit and there was a shortfall of ₹ 10,531 crore in the State Government contribution to Consolidated Sinking Fund, non-transfer of Labour Cess of ₹ 363 crore and less Government contribution to NPS of ₹ 7 crore. This resulted in overstatement of revenue Surplus by ₹ 10,921 crore and understatement of Fiscal deficit by ₹ 10,947 crore.

*(Paragraph 1.6.1)*

## Chapter II

### Finances of the State Government

#### *State's Own Resources*

During 2021-22, 67 per cent of revenue receipts came from State's own resources. The State's own tax revenue increased by ₹ 27,412 crore (39.01 per cent) in 2021-22 over the previous year, and non-tax revenue increased by ₹ 3,526 crore (33.60 per cent) over the previous year. The own tax revenue as well as non-tax revenue in 2021-22 were lower than the budget estimates. The State Government was entitled for Goods and Services Tax compensation of ₹ 20,033 crore during the year 2021-22 for loss of revenue on implementation of Goods and Services Tax Act, 2017.

*(Paragraphs 2.3.2.1 and 2.3.2.2)*

#### *Share of Union Taxes and Duties and Grants-in-Aid*

The State's share of union taxes stood at ₹ 31,106 crore in 2021-22, registering increase of 53.85 per cent over the previous year. Grants-in-aid from GoI in 2021-22 decreased by ₹ 3,150 crore (11.59 per cent) over the previous year. During 2021-22, 33 per cent of revenue receipts of the State came from GoI in the form of State's share of union taxes and grants-in-aid.

*(Paragraphs 2.3.2.1 and 2.3.2.3)*

#### *Revenue Expenditure*

Revenue expenditure continuously increased from ₹ 1,18,060 crore in 2017-18 to ₹ 1,60,421 crore in 2021-22, with an increase of ₹ 9,717 crore (6.45 per cent) during 2021-22 over the previous year. During 2021-22, revenue expenditure as percentage of GSDP stood lowest at 8.25 per cent over the period 2017-22.

The share of revenue expenditure in total expenditure increased from 81.42 per cent in 2017-18 to 84.58 per cent in 2021-22.

*(Paragraph 2.4.2)*

#### *Capital Expenditure*

Capital expenditure increased from ₹ 26,313 crore in 2017-18 to ₹ 28,185 crore in 2021-22.

The share of capital expenditure in total expenditure decreased from 18.15 per cent in 2017-18 to 14.86 per cent in 2021-22.

*(Paragraph 2.4.3)*

### ***Investment and Returns***

As of 31 March 2022, the State Government had invested ₹ 1,16,485 crore in statutory corporations, Government companies, rural banks, joint stock companies, co-operative institutions, and local bodies. Return on investments in these companies/corporations/institutions was 0.12 *per cent* during 2021-22 while the Government paid an average interest of 7.12 *per cent* on its borrowings during the same period.

*(Paragraph 2.4.3.2)*

### ***Debt Profile: Components***

Total outstanding liabilities of the State grew from ₹ 2,56,366 crore in 2017-18 to ₹ 3,80,802 crore in 2021-22. In 2021-22, the outstanding liabilities grew at 6.40 *per cent* over the previous year. It comprised internal debt of ₹ 2,99,806 crore (78.73 *per cent*), public account liabilities of ₹ 50,240 crore (13.19 *per cent*) and loans and advances from GoI of ₹ 30,756 crore (8.08 *per cent*).

The percentage of total outstanding liabilities to GSDP decreased from 19.29 *per cent* (2017-18) to 18.44 *per cent* (2021-22). The net availability of borrowed funds for current operations after debt redemption (principal and interest payments) was ₹ 22,910 crore during 2021-22.

*(Paragraph 2.7.1)*

### ***Debt Sustainability***

Public Debt receipts increased from ₹ 26,953 crore in 2017-18 to ₹ 46,968 crore in 2021-22 and Public Debt repayments increased from ₹ 13,700 crore in 2017-18 to ₹ 24,436 crore in 2021-22. The ratio of public debt to GSDP ranged between 15.86 *per cent* and 18.04 *per cent* during 2017-22. However, during this period, the burden of interest payment on public debt ranged from 13.39 *per cent* to 17.22 *per cent* of the revenue receipts. The percentage of public debt repayment to public debt receipts increased over the previous year. The above indicators show that there is a need to review sustainability of debt of the State.

*(Paragraph 2.8.1.1)*

## **Chapter III**

### **Budgetary Management**

Against total budgetary provision of ₹ 2,39,389 crore during 2021-22, an expenditure of ₹ 2,17,355 crore was incurred. This resulted in net savings of ₹ 22,034 crore (savings of ₹ 25,545 crore offset by an excess of ₹ 3,511 crore).

*(Paragraphs 3.1)*

Excess expenditure of ₹ 14,367 crore pertaining to the period from 2007-08 to 2011-12 and 2013-14 to 2021-22 had escaped legislative oversight, as it was pending regularisation as per Article 205 of the Constitution of India.

*(Paragraphs 3.3.5.1 and 3.3.5.3)*

Of the overall savings of ₹ 25,545 crore in 159 out of 191 Grants/Appropriations during 2021-22, 96.11 *per cent* savings amounting to ₹ 24,552 crore occurred in 43 Grants/Appropriations (₹ 50 crore and above in each case). During 2021-22, Supplementary provisions (₹ 5 crore or more in each case) aggregating ₹ 366 crore were made in five Grants/Appropriations, which proved unnecessary.

*(Paragraphs 3.3.4.1 and 3.3.2)*

Substantial surrenders (exceeding ₹ 50 crore) were made in 45 out of 191 Grants/Appropriations. Against the total provision of ₹ 1,67,861 crore made under these 45 Grants/Appropriations, ₹ 33,081 crore were surrendered.

*(Paragraph 3.3.4.2)*

## Chapter IV

### Quality of Accounts and Financial Reporting Practices

As on March 2022, 4,563 utilisation certificates aggregating ₹ 10,309 crore in respect of grants disbursed up to 31 March 2021 remained outstanding, indicating lack of proper monitoring by the Departments in utilisation of grants given for specific purposes.

As on March 2022, there was pendency in submission of 3,167 detailed contingent bills amounting to ₹ 273 crore drawn on abstract contingent bills by various Departmental authorities.

Pendency of utilisation certificates and detailed contingent bills for long periods was fraught with the risk of fraud and misappropriation.

*(Paragraphs 4.5 and 4.6)*

There were 471 personal deposit accounts in operation in district treasuries with a closing balance of ₹ 990 crore as of 31 March 2022.

*(Paragraph 4.7)*

During 2021-22, expenditure aggregating ₹ 12,882 crore constituting 6.02 *per cent* of the total expenditure of the State was classified under Minor Head '800-Other Expenditure'. Similarly, revenue receipts aggregating ₹ 4,261 crore constituting 1.99 *per cent* of total receipts of the State were classified under omnibus Minor Head '800 – Other Receipts'.

Accounting of large items of expenditure and receipts under the omnibus Minor Head - 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

*(Paragraph 4.8)*

Chapter V

**Financial Performance of State Public Sector Undertakings**

As on 31 March 2022, there were 100 SPSUs including 64 Government Companies (12 inactive companies), four Statutory Corporations and 32 Government Controlled Other Companies.

*(Paragraphs 5.1.2)*

During 2021-22, Government Companies and Statutory Corporations registered an annual turnover of ₹ 1,62,392.00 crore, which was equal to 8.35 per cent of the GSDP of Gujarat.

*(Paragraphs 5.2)*

The investment of the State Government in equity and long-term loans in these SPSUs was ₹ 1,04,709.07 crore against total investment of ₹ 1,39,756.58 crore at the end of 31 March 2022.

*(Paragraph 5.2.1)*

Out of the 67 Government Companies, 43 SPSUs earned profit after tax (₹ 4,211.26 crore), while 16 SPSUs incurred losses (₹ 1,487.59 crore) and eight SPSUs neither reported profit nor loss. As on 31 March 2022, 22 SPSUs had accumulated losses of ₹ 29,312.55 crore. Out of 32 Government controlled other Companies 18 SPSUs made profit of ₹ 2,845.33 crore and 14 SPSUs incurred losses of ₹ 264.04 crore.

*(Paragraph 5.3.1 to 5.3.3)*

Further, One hundred fifty seven financial statements of 55 SPSUs including three Statutory Corporation were in arrears.

*(Paragraph 5.4.2.2)*

# CHAPTER I

## Overview



# Chapter I

## Overview

### 1.1 Profile of the State

Gujarat is situated on the west coast of India, bounded by the Arabian Sea in the west and the States of Rajasthan in the north, Madhya Pradesh in the east and Maharashtra in the south. The State also shares an international border with Pakistan on the north-western fringe. It has a coastline of about 1,600 km., which is one third of India's mainland coastline. It is the seventh largest State in terms of geographical area (1,96,244 sq. km.) and the ninth largest by population. The State's population increased from 6.14 crore in 2012 to 7.06 crore in 2022, recording a decadal growth of 15.09 *per cent*. The percentage of population below poverty line was 16.6 *per cent* in 2011-12 as compared to the all-India average of 21.9 *per cent*. The State has 33 districts and 251 *talukas*.

The Gross State Domestic Product (GSDP) in 2021-22 at current prices was ₹ 19,44,107 crore. The per capita GSDP of the State at ₹ 2,76,588 during 2021-22 was higher than all India average of ₹ 1,72,913 during the same period. The State's literacy rate was 78 *per cent* (as per 2011 census). The profile of the State is shown in **Appendix 1.1**.

#### 1.1.1 Gross State Domestic Product of Gujarat

GSDP is the value of all the goods and services produced within the boundaries of the State in a given period. Growth of GSDP is an important indicator of State's economy, as it denotes the extent of changes in the level of economic development of the State over a period.

Trends in annual growth of Gujarat's GSDP (nominal) *vis-à-vis* that of the Nation are given in **Table 1.1**.

**Table 1.1: Trends in growth of GDP and GSDP**

	(₹ in crore)				
Year	2017-18	2018-19	2019-20	2020-21	2021-22
GDP (Base year 2011-12)	1,70,90,042	1,88,99,668	2,00,74,856 (2nd RE)	1,98,00,914 (1st RE)	2,36,64,637 (P)
Growth rate of GDP over previous year at current prices ( <i>per cent</i> )	11.03	10.59	6.22	(-) 1.36	19.51
GSDP (Base year 2011-12)	13,29,095	14,92,156	16,29,638 (P)	16,55,917 (Q)	19,44,107 (A)
Growth rate of GSDP over previous year at current prices ( <i>per cent</i> )	13.87	12.27	9.21	1.61	17.40

Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation Gujarat (Budget Publication 30, 2022-23)

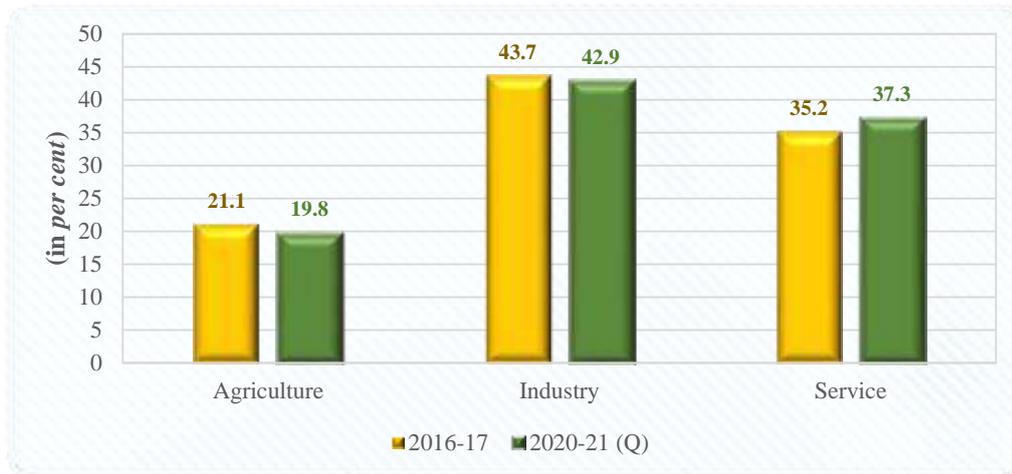
RE: Revised Estimates; (P) Provisional Estimates; (Q): Quick Estimates; (A): Advance Estimates

As can be seen from the details tabulated above, compared to the National growth rate, GSDP of Gujarat grew at a higher rate during the period 2017-18 to 2020-21 but it grew at a rate lower than the national growth rate during 2021-22. During 2021-22, India and Gujarat registered their highest growth rate in five years.

### *Change in sectoral contribution to Gross State Value Added (GSVA) at current prices*

**Chart 1.1** indicates the sectoral contribution to GSVA during last five years<sup>1</sup> (2016-21). As may be seen, there has been a decrease in the relative share of Agriculture in GSVA from 21.1 per cent in 2016-17 to 19.8 per cent in 2020-21. Similarly, decrease was seen in Industry sector also. However, the relative share of Services in GSVA increased during the same period.

**Chart 1.1: Change in sectoral contribution to GSVA (2016-17 to 2020-21)**



Source of data: Budget Publication No. 34 (Socio-Economic Review, Gujarat State, 2021-22)

## **1.2 Basis and Approach to State Finances Audit Report**

In terms of Article 151 (2) of the Constitution of India, the Reports of the Comptroller and Auditor General of India (CAG) relating to the Accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Gujarat for the year ending 31 March 2022 has been prepared by the CAG for submission to the Governor of Gujarat under Article 151 (2) of the Constitution of India.

Principal Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually. The Accounts are prepared from the vouchers, challans and initial and subsidiary Accounts rendered by the Treasuries, Offices and Departments responsible for keeping of such Accounts functioning under the control of the State Government, and the Statements received from the Reserve Bank of India (RBI). These Accounts

<sup>1</sup> Directorate of Economics and Statistics, Gujarat has stated that sector wise details of 2021-22 will be available in March 2023.

are audited independently by the Accountant General (Audit-II), Gujarat and certified by the CAG.

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

- Budget of the State forms an important source of data – both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Offices of the Principal Accountant General (Audit-I) and Accountant General (Audit-II), Gujarat at the State Secretariat as well as at the field level during the year;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics from the Directorate of Economics and Statistics, Gujarat; and
- Various Audit Reports of the CAG.

The analysis in the report has been carried out in the context of recommendations of the Fourteenth Finance Commission (14<sup>th</sup> FC), Fifteenth Finance Commission (15<sup>th</sup> FC), Gujarat Fiscal Responsibility Act, 2005, best practices and guidelines of the Government of India. Replies of the Government, where received, have been incorporated in this Report at appropriate places.

### 1.3 Report Structure

The SFAR is structured into the following five Chapters:

<b>Chapter - I</b>	<b>Overview</b> <i>This Chapter describes the basis and approach to the Report, and the underlying data, provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.</i>
<b>Chapter -II</b>	<b>Finances of the State</b> <i>This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.</i>
<b>Chapter - III</b>	<b>Budgetary Management</b> <i>This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.</i>

<b>Chapter - IV</b>	<b><i>Quality of Accounts and Financial Reporting Practices</i></b> <i>This chapter discusses about the quality of Accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.</i>
<b>Chapter - V</b>	<b><i>Financial Performance of State Public Sector Undertakings</i></b> <i>This chapter discusses financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies as revealed from their accounts.</i>

## 1.4 Overview of Government Account Structure and Budgetary Processes

The Accounts of the State Government are kept in three parts:

### **1. Consolidated Fund of the State (Article 266(1) of the Constitution of India)**

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from financial institutions, Special Securities issued to National Small Savings Fund *etc.*), Ways and Means advances extended by the RBI and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments *etc.*), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

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

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorization of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

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

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the Government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

**Revenue receipts** consist of tax revenue (Own Tax revenue plus share of Union Taxes/Duties), non-tax revenue and grants from Government of India (GoI).

**Revenue expenditure** consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government Departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital Receipts** consist of:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government *etc.*; and
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances.

**Capital Expenditure** includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to the Public Sector Undertakings (PSUs) and other parties.

At present, there is an accounting classification system in Government that is both functional and economic.

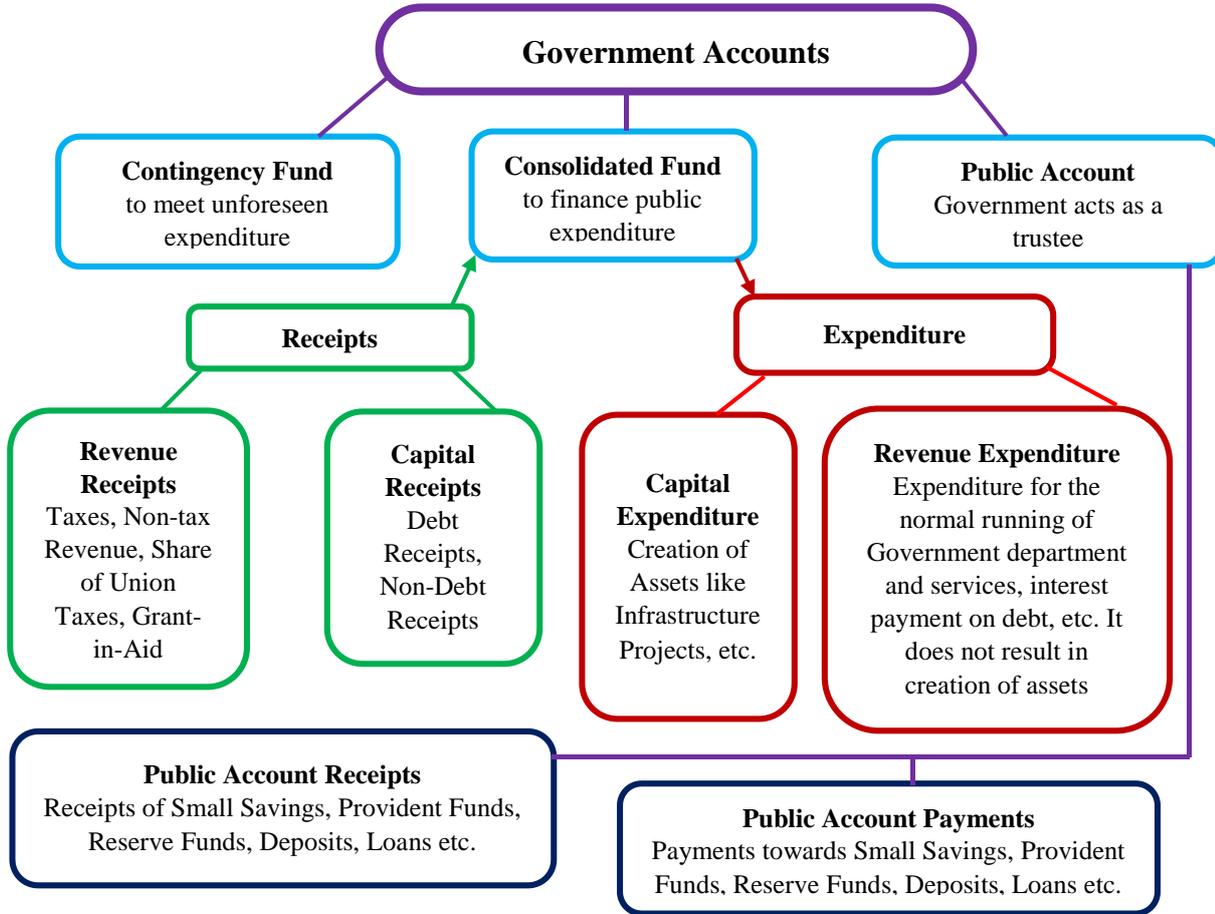
	Attribute of transaction	Classification
<b>Standardized in LMMH<sup>2</sup> by CGA</b>	Function- Education, Health, <i>etc.</i> /Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
<b>Flexibility left for States</b>	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, <i>etc.</i> (2-digit)

The functional classification lets us know the Department, function, scheme or programme, and object of the expenditure. Economic classification helps organize these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, while “salary”

<sup>2</sup> List of Major and Minor Heads of Account of Union and States

object head is revenue expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

**Chart 1.2: Structure of Government Accounts**



Functional classification involves arranging the receipts and expenditure by economic categories, distinguishing the Government transactions into Sections like Revenue and Capital (including Public Debt, Loans and Advances), Sectors like Tax Revenue from other revenue and Grants-in-Aid, Sub-sectors like Taxes on Income and Expenditure, fiscal services, etc. On the expenditure side also, the transactions are classified into Sectors viz., General Services, Economic Services, Social Services and Grants-in-Aid and contributions and sub-divided into Major Heads of account below these Sectors.

Major Heads of account falling within the Consolidated Fund generally correspond to 'Functions' of Government, such as 'Health', while Minor Heads subordinate to them identify the 'Programme' undertaken to achieve the objectives of the function represented by the Major Head. A programme may consist of a number of schemes or activities and these generally, correspond to 'Sub-heads' below the Minor head. 'Detailed head' below the Sub-head, is primarily meant for itemised control over expenditure and indicates the object or nature of expenditure on a scheme or activity in terms of inputs such as 'Salaries', 'Office Expenses', 'Grants-in-Aid', etc.

Fund-based Government accounting coupled with functional and economic classification of transactions facilitates an in-depth analysis of Government activities/transactions and enables Legislative oversight over public finances.

### *Budgetary Processes*

In terms of Article 202 of the Constitution of India, the Governor of the State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the financial year, in the form of an **Annual Financial Statement** (referred to as Budget).

In terms of Article 203, the Statement is submitted to the State Legislature in the form of Demands for Grants/Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in **Paragraph 1.2**, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2021-22 including various inter-governmental and other adjustments carried out by the RBI. Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is important to study the budget of the State for 2021-22 closely and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

The Gujarat Budget Manual prescribes the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. While formulating its Budget for 2021-22, the State Government continued the focus on identifying budgetary interventions in priority areas with an emphasis on ‘Outcome budget’ (aligned to sustainable development goals set by the UN) and ‘Gender budget’.

Although the State has been preparing an ‘Outcome budget’ since 2014-15, it is yet to map the actual outcomes of various budgetary interventions with the corresponding projections made in the relevant budget. The achievement of actual outcomes as against those projected in Budget 2020-21 were thus, not placed before the Legislature as of March 2022.

Results of audit scrutiny of the budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter III** of this Report.

#### **1.4.1 Snapshot of Finances**

**Table 1.2** provides a snapshot of actual financial results for the year 2020-21 and 2021-22 *vis-à-vis* Budget Estimates (BE) for the year 2021-22.

Table 1.2: Snapshot of actual financial results vis-à-vis Budget Estimates

(₹ in crore)

Sr. No	Components	2020-21	2021-22	2021-22	Percentage of Actuals to BE	Percentage of Actual to GSDP
		Actuals	Actuals	BE	2021-22	
1	Tax Revenue	90,484.71	1,28,783.85	1,34,854.27	95.50	6.62
	(i) Own Tax Revenue	70,266.18	97,678.07	1,11,692.60	87.45	5.02
	(ii) Share of Union taxes/duties	20,218.53	31,105.78	23,161.67	134.30	1.60
2	Non-Tax Revenue	10,492.66	14,018.26	16,801.51	83.43	0.72
3	Grants-in-aid and Contributions	27,178.29	24,027.59	16,313.62	147.29	1.24
4	<b>Revenue Receipts (1+2+3)</b>	<b>1,28,155.66</b>	<b>1,66,829.70</b>	<b>1,67,969.40</b>	99.32	8.58
5	Recovery of Loans and Advances	155.61	155.34	250.00	62.14	0.01
6	Other Receipts	9,967.85	0.00	0.00	-	0.00
7	Borrowings and other Liabilities <sup>3</sup>	40,438.35	22,692.31	30,783.10	73.72	1.17 <sup>4</sup>
8	<b>Capital Receipts (5+6+7)</b>	<b>50,561.81</b>	<b>22,847.65</b>	<b>31,033.10</b>	73.62	1.18
9	<b>Total Receipts (4+8)</b>	<b>1,78,717.47</b>	<b>1,89,677.35</b>	<b>1,99,002.50</b>	95.31	9.76
10	<b>Revenue Expenditure, of which</b>	<b>1,50,703.58</b>	<b>1,60,421.27</b>	<b>1,66,760.80</b>	96.20	8.25
11	Interest payments	24,203.19	25,187.78	25,921.97	97.17	1.30
12	<b>Capital Expenditure, of which</b>	<b>28,013.89</b>	<b>29,256.08</b>	<b>32,241.70</b>	90.74	1.50
13	Capital Expenditure	26,780.46	28,185.04	30,815.67	91.46	1.45
14	Loan and advances	1,233.43	1,071.04	1,426.03	75.11	0.06
15	<b>Total Expenditure (10+12)</b>	<b>1,78,717.47</b>	<b>1,89,677.35</b>	<b>1,99,002.50</b>	95.31	9.76
16	<b>Revenue Deficit (-)/Surplus (+) (4-10)</b>	<b>(-)22,547.92</b>	<b>(+)6,408.43</b>	<b>(+)1,208.60</b>	530.24	0.33
17	<b>Fiscal Deficit {(4+5+6)-15}</b>	<b>(-)40,438.35</b>	<b>(-)22,692.31</b>	<b>(-)30,783.10</b>	73.72	(-)1.17
18	<b>Primary Deficit (17-11)</b>	<b>(-)16,235.16</b>	<b>2,495.47</b>	<b>(-)4,861.13</b>	(-)51.34	0.13

Source: Budget Publication No. 1 for 2021-22 and Finance Accounts of respective years.

GST Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 8,328.55 crore (₹ 121.34 crore for Financial Year 2017-18 and ₹ 8,207.21 crore for Financial Year 2020-21) as revenue receipts, due to inadequate balance in GST compensation fund during the year 2021-22 Gujarat also received back-to-back loan of ₹ 13,040.21 crore under public debt receipts of the State Government, with no repayment liability for the State. Due to this arrangement, the revenue surplus of ₹ 6,408.43 crore and fiscal deficit of ₹ 22,692.31 crore during the year 2021-22 may be read in conjunction with debt receipt of ₹ 13,040.21 crore in lieu of GST compensation.

<sup>3</sup> Borrowings and other Liabilities = Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

<sup>4</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore given in 2020-21 and ₹ 13,040 crore given in 2021-22 have not been considered as public debt here.

## 1.4.2 Snapshots of Assets and Liabilities of the Government

Government Accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds. The assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. **Table 1.3** gives summarised position of assets and liabilities of the Government.

**Table 1.3: Summarised position of assets and liabilities**

(₹ in crore)

Liabilities					Assets					
	2020-21	2021-22	Per cent increase		2020-21	2021-22	Per cent increase			
<b>Consolidated Fund</b>										
A	Internal Debt	2,90,030.39*	2,99,805.60	3.37	a	Gross Capital Outlay	3,05,217.56*	3,33,402.60	9.23	
B	Loans and Advances from GoI	17,998.91*	30,756.10	70.88	b	Loans and Advances	12,235.46*	13,151.16	7.48	
<b>Contingency Fund</b>										
	Contingency Fund	200.00	200.00	0.00		Contingency Fund	0.00	0.00	0.00	
<b>Public Account</b>										
A	Small Savings, Provident Funds, etc.	10,445.80	10,179.77	(-)2.55	a	Advances	0.70	0.70	0.00	
B	Deposits	36,955.05	36,892.11	(-)0.17	b	Suspense and Miscellaneous	4,031.51*	564.65	(-)85.99	
C	Reserve Funds	7,984.33*	10,744.87	34.57			<b>Cash balance (including investment in Earmarked Fund)</b>	<b>15,847.93*</b>	<b>20,676.21</b>	<b>30.47</b>
D	Remittances	866.65	961.12	10.90						
							<b>Total</b>	<b>3,37,333.16*</b>	<b>3,67,795.32</b>	<b>9.03</b>
							<b>Cumulative excess of expenditure over receipts<sup>5</sup></b>	<b>27,147.97*</b>	<b>21,744.25</b>	<b>(-)19.90</b>
<b>Total</b>		<b>3,64,481.13*</b>	<b>3,89,539.57</b>	<b>6.88</b>	<b>Total</b>		<b>3,64,481.13*</b>	<b>3,89,539.57</b>	<b>6.88</b>	

Source: Finance Accounts of respective years.

\* Changes in figures are due to Proforma Corrections.

## 1.5 Fiscal Balance: Achievement of deficit and total debt targets

In pursuance of recommendations of the Twelfth Finance Commission, the State Government enacted the Gujarat Fiscal Responsibility Act, 2005 (GFR Act) in line with the Union Fiscal Responsibility and Budget Management Act, 2003 (FRBM Act) to ensure fiscal stability and sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove the impediments to effective conduct of fiscal policy and prudent debt management.

<sup>5</sup> Cumulative excess of expenditure over receipts = Cumulative excess of expenditure over receipts of previous year + Adjustment to clear old outstanding balances – Revenue surplus

The GFR Act was amended in 2009, 2011 and 2021. In 2011, it was amended to include the recommendations of the 13<sup>th</sup> Finance Commission (FC). The 14<sup>th</sup> FC recommended that the targeted limit of fiscal deficit to GSDP of three *per cent* could be increased to 3.5 *per cent* on meeting certain criteria. However, as the State Government was well within the limits of three *per cent*, it did not make any amendments in GFR Act of 2011. In 2021, the target for Fiscal deficit to GSDP was revised to five *per cent* for 2020-21 but the remaining targets set in GFR Act, 2011 were continued as such. In subsequent years, the targeted limit for Fiscal deficit to GSDP remained at three *per cent*.

### 1.5.1 Trends analysis of achievements against fiscal targets

As per Gujarat Fiscal Responsibility Act, 2005, the State Government was required to eliminate revenue deficit by 2007-08 and maintain revenue surplus thereafter; reduce fiscal deficit to three *per cent* of the estimated GSDP by 2008-09 and maintain the same level thereafter. This was increased to five *per cent* in January 2021 for the fiscal year 2020-21. In subsequent years, the targeted limit for Fiscal deficit to GSDP remained at three *per cent*. The Act further envisaged that the State Government would limit the ratio of public debt to GSDP to 27.10 *per cent* by 2011-12 and maintain it thereafter. Furthermore, the State Government was expected to limit the outstanding guarantees to ₹ 16,000 crore by 2007-08.

A trend analysis of key fiscal parameters prescribed in Gujarat Fiscal Responsibility Act *vis-à-vis* achievements during the last five year (2017-22) is given in **Table 1.4**.

**Table 1.4: Compliance with the provisions of FRBM Act**

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	5,231.61	3,211.97	1,944.85	(-)22,547.92	6,408.43
		✓	✓	✓	✗	✓
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	Three <i>per cent</i> <sup>6</sup>	(-)21,366.43 (-1.61)	(-)26,365.03 (-1.77)	(-)24,581.45 (-1.51)	(-)40,438.35 (-2.44)	(-)22,692.31 (-1.17)
		✓	✓	✓	✓	✓
Ratio of total Public Debt to GSDP ( <i>per cent</i> )	27.10 <i>per cent</i>	16.00	16.10	16.39	18.04 <sup>7</sup>	15.86 <sup>8</sup>
		✓	✓	✓	✓	✓

<sup>6</sup> Five *per cent* for 2020-21

<sup>7</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore has not been considered as public debt here.

<sup>8</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore in 2020-21 and ₹ 13,040 crore in 2021-22 have not been considered as public debt here.

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Guarantees	Below ₹ 16,000 crore	4,834	4,699	4,462	3,656	3,044
		✓	✓	✓	✓	✓

Source: Budget Publication and Finance Accounts of respective years.

As can be seen above, the State Government successfully achieved all the four key fiscal parameters envisaged in Gujarat Fiscal Responsibility Act during the last five years, except Revenue Surplus during 2020-21.

The public debt to GSDP ratio (15.86 *per cent*) has been arrived at after excluding GST compensation of ₹ 9,222 crore and ₹ 13,040 received during 2020-21 and 2021-22 respectively as back to back loan under debt receipts from the total public debt as the Department of Expenditure, GoI has decided that it will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

### 1.5.2 Comparison of targets of fiscal parameters projected in MTFPS with actuals for the current year

Comparison of targets of fiscal parameters projected in MTFPS presented to the State Legislature in 2021-22 with actuals, and the extent of variation is shown in **Table 1.5**.

**Table 1.5: Actuals vis-à-vis projections made in MTFPS during 2021-22**

(₹ in crore)				
Sr. No.	Fiscal Variables	Projection as per MTFPS	Actuals (2021-22)	Variation (in <i>per cent</i> )
1	Own Tax Revenue	1,11,692.60	97,678.07	(-)12.55
2	Non-Tax Revenue	16,801.51	14,018.26	(-)16.57
3	Share of Central Taxes	23,161.67	31,105.78	34.30
4	Grants-in-Aid from GoI	16,313.62	24,027.59	47.29
5	Revenue Receipts (1+2+3+4)	1,67,969.40	1,66,829.70	(-)0.68
6	Capital Receipts <sup>9</sup>	50,751.00	47,123.76	(-)7.15
7	Revenue Expenditure	1,66,760.80	1,60,421.27	(-)3.80
8	Revenue Deficit (-)/ Surplus (+) (5-7)	1,208.60	6,408.43	430.24
9	Fiscal Deficit (-)/ Surplus (+)	(-)30,783.10	(-)22,692.31	(-)26.28
10	Primary Deficit (-)/Surplus (+)	(-)4,861.13	2,495.47	(-)151.34
11	Public debt-GSDP ratio ( <i>per cent</i> )	17.40	15.86*	(-)8.85
12	GSDP growth rate at current prices ( <i>per cent</i> )	(-)0.27	17.40	(-)6537.31

Source: Budget Publication No. 1 and 30 for 2021-22 and Finance Accounts

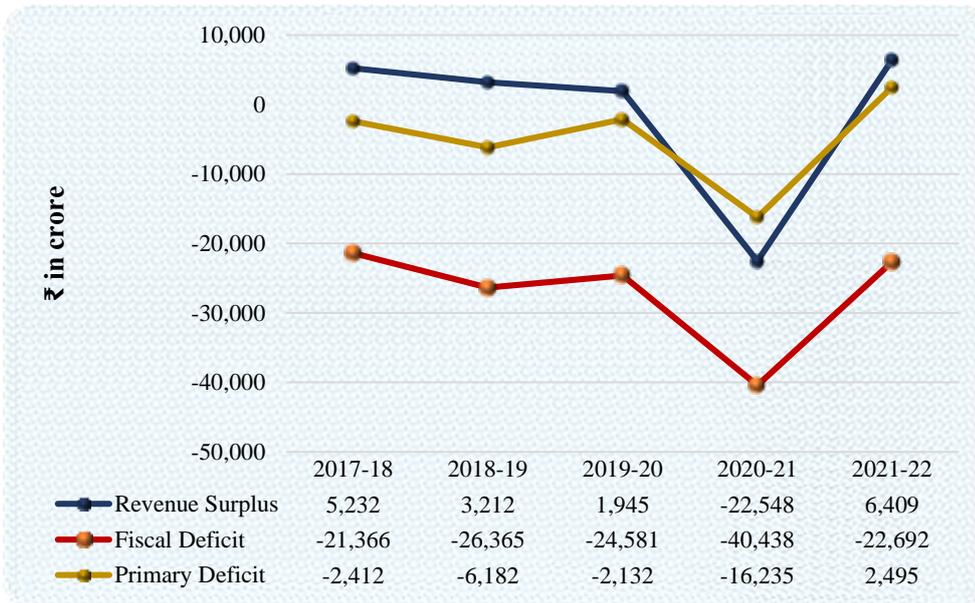
\* Arrived at after exclusion of GST compensation loan of ₹ 9,222 crore received in 2020-21 and ₹ 13,040.21 crore received in 2021-22 as back to back loan under debt receipts from the total outstanding liabilities.

<sup>9</sup> Capital Receipts = Public Debt Receipts + Miscellaneous Capital Receipts + Recovery of Loans and Advances

As may be seen from the table above, grants-in-aid from GoI, Share of Central Taxes, revenue surplus, Public debt-GSDP ratio and growth rate of GSDP improved significantly during 2021-22 *vis-à-vis* the projections made in MTFPS. The targets for own tax revenue, non-tax revenue and Capital receipts were not met in 2021-22.

The trends in surplus/deficits over the five-year period (2017-22) are depicted in **Chart 1.3**; trends in surplus/deficit relative to GSDP are given in **Chart 1.4**; and trends of fiscal liabilities and GSDP are given in **Chart 1.5**.

**Chart 1.3: Trends in Surplus/ Deficit**



**Chart 1.4: Trends in Surplus/Deficit relative to GSDP**

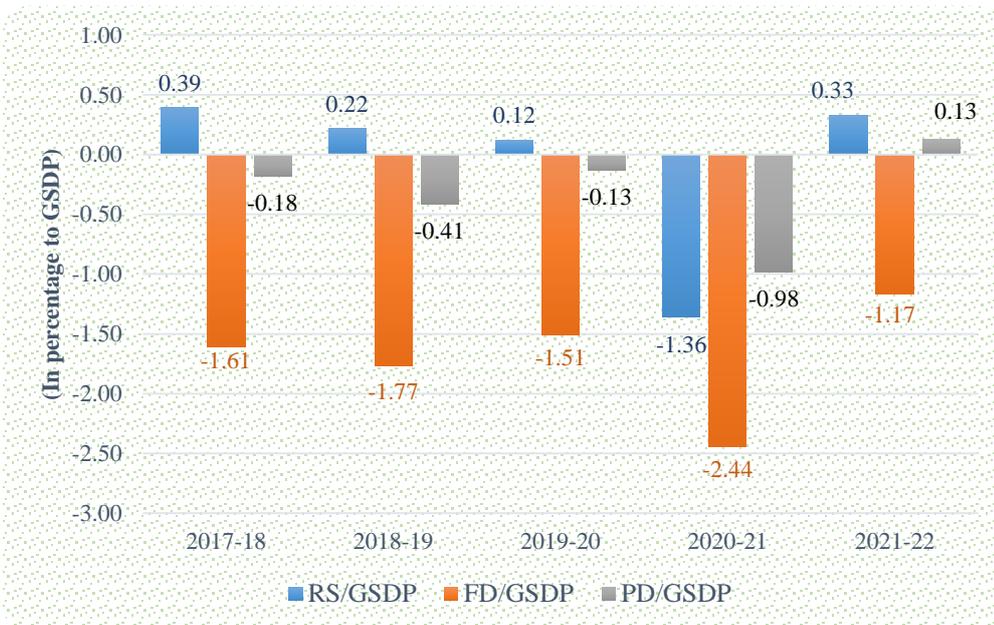


Chart 1.5: Trends in fiscal liabilities and GSDP



# As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore has not been considered as public debt and outstanding liabilities here.

## As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 has not been considered as public debt and outstanding liabilities here.

## 1.6 Deficit and Total Debt after examination in Audit

Audit examination has revealed misclassification in accounts and off-budget fiscal operations which impact the total deficit and debt figures. The debt figures after examination by audit are explained below:

### 1.6.1 Post Audit – Deficits

Misclassification of revenue expenditure as capital and off budget operations impact deficit figures. Besides, deferment of liabilities, non-deposit of cess/royalty to Consolidated Fund, short-contribution to New Pension Scheme, sinking and redemption funds *etc.* also impact the revenue and fiscal deficit figures. In order to arrive at actual deficit figures, the impact of such irregularities need to be reversed.

**Table 1.6** assesses actual surplus/deficit after taking into account short/non- contribution to funds and incorrect classifications/booking by the State Government during 2021-22.

**Table 1.6: Actual Revenue and Fiscal Deficit**

Particulars	Impact on Revenue Surplus [Understated(-)/ Overstated(+)] (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)
Non-discharge of Interest liabilities	(+) 45.35	(+) 45.35
Less Government Contribution to NPS	(+)7.44	(+)7.44
Non-transfer of Labour Cess	(+) 363.00	(+) 363.00
Shortfall in State Government contribution to Consolidated Sinking Fund <sup>10</sup>	(+) 10,531.38	(+) 10,531.38
Misclassification of Capital Expenditure as Revenue Expenditure in Budget	(-) 30.08	-
Improper classification of Object head 6000 “Other Capital Expenditure” under Capital Section	(+) 4.70	-
<b>Total</b>	<b>(+) 10,921.79</b>	<b>(+) 10,947.17</b>

Source: Finance Account for the year 2021-22 and audit analysis

As may be seen from the table above, there was an overstatement of revenue surplus by ₹ 10,921.79 crore during the year. Also, fiscal deficit was understated by ₹ 10,947.17 crore in 2021-22. Thus, the State’s revenue surplus would turn in to revenue deficit<sup>11</sup> of ₹ 4,513.36 crore during 2021-22, if the items of non-contribution/short-contribution, non-discharge of liabilities and incorrect classification are factored in.

### 1.6.2 Post Audit – Total Public Debt

The State of Gujarat defines “total outstanding debt/ liabilities” to include only liabilities upon the Consolidated Fund and Public Account of the State. However, borrowings by the public sector undertakings and special purpose vehicles where the principal and/or interest are to be serviced out of the State budget also are liabilities under the Consolidated Fund of the State and the Public Account of the State.

It was observed that Gujarat State Investments Limited (GSIL) has taken over listed Non-Convertible Debentures (NCDs) of Gujarat State Petroleum Corporation Limited (GSPC) amounting to ₹ 6,000 crore as per the directions (July 2018) of the State Government. Further the State Government has resolved to support GSIL for payment towards interest and principal repayment on these NCDs. Accordingly, during 2019-20, 2020-21 and 2021-22 an expenditure of ₹ 564.69 crore, ₹ 533.55 crore and ₹ 464.10 crore respectively, was booked by Energy and Petrochemicals Department for payment towards interest on these NCDs. The payment of annual interest on these NCDs has increased the committed revenue expenditure of the State.

<sup>10</sup> ₹ 10,531.38 crore = ₹ 17,894.60 crore (5% of State Liabilities of ₹ 3,57,891.98 crore for the year 2020-21) [-] ₹ 7,363.22 crore closing Balance of Consolidated Sinking Fund

<sup>11</sup> ₹ 6,408.43 crore plus (-) ₹ 10,921.79 crore

# **CHAPTER II**

## **Finances of the State**



## Chapter II Finances of the State

This chapter provides a broad perspective on the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2017-18 to 2021-22, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State.

### 2.1 Major changes in key fiscal aggregates during 2021-22 compared to 2020-21

**Table 2.1** gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2021-22 compared to previous year.

**Table 2.1: Changes in key fiscal aggregates in 2021-22 compared to 2020-21**

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>➤ Revenue Receipts of the State increased by 30.18 <i>per cent</i></li> <li>➤ Own Tax Receipts of the State increased by 39.01 <i>per cent</i></li> <li>➤ Own Non-Tax Receipts increased by 33.60 <i>per cent</i></li> <li>➤ State's Share of Union Taxes and Duties increased by 53.85 <i>per cent</i></li> <li>➤ Grants-in-Aid from Government of India decreased by 11.59 <i>per cent</i></li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Revenue Expenditure increased by 6.45 <i>per cent</i></li> <li>➤ Revenue Expenditure on General Services increased by 8.35 <i>per cent</i></li> <li>➤ Revenue Expenditure on Social Services increased by 12.23 <i>per cent</i></li> <li>➤ Revenue Expenditure on Economic Services decreased by 5.59 <i>per cent</i></li> <li>➤ Expenditure on Grants-in-Aid increased by 5.64 <i>per cent</i></li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Capital Expenditure increased by 5.24 <i>per cent</i></li> <li>➤ Capital Expenditure on General Services increased by 13.40 <i>per cent</i></li> <li>➤ Capital Expenditure on Social Services increased by 18.93 <i>per cent</i></li> <li>➤ Capital Expenditure on Economic Services increased by 0.03 <i>per cent</i></li> </ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"> <li>➤ Disbursements of Loans and Advances decreased by 13.14 <i>per cent</i></li> <li>➤ Recoveries of Loans and Advances decreased by 0.64 <i>per cent</i></li> </ul>
<b>Public Debt</b>	<ul style="list-style-type: none"> <li>➤ Public Debt Receipts decreased by 20.20 <i>per cent</i></li> <li>➤ Repayment of Public Debt increased by 36.35 <i>per cent</i></li> </ul>
<b>Public Account</b>	<ul style="list-style-type: none"> <li>➤ Public Account Receipts increased by 18.34 <i>per cent</i></li> <li>➤ Public Account Disbursements increased by 5.30 <i>per cent</i></li> </ul>

Each of the above indicators is analysed in the succeeding paragraphs.

### 2.2 Sources and Application of Funds

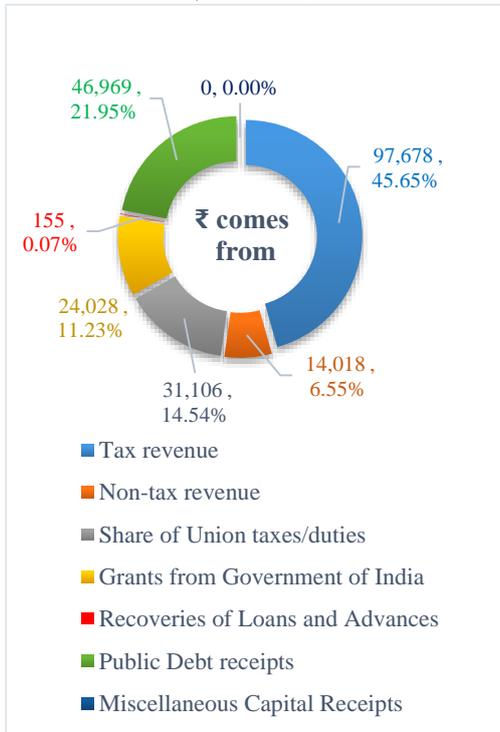
**Table 2.2** compares the sources and application of funds of the State during 2021-22 with 2020-21, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2021-22 in terms of percentages.

**Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22**

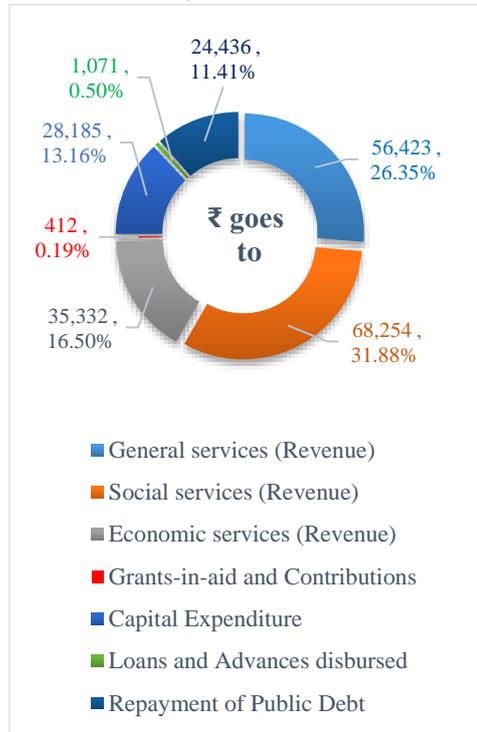
(₹ in crore)				
	Particulars	2020-21	2021-22	Increase/Decrease
<b>Sources</b>	Opening Cash Balance with RBI	24,036	15,848 <sup>1</sup>	(-) 8,188
	Revenue Receipts	1,28,156	1,66,830	38,674
	Recoveries of Loans & Advances	155	155	0
	Public Debt Receipts (Net)	40,935	22,532	(-) 18,403
	Public Account Receipts (Net)	(-)7,679	4,988	12,667
	Capital Receipts	9,968	0	(-) 9,968
	<b>Total</b>		<b>1,95,571</b>	<b>2,10,353</b>
<b>Application</b>	Revenue Expenditure	1,50,704	1,60,421	9,717
	Capital Expenditure	26,781	28,185	1,404
	Disbursements of Loans & Advances	1,233	1,071	(-)162
	Closing Cash Balance with RBI	16,853	20,676	3,823
	<b>Total</b>		<b>1,95,571</b>	<b>2,10,353</b>

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

**Chart 2.1: Composition of Resources**  
(₹ in crore)



**Chart 2.2: Application of Resources**  
(₹ in crore)



A time series data on the State Government finances for the five-year period (2017-22) is given in **Appendix 2.1**.

<sup>1</sup> Decreased by ₹ 1,005 crore from previous years' figure due to proforma correction.

## 2.3 Resources of the State

The resources of the State are described below:

1. **Revenue receipts** consist of tax revenue (Own Tax revenue plus share of Union taxes/Duties), non-tax revenue and grants-in-aid from the Government of India (GoI).
2. **Capital receipts** comprise miscellaneous capital receipts, such as, proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

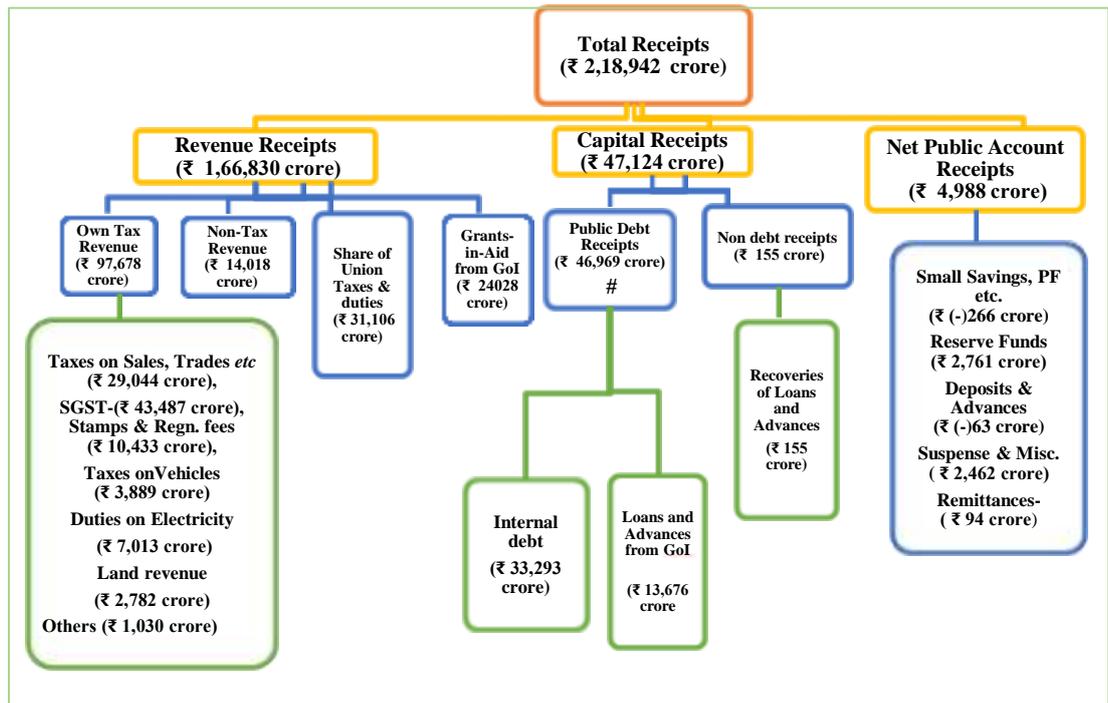
3. **Net Public Accounts receipts:** There are receipts and disbursements in respect of certain transactions, such, as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund.

These 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.

### 2.3.1 Receipts of the State

Composition of receipts of the State during 2021-22 is as given in **Chart 2.3**.

**Chart 2.3 Composition of Receipts of the State during 2021-22**



# As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 13,040 crore received in 2021-22 have not been considered as public debt. Effective Public debt receipt will be ₹ 33,929 crore.

## 2.3.2 State's Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by trends in the receipts bifurcated into State's own receipts and receipts from the Central Government.

### 2.3.2.1 Trends and Growth of Revenue Receipts

**Table 2.3** provides the trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period (2017-22). Further, trends in revenue receipts relative to GSDP and components of revenue receipts are given in **Charts 2.4** and **2.5** respectively.

**Table 2.3: Trend in Revenue Receipts**

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	1,23,291	1,36,002	1,42,844	1,28,156	1,66,830
Rate of growth of RR ( <i>per cent</i> )	12.24	10.31	5.03	(-)10.28	30.18
Own Tax Revenue (₹ in crore)	71,549	80,103	79,008	70,266	97,678
Non-Tax Revenue (₹ in crore)	15,074	13,417	18,104	10,493	14,018
Own Revenue (Tax and Non-tax Revenue) (₹ in crore)	86,623	93,520	97,112	80,759	1,11,696
Rate of growth of Own Revenue (Tax and Non-tax Revenue) ( <i>per cent</i> )	11.36	7.96	3.84	(-)16.84	38.31
Gross State Domestic Product (₹ in crore) (2011-12 Series)	13,29,095	14,92,156	16,29,638 (P)	16,55,917 (Q)	19,44,107 (A)
Rate of growth of GSDP ( <i>per cent</i> )	13.87	12.27	9.21	1.61	17.40
RR/GSDP ( <i>per cent</i> )	9.28	9.11	8.77	7.74	8.58
<b>Buoyancy Ratios<sup>2</sup></b>					
Revenue Buoyancy w.r.t GSDP	0.88	0.84	0.55	-*	1.73
State's Own Revenue Buoyancy w.r.t GSDP	0.82	0.65	0.42	-*	2.20

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

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2022-23)

(P): Provisional Estimates; (Q): Quick Estimates, (A): Advance Estimates

\* Revenue receipts and State's Own Revenue receipts growth in 2020-21 being negative, buoyancy cannot be calculated

<sup>2</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.73 implies that revenue receipts tend to increase by 1.73 percentage points, if the GSDP increases by one *per cent*.

Chart 2.4: Trend of Revenue Receipts

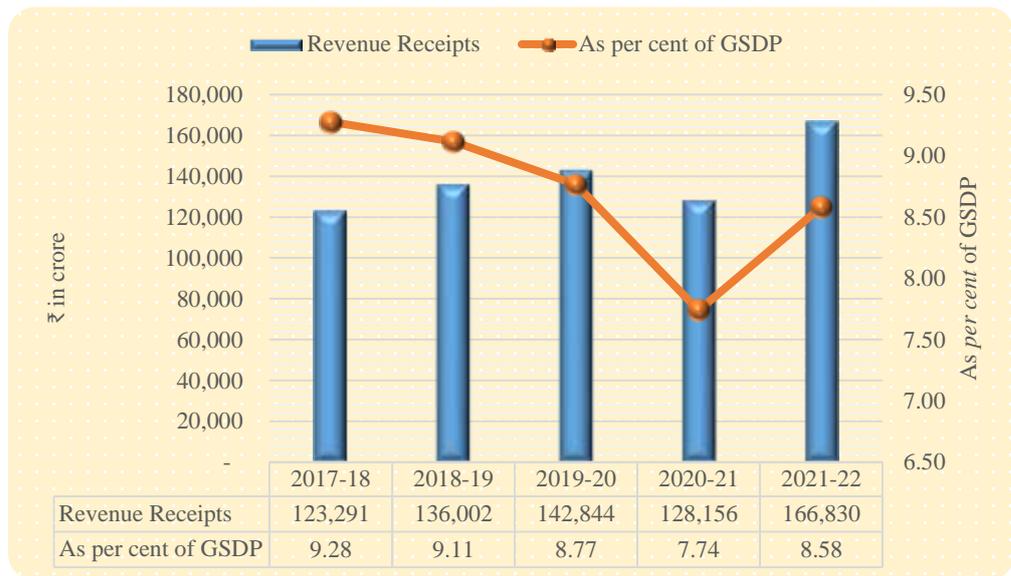
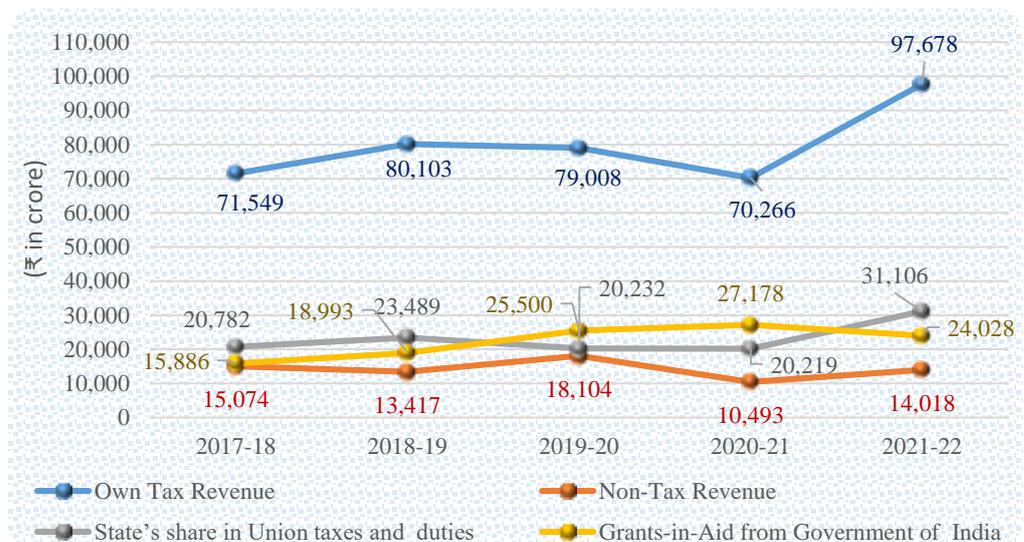


Chart 2.5: Trend of components of Revenue Receipts



The trends in revenue receipts during 2017-22 revealed as follows:

- Revenue receipts increased by 35.31 per cent from ₹ 1,23,291 crore in 2017-18 to ₹ 1,66,830 crore in 2021-22 at Compound Annual Growth Rate (CAGR) of 7.85 per cent. During 2021-22, revenue receipts increased by ₹ 38,674 crore (30.18 per cent) over the previous year.
- A significant portion of revenue receipts (66.95 per cent) during 2021-22 came from the State's own resources, while central tax transfers and grants-in-aid together contributed 33.05 per cent.
- **Table 2.3** shows that the percentage of revenue receipts to GSDP continuously decreased from 9.28 per cent in 2017-18 to 7.74 per cent in 2020-21, and then increased to 8.58 per cent in 2021-22 indicating that revenue receipts did not kept pace with the rate at which GSDP grew

during 2017-21. However, during 2021-22, Revenue receipts grew at faster rate than GSDP.

**2.3.2.2 State’s Own Resources**

State’s share in Central taxes is determined based on recommendations of the Finance Commission. Grants-in-aid from Central Government are determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes, *etc.*

State’s performance in mobilisation of additional resources is to be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

**Own Tax Revenue**

Own tax revenue of the State consists of State Goods and Services Tax (SGST), Sales tax/VAT, Taxes and duties on electricity, stamp duty and registration fee, taxes on vehicles and taxes on goods and passengers, land revenue, *etc.*

The growth of State’s own tax revenue during the last five years (2017-22) is shown in **Chart 2.6**.

**Chart 2.6: Growth of Own Tax Revenue during 2017-22**



The components of State’s own tax revenue during 2017-22 are shown in **Table 2.4**.

Table 2.4: Components of State's own tax revenue during 2017-22

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	
					Budget Estimates	Actuals
SGST	21,250.85	34,888.71	34,106.67	29,458.54	62,278.40	43,486.98
Sales tax/VAT	29,638.88	22,414.25	21,071.72	18,800.34	23,230.00	29,044.45
Taxes and duties on electricity	6,484.29	7,347.79	8,774.35	8,318.87	8,700.00	7,012.72
Stamp duty and registration fees	7,254.75	7,780.77	7,701.17	7,390.18	8,700.00	10,432.57
Taxes on vehicles and taxes on goods and passengers	4,016.72	4,235.33	3,895.29	3,085.35	4,683.00	3,900.06
Land revenue	1,859.04	2,407.51	2,358.74	2,133.55	2,840.60	2,782.52
State excise	84.75	130.59	138.26	133.65	144.00	154.82
Entertainment tax and luxury tax	85.41	3.32	3.69	4.47	4.03	3.16
Other taxes	874.72	894.47	957.61	941.23	1,112.57	860.79
<b>Own Tax Revenue</b>	<b>71,549.41</b>	<b>80,102.74</b>	<b>79,007.50</b>	<b>70,266.18</b>	<b>1,11,692.60</b>	<b>97,678.07</b>
Tax revenue as a percentage of GSDP	5.38	5.37	4.85	4.24	5.94	5.02
Tax revenue as a percentage of revenue receipts	58.03	58.90	55.31	54.83	66.50	58.55

Source: Finance Accounts of the State Government of respective years and Budget Publication No.1 of the Government of Gujarat for the 2021-22

State's own tax revenue increased by ₹ 26,128.66 crore from ₹ 71,549.41 crore in 2017-18 to ₹ 97,678.07 crore in 2021-22 at CAGR of 8.09 per cent. During 2021-22, State's own tax revenue increased by ₹ 27,411.89 crore (39.01 per cent) over the previous year. During the current year, major contributors to tax revenue were SGST (44.52 per cent), sales tax/VAT (29.73 per cent) and stamp duty and registration fees (10.68 per cent)

#### *State Goods and Services Tax (SGST)*

The Gujarat Goods and Services Tax Act, 2017 was passed by the State Legislature in May 2017 and came into effect from 01 July 2017.

GST is levied on *intra-State* supply of goods or services (except alcohol for human consumption and five specified petroleum products<sup>3</sup>) and its components are shared by the Centre (CGST) and the State (SGST). Further, the Centre levies the Integrated GST (IGST) on *inter-State* supply of goods and services and apportions the State's share of tax to the State where the goods or services are consumed.

The GoI enacted the Goods and Services Tax (Compensation to States) Act, 2017 to compensate the States for the shortfall in revenue arising on account of implementation of GST, considering an annual growth of 14 *per cent* from the base year (2015-16), for a period of five years. The five year period ends on 30 June 2022.

For the State of Gujarat, the audited base year (2015-16) revenue to be subsumed<sup>4</sup> by the GST regime was fixed by GoI at ₹ 28,856.39 crore. Thus, the protected revenue<sup>5</sup> for Gujarat for the year 2021-22 worked out to ₹ 63,338.99 crore.

Against the protected revenue of ₹ 63,338.99 crore for 2021-22, the State Government earned a revenue<sup>6</sup> of ₹ 43,305.63 crore during 2021-22 and therefore, was entitled to a compensation of ₹ 20,033.36 crore. The State Government received grants-in-aid of ₹ 8,328.55 crore in 2021-22 from GoI towards GST compensation relating to the previous years. To bridge the GST revenue shortfall compensation, the GoI has implemented the scheme of "back-to-back loan to States in lieu of GST Compensation shortfall". For 2021-22, Gujarat received the back-to-back loan of ₹ 13,040 crore in lieu of GST compensation. The debt servicing of this loan is to be done from the collection of the cess in GST Compensation Fund, and hence the repayment obligation will not be met from any other resources of the State<sup>7</sup>.

### *Analysis of Arrears of Revenue*

The arrears of revenue indicate delayed realization of revenue due to the Government.

The arrears of revenue as on 31 March 2022 on GST/VAT/sales tax; stamp duty and registration fees; and taxes and duties on electricity amounted to

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<sup>3</sup> Crude, high-speed diesel, petrol, aviation turbine fuel and natural gas

<sup>4</sup> Taxes that have been subsumed under GST are; Value Added Tax, Central Sales Tax, Entertainment Tax, Luxury Tax, Entry tax, Cesses & Surcharges, Duties on Excise on medicinal and toilet preparations excluding VAT and CST on alcohol for human consumption and five specified petroleum products.

<sup>5</sup> Base year revenue of ₹ 28,856.39 crore escalated at compound rate of 14 *per cent* annually for five years (2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22) worked out to ₹ 63,338.99 crore for 2021-22.

<sup>6</sup> ₹ 43,486.98 crore (SGST) and (-) ₹ 181.35 crore (Net of subsumed VAT). Figure of net subsumed VAT is unaudited and has been provided by State Government, which is subject to audit certification.

<sup>7</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received in 2020-21 and ₹ 13,040 crore received in 2021-22 have not been considered as public debt.

₹ 58,027.34 crore of which, ₹ 28,531.58 crore was outstanding for more than five years, as detailed in the **Table 2.5**.

**Table 2.5: Arrears of revenue**

(₹ in crore)

Sr. No.	Head of Revenue	Total outstanding amount as on 31 March 2022	Amount outstanding for more than five years as on 31 March 2022	Remarks
1.	GST/VAT/ Sales tax	57,614.13	28,313.96	Recovery certificates issued: ₹ 2,107.96 crore; recoveries stayed by High Court and other judicial authorities: ₹ 10,120.33 crore; recoveries stayed by Government-Department Authority: ₹ 4,813.61 crore; Dealers being insolvent: ₹ 166.65 crore; amount likely to be written off: ₹ 233.73 crore; Reasons of remaining outstanding arrears of ₹ 40,171.85 crore was not furnished.
2.	Taxes and duties on electricity	161.05	152.41	Recovery certificates issued: ₹ 45.47 crore; and Pending in Court cases: ₹ 115.58 crore;
3.	Stamp duty and registration fees	252.16	65.21	Recovery certificates issued: ₹ 26.67 crore; and stayed by Court: ₹ 31.16 crore; Recoveries stayed by Government:- ₹ 1.48 crore; Recovery held up due to Rectification/review of application ₹ 0.16 crore; Reasons of remaining outstanding arrears of ₹ 192.69 crore was not furnished.
<b>Total</b>		<b>58,027.34</b>	<b>28,531.58</b>	

Source: Information furnished by the Departments

Arrears of revenue in respect of taxes on vehicles and taxes on goods and passengers; and oil and natural gas receipts (Director of Petroleum) have not been provided by the concerned Departments despite being requested by Audit in October 2022. Further, Director of Prohibition and Excise, has furnished Nil Arrears of Revenue.

#### *Arrears of Assessments*

The arrears of assessment indicate the potential revenue which is blocked due to delayed assessment. The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year, as furnished by the State GST Department in respect of VAT/ sales tax are as shown in **Table 2.6**. Collector of Electricity Duty and Director of Prohibition and Excise have furnished Nil cases pending for assessments.

Table 2.6: Arrears of assessments

(in numbers)

Head of Revenue	Opening balance	New cases due for assessment during 2021-22	Total assessments due	Cases disposed of during 2021-22	Balance at the end of the year as on 31 March 2022	Percentage of disposal (col.5 to 4)
1	2	3	4	5	6	7
GST/VAT/ Sales tax	12,979	4,387	17,366	12,784	4,582	73.62

Source: Information furnished by the Departments

It can be seen from the above table that disposal of the GST/VAT/ Sales tax assessments during 2021-22 was 73.62 *per cent* while it was 96.47 *per cent* in 2020-21. In case of Professional tax, the details have not been provided by the SGST department (December 2022).

### *Evasion of tax detected by the Departments*

The cases of evasion of tax detected by the Departments, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The cases of evasion of tax detected by two Departments (Finance and Revenue), cases finalised and demands for additional tax raised, as reported by these Departments, are given in **Table 2.7**:

Table 2.7: Cases of tax evasion

Sr. no.	Head of Revenue	Number of cases pending as on 01 April 2021	Number of cases detected during 2021-22	Total	Number of cases in which assessment/ investigation was completed and additional demand with penalty <i>etc.</i> was raised		Number of cases pending for finalisation as on 31 March 2022
					Number of cases	Amount of demand (₹ in crore)	
1	GST/VAT/ Sales tax	278	344	622	103	59.80	519
2.	Stamp duty and registration fees	52,456	2,795	55,251	30,579	91.67	24,672
<b>Total</b>		<b>52,734</b>	<b>3,139</b>	<b>55,873</b>	<b>30,682</b>	<b>151.47</b>	<b>25,191</b>

Source: Information furnished by the Departments

As can be seen, 45.09 *per cent* of total cases were pending for finalisation at the end of March 2022.

Other Departments *viz.*, Ports and Transport, Revenue (in respect of land revenue), Industries and Mines, *etc.* did not furnish the details regarding evasion of tax/ revenue, despite being requested by Audit in October 2022.

### Pendency of Refund Cases

Promptness in disposal of refund cases is an important indicator of performance of the Departments.

The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of the year, as reported by the Departments are given in **Table 2.8**:

**Table 2.8: Refund cases**

(₹ in crore)

Sr. No.	Particulars	GST		VAT/Sales tax		Stamp duty and registration fees	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding as on 01 April 2021	4,172	582.62	3,672	372.64	95	1.39 <sup>8</sup>
2.	Claims received during the year	40,234	8,798.98	11,898	732.34	558	8.25
3.	Refunds made during the year	35,777	6,627.59	12,986	1,009.28	556	9.61
4.	Refunds rejected during the year	5,316	1,787.81	0	0.00	0	0.00
5.	<b>Balance outstanding as on 31 March 2022</b>	<b>3,313</b>	<b>966.20</b>	<b>2,584</b>	<b>95.70</b>	<b>97</b>	<b>0.03</b>

Sources: Information furnished by the Departments

The Revenue Department (in respect of land revenue), Transport Department and Industries and Mines Department did not furnish the details of pendency of refund cases at the end of March 2022, despite being requested in December 2022.

### Non-Tax Revenue

Non-tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts *etc.*

The major sources of non-tax revenue and their trend analysis for the last five years (2017-22) are indicated in **Table 2.9**.

**Table 2.9: Main components of State's non-tax revenue during 2017-22**

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	
					Budget Estimates	Actuals
Interest receipts	1,081.44	1,611.71	2,331.15	847.64	1,728.25	991.90
Non-ferrous mining and metallurgical industries	8,988.62	4,863.00	4,147.91	2,906.79	4,634.85	4,321.37
Major and medium irrigation projects	1,211.52	1,326.95	1,365.02	1,644.26	2,612.84	1707.14
Ports and light houses	967.59	1,153.35	1,361.26	1,263.75	1,652.88	1,308.61
Medical and public health	173.81	271.59	1,473.06	342.46	398.06	1,601.17

<sup>8</sup> Figures have been updated by department.

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	
					Budget Estimates	Actuals
Police	318.01	312.19	467.53	484.43	602.96	490.80
Dividends & profits	96.29	120.03	89.00	131.04	210.11	134.25
Others	2,236.69	3,758.17	6,869.22	2,872.29	4,961.56	3,463.02
<b>Non-tax revenue</b>	<b>15,073.97</b>	<b>13,416.99</b>	<b>18,104.15</b>	<b>10,492.66</b>	<b>16,801.51</b>	<b>14,018.26</b>
Non-tax revenue as a percentage of GSDP	1.13	0.90	1.11	0.63	0.89	0.72
Non-tax revenue as a percentage of RR	12.23	9.87	12.67	8.19	10.00	8.40

Source: Finance Accounts of the State Government for the respective years and Budget Publication No.1 of the Government of Gujarat for the 2021-22.

The non-tax revenue ranged between 8.19 *per cent* and 12.67 *per cent* of revenue receipts of the State during the last five years and increased significantly by ₹ 3,525.60 crore (33.60 *per cent*) during 2021-22 over the previous year. The increase in non-tax revenue in 2021-22 over previous year was mainly due to increase in non-ferrous mining and metallurgical industries by ₹ 1,414.58 crore; medical and public health by ₹ 1,258.71 crore and Others (water supply and sanitation by ₹ 326.51 crore; education, sports, art and culture by ₹ 290.10 crore and other social services by ₹ 129.29 crore).

#### ***Unspent Balances of previous years incorrectly credited as Revenue Receipts/ Credit of unutilized funds as Revenue receipts***

As per guidelines prescribed under Section 3.10 of List of Major and Minor Heads of Accounts, Recoveries of overpayments whether made in cash or by short drawl from a bill, during the same financial year in which such overpayments were made, shall be recorded as reduction of expenditure under the concerned Service Heads. It also prescribes that Recoveries of overpayments pertaining to previous year(s) shall be recorded under distinct minor head ‘Deduct-Recoveries of Overpayments’ (code ‘911’) below the concerned Major Head of account. Further, Government Accounting Rules, 1990 also states that “Recoveries of overpayments whether made in cash or by deduction from payment vouchers shall always be taken as reduction of expenditure under the appropriate expenditure head concerned irrespective of the year to which such recoveries relate.”

Audit noticed (October 2021) that the unutilised grants/appropriations are not booked properly during the accounting year as well as the previous years. Further, there is no provision to book unutilised grants/appropriations in the existing IFMS which is being used by treasuries in the State. The above fact was apprised to the Directorate of Accounts and Treasuries and State Government. The Directorate of Accounts and Treasuries stated that the matter would be taken up with the Finance Department of the State Government and necessary action would be taken to resolve the same at the earliest. It was also assured that proper accounting system would be developed in IFMS-II which is under development.

However, it was observed during test check in Audit in June/ July 2022 of 125 challans amounting to ₹ 461.30 crore credited to Government account as revenue receipts that, ₹ 89.44 crore of unutilised amounts of various schemes received by implementing agency/nodal agency into bank account or Personal Ledger Account (PLA) in Public Account, during previous years were still credited in Government Accounts as Revenue Receipts during 2021-22. Further, it was observed that ₹ 14.91 crore of unutilised amounts of various schemes (principal amount of these schemes was deposited in Gujarat State Financial Services (GSFS)) received by the entities/agencies during previous years was credited in Government Accounts as Revenue Receipts during 2021-22. Yearly interest earned from the deposits was being credited to relevant account head as per the instructions of Finance Department. The DDO-wise details are shown in **Appendix 2.2**.

Thus, the State Government has not been able to rectify the erroneous booking of the unspent balance receipts of grants/appropriations in the State Accounts and continues to book these amounts as revenue receipts.

### 2.3.2.3 Transfers from Centre

The two main components of transfers from the GoI are Central tax transfers (*i.e.*, State's share in Union taxes and duties) and Grants-in-aid. A trend analysis of transfers from the Centre during the last 10 years (2012-22) is shown in **Table 2.10**.

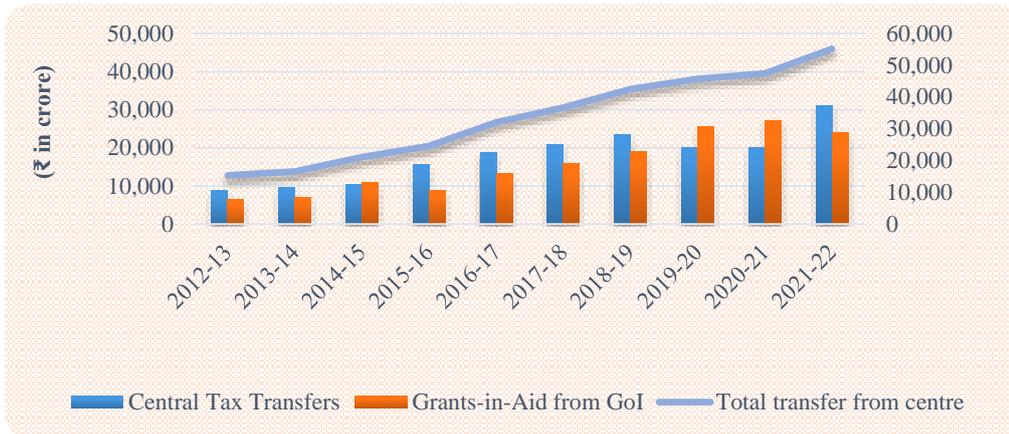
**Table 2.10: Transfers from Centre**

Particulars	(₹ in crore)									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Central Tax Transfers	8,869.04	9,701.93	10,296.35	15,690.43	18,835.39	20,782.29	23,489.33	20,232.09	20,218.53	31,105.78
Grants-in-Aid	6,445.80	6,883.13	10,799.01	8,949.22	13,218.05	15,885.60	18,992.48	25,500.02	27,178.29	24,027.59
<b>Total</b>	<b>15,314.84</b>	<b>16,585.06</b>	<b>21,095.36</b>	<b>24,639.65</b>	<b>32,053.44</b>	<b>36,667.89</b>	<b>42,481.81</b>	<b>45,732.11</b>	<b>47,396.82</b>	<b>55,133.37</b>
Percentage increase over previous year	14.03	8.29	27.19	16.80	30.09	14.40	15.86	7.65	3.64	16.32
Total transfers from Centre as percentage of revenue receipts	20.36	20.74	22.94	25.28	29.18	29.74	31.24	32.02	36.98	33.05

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

The transfers from Centre increased by 260 *per cent* from ₹ 15,314.84 crore in 2012-13 to ₹ 55,133.37 crore in 2021-22. The percentage increase over the previous year was least at 3.64 *per cent* in 2020-21 and maximum at 30.09 *per cent* in 2016-17 during the ten-year period.

Chart 2.7: Trends in transfers from Centre



### Central tax transfers

As per the Fifteenth Finance Commission (15<sup>th</sup> FC) for the year 2021-22 to 2025-26, the States' share of Central taxes was 41 *per cent* of Tax revenue of Union Government and Gujarat's share in the net proceeds of Central Tax was fixed at 3.478 *per cent* for the period 2021-22.

Earlier, the Fourteenth Finance Commission (14<sup>th</sup> FC) had recommended that the States' share of Central taxes is to be increased to 42 *per cent* from 32 *per cent* recommended by the Thirteenth Finance Commission (13<sup>th</sup> FC). Gujarat's share in the net proceeds of Central tax and Service tax was fixed at 3.084 *per cent* and 3.172 *per cent* respectively by the 14<sup>th</sup> FC for the award period 2015-20. Actual devolution *vis-à-vis* Finance Commissions' projections for the period 2010-22 is shown in **Table 2.11**.

**Table 2.11: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections**

(₹ in crore)				
Year	Finance Commission projections	Projections in Finance Commission Report	Actual tax devolution	Difference
2010-11	Other than Service tax- 3.041 <i>per cent</i> & Service tax- 3.089 <i>per cent</i> (13 <sup>th</sup> FC)	6,201	6,679	(-)478
2011-12		7,273	7,780	(-)507
2012-13		8,578	8,869	(-)291
2013-14		10,119	9,702	417
2014-15		11,936	10,296	1,640
2015-16	Other than Service tax- 3.084 <i>per cent</i> & Service tax- 3.172 <i>per cent</i> (14 <sup>th</sup> FC)	17,960	15,691	2,269
2016-17		20,728	18,835	1,893
2017-18		23,953	20,782	3,171
2018-19		27,712	23,489	4,223
2019-20		32,100	20,232	11,868
2020-21	3.398 <i>per cent</i> (15 <sup>th</sup> FC for 2020-21)	29,059	20,219	8,840

Year	Finance Commission projections	Projections in Finance Commission Report	Actual tax devolution	Difference
2021-22	3.478 per cent (15 <sup>th</sup> FC for 2021-26)	22,906	31,106	(-)8,200

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

From the above, it may be seen that the actual devolution in 2021-22 was more than projections by ₹ 8,200 crore.

The main components of Central tax transfers during 2017-22 are shown in Table 2.12.

**Table 2.12: Components of Central tax transfers**

Particulars	(₹ in crore)					
	2017-18	2018-19	2019-20	2020-21	2021-22	Percentage change over previous year
<b>Direct Taxes</b>						
Corporation Tax	6,361.23	8,167.69	6,898.37	6,083.86	9,242.59	51.92
Taxes on income other than Corporation Tax	5,371.41	6,015.16	5,405.35	6,235.13	9,158.49	46.89
Taxes on Wealth	0.00	2.99	0.30	0.00	1.90	-
<b>Sub-total</b>	<b>11,732.64</b>	<b>14,185.84</b>	<b>12,304.02</b>	<b>12,318.99</b>	<b>18,402.98</b>	<b>49.39</b>
<b>Indirect Taxes</b>						
Central Goods and Services Tax	291.72	5,796.85	5,741.16	6,030.60	8,815.20	46.17
Integrated Goods and Services Tax	2,097.04 <sup>9</sup>	462.60	0.00	0.00	0.00	-
Customs	2,096.40	1,664.83	1,282.45	1,088.95	2,243.09	105.99
Union Excise	2,191.29	1,106.37	891.64	681.76	1,229.22	80.30
Service Tax	2,373.20	218.18	0.00	84.49	384.47	355.05
Others	0.00	54.66	12.82	13.74	30.82	124.31
<b>Sub-total</b>	<b>9,049.65</b>	<b>9,303.49</b>	<b>7,928.07</b>	<b>7,899.54</b>	<b>12,702.80</b>	<b>60.80</b>
<b>Total</b>	<b>20,782.29</b>	<b>23,489.33</b>	<b>20,232.09</b>	<b>20,218.53</b>	<b>31,105.78</b>	<b>53.85</b>
Percentage increase over the previous year	10.34	13.03	(-)13.87	(-)0.07	53.85	
Central tax transfers as percentage of revenue receipts	16.86	17.27	14.16	15.78	18.65	

Source: Finance Accounts of the State Government of respective years. GST was implemented with effect from 01 July 2017

The devolution was more than last year in all the components. The Central tax transfers at ₹ 31,105.78 crore in 2021-22 registered an increase of 53.85 per cent over the previous year. Direct taxes increased by 49.39 per cent and Indirect taxes increased by 60.80 per cent over the previous year.

<sup>9</sup> This includes advance apportionment of unsettled IGST on ad hoc basis (₹ 1,062 crore).

**Grants-in-Aid from GoI**

The components of grants-in-aid received from GoI during 2017-22 are shown in **Table 2.13**.

**Table 2.13: Grants-in-Aid from GoI**

Particulars <sup>10</sup>	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Centrally Sponsored Schemes	8,942.08	8,784.58	8,724.64	8,166.58	9,450.08
Finance Commission grants	3,166.85	3,313.36	5,040.24	5,672.50	4,002.42
Other grants (including GST compensation)	3,776.67	6,894.54	11,735.14	13,339.21	10,575.09
<b>Total</b>	<b>15,885.60</b>	<b>18,992.48</b>	<b>25,500.02</b>	<b>27,178.29</b>	<b>24,027.59</b>
Percentage increase over previous year	20.18	19.56	34.26	6.58	(-)11.59
Total grants-in-aid as percentage of revenue receipts	12.88	13.96	17.85	21.21	14.40

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

The grants-in-aid from GoI increased from ₹ 15,885.60 crore in 2017-18 to ₹ 24,027.59 crore in 2021-22.

The grants-in-aid from GoI in 2021-22 decreased by ₹ 3,150.70 crore (11.59 per cent) over the previous year. The decrease was mainly due to decrease in GST compensation by ₹ 3,005.96 crore and grants for rural local bodies by ₹ 2,014.00 crore which was offset by increase in Central assistance grants under CSS by ₹ 1,141.67 crore and receipts of ₹ 1,000 crore under grants towards contribution to National Disaster Response Fund.

**Grants awarded by the Fifteenth Finance Commission**

The 15<sup>th</sup> FC recommended transfers of funds to the States in respect of three types of grants-in-aid viz., empowering local bodies, disaster risk management and post-devolution revenue deficit and special grants.

During 2021-22, Government of Gujarat received three types of grants from GoI i.e., grants for empowering local bodies, disaster risk management and grant for Health & Family Welfare totalling ₹ 4,799 crore, against awarded amount of ₹ 5,478 crore. Being a revenue surplus State, the State Government was not eligible for post-devolution revenue deficit grants.

The details of amounts awarded and received during 2021-22 are shown in **Table 2.14**.

<sup>10</sup> The Controller General of Accounts revised the classification of grants-in-aid with effect from financial year 2017-18.

Table 2.14: Details of amounts awarded and received as per recommendation of 15<sup>th</sup>FC

Name of Grant	Recommendation of 15 <sup>th</sup> FC	Actual release by GoI	Release by State Government	Pending Amount
	2021-22	2021-22	2021-22	2021-22
<b>Grants for Local Bodies</b>	<b>3,525.00</b>	<b>3,110.50</b>	<b>2,913.00</b>	<b>414.50</b>
<b>Grants to Panchayat, Rural Housing and Rural Development Department</b>	<b>2,362.00</b>	<b>2,362.00</b>	<b>2,362.00</b>	<b>0.00</b>
(a) General Basic (Untied) Grant (PRIs)	944.80	944.80	944.80	0.00
(b) Tied Grants (PRIs)	1,417.20	1,417.20	1,417.20	0.00
<b>Grants to Urban Development and Urban Housing Department</b>	<b>1163.00</b>	<b>748.50</b>	<b>551.00</b>	<b>414.50</b>
(a) Million plus cities- Air Quality Grant	204.00	197.50	0.00	6.50
(b) Million plus cities- Service Level Benchmark Grant	408.00	0.00	0.00	408.00
(c) Other than Million plus cities- Basic Grant (40%)	220.40	220.40	220.40	0.00
(d) Other than Million plus cities- Tied Grant (60%) 30% for Sanitation Solid Waste Management grant and 30% for Drinking Water (including rain water harvesting and recycling) grant	330.60	330.60	330.60	0.00
<b>Grants to Revenue Department</b>	<b>1,324.00</b>	<b>1,059.20</b>	<b>1,059.20</b>	<b>264.80</b>
(a) State Disaster Relief Fund- Central Share	1,324.00	1,059.20	1,059.20	264.80
<b>Grants to Health and Family Welfare Department</b>	<b>629.22</b>	<b>629.22</b>	<b>629.22</b>	<b>0.00</b>
(a) Support for diagnostic infrastructure to the primary healthcare facilities-sub centres	67.49	67.49	67.49	0.00
(b) Support for diagnostic infrastructure to the primary healthcare facilities-PHCs	71.88	71.88	71.88	0.00
(c) Financial requirement for establishing block Level Public Health Units	50.31	50.31	50.31	0.00
(d) Grants for Building less Sub- centres, PHCs, CHCs	1.17	1.17	1.17	0.00
(e) Financial requirement for Conversion of Rural PHCs and SCs into Health and Wellness Centre	160.01	160.01	160.01	0.00
(f) Support for diagnostic infrastructure to the primary healthcare facilities-UPHCs	17.63	17.63	17.63	0.00
(g) Grants for Urban Health and Wellness Centres (UHCs)	260.73	260.73	260.73	0.00
<b>Grand Total</b>	<b>5,478.22</b>	<b>4,798.92</b>	<b>4,601.42</b>	<b>679.30</b>
<b>Incentive Grants to Urban Development and Urban Housing Department</b>				
<i>Million plus cities- Air Quality Grant (Incentive)</i>	<i>0.00</i>	<i>20.21</i>	<i>20.21</i>	<i>0.00</i>

Source: Finance Department of Government of Gujarat

It may be seen from the table above that the State Government had received less grants than recommended by 15<sup>th</sup> FC under State Disaster Relief Fund; Million

plus cities- Air Quality Grant; and Million plus cities- Service Level Benchmark Grant.

Finance Department stated (September 2022) that less receipt under State Disaster Relief Fund was due to non-creation of State Disaster Mitigation Fund (SDMF). It also stated that less receipts under Million plus cities- Air Quality Grant was due to non-achievement of standards relating to air purity by Vadodara Municipal Corporation, and under Million plus cities- Service Level Benchmark Grant was due to non-completion of Memorandum of understanding (MoU) between Urban Local Bodies, Government of Gujarat and Government of India.

Further, Urban Development and Urban Housing Department had received incentive of ₹ 20.21 crore from Government of India for achieving best performance in maintaining ambient air quality in cities.

### *State Finance Commission*

Article 243 I of the Constitution made it mandatory for the State Government to constitute a State Finance Commission (SFC) within one year from the enactment of 73<sup>rd</sup> constitutional Amendment and thereafter on expiry of every five years to review the financial condition of the PRIs and to make recommendations to the Governor for devolution of funds.

Status of constitution of Finance Commissions, recommendations made by them and recommendations accepted and implemented by the Government of Gujarat are shown in **Table 2.15**.

**Table 2.15: Status of constitution of SFCs, recommendations made by them and recommendations accepted and implemented by Government of Gujarat**

Departments	SFC	Year of constitution	Number of recommendations		
			Made by SFC	Accepted by State Government	Implemented by State Government
Panchayat, Rural Housing and Rural Development	First	1994	52	27	27
	Second	2003	41	21	21
	Third	2011	33	22	13
Urban development and Urban Housing	First	1994	64	53	34
	Second	2003	42	20	14
	Third	2011	37	24	Information not furnished to Audit

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

The Action Taken Report (ATR) on the third SFC recommendations (December 2013) was placed before the State Legislature on 31 March 2021. The Fourth and Fifth SFCs due to be constituted in 2009-10 and 2014-15 respectively, are yet to be constituted by the State Government as of December 2022.

### 2.3.3 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. The net public debt receipts after discharging public debt plus other capital receipts are the net capital receipts.

The following table shows the trends in growth and composition of net capital receipts.

**Table 2.16: Trends in growth and composition of net capital receipts**

(₹ in crore)					
Sources of State's capital receipts	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Capital receipts</b>	<b>27,299</b>	<b>43,362</b>	<b>43,927</b>	<b>68,981</b>	<b>47,123</b>
Public debt receipts	26,953	43,146	43,491	58,857	46,968
Public debt repayment	13,700	15,432	16,702	17,922	24,436
<b>Net Public Debt Receipts</b>	<b>13,253</b>	<b>27,714</b>	<b>26,789</b>	<b>40,935</b>	<b>22,532</b>
Miscellaneous capital receipts	0	65	106	9,968	0
Recovery of loans and advances	346	151	330	155	155
<b>Non-debt capital receipts</b>	<b>346</b>	<b>216</b>	<b>436</b>	<b>10,124</b>	<b>155</b>
<b>Net capital receipts</b>	<b>13,599</b>	<b>27,930</b>	<b>27,225</b>	<b>51,059</b>	<b>22,687</b>
Net increase in internal debt	13,872	26,231	26,786	30,369	9,775
Growth rate of Net internal debt ( <i>per cent</i> )	(-)27.34	89.09	2.12	13.38	(-) 67.81
Net increase in loans and advances from GoI	(-)619	1,483	3	10,566	12,757
Growth rate ( <i>per cent</i> )	24.80	(-) 339.58	(-)99.80	- <sup>11</sup>	20.74
Rate of growth of debt capital receipts ( <i>per cent</i> )	(-)28.73	109.11	(-)3.34	52.81	(-)44.96
Rate of growth of non-debt capital receipts ( <i>per cent</i> )	(-)14.78	(-)37.57	101.85	- <sup>11</sup>	(-)98.47
Rate of growth of GSDP ( <i>per cent</i> )	13.87	12.27	9.21	1.61	17.40
Rate of growth of net capital receipts ( <i>per cent</i> )	(-)28.43	105.38	(-)2.52	87.54	(-)55.57

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

The Capital receipts in 2021-22 decreased by ₹ 21,858 crore (31.69 *per cent*) over the previous year. The decrease was due to less receipts under public debt and miscellaneous capital receipts like disinvestments.

Further ₹ 13,040 crore was received under implementation of the scheme of "back-to-back loan to States in lieu of GST Compensation shortfall"<sup>12</sup>.

<sup>11</sup> Due to abnormal increase (variation) in Miscellaneous capital receipts and Net loans and advances from GoI as compared to previous year, the growth rate in percentage terms has not been shown here.

<sup>12</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received during 2020-21 and ₹ 13,040 crore received during 2021-22 have not been considered as public debt here.

Effective Net Public Debt receipts would be ₹ 9,492 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 13,040 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. As a result, the effective Net Capital Receipts stand at ₹ 9,337 crore.

Public debt receipts create future repayment obligations. During the last five years (2017-22), 40.19 *per cent* of public debt receipts were used for repayment of public debts raised in earlier years while the remaining 59.81 *per cent* were used for creation of assets.

### 2.3.4 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax revenue during 2021-22.

**Table 2.17: Tax and non-tax receipts *vis-à-vis* projections for 2021-22**

(₹ in crore)

	Budget estimates	Actual	Percentage variation of actual over	
			Budget estimates	15 <sup>th</sup> FC projections
Own Tax revenue	1,11,693	97,678	(-)12.55	21.03
Non-tax revenue	16,802	14,018	(-)16.57	(-) 4.61

As can be seen, the State Government fell short of achieving the targets for both own tax revenue as well as non-tax revenue set in the budget estimates.

## 2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector.

### 2.4.1 Growth and composition of expenditure

The total expenditure, its composition and relative share in GSDP during the last five years (2017-22) is presented in **Table 2.18**.

**Table 2.18: Total expenditure and its composition**

(₹ in crore)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Total expenditure (TE)</b>	<b>1,45,004</b>	<b>1,62,583</b>	<b>1,67,861</b>	<b>1,78,718</b>	<b>1,89,677</b>
Revenue expenditure (RE)	1,18,060	1,32,790	1,40,899	1,50,704	1,60,421
Capital Expenditure (CE)	26,313	28,062	25,650	26,781	28,185
Loans and advances	631	1,731	1,312	1,233	1,071
<b>As a percentage of GSDP</b>					
TE/GSDP	10.91	10.90	10.30	10.79	9.76

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
RE/GSDP	8.88	8.90	8.65	9.10	8.25
CE/GSDP	1.98	1.88	1.57	1.62	1.45
Loans and advances/GSDP	0.05	0.12	0.08	0.07	0.06

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

**Table 2.18** shows that total expenditure of the State increased by 30.81 per cent from ₹ 1,45,004 crore in 2017-18 to ₹ 1,89,677 crore in 2021-22. During the year, it increased by 6.13 per cent over the previous year. As percentage of GSDP, total expenditure remained the lowest at 9.76 per cent in 2021-22 during the five-year period (2017-22).

**Chart 2.8** depicts the trend in the share of the components of total expenditure.

**Chart 2.8: Trend in share of components of total expenditure**



The above charts indicate that revenue expenditure was a major component of total expenditure during 2017-22. Revenue expenditure constituted 84.58 per cent of the total expenditure in 2021-22. Revenue expenditure as percentage of GSDP decreased from 8.88 per cent in 2017-18 to 8.25 per cent in 2021-22.

Trends in total expenditure in terms of activities namely, general services, social services, economic services, grants-in-aid and loans and advances during 2017-22 are as shown in **Table 2.19**.

**Table 2.19: Trends in total expenditure in terms of activities**

Activities	(Share in per cent)				
	2017-18	2018-19	2019-20	2020-21	2021-22
General services	29.15	29.79	29.71	29.41	30.04
Social services	38.51	37.51	38.94	37.97	40.40
Economic services	31.57	31.41	30.32	31.71	28.78
Loans and advances	0.44	1.06	0.78	0.69	0.56
Grants-in-aid and contributions to local bodies & PRIs	0.33	0.23	0.25	0.22	0.22

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

The movement of the relative share of general, social and economic services exhibited stability during 2017-22, with marginal inter-year variations. As

compared to 2017-18, the share of social services increased by 1.89 *per cent* and the share of economic services decreased by 2.79 *per cent* during 2021-22.

## 2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payments for past obligations. As such, it does not result in any addition to State's infrastructure and service network.

The overall revenue expenditure, its rate of growth, its ratio to total expenditure and buoyancy *vis-à-vis* GSDP and revenue receipts during 2017-22 are as indicated in **Table 2.20**.

**Table 2.20: Trends of revenue expenditure**

	2017-18	2018-19	2019-20	2020-21	2021-22
Total expenditure (TE) (₹ in crore)	1,45,004	1,62,583	1,67,861	1,78,718	1,89,677
<b>Revenue expenditure (RE) (₹ in crore)</b>	<b>1,18,060</b>	<b>1,32,790</b>	<b>1,40,899</b>	<b>1,50,704</b>	<b>1,60,421</b>
Growth of RE over previous year ( <i>per cent</i> )	13.63	12.48	6.11	6.96	6.45
RE/TE ( <i>per cent</i> )	81.42	81.68	83.94	84.33	84.58
RE/GSDP ( <i>per cent</i> )	8.88	8.90	8.65	9.10	8.25
RE/RR ( <i>per cent</i> )	95.76	97.64	98.64	117.59	96.16
<b>Buoyancy of revenue expenditure with</b>					
GSDP	0.98	1.02	0.66	4.32	0.37
Revenue receipts	1.11	1.21	1.21	-*	0.21

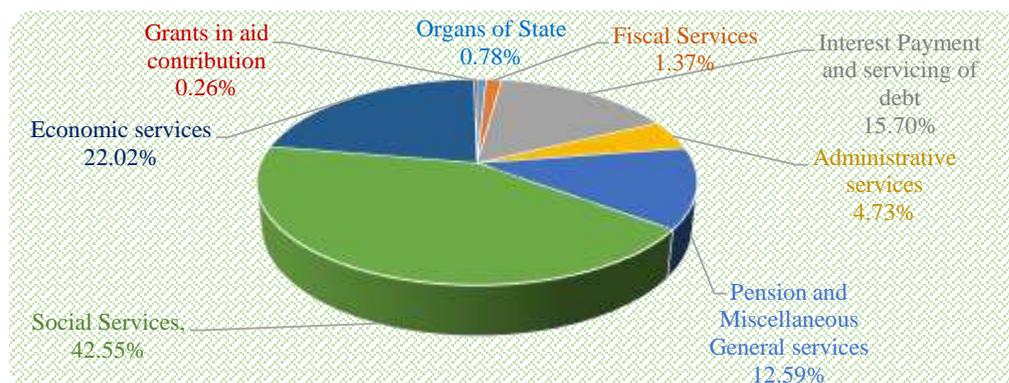
Source: Finance Accounts of State Government of respective years.

\* Revenue receipts growth in 2020-21 being negative, buoyancy cannot be calculated

Revenue expenditure increased continuously from ₹ 1,18,060 crore in 2017-18 to ₹ 1,60,421 crore in 2021-22, with an increase of ₹ 9,717 crore (6.45 *per cent*) during 2021-22 over the previous year. The increase in revenue expenditure in 2021-22 over the previous year was mainly due to more expenditure on Medical and Public Health by ₹ 2,464 crore; Pensions and Other Retirement Benefits by ₹ 1,591 crore; Appropriation for reduction or avoidance of Debt by ₹ 1,500 crore; General Education by ₹ 1,383 crore; Power by ₹ 1,382 crore and Relief on account of Natural Calamities by ₹ 1,082 crore.

In the year 2021-22, revenue expenditure as a percentage of GSDP was 8.25 *per cent* which was the lowest during the period 2017-22. Revenue expenditure as percentage of revenue receipts was at 96.16 *per cent* during 2021-22.

The sector-wise distribution of revenue expenditure during 2021-22 is shown in **Chart 2.9**.

**Chart 2.9: Sector-wise distribution of revenue expenditure during 2021-22 (in per cent)**

#### 2.4.2.1 Major changes in revenue expenditure

**Table 2.21** details the significant variations under various Heads of Account regarding revenue expenditure of the State during the current year and the previous year.

**Table 2.21: Variations in revenue expenditure during 2021-22 compared to 2020-21**

(₹ in crore)

Major Heads of Account	2020-21	2021-22	Variation	
			Amount	Per cent
2210- Medical and Public Health	7,860.11	10,324.56	2,464.45	31.35
2071- Pensions and Other Retirement Benefits	18,569.75	20,160.26	1,590.51	8.57
2048- Appropriation for reduction or avoidance of Debt	0.00	1,500.00	1,500.00	-
2202- General Education	24,699.39	26,082.23	1,382.84	5.60
2801- Power	8,949.40	10,331.44	1,382.04	15.44
2245- Relief on account of Natural Calamities	1,760.82	2,843.09	1,082.27	61.46
2216- Housing	1,595.52	2,590.06	994.54	62.33
2049- Interest Payment	24,203.19	25,187.78	984.59	4.07
2217- Urban Development	8,988.92	9,961.18	972.26	10.82
2225- Welfare of Schedule Castes, Schedule Tribes, Other Backward Classes and Minorities	3,418.52	4,055.81	637.29	18.64
3054- Roads and Bridges	4,247.47	4,800.17	552.70	13.01
2401- Crop Husbandry	2,694.61	2,268.78	(-) 425.83	(-) 15.80
2408- Food, Storage and Warehousing	769.48	91.22	(-) 678.26	(-) 88.15
2851- Village and Small Industries	2,951.27	1,780.96	(-) 1,170.31	(-) 39.65
2515- Other Rural Development Programmes	4,501.61	2,502.49	(-) 1,999.12	(-) 44.41

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

The table above indicates that revenue expenditure under Medical and Public Health; Pensions and other retirement benefits; General Education and Power increased during the year, primarily due to the increase in expenditure on prevention and control of diseases; family pensions; expenditure on teachers and other services; investments in Public Sector and Other Undertakings, respectively. Other Rural Development Programmes; and Village and Small

Industries recorded a decrease in revenue expenditure during 2021-22 compared to the previous year due to decrease in Grant-in-aid and subsidies to small scale industries respectively.

### 2.4.2.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments; expenditure on salaries and wages; and pensions. It has first charge on Government resources. Higher committed expenditure leaves the Government with lesser flexibility for development sector.

**Table 2.22** presents the trend of committed expenditure and its components during 2017-22.

**Table 2.22: Trend of committed expenditure and its components**

(₹ in crore)

Components of committed expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries and wages	10,832	11,448	11,301	11,895	12,212
Grants-in-aid to Panchayats for pay and allowances	10,302	11,821	12,235	13,151	14,482
Interest payments	18,954	20,183	22,449	24,203	25,188
Pension	13,979	18,295	17,663	18,570	20,160
<b>Total committed expenditure</b>	<b>54,067</b>	<b>61,747</b>	<b>63,648</b>	<b>67,819</b>	<b>72,042</b>
<b>As a percentage of Revenue Receipts (RR)</b>					
<b>Revenue Receipts</b>	<b>1,23,291</b>	<b>1,36,002</b>	<b>1,42,844</b>	<b>1,28,156</b>	<b>1,66,830</b>
Salaries and wages	8.79	8.42	7.91	9.28	7.32
Grants-in-aid to Panchayats for pay and allowances	8.36	8.69	8.57	10.26	8.68
Interest payments	15.37	14.84	15.72	18.89	15.10
Pension	11.34	13.45	12.37	14.49	12.08
<b>Total</b>	<b>43.85</b>	<b>45.40</b>	<b>44.56</b>	<b>52.92</b>	<b>43.18</b>
<b>As a percentage of Revenue Expenditure (RE)</b>					
<b>Revenue Expenditure</b>	<b>1,18,060</b>	<b>1,32,790</b>	<b>1,40,899</b>	<b>1,50,704</b>	<b>1,60,421</b>
Salaries and wages	9.17	8.62	8.02	7.89	7.61
Grants-in-aid to Panchayats for pay and allowances	8.73	8.90	8.68	8.73	9.03
Interest payments	16.05	15.20	15.93	16.06	15.70
Pension	11.84	13.78	12.54	12.32	12.57
<b>Total</b>	<b>45.80</b>	<b>46.50</b>	<b>45.17</b>	<b>45.00</b>	<b>44.91</b>

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

**Chart 2.10: Share of committed expenditure in total revenue expenditure (in per cent)**

As percentage of revenue expenditure, committed expenditure remained around 45 to 47 *per cent* during 2017-22. As percentage of revenue receipts, committed expenditure decreased from 52.92 *per cent* in 2020-21 to 43.18 *per cent* in 2021-22.

The components of committed expenditure are discussed in the succeeding paragraphs.

### *Salaries and wages*

Expenditure on salaries and wages increased by ₹ 1,380 crore (12.74 *per cent*) from ₹ 10,832 crore in 2017-18 to ₹ 12,212 crore in 2021-22. It accounted for 7.32 *per cent* of revenue receipts and 7.61 *per cent* of revenue expenditure during 2021-22.

### *Grants-in-aid to Panchayats for pay and allowances*

Grants-in-aid to Panchayats for pay and allowances increased by ₹ 4,180 crore (40.57 *per cent*) from ₹ 10,302 crore in 2017-18 to ₹ 14,482 crore in 2021-22. Grants-in-aid as a percentage of the revenue receipts, decreased from 10.26 *per cent* in 2020-21 to 8.68 *per cent* in 2021-22. It accounted for 9.03 *per cent* of revenue expenditure during 2021-22.

### *Interest payments*

Interest payments increased by ₹ 6,234 crore (32.89 *per cent*) from ₹ 18,954 crore in 2017-18 to ₹ 25,188 crore in 2021-22. Interest payments increased by 4.07 *per cent* in 2021-22 over the previous year due to increased interest liability of ₹ 1,611 crore on market loans. During 2021-22, interest payments on market loans stood at 75.57 *per cent* of the total interest payments while interest payments on special securities issued to National Small Savings

Fund accounted for 12.29 *per cent* of the total interest payments. As a percentage of the revenue receipts, expenditure on interest payments decreased from 18.89 *per cent* in 2020-21 to 15.10 *per cent* in 2021-22. Also, the share of interest payment in revenue expenditure decreased from 16.06 *per cent* in 2020-21 to 15.70 *per cent* in 2021-22.

### *Pension payments*

There were 4.98 lakh pensioners<sup>13</sup> in Gujarat State (March 2021). Expenditure on pension continuously increased during 2017-22 except in 2019-20.

In its disclosures made under Gujarat Fiscal Responsibility Act, 2005, the State Government estimated (March 2021) the pension payments as percentage of revenue receipts at 10.94 *per cent* for 2021-22. However, it stood higher at 12.08 *per cent* during the year. The pension payments as percentage of revenue expenditure accounted for 12.57 *per cent* of revenue expenditure during 2021-22.

#### **2.4.2.3 Undischarged liabilities under National Pension System**

The State Government introduced the ‘Defined Contribution Pension Scheme (National Pension System)’ with effect from 01 April 2005. As per the guidelines of the Scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance every month which is matched by the State Government and the entire amount is transferred to the designated fund manager through National Securities Depository Limited (NSDL)/Trustee Bank. The State Government signed (January 2009) agreements with the NPS trust for fund management of the Scheme and adopted (May 2009) the Central framework for implementation of the Scheme.

The employees’ contribution and the State share is credited to the Public Account<sup>14</sup> and then transferred to the NSDL. During the year 2021-22, the State Government collected ₹ 1,112.24 crore from the employees as contribution towards NPS and contributed ₹ 1,099.41 crore as its share towards the Scheme. Further, against the total collected funds of ₹ 2,258.62 crore (including previous years’ balance of ₹ 46.97 crore), the State Government transferred ₹ 2,209.61 crore to NSDL, leaving a balance of ₹ 49.01 crore. The entire balance of ₹ 49.01 crore was transferred to NSDL in April 2022. During 2021-22, the Government also paid an interest of ₹ 0.97 crore to the fund manager for late/delayed transfer of funds.

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<sup>13</sup> As per Fiscal Policy Strategy Statement under Gujarat Fiscal Responsibility Act, 2005 for 2021-22 (March 2021), there were 4.98 lakh pensioners in the State. These are pensioners of Gujarat Government and aided institutions and do not include Social Security Pensioners.

<sup>14</sup> Major Head 8342-117 (Other Deposits- Defined Contribution Pension Scheme for Government Employees)

#### 2.4.2.4 Expenditure on subsidies

The details of subsidies during the five year period 2017-22 are given in **Table 2.23**.

**Table 2.23: Expenditure trend of subsidies**

Components of committed expenditure	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies	13,621	17,269	18,420	22,141	22,335
Total revenue receipts	1,23,291	1,36,002	1,42,844	1,28,156	1,66,830
Subsidies as a percentage of revenue receipts	11.05	12.70	12.90	17.28	13.39
Total revenue expenditure	1,18,060	1,32,790	1,40,899	1,50,704	1,60,421
Subsidies as a percentage of revenue expenditure	11.54	13.00	13.07	14.69	13.92

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

Revenue Expenditure on subsidies increased by 63.97 *per cent* from ₹ 13,621 crore in 2017-18 to ₹ 22,335 crore in 2021-22. The major beneficiary Departments of subsidy during 2021-22 were: Energy and Petrochemicals; Industries and Mines; Agriculture, Farmer's Welfare and Co-operation; Social Justice and Empowerment; and Urban development and Urban Housing.

Energy and Petrochemicals Department received a subsidy of ₹ 10,834 crore during 2021-22 (49 *per cent* of total expenditure on subsidy) of which, a major portion of ₹ 6,210 crore was on account of fuel price and power purchase adjustment charges, ₹ 2,025 crore for compensation in agriculture tariff and ₹ 1,100 crore for horse power based tariff to agriculturists.

In Industries and Mines Department, of the total subsidy of ₹ 4,530 crore received during 2021-22 (20 *per cent* of total expenditure on subsidy), ₹ 1,960 crore was for development of textile industry and ₹ 1,363 crore was given as assistance to industries.

Of ₹ 1,835 crore (8 *per cent* of total expenditure on subsidy) received as subsidy by Agriculture, Farmer's Welfare and Co-operation Department during 2021-22, ₹ 997 crore was given as financial assistance to farmers for subvention of interest.

The Gujarat State Road Transport Corporation was also given a subsidy of ₹ 597 crore in 2021-22 to compensate for operations in uneconomic routes, student concessions *etc.*

#### 2.4.2.5 Financial assistance by the State Government to local bodies and other institutions

Financial assistance is provided by the State Government to local bodies and other institutions by way of grants-in-aid to meet expenses on pay and allowances, other miscellaneous expenses and creation of capital assets. The details of financial assistance given to Local bodies and other institutions during 2017-22 are given in **Table 2.24**

Table 2.24: Trend of financial assistance to local bodies, NGOs and Others

(₹ in crore)					
Financial assistance to institutions	2017-18	2018-19	2019-20	2020-21	2021-22
Panchayati raj institutions	19,686	19,645	22,034	24,323	24,388
Urban local bodies	7,791	8,747	9,345	8,719	11,652
Public sector undertakings	74	79	84	95	119
Autonomous bodies	5,308	6,388	6,259	6,211	6,532
Non-Governmental organisations	1,091	1,096	1,197	1,597	2,352
Others	20,857	23,656	25,343	23,692	24,765
<b>Total</b>	<b>54,807</b>	<b>59,611</b>	<b>64,262</b>	<b>64,637</b>	<b>69,808</b>
Revenue expenditure	<b>1,18,060</b>	<b>1,32,790</b>	<b>1,40,899</b>	<b>1,50,704</b>	<b>1,60,421</b>
Assistance as percentage of revenue expenditure	<b>46.42</b>	<b>44.89</b>	<b>45.61</b>	<b>42.89</b>	<b>43.52</b>

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

As can be seen from table above, financial assistance to local bodies and other institutions has continuously increased over the five-year period from ₹ 54,807 crore in 2017-18 to ₹ 69,808 crore in 2021-22.

The State Government received ₹ 1,181 crore and ₹ 1,133 crore as Finance Commission grants from Central Government during 2021-22 for onward transmission to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), respectively. The State Government released ₹ 1,195.58 crore to PRIs and ₹ 1,138 crore to ULBs. In addition, the PRIs also received ₹ 2,237.73 crore as other Central assistance. Further, during 2021-22, the State Government also provided financial assistance of ₹ 20,955.16 crore to PRIs and ₹ 9,271.06 crore to ULBs from State Fund expenditure by way of Grants-in-aid.

Further, grantee institutions under 'Others' category received substantial financial assistance from the State Government (about 38 per cent) during the last five years (2017-22). However, recording of grantee institutions *en masse* under 'Others' category together with absence of details of assets created with the concerned grant-releasing Departments of the State Government was a matter of concern, as it rendered such transactions opaque. In this regard, observations of Audit may kindly be referred to in **paragraph 4.5.1 (Chapter IV)**.

### 2.4.3 Capital Expenditure

Capital Expenditure is the money spent on the acquisition of assets like land, buildings, machinery, equipment, as well as investment in shares. The overall Capital Expenditure, its growth over previous year and its percentage to GSDP during the last five years (2017-22) are indicated in **Table 2.25**.

**Table 2.25: Trend of Capital Expenditure during 2017-22**

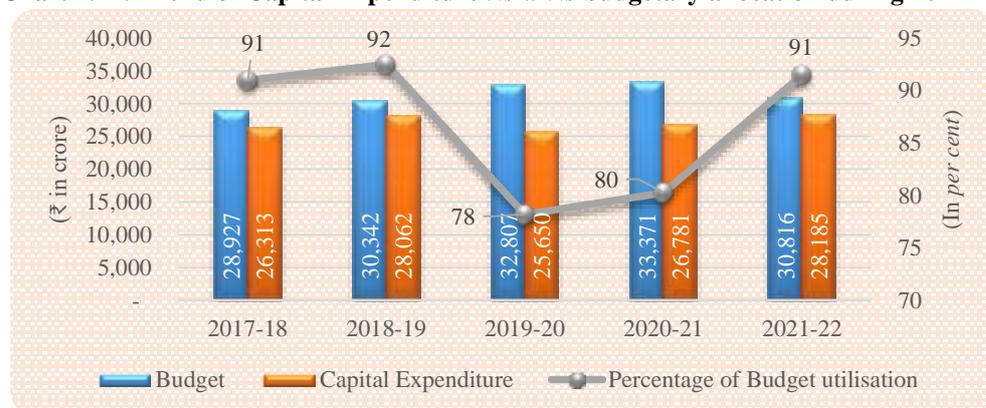
	2017-18	2018-19	2019-20	2020-21	2021-22
Total expenditure (TE) (₹ in crore)	1,45,004	1,62,583	1,67,861	1,78,718	1,89,677
<b>Capital Expenditure (CE) (₹ in crore)</b>	<b>26,313</b>	<b>28,062</b>	<b>25,650</b>	<b>26,781</b>	<b>28,185</b>
Growth of CE over previous year ( <i>per cent</i> )	17.71	6.65	(-)8.60	4.41	5.24
CE/TE ( <i>per cent</i> )	18.15	17.26	15.28	14.99	14.86
CE/GSDP ( <i>per cent</i> )	1.98	1.88	1.57	1.62	1.45

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

Capital Expenditure increased from ₹ 26,313 crore in 2017-18 to ₹ 28,185 crore in 2021-22. Of the total Capital Expenditure of ₹ 28,185 crore incurred in 2021-22, ₹ 5,328 crore (18.90 *per cent*) was spent on roads and bridges followed by ₹ 5,316 crore (18.86 *per cent*) on irrigation projects (major, medium and minor), ₹ 4,567 crore (16.20 *per cent*) on water supply and sanitation and ₹ 3,392 crore (12.03 *per cent*) on power projects.

Increase in Capital Expenditure by ₹ 1,404 crore during 2021-22 over the previous year was mainly on account of increase in expenditure on Tourism by ₹ 706 crore, Water Supply and Sanitation by ₹ 679 crore, Medical and Public Health by ₹ 416 crore, other Rural Development Programmes by ₹ 359 crore, which was offset by decrease in expenditure on Petrochemical Industries by ₹ 1,087 crore and Medium Irrigation by ₹ 682 crore,.

The State Government could not meet the budgetary allocation for Capital Expenditure in any year during the five-year period (2017-22). The trend of actual Capital Expenditure *vis-à-vis* budgetary allocation during 2017-22 are given in **Chart 2.11**.

**Chart 2.11: Trend of Capital Expenditure *vis-à-vis* budgetary allocation during 2017-22**

#### 2.4.3.1 Major changes in Capital Expenditure

**Table 2.26** highlights significant variations under various Heads of Account regarding Capital Expenditure of the State during 2020-21 and 2021-22.

**Table 2.26: Capital Expenditure during 2021-22 compared to 2020-21**

(₹ in crore)

Major Heads of Accounts	2020-21	2021-22	Variation	Variation (percentage)
5452- Capital Outlay on Tourism	812.80	1,519.21	706.41	86.91
4215-Capital Outlay on Water Supply and Sanitation	3,887.74	4,567.11	679.37	17.47
4210- Capital Outlay on Medical and Public Health	721.39	1,137.40	416.01	57.67
4515- Capital Outlay on other Rural Development Programmes	934.75	1,293.85	359.10	38.42
4211- Capital Outlay on Family Welfare	5.49	298.17	292.68	5331.15
4216- Capital Outlay on Housing	468.49	701.39	232.90	49.71
4700- Capital Outlay on Major Irrigation	2,114.07	2,346.71	232.64	11.00
4801-Capital Outlay on Power Projects	3,172.22	3,391.76	219.54	6.92
4810-Capital Outlay on New and Renewable Energy	350.00	506.31	156.31	44.66
4406- Capital Outlay on Forestry and Wild Life	607.05	730.84	123.79	20.39
4055- Capital Outlay on Police	228.49	345.39	116.90	51.16
5053- Capital Outlay on Civil Aviation	53.28	162.90	109.62	205.74
5054- Capital Outlay on Roads and Bridges	5,451.70	5,328.50	(-)123.20	(-)2.26
4217- Capital Outlay on Urban Development	712.61	571.82	(-)140.79	(-)19.76
4250- Capital Outlay on other Social Services	420.24	228.39	(-)191.85	(-)45.65
4701- Capital Outlay on Medium Irrigation	2,162.05	1,480.15	(-)681.90	(-)31.54
4856- Capital Outlay on Petrochemical Industries	1,087.50	0.00	(-)1,087.50	(-)100.00

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

### 2.4.3.2 Quality of Capital Expenditure

The chances of realizing return on investment become remote, if the State Government continues to make investments in loss-making Government Companies whose net worth are completely eroded. Similarly, experience has shown the inevitability of writing-off the loans given to loss-making Corporations and other bodies such as sugar mills, financial corporations *etc.* Requisite steps need to be taken to maintain transparency in such financial operations.

This section presents an analysis of investments and other capital expenditure undertaken by the State Government during the current year.

#### *Quality of investments in the companies, corporations and other bodies*

Statement No. 19 of Annual Finance Accounts of the State Government contains the details of investments made by the State Government in statutory corporations, Government companies, rural banks, joint stock companies, co-operative institutions and local bodies. As of 31 March 2022, the State Government had invested ₹ 1,16,485 crore in these companies/corporations/institutions (**Table 2.27**).

Table 2.27: Trend of returns on investments

Details of Investments/Returns	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Statutory Corporations	3,249	3,488	3,752	4,221	4,638
Rural Banks	14	14	14	14	14
Government Companies	82,416	88,865	95,702	1,02,832	1,11,360
Municipalities Port Trusts	00	00	00	00	00
Co-operative institutions and Local Bodies	402	404	418	418	420
Other Joint Stock Companies and Partnerships	33	33	33	33	53
Investments at the end of the year	86,114	92,804	99,919	1,07,518	1,16,485
Returns/Dividend earned (₹ in crore)	96.30	120.03	88.99	131.04	134.25
Return on Investment ( <i>per cent</i> )	0.11	0.13	0.09	0.12	0.12
Average rate of interest <sup>15</sup> on Government borrowings ( <i>per cent</i> )	7.59	7.44	7.47	7.29	7.12
Difference between average interest rate on Government borrowings and rate of return ( <i>per cent</i> )	7.48	7.31	7.38	7.17	7.00

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

**Table 2.27** shows that the State Government's investments increased by ₹ 30,371 crore during 2017-22. During 2021-22, the State Government made an additional investment of ₹ 8,967 crore over the previous year which included ₹ 8,528 crore in Government Companies and ₹ 417 crore in Statutory Corporations. Of the ₹ 8,528 crore invested in Government Companies during 2021-22, ₹ 3,710 crore (44 *per cent*) was invested in Gujarat Urja Vikas Nigam Limited and ₹ 2,292 crore (27 *per cent*) in Sardar Sarovar Narmada Nigam Limited.

The **Table 2.27** also shows that the average return<sup>16</sup> on investments in these companies/corporations/institutions was 0.12 *per cent* during 2021-22 while the Government paid an average interest of 7.12 *per cent* on its borrowings during the same period.

Investments during the year in loss-making companies and companies whose net worth has completely eroded are given in **Table 2.28** and **Table 2.29**.

<sup>15</sup> Average rate of interest on Government borrowings = {Interest payment/[(Amount of previous year's Total Outstanding Liabilities + Current year's Total Outstanding Liabilities)/2]} \* 100

<sup>16</sup> It is dividend earned on investments made by the State Government in statutory corporations, Government companies, rural banks, joint stock companies, co-operative institutions and local bodies.

**Table 2.28: Investments made in loss-making companies**

(₹ in crore)

Sr. No.	Company/ Corporation	Loss during 2020-21 #	Accumulated Loss up to 2020-21 #	Investment made during the year 2021-22 *	Cumulative investment as on 31 March 2022 *
1.	Sardar Sarovar Narmada Nigam Limited (SSNNL)	739.32	6,741.42	2,292.11	67,848.39

Source: # Information furnished by SPSUs.

\* Information from Finance Accounts of the State Government for the year 2021-22

**Table 2.29: Investments made in companies whose net worth has completely eroded**

(₹ in crore)

Sr. No.	Company/ Corporation	Net worth as on 31 March of 2019 #	Investment made during the year 2021-22 *	Cumulative investment as on 31 March 2022 *
1.	Gujarat State Road Transport Corporation (GSRTC)	(-)406.49	413.37	4,425.75

Source: # Information furnished by SPSUs. Financial Statements for the year 2019-20 and 2020-21 have not yet finalised by GSRTC.

\* Information from Finance Accounts of the State Government for the year 2021-22

The additional investment of ₹ 8,966.38 crore made by the State Government during 2021-22 accounted for 31.81 *per cent* of the total Capital Expenditure (₹ 28,185.04 crore). This additional investment of ₹ 8,966.38 crore included an investment of ₹ 2,292.11 crore in SSNNL which had been booking losses since 2015-16 and ₹ 413.37 crore in GSRTC which had been booking losses since 1973-74. SSNNL had accumulated losses of ₹ 6,741.42 crore at the end of 2020-21 and GSRTC had accumulated losses of ₹ 3,830.72 crore at the end of 2018-19.

The chance of earning Return on Investment in companies incurring losses and in companies whose net-worth has completely eroded due to accumulated losses, are remote.

### ***Incorrect accounting classification of investment in Smart City Project***

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

Six smart city companies namely Smart city Ahmedabad Development Limited, Dahod Smart city Development Limited, Gandhinagar Smart city Development Limited, Rajkot Smart city Development Limited, Surat Smart city Development Limited and Vadodara Smart city Development Limited were formed in Gujarat. It is observed that share contribution of the State Government amounting to ₹ 500.07 crore<sup>17</sup> in these companies are not being shown under capital head of expenditure and also not reflected in 'Statement 19 – Detailed statement of the Investments of the Government' in the Finance Accounts. The amount transferred to these companies was being booked as Grants-in-aid to these companies as Revenue expenditure.

This was brought to the notice of Urban Development and Urban Housing Department (June 2022). Their reply is awaited (December 2022).

### *Quantum of loans and advances disbursed and recovered*

In addition to investments in Co-operative societies, Corporations and Companies, State Government has also provided loans and advances to many of these institutions/organisations.

**Table 2.30** presents the trend of outstanding loans and advances as on 31 March 2022 along with interest receipts *vis-à-vis* interest payments for the five-year period from 2017-18 to 2021-22.

**Table 2.30: Quantum of loans disbursed and recovered during 2017-22**

(₹ in crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Balance	7,638	7,923	9,503	10,485	12,235*
Amount advanced during the year	631	1,731	1,312	1,233	1,071
Amount recovered during the year	346	151	330	155	155
Closing Balance	7,923	9,503	10,485	11,563	13,151
Loans for which terms and conditions have not been settled	521	1,296	905	632	446
Net addition during the year	285	1,580	982	1,078	916
Interest Receipts on loans advanced	88	74	62	63	77
Interest receipts as a <i>percentage</i> of outstanding Loans and Advances	1.13	0.85	0.62	0.57	0.61
Interest payments	18,954	20,183	22,449	24,203	25,188
Average Rate of Interest paid on the outstanding borrowings of the Government ( <i>per cent</i> )	7.59	7.44	7.47	7.29	7.12
Difference between the rate of interest paid and rate of interest received ( <i>per cent</i> )	6.46	6.59	6.85	6.72	6.51

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

\*Opening Balance differs from closing balance of last year due to proforma correction

<sup>17</sup> Smart city Ahmedabad Development Limited (₹ 100 crore), Dahod Smart city Development Limited (₹ 200 crore), Gandhinagar Smart city Development Limited (₹ 0.02 crore), Rajkot Smart city Development Limited (₹ 0.05 crore), Surat Smart city Development Limited (₹ 100 crore) and Vadodara Smart city Development Limited (₹ 100 crore)

The table shows that the total outstanding loans and advances increased from ₹ 12,235 crore in 2020-21 to ₹ 13,151 crore in 2021-22. Of the total loans advanced disbursed during the year (₹ 1,071 crore), ₹ 924 crore were advanced for social services, ₹ 114 crore for economic services and ₹ 33 crore were advanced for Government Servants and Miscellaneous purposes. Loans advanced under social services were used for urban development and welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes and Minorities. Major portion of the loans advanced under economic services went to power sector (₹ 65 crore) and transport sector (₹ 49 crore).

Recovery of loans and advances was ₹ 155 crore in 2021-22. However, interest receipts on loans and advances disbursed during the year increased by ₹ 14 crore.

Further, of the total loans advanced during the year (₹ 1,071 crore), loans amounting to ₹ 446 crore were disbursed by the Administrative Departments or Finance Department without setting terms and conditions for repayments of loans and rate of interest payable.

Audit observed that due to poor financial condition, the GSRTC had not been able to deposit the passenger tax collected by it over the years to Government Account as well as pay the arrears of Seventh Pay commission to its employees. The passenger tax was being used by GSRTC to meet its expenses. The Administrative Department (Ports and Transport), with the approval of Finance Department, treated the outstanding passenger tax (for the year 2021-22) as loans advanced (₹ 48.65 crore) to GSRTC. However, the relevant sanction orders do not prescribe repayment schedule and rate of interest payable by GSRTC. As of 31 March 2022, GSRTC had an outstanding loan balance of ₹ 3,804 crore, which included ₹ 735.10 crore advanced during 2017-22.

### ***Inoperative loan accounts***

Under the following Major Heads, outstanding balances of loans amounting to ₹ 833.30 crore disbursed in previous years to various bodies/authorities had remained inoperative where neither principal was repaid, nor any interest was paid for the last 13 years (2009-22).

**Table 2.31: Inoperative loan accounts**

Major Head		(₹ in crore)
		2009-22
6075	Loans for Miscellaneous General Services	11.51
6202	Loans for Education, Sports, Art and Culture	20.43
6215	Loans for Water Supply and Sanitation	323.73
6404	Loans for Dairy Development	63.00
6702	Loans for Minor Irrigation	25.79
6855	Loans for Fertilizer Industries	12.15
6859	Loans for Telecommunication and Electronics Industries	5.90
6860	Loans for Consumer Industries	358.76
7052	Loans for Shipping	9.41

Major Head		2009-22
7452	Loans for Tourism	2.62
	<b>Total outstanding balances</b>	<b>833.30</b>

Source: Finance Accounts of respective years

These outstanding loans may be reviewed at appropriate level and steps for recovery or write-off, if required, may be taken.

### *Capital locked in incomplete projects*

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

At the end of March 2022, 176 capital works, each valuing ₹ 10 crore or more and completion date of which was on or before 31 March 2022, were incomplete on which an expenditure of ₹ 7,477.97 crore had been incurred. Year-wise and Department-wise details of incomplete projects are given in **Table 2.32** and **Table 2.33** respectively.

**Table 2.32: Age profile of incomplete projects as on 31 March 2022**

Year	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2022)
	(number)	(₹ in crore)	
2013-14	1	30.11	16.91
2016-17	5	346.27	217.58
2017-18	22	2,105.36	1,883.96
2018-19	19	2,023.90	1,606.93
2019-20	57	4,129.01	2,736.70
2020-21	42	1,582.53	799.83
2021-22	30	530.81	216.06
<b>Total</b>	<b>176</b>	<b>10,747.99</b>	<b>7,477.97</b>

**Table 2.33: Department-wise profile of incomplete projects as on 31 March 2022**

Department	No. of incomplete projects	Estimated cost	Expenditure
	(number)	(₹ in crore)	
Roads & Buildings	159	6,821.42	3,852.32
Narmada, Water Resources, Water Supply and Kalpsar	17	3,926.57	3,625.65
<b>Total</b>	<b>176</b>	<b>10,747.99</b>	<b>7,477.97</b>

Source: Appendix IX of Finance Accounts of the State Government for the year 2021-22.

It may be seen that with reference to the initial budgeted cost, as on 31 March 2022, the Roads and Buildings Department incurred 56.47 *per cent* on 159 incomplete projects while Narmada, Water Resources, Water Supply and Kalpsar Department spent 92.34 *per cent* on 17 incomplete projects.

The Health and Family Welfare Department; and Women and Child Development Department get their capital works done through Project Implementation Units (PIU) while Home Department gets its capital works done through Police Housing Corporation Limited. Similarly, some of the irrigation works relating to Narmada, Water Resources, Water Supply and Kalpsar Department are carried out by SSNNL. The depiction of capital works to this extent does not get reflected in the Finance accounts.

### ***Dues of Power Distribution Companies (DISCOMs) towards the Power Generation Companies***

Gujarat DISCOMs ensure regular payment of dues to Power Generation and Transmission Companies. They are paid on the first due date to avail maximum prompt payment rebate. Hence, there are no outstanding dues payable to them.

### **2.4.3.3 Resource availability of the State under Public Private Partnership projects**

Public Private Partnership (PPPs) is an arrangement between the Government or statutory entity and a private sector entity to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development.

As on 31 March 2021, the status of PPP projects in infrastructure sector was as indicated in **Table 2.34**. Though the information as on 31 March 2022 was repeatedly called for from the Gujarat Infrastructure Development Board, however the same is still awaited (December 2022).

**Table 2.34: Status of PPP projects in infrastructure sector**

(₹ in crore)

Sr. No.	Sector	Projects completed/ Operational		Projects under implementation		Planned for future	
		No.	Total investment	No.	Expenditure incurred	No.	Estimated cost
1.	Ports	73	82,944.63	23	29,888.75	8	4,585.56
2.	Power	2	36.50	1	43.30	0	0.00
3.	Roads	10	3,249.93	3	1,911.15	0	0.00
4.	Road Transport	9	720.63	9	818.65	0	0.00
5.	Railways	1	520.00	1	2,538.01	0	0.00
6.	Urban Infrastructure	66	1,851.25	73	4,767.31	16	768.98
7.	Water	0	0.00	7	2,361.27	0	0.00
8.	Education	167	377.50	1	8,206.65	0	0.00
9.	Health	1	22.64	0	0.00	0	0.00
10.	IT, ITES and Biotech	0	0.00	1	89.55	0	0.00
11.	Agriculture	1	31.15	0	0.00	1	7.00
	<b>Total</b>	<b>330</b>	<b>89,754.23</b>	<b>119</b>	<b>50,624.64</b>	<b>25</b>	<b>5,361.54</b>

Source: Information provided by Gujarat Infrastructure Development Board

**Table 2.34** shows that as on 31 March 2021, out of 449 PPP projects valuing ₹ 1,40,379 crore in the infrastructure sector in Gujarat, 330 projects valuing ₹ 89,754 crore had been completed/operational by March 2021. Major investments were in Ports sector where 73 projects valuing ₹ 82,945 crore have been completed and 23 projects valuing ₹ 29,889 crore were under implementation. Under the Urban Infrastructure, 66 projects valuing ₹ 1,851 crore have been completed and 73 projects with investment of ₹ 4,767 crore were in progress. Further, under the Education sector, 167 projects

valuing ₹ 378 crore have been completed and one project with investment of ₹ 8,207 crore was in progress.

#### 2.4.4 Expenditure Priorities

Availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. It is important for the State Government to take appropriate expenditure rationalisation by focusing more on development expenditure, which is expenditure on Social and Economic Services. Apart from improving the allocation towards development expenditure, the efficiency of expenditure is also reflected by the ratio of Capital Expenditure to total expenditure and the proportion of revenue expenditure on Education and Health Sectors. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

**Table 2.35** compares the fiscal priorities of the State Government with that of States other than North-Eastern (NE) and Himalayan States regarding development expenditure, expenditure on Social and Economic Sectors, and Capital Expenditure during 2021-22, taking 2017-18 as the base year.

**Table 2.35: Expenditure Priority of the State in 2017-18 and 2021-22**

Fiscal Priority of the State	AE/ GSDP	SSE/ AE	ESE/ AE	DE/ AE	CE/ AE	Education/ AE	Health/ AE
<b>Percentage in 2017-18, of</b>							
<b>States other than NE and Himalayan States</b>	16.13	36.65	31.17	67.82	15.56	15.17	5.09
<b>Gujarat</b>	10.91	38.70	31.78	70.48	18.58	15.02	5.87
<b>Percentage in 2021-22, of</b>							
<b>States other than NE and Himalayan States</b>	15.84	38.31	28.44	66.74	14.41	14.66	6.20
<b>Gujarat</b>	9.76	40.89	28.84	69.73	15.42	14.61	7.51
AE: Aggregate Expenditure (it is the Total Expenditure); DE: Development Expenditure; SSE: Social Sector Expenditure; ESE: Economic Sector Expenditure; CE: Capital Expenditure							

Source: Details provided by Economic Advisor Finance Accounts of the State Government of respective years.

**Table 2.35** reveals the following:

- The percentage of total expenditure to GSDP in Gujarat at 10.91 *per cent* in 2017-18 and 9.76 *per cent* in 2021-22 was lower than the States other than NE and Himalayan States which indicates more private sector participation in the economy of the State.
- Development expenditure consists of economic services expenditure and social services expenditure. Development expenditure as percentage of total expenditure in Gujarat was higher than States other than NE and Himalayan States, both during 2017-18 as well as 2021-22.
- The expenditure on social services, economic services, Capital expenditure and health as percentage of total expenditure in Gujarat was

higher than States other than NE and Himalayan States, both during 2017-18 as well as 2021-22.

- The ratio of expenditure on education to total expenditure in Gujarat was marginally lower than States other than NE and Himalayan States during 2017-18 and 2021-22.

### 2.4.5 Object Head-wise Expenditure

Finance Accounts depict transactions only up to the Minor Head level. Therefore, a drill-down view of budgetary allocations and the extent of expenditure incurred at the Object Head level is given in **Table 2.36**.

**Table 2.36: Object Head-wise expenditure vis-à-vis budget authorisation**

(₹ in crore)

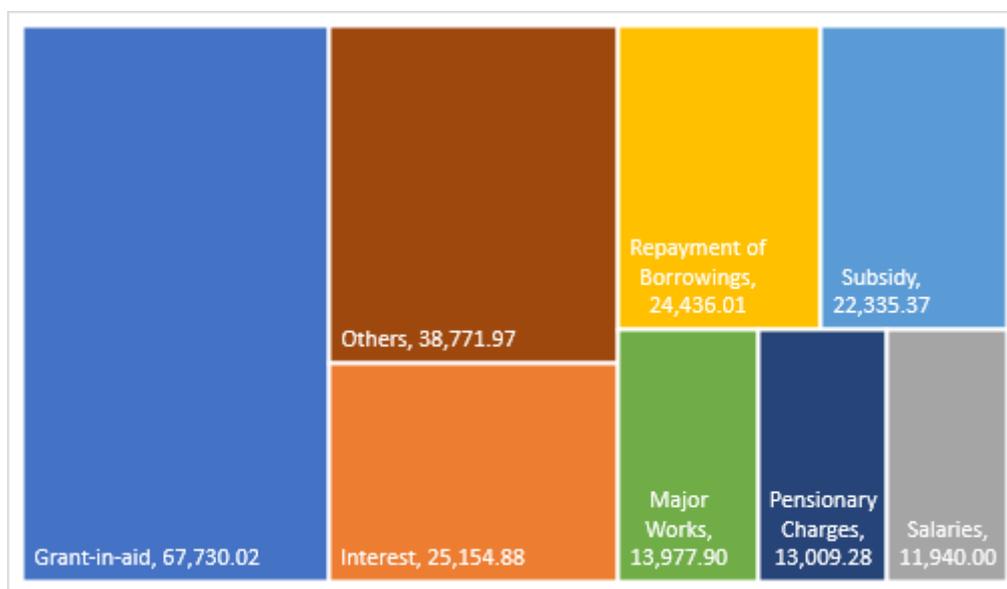
Head	Budget	Expenditure	Utilisation percentage
Grant-in-aid	66,230.75	67,730.02	102.26
Interest	26,000.57	25,154.88	96.75
Salaries	24,639.13	11,940.00	48.46
Repayment of Borrowings	24,463.35	24,436.01	99.89
Subsidy	22,071.30	22,335.37	101.20
Major Works	18,716.58	13,977.90	74.68
Pensionary Charges	13,264.45	13,009.28	98.08
Other Capital Expenditure	7,635.23	7,829.32	102.54
Investments	7,310.84	6,726.80	92.01
Grants to Local Bodies for creation of Capital Assets	5,422.46	2,077.87	38.32
Other Charges	5,184.88	4,826.33	93.08
Minor Works	2,747.59	2,687.26	97.80
Office Expenses	2,345.24	672.09	28.66
Scholarships/Stipend	2,231.12	2,996.84	134.32
Inter-Account Transfer	2,145.00	2,355.29	109.80
Supplies and Materials	1,629.80	1,246.35	76.47
Loans and Advances	1,423.29	1,071.15	75.26
Other Contractual Services	979.17	944.55	96.46
Machinery and Equipment	973.69	673.58	69.18
Over Time Allowances	518.09	464.24	89.61
Wages	444.26	421.74	94.93
Cost of Ration (Diet Charges)	394.42	137.84	34.95
Contributions to Panchayats	363.68	2,489.24	684.46
Motor Vehicles	329.43	235.33	71.44
Professional Services	233.73	200.80	85.91
Advertising and publicity	210.07	149.25	71.05
Domestic Travel Expenses	174.13	137.09	78.73
Petrol, Oil and Lubricants	131.16	142.64	108.75
Rent, Rates and Taxes	124.92	103.50	82.85
Clothing and Tentage	38.63	43.35	112.22
Adhoc Financial Assistance	35.79	72.69	203.10
Other Administrative Expenses	30.01	13.08	43.59
Publication	26.94	10.61	39.38
Arms and Ammunition	26.41	17.19	65.09

Head	Budget	Expenditure	Utilisation percentage
Secret Service Expenditure	7.11	10.25	144.16
Depreciation	2.80	2.80	100.00
Rewards	2.42	1.00	41.32
Foreign Travel Expenses	0.44	0.06	13.64
Others	880.34	11.84	1.34
<b>Total</b>	<b>2,39,389.22</b>	<b>2,17,355.43</b>	<b>90.80</b>

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

It may be seen that of the total budgetary allocation of ₹ 2,39,389.22 crore, the actual expenditure on various Object Heads during 2021-22 was ₹ 2,17,355.43 crore (90.80 per cent). Of the 39 Object heads mentioned above, expenditure under 11 Heads was 100 per cent or more of budgetary allocation. Under 17 Object Heads, expenditure incurred was between 70 per cent and 100 per cent of budgetary allocation, while in the remaining 11 Object Heads, expenditure incurred was below 70 per cent of budgetary allocation. A Tree Map of top seven Object Heads is shown below in **Chart 2.12**.

**Chart 2.12: Object Head-wise expenditure**



## 2.5 Contingency Fund

The Contingency Fund is an Imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State. The Contingency Fund of the Government of Gujarat has a corpus of ₹ 200 crore. During 2021-22, an amount of ₹ 62.16 crore was drawn out of the Contingency Fund and spent for meeting unforeseen expenditure. The entire amount was recouped before the closure of financial year.

## 2.6 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

### 2.6.1 Net Balances in Public Account

The component-wise net balances in Public Account of the State at the end of March 2022 were as follows:

**Table 2.37: Component-wise net balances in Public Account as of 31 March of the year**

(₹ in crore)

Sector	Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	10,400.17	10,608.63	10,601.21	10,445.80	10,179.76
J. Reserve Funds	(a) Reserve Funds bearing Interest	2,355.14	1,504.58	1,818.03	1,073.02	1,527.94
	(b) Reserve Funds not bearing Interest	12,576.73	13,998.70	15,014.72	6,911.30	9,216.94
K. Deposits and Advances	(a) Deposits bearing Interest	12,954.29	13,677.83	14,073.56	14,476.68	14,476.34
	(b) Deposits not bearing Interest	17,175.71	18,454.00	20,525.16	22,478.03	22,415.43
	(c) Advances	(-)0.79	(-)0.73	(-)0.71	(-)0.70	(-)0.70
L. Suspense and Miscellaneous	(a) Suspense	(-)447.98	(-)516.66	(-)303.87	(-)321.72	(-)296.69
	(b) Other Accounts <sup>18</sup>	972.81	314.30	(-)1,561.23	(-)2,704.49	(-)267.37
	(c) Accounts with Governments of Foreign Countries	(-)0.59	(-)0.59	(-)0.59	(-)0.59	(-)0.59
	(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
M. Remittances	(a) Money Orders, and other Remittances	969.48	637.47	738.56	868.58	963.11
	(b) Inter-Governmental Adjustment Account	(-)1.26	(-)1.26	(-)1.64	(-)1.94	(-)1.99
<b>TOTAL</b>		<b>56,953.71</b>	<b>58,676.27</b>	<b>60,903.20</b>	<b>53,223.97</b>	<b>58,212.18</b>

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

Note: +ve denotes credit balance and -ve denotes debit balances

<sup>18</sup> Other Accounts under L - Suspense and Miscellaneous does not include Cash Balance Investment Account, Permanent Cash Imprest & Departmental Balances.

The net balances in Public Account of the State increased from ₹ 56,953.71 crore in 2017-18 to ₹ 58,212.18 crore in 2021-22. During 2021-22, net balances in Public Account increased by 9.37 *per cent* over the previous year.

### 2.6.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State.

There were 17 Reserve Funds earmarked for specific purposes during 2021-22, of which, four Reserve Funds bearing interest, were having a balance of ₹ 1,527.94 crore, and 13 Funds not bearing interest, were having balance of ₹ 9,216.94 crore. The total accumulated balance in these funds as on 31 March 2022 was ₹ 10,744.88 crore of which, ₹ 7,576.15 crore was invested.

Of the 17 Reserve Funds, five Reserve Funds having a balance of ₹ 2.11 crore were inoperative, of which, four Reserve Funds (₹ 2.10 crore) were inoperative since 1999-2000 while one Reserve Fund (₹ 0.01 crore) was inoperative since 2014-15.

#### 2.6.2.1 Consolidated Sinking Fund

The State Government constituted a Consolidated Sinking Fund (CSF) in 2003-04 for amortisation of outstanding liabilities. The RBI, which is responsible for administering the fund, issued guidelines enlarging the scope of CSF for including liabilities (Internal debt + Public Account Liabilities) of the Government from the financial year 2007-08. Further, as per latest guidelines (2017-18) for CSF issued by the State Government, the minimum corpus of the fund should be five *per cent* of State's outstanding liabilities from the year 2018-19 and thereafter to maintain it on rolling basis.

During 2021-22, the Government contributed ₹ 2,024.18 crore in the CSF. There was short contribution in the CSF by ₹ 10,531.38 crore during 2021-22, as the closing balance in the fund was ₹ 7,363.22 crore against the minimum corpus of ₹ 17,894.60 crore. The State Government credited an accrued interest of ₹ 443.07 crore to the Fund during 2021-22.

As on 31 March 2022, out of the total Fund of ₹ 7,363.22 crore, ₹ 7,033.30 crore was invested with the RBI.

#### 2.6.2.2 Funds for Disaster Risk Management

As per recommendations of 13<sup>th</sup> FC, the State Government is operating the State Disaster Response Fund (SDRF) since 2011-12. It is an interest-bearing Reserve Fund. In terms of GoI guidelines (September 2010), the Central and State Governments were required to contribute to the fund in the ratio of 75:25. The 15<sup>th</sup> Finance Commission recommended break up of central allocation to the States under two different funds for Disaster Risk Management from the year 2020-21 onwards. Out of 75 *per cent* central allocation, the share of State

Disaster Response Fund (SDRF) shall be 80 *per cent* and the share of State Disaster Mitigation Fund (SDMF) shall be 20 *per cent*. Separate accounts were to be operated for both the funds.

As on 01 April 2021, the SDRF had an opening minus balance of ₹ 241.78 crore. During 2021-22, the State Government transferred ₹ 1,412.00 crore (₹ 1,059.20 crore Central share and ₹ 352.80 crore State share) to the fund. The state also received ₹ 1,000.00 crore from central Government towards NDRF. Of the total available funds of ₹ 2,170.22 crore, ₹ 1,788.27 crore was incurred on natural calamities<sup>19</sup> during the year, leaving balance of ₹ 381.95 crore in the fund at end of March 2022. Further, the State Government also booked expenditure of ₹ 431.09 crore from state budget under Relief on account of natural calamities<sup>19</sup>.

Details of expenditure charged to SDRF during the year are given in **Table 2.38**.

**Table 2.38: Details of expenditure charged to SDRF**

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure during 2021-22
2245- Relief on Account of Natural Calamities 01- Drought	104- Supply of Fodder	3.88
<b>Subtotal 01</b>		<b>3.88</b>
2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101- Gratuitous Relief	95.15
	105- Veterinary care	11.03
	111- Ex-gratia payments to bereaved families	585.26
	112- Evacuation of population	1.95
	113- Assistance for repairs/reconstruction of Houses	413.28
	118- Assistance for repairs/replacement of damaged boats and equipment for Fishing	0.77
	282- Public Health	14.97
	800- Other Expenditure	1,067.28
	911- Deduct Recovery of Overpayments	(-)0.90
<b>Subtotal 02</b>		<b>2,188.79</b>
2245- Relief on Account of Natural Calamities 80- General	001-Direction and Administration	1.91
	102-Management of Natural Disasters, Contingency Plans in disaster prone areas	4.85
	800-Other Expenditure	19.94
	911- Deduct-Recoveries of Overpayments	(-)0.01
<b>Subtotal 80</b>		<b>26.69</b>
<b>Total (Sub Major Head 01, 02 and 80 under MH 2245)</b>		<b>2,843.09</b>

<sup>19</sup> Major Head 2245-05-901 (Relief on account of natural calamities-SDRF)

Major Head of Account	Minor Head of Account	Expenditure during 2021-22
2245- Relief on Account of Natural Calamities	101- Transfer to Reserve funds/ Deposit Accounts-State Disaster Response Fund	2,412.00
05-State Disaster Response Fund	901- Deduct - Amount met from State Disaster Response Fund	(-),788.27
<b>Subtotal 05</b>		<b>623.73</b>
<b>Grand Total – 2245</b>		<b>2,843.09</b>
Expenditure incurred in conformity with items and norms of SDRF approved by State Executive Committee-SEC (Only the amount booked under 2245-01 and 2245-02 is admissible expenditure under SDRF)		<b>2,192.67</b>

Source: Finance Accounts of the State Government for the year 2021-22

In terms of the GoI guidelines, balances lying in the fund were required to be invested<sup>20</sup>, which was not done and as such, no interest on the same was earned and credited to the Fund by the State Government. It was also noticed that separate accounting heads for SDRF and SD MF, as prescribed by 15<sup>th</sup> FC, have not been opened during 2021-22.

#### *Understatement of balance of State Disaster Response Fund (SDRF)*

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

During test check of records of office of the Director of Relief and Ex-officio Secretary, Revenue Department, Government of Gujarat (GoG) for the period 2016-17 to 2019-20, Audit noticed that Director of Accounts (B&R), Air Headquarters, New Delhi raised (February 2016) demand of ₹ 5.88 crore towards outstanding Airlift charges for flood relief operations in Gujarat. Accordingly, the Director of Relief (DoR) raised (March 2018) Contingent Bill (Expenditure Head 2245-02-112-01-00, to be paid from SDRF grant for the year 2017-18) and Pay and Accounts Officer (PAO), Gandhinagar issued (March 2018) a cheque for the same. However, the said Cheque remained unrealised due to unclear mandate<sup>21</sup> on first occasion and not credited within stipulated time, on the second occasion. The unrealised cheque was returned (July 2018) to the PAO, Gandhinagar, who wrote back the amount of ₹ 5.88 crore to Government Receipt Head 0250-00-800-02 (other social services) in 2018-19 instead of crediting it to the Fund Head 8121-00-122-SDRF. Subsequently, the DoR again raised (March 2019) a Contingent Bill (Expenditure Head 2245-02-112-01, to be paid from SDRF grant for the year 2018-19) and a Demand Draft of ₹ 5.88 crore was issued (April 2019) in favour of Controller of Defence Accounts, Air Force, New Delhi.

<sup>20</sup> The accretions to the SDRF are to be invested through RBI in Central Government dated securities; auctioned treasury bills; and interest earning deposits and certificates of deposits with scheduled commercial banks.

<sup>21</sup> The instrument not signed by the two signatory authorities and mismatch in signature of Cheque signing authority.

Thus, in 2018-19, the same expenditure was charged again to SDRF. As a result, the balance of SDRF remains understated every year from 2018-19 onwards by ₹ 5.88 crore in Finance Accounts. Further, the statement of expenditure furnished by State Government to Government of India was overstated by ₹ 5.88 crore during the year 2017-18.

The matter was reported to the Government in October 2022. Their reply is awaited (December 2022).

### 2.6.2.3 Guarantee Redemption Fund

The Twelfth Finance Commission recommended setting up of a Guarantee Redemption Fund (GRF) to meet the contingent liabilities arising from the guarantees given by the Government. The Government of Gujarat has created a GRF for guarantees extended by it on loans taken by various entities like State Public Sector Undertakings, State Co-operative Societies *etc.* In terms of the guidelines of the RBI, which administers the Fund, the corpus of the Fund is to be gradually increased to the desirable level of five *per cent* of outstanding guarantees.

During 2021-22, the closing balance in the Fund was ₹ 802.92 crore against the minimum required corpus<sup>22</sup> of ₹ 152.18 crore. The State Government credited an accrued interest of ₹ 37.30 crore to the Fund during 2021-22.

As on 31 March 2022, out of the total Fund of ₹ 802.92 crore, ₹ 539.20 crore was invested with the RBI.

## 2.6.3 Deposits and Advances

### 2.6.3.1 Accounting of transactions relating to Central Road Fund

The GoI provides annual grants under the Central Road Fund (CRF) to the State Governments to incur expenditure on specific road projects. In terms of the extant accounting procedure, the grants are to be initially booked as Revenue Receipts under Major Head “1601 Grants-in-Aid”, and an equivalent amount is transferred to the Public Account under Major Head “8449- Other Deposits 103 Subvention from Central Road Fund” by debiting the Revenue expenditure Major Head “3054 Roads and Bridges”. This process ensures that receipt of the grants does not result in overstatement of revenue surplus (or understatement of revenue deficit) in the Accounts. Expenditure on specific road works initially booked under the relevant revenue or capital Major Head (Major Head 3054 or 5054) is to be subsequently adjusted from the Fund balance by way of minus debit under Major Heads 3054/5054 by corresponding debit to the Fund (Major Head 8449-103).

During 2021-22, the State Government received a grant of ₹ 725.29 crore from GoI under CRF which was accounted for in State’s Accounts under Major Head-1601 by following the extant accounting procedure. An expenditure of

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<sup>22</sup> ₹ 152.18 crore = 5 *per cent* of outstanding guarantee at the end of the year 2021-22 (₹ 3,043.61 crore)

₹ 725.29 crore was incurred on specific road works during the year, leaving a balance of ₹ 27.25 crore (including previous years' balances) under the Deposit Head as on 31 March 2022.

### 2.6.3.2 Non-transfer of Labour Cess to Labour Welfare Board

Under Section 3 of the Building and Other Construction Workers' Welfare Cess Act, 1996, there shall be levied and collected a cess at such rate not exceeding two *per cent*, but not less than one *per cent* of the cost of construction incurred by an employer, as the Government may, by notification in the Official Gazette, from time to time, specify. As per Rule 5(3) of the Building and Other Construction Workers' Welfare Cess Rules, 1998, the cess so collected is to be transferred to the Building and Other Construction Workers' Welfare Board (Board) within 30 days of its collection.

Audit observed that in terms of the Building and Other Construction Workers' Welfare Cess Act, 1996, the State Government levied and collected cess of ₹ 572.55 crore during 2021-22, but only ₹ 209.55 crore was transferred to the Board, leaving a balance of ₹ 363.00 crore which was not transferred to the Board, in violation of the Building and Other Construction Workers' Welfare Cess Rules, 1998. Further, an amount of ₹ 4,039.42 crore was collected as cess during the period 2006-07 to 2021-22 but amount transferred during the same period was ₹ 2,339.24 crore, leaving a total balance of ₹ 1,700.18 crore which had not been transferred as of 31 March 2022.

### 2.6.3.3 Non-transfer of fines to Personal Ledger Account

The Government of Gujarat *vide* Resolution dated 01 July 2000 decided that a specified percentage of the income received during the year from the State urban areas through penalties under section 200 (1) of the Motor Vehicle Act shall be deposited in a Budget Head namely, Gujarat State Marg Suraksha Nidhi (GSMSN). The funds available under GSMSN were to be utilised for traffic management purposes.

For smooth functioning of GSMSN, a Personal Ledger Account (PLA) was opened in the name of the Director General and Inspector General of Police (DG & IGP), Gandhinagar with effect from March 2004. The DG & IGP was to collect various proposals for traffic management from different implementing authorities and incur expenditure from the PLA, after taking approval of Traffic Management Committee. In July 2006, the State Government decided to transfer 100 *per cent* fines to the PLA for better administration of GSMSN.

Scrutiny of the budget estimates and Appropriation Accounts for the years 2012-13 to 2021-22, however, revealed a shortfall of 19 *per cent* between actual traffic fines collected and that transferred to the PLA, as detailed in **Table 2.39**.

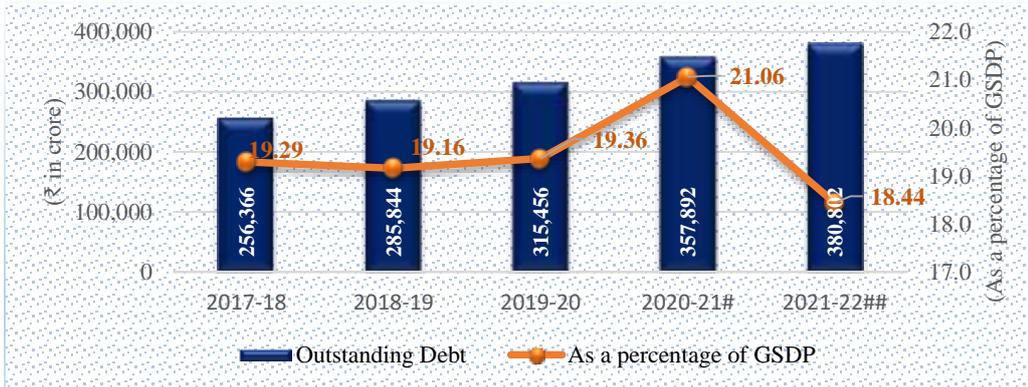
**Table 2.39: Shortfalls in transferring traffic fines to PLA**

Year	Revenue from traffic fines (₹ in crore)		Provision for PLA (₹ in crore)		
	BE	Actual collection	BE	Actual transfer	As percentage of actual collection
2012-13	45.00	52.82	20.50	17.88	33.85
2013-14	62.22	48.40	20.00	20.00	41.32
2014-15	56.40	75.71	25.00	25.00	33.02
2015-16	72.95	73.20	35.00	35.00	47.81
2016-17	85.65	84.17	40.00	25.00	29.70
2017-18	77.35	63.06	35.00	48.57	77.02
2018-19	113.78	109.62	200.00	98.00	89.40
2019-20	75.60	173.33	63.06	260.00	150.00
2020-21	183.84	145.97	78.62	78.62	53.86
2021-22	211.42	138.15	173.32	173.32	125.46
<b>Total</b>	<b>984.21</b>	<b>964.43</b>	<b>690.50</b>	<b>781.39</b>	<b>81.02</b>

Source: Budget Estimates and Appropriation Accounts of respective years.

## 2.7 Debt Management

Debt management is the process of establishing and executing a strategy for managing the Government's debt to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

**Chart 2.13: Trend of outstanding debt**

Note: ##As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans received in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore received during 2021-22 have not been considered for calculation of percentage of public debt to GSDP here.

### 2.7.1 Debt Profile: Components

Total debt of the State Government typically constitutes the internal debt of the State<sup>23</sup>, loans and advances from the Central Government, and public account

<sup>23</sup> Market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions etc.

liabilities. The trend of total debt receipts, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period (2017-22) is given in **Table 2.40**.

**Table 2.40: Component-wise trend of debt during 2017-22**

(₹ in crore)						
	2017-18	2018-19	2019-20	2020-21	2021-22	
<b>Total Outstanding Debt</b>	<b>2,56,366</b>	<b>2,85,844</b>	<b>3,15,456</b>	<b>3,57,892</b>	<b>3,80,802</b>	
Public Debt	Internal Debt	2,06,643	2,32,875	2,59,662	2,90,030 <sup>24</sup>	2,99,806
	Loans from GoI	5,947	7,430	7,433	17,999	30,756
Public Account Liabilities	43,776	45,539	48,361	49,863	50,240	
Off Budget Borrowings <sup>25</sup>	0	0	0	0	0	
Rate of growth of total outstanding debt (percentage)	5.44	11.50	10.36	13.45	6.40	
Gross State Domestic Product (GSDP)	13,29,095	14,92,156	16,29,638	16,55,917	19,44,107	
Debt/GSDP ( <i>per cent</i> )	19.29	19.16	19.36	21.06 <sup>26</sup>	18.44 <sup>27</sup>	
Interest payments	18,954	20,183	22,449	24,203	25,188	
Burden of interest payments (IP/RR)	15.37	14.84	15.72	18.89	15.10	
Total Debt Receipts	81,158	1,02,963	1,02,300	1,23,325	1,08,894	
Total Debt Repayments (Debt redemption)	67,938	73,486	72,689	80,888	85,984	
<b>Total Debt Available</b>	<b>13,220</b>	<b>29,477</b>	<b>29,611</b>	<b>19,889<sup>28</sup></b>	<b>22,910</b>	
<b>Debt Repayments/ Debt Receipts (<i>per cent</i>)</b>	<b>83.71</b>	<b>71.37</b>	<b>71.05</b>	<b>65.59</b>	<b>78.96</b>	

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

**Table 2.40** shows that the total outstanding debt of the State Government increased from ₹ 3,57,892 crore in 2020-21 to ₹ 3,80,802 crore in 2021-22. The effective total outstanding debt would be ₹ 3,58,540 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 9,222 crore and ₹ 13,040 crore given to the State as back to back loan during 2020-21 and 2021-22 respectively under debt receipts would not be treated as debt of the State for

<sup>24</sup> Difference was due to Proforma correction of ₹ 0.68 crore under MH 6003-105 Loans from the National Bank for Agricultural and Rural Development (Statement 17 of Finance Accounts).

<sup>25</sup> Finance Department stated there are no off budget borrowings

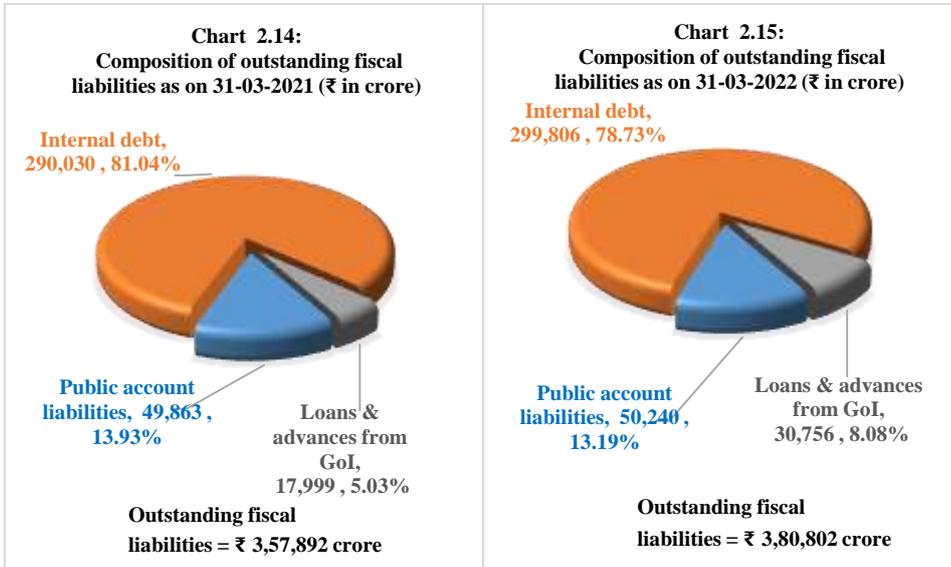
<sup>26</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore has not been considered as public debt here.

<sup>27</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans received in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore received during 2021-22 have not been considered as public debt here.

<sup>28</sup> Total debt available is calculated as ₹ 42,437 crore. During the year 2020-21, Gujarat has Revenue Deficit of ₹ 22,548 crore. Out of interest payments of ₹ 24,203 crore, only ₹ 1,655 crore was paid from Revenue Receipts. Further interest of ₹ 22,548 crore was paid from Market Borrowings. Hence, total debt available is decreased as ₹ 19,889 crore (₹ 42,437 crore - ₹ 22,548 crore)

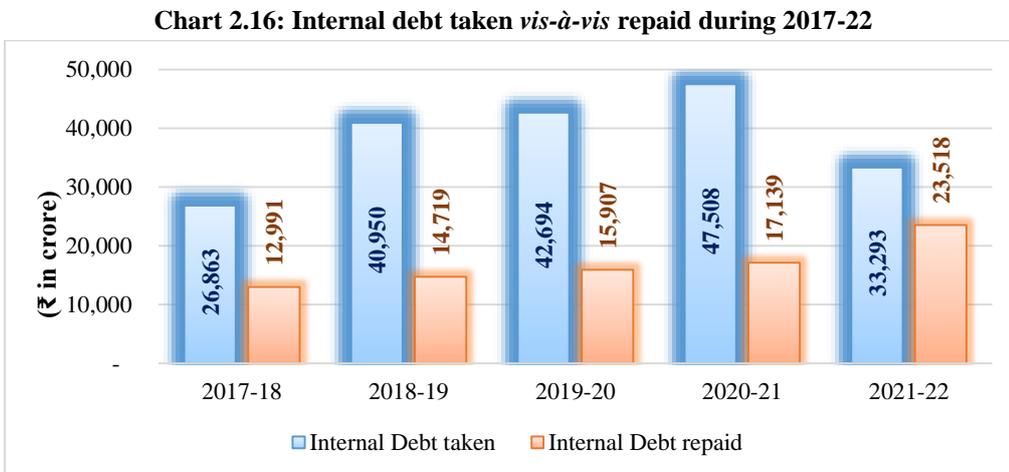
any norms which may be prescribed by the Finance Commission. Debt to GSDP ratio ranged from 18.44 per cent to 21.06 per cent over the period of five years and stood at 18.44 per cent in 2021-22.

Component-wise break-up of outstanding debt or fiscal liabilities of the State Government at the end of March 2021 and March 2022 are shown in **Chart 2.14** and **Chart 2.15** respectively.



The charts above show that the internal debt of the State Government, which is primarily market borrowings through issue of State Development Loans, accounted for 81.04 per cent and 78.73 per cent of the total outstanding debt during 2020-21 and 2021-22 respectively.

**Chart 2.16** below shows the trend of internal debt taken by the State Government and repaid during the last five year (2017-22).



**2.7.1.1 Components of fiscal deficit and its financing pattern**

The share of revenue deficit in fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Persistently high ratio of revenue deficit to fiscal deficit indicates that the asset base of the State

Government is continuously getting eroded, and a part of the borrowing (fiscal liabilities) does not have any asset backup. Gujarat is revenue surplus in 2021-22. The fiscal deficit has decreased in absolute terms and the fiscal deficit-GSDP ratio improved from (-) 2.44 in 2020-21 to (-) 1.17 in 2021-22.

The financing pattern of fiscal deficit has undergone a compositional shift as reflected below in **Table 2.41**.

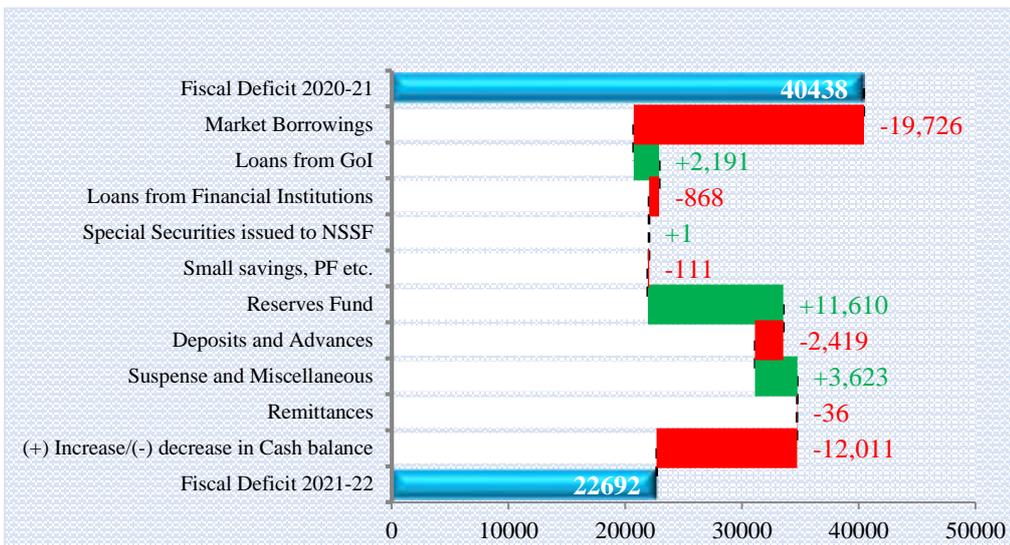
**Table 2.41: Components of fiscal deficit and its financing pattern**

		(₹ in crore)				
Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
<b>Fiscal Deficit (-)/Surplus (+)</b>		<b>(-)21,366</b>	<b>(-)26,365</b>	<b>(-)24,581</b>	<b>(-)40,438</b>	<b>(-)22,692</b>
<b>FD/GSDP (per cent)</b>		<b>(-)1.61</b>	<b>(-)1.77</b>	<b>(-)1.51</b>	<b>(-)2.44</b>	<b>(-)1.17</b>
<b>Composition of Fiscal Deficit/Surplus</b>						
1	Revenue Deficit (-) /Surplus (+)	5,232	3,212	1,945	(-)22,548	6,409
2	Net Capital Expenditure	(-)26,313	(-)27,997	(-)25,544	(-)16,813	(-)28,185
3	Net Loans & Advances	(-)285	(-)1,580	(-)982	(-)1,077	(-)916
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	15,785	27,437	28,600	33,280	13,554
2	Special Securities issued to NSSF	(-)3,451	(-)3,534	(-)3,629	(-)3,630	(-)3,629
3	Loans from Financial Institutions	1,538	2,328	1,816	718	(-)150
4	Loans from GoI	(-)619	1,483	3	10,566	12,757
5	Small savings, PF etc.	340	208	(-)7	(-)155	(-)266
6	Deposits and Advances	1,096	2,002	2,467	2,356	(-)63
7	Suspense and Miscellaneous	497	(-)727	(-)1,663	(-)1,161	2,462
8	Remittances	208	(-)332	100	130	94
9	Reserves Fund	(-)748	571	1,329	(-)8,849	2,761
10	Contingency Fund	0	0	0	0	0
<b>Total</b>		<b>14,646</b>	<b>29,436</b>	<b>29,016</b>	<b>33,255</b>	<b>27,520</b>
Increase (+)/Decrease (-) in Cash Balance		<b>(-)6,720</b>	<b>(+)3,071</b>	<b>(+)4,435</b>	<b>(-)7,183</b>	<b>(+)4,828</b>

\*All the figures are net of disbursements outflows during the year.

Minus (-) figures indicate that outflow was more than receipts under the respective component.

Source: Finance Accounts of the respective years.

**Chart 2.17: Financing of fiscal deficit expressed through a water flow chart (₹ in crore)**

The financing pattern of fiscal deficit (net of disbursements/outflows) during the year is shown in **Table 2.42**.

**Table 2.42: Receipts and disbursements of components financing the fiscal deficit**

(₹ in crore)

Particulars		Receipt	Disbursement	Net
1	Market Borrowings	31,054	17,500	13,554
2	Special Securities issued to NSSF	0	3,629	(-3,629)
3	Loans from Financial Institutions	2,238	2,388	(-150)
4	Loans from GOI	13,675	918	12,757
5	Small Savings, PF, etc.	1,910	2,176	(-266)
6	Deposits and Advances	55,155	55,218	(-63)
7	Suspense and Miscellaneous	35,601	33,139	2,462
8	Remittances	21,077	20,983	94
9	Reserve Fund	4,854	2,093	2,761
10	<b>Overall Deficit</b>	<b>1,65,564</b>	<b>1,38,044</b>	<b>27,520</b>
11	Increase (+)/Decrease (-) in cash balance	2,43,631	2,48,459	(-4,828)
12	<b>Gross Fiscal Deficit</b>	<b>4,09,195</b>	<b>3,86,503</b>	<b>22,692</b>

Source: Finance Accounts of the year 2021-22.

## 2.7.2 Debt Profile: Maturity and Repayment

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

Public Debt consists of internal debt, and loans and advances received from GoI. The maturity profile of public debt of ₹ 3,30,562 crore comprising internal debt (₹ 2,99,806 crore) and loans and advances from GoI (₹ 30,756 crore), as per Statement No. 17 of the Finance Accounts for the year 2021-22, is as shown in **Table 2.43**.

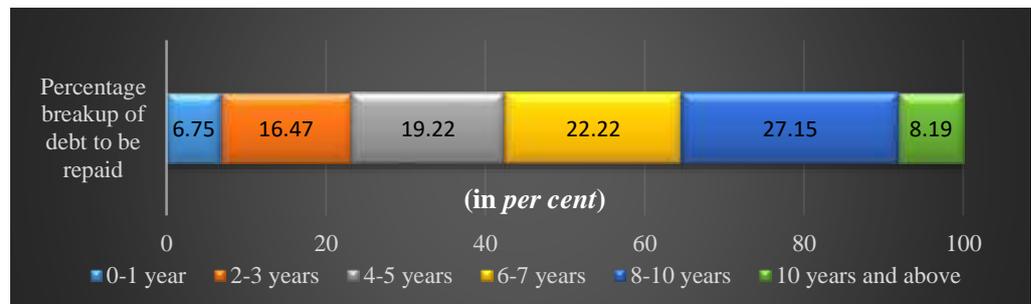
**Table 2.43: Maturity profile of Public Debt****(₹ in crore)**

Year of maturity	Maturity Profile	Amount			Maturity profile of outstanding Public Debt (in %)
		Internal Debt	Loans & Advances from GoI	Total outstanding Public Debt	
By 2022-23	0-1 year	21,112.00	1,196.35	22,308.35	6.75
Between 2023-24 & 2024-25	2-3 years	52,202.47	2,231.38	54,433.85	16.47
Between 2025-26 & 2026-27	4-5 years	62,161.33	1,375.67	63,537.00	19.22
Between 2027-28 & 2028-29	6-7 years	72,280.17	1,191.10	73,471.27	22.22
Between 2029-30 & 2031-32	8-10 years	88,631.26	1,121.32	89,752.58	27.15
2032-33 onwards	Above 10 years	3,418.37	23,640.29	27,058.66	8.19
<b>Total</b>		<b>2,99,805.60</b>	<b>30,756.11</b>	<b>3,30,561.71</b>	<b>100.00</b>

Source: Finance Accounts of the State Government for the year 2021-22

The maturity profile of outstanding stock of public debt as on 31 March 2022 indicates that 92 *per cent* of the total public debt (₹ 3,03,503.05 crore) would be repayable within the next ten years.

**Chart 2.18** shows the maturity profile of public debt and **Chart 2.19** the repayment schedule of market loans in the ensuing years.

**Chart 2.18: Maturity profile of Public Debt****Chart 2.19: Repayment schedule of Market loans**

Source: Information furnished by Finance Department of Government of Gujarat

## 2.8 Debt Sustainability Analysis

### 2.8.1 Debt Sustainability

Debt is considered sustainable if the borrower, in this case the State, can service its debt now, and in future. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining the ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, fiscal deficit, burden of interest payments (measured by ratio of interest payments to revenue receipts) and maturity profile of the State Government debt.

#### 2.8.1.1 Trend in debt sustainability indicators

**Table 2.44** shows the debt sustainability of the State for the five-year period beginning from 2017-18.

**Table 2.44: Debt Sustainability: Indicators and Trends**

(₹ in crore)					
Indicators of Debt sustainability	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Public Debt	2,12,590	2,40,305	2,67,094	3,08,029	3,30,562
Rate of growth of outstanding public debt ( <i>per cent</i> )	6.65	13.04	11.15	15.33	7.32
Gross State Domestic Product (GSDP)	13,29,095	14,92,156	16,29,638	16,55,917	19,44,107
Rate of growth of GSDP ( <i>per cent</i> )	13.87	12.27	9.21	1.61	17.40
Public Debt/GSDP ( <i>per cent</i> )	16.00	16.10	16.39	18.04 <sup>29</sup>	15.86 <sup>30</sup>
Public Debt Receipts	26,953	43,146	43,491	58,857	46,968
Public Debt Repayment	13,700	15,432	16,702	17,922	24,436
Interest payments on Public Debt	17,178	18,215	20,338	22,073	23,189
Average interest rate on Outstanding Public debt <sup>31</sup> ( <i>per cent</i> )	8.34	8.04	8.02	7.68	7.26
Percentage of Interest Payment on Public Debt to Revenue Receipts	13.93	13.39	14.24	17.22	13.90
Percentage of Public Debt Repayment to Public Debt Receipts	50.83	35.77	38.40	30.45	52.03

<sup>29</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore has not been considered as public debt here.

<sup>30</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans received in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered as public debt here.

<sup>31</sup>  $\left\{ \frac{\text{Interest payment}}{[(\text{Amount of previous year's Public Debt} + \text{Current year's Public Debt})/2]} \right\} * 100$

Indicators of Debt sustainability	2017-18	2018-19	2019-20	2020-21	2021-22
Net Public Debt <sup>32</sup> available to the State (₹ crore)	(-)3,925	9,499	6,451	18,862	(-)657
Available Public Debt as a percentage of Public Debt Receipts ( <i>per cent</i> )	(-)14.56	22.02	14.83	32.05	(-)1.40

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

The effective outstanding public debt would be ₹ 3,08,300 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 9,222 crore and ₹ 13,040 crore given to the State during 2020-21 and 2021-22 respectively as back to back loan under public debt receipts would not be treated as public debt of the State for any norms which may be prescribed by the Finance Commission.

As can be seen from **Table 2.44**, the ratio of public debt to GSDP was within a range of 15.86 *per cent* to 18.04 *per cent* during 2017-22. During this period, the burden of interest payment on public debt ranged from 13.39 *per cent* to 17.22 *per cent* of the revenue receipts. In 2021-22, the percentage of public debt repayment to public debt receipts increased over the previous year. Further, during 2017-22, while GSDP grew at a CAGR of 9.97 *per cent*, the outstanding Public Debt has grown at a CAGR of 11.67 *per cent*. The above indicators show that there is a need to review sustainability of debt of the State.

### 2.8.2 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities having encumbrance on the Consolidated Fund of the State in cases of defaults by borrowers for whom guarantees have been extended by the State Government. Statement No. 20 of the Finance Accounts gives details of guarantees given by the State Government. The maximum amount for which guarantees were given by State Government and outstanding guarantees for the last five years is given in **Table 2.45**.

**Table 2.45: Guarantees given by the Government of Gujarat**

Guarantees	2017-18	2018-19	2019-20	2020-21	2021-22
Ceiling limit on Government Guarantees under Gujarat State Guarantees Act, 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	11,796	11,796	11,747	11,751	10,757
Outstanding amount of guarantees	4,834	4,699	4,462	3,656	3,044
Percentage of outstanding amount of guarantees to total revenue receipts	3.92	3.46	3.12	2.85	1.82

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

The Gujarat State Guarantees Act, 1963 prescribes capping of outstanding guarantees within the limit of ₹ 20,000 crore. During 2021-22, State Government extended guarantees amounting to ₹ 305 crore. Of the total outstanding guarantees of ₹ 3,044 crore, 40 *per cent* (₹ 1,216 crore) were in respect of Sardar Sarovar Narmada Nigam Limited and 7 *per cent* (₹ 222 crore)

<sup>32</sup> Net Public Debt available to the State Government is calculated as excess of Public Debt receipts over Public Debt repayment and interest payment on Public Debt

were in respect of Gujarat Urja Vikas Nigam Limited. The outstanding guarantees (₹ 3,044 crore) accounted for 1.82 per cent of the total revenue receipts of the State Government (₹ 1,66,830 crore). These were well within the limit of ₹ 16,000 crore prescribed under the Gujarat Fiscal Responsibility Act, 2005.

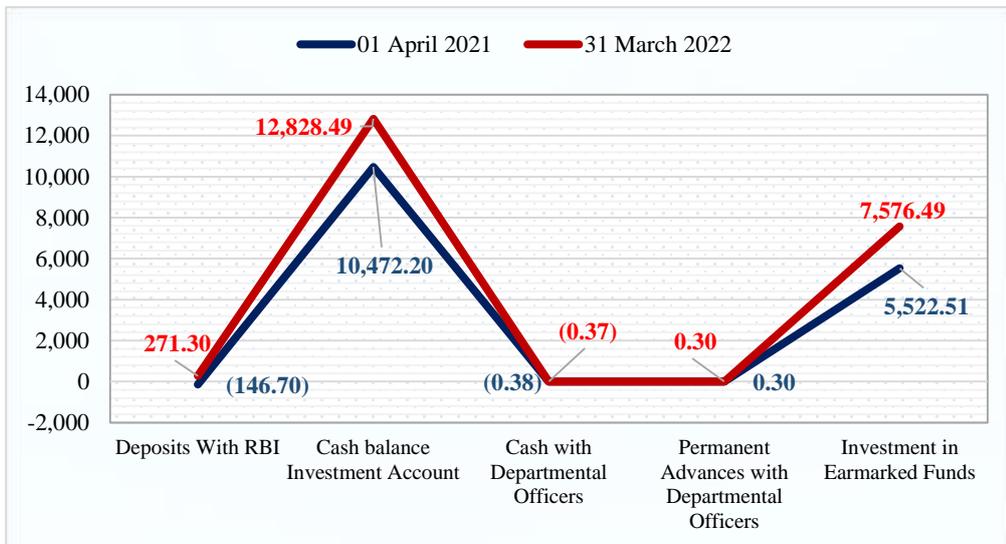
During 2021-22, State Government received ₹ 2.90 crore as guarantee fees from State level bodies, against the budget estimates of ₹ 1.64 crore. Further, no amount was paid by the State Government on account of invocation of guarantees during 2021-22.

**2.8.3 Management of Cash Balances**

The details of opening and closing cash balances with Government of Gujarat as of 01 April 2021 and 31 March 2022 are shown in **Chart 2.20**.

**Chart 2.20: Opening and closing cash balances of financial year 2021-22**

(₹ in crore)



As per an agreement with the RBI, the State Government must maintain a minimum daily cash balance of ₹ 2.80 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/ Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is ₹ 19.15 crore with effect from 01 February 2016 and the limit of SWMA is revised by the Bank from time to time.

The State Government maintained the minimum daily cash balance with the RBI during 2021-22 and no WMA/SWMA/OD was availed of during the year.

**2.8.3.1 Investment of Cash Balances**

Details of cash balances and investment made by the State Government out of cash balances during 2021-22 are shown in **Table 2.46**.

Table 2.46: Cash balances and investment of cash balances

(₹ in crore)			
Cash balances and investment of cash balances	Opening balance on 01/04/2021	Closing balance on 31/03/2022	Increase (+)/Decrease (-)
<b>(A) General cash balance</b>			
Cash in Treasuries	0.00	0.00	0.00
Deposits with Reserve Bank of India	(-)146.70	271.30	418.00
Remittances in Transit – Local	0.00	0.00	0.00
Investments held in Cash Balance Investment Account (Treasury Bills)	10,472.20 <sup>33</sup>	12,828.49	2,356.29
<b>Total (A)</b>	<b>10,325.50</b>	<b>13,099.79</b>	<b>2,774.29</b>
<b>(B) Other Cash balances and investments</b>			
Cash with Departmental Officers viz. Public Works, Forest, District Collectors etc.	(-)0.38	(-)0.37	0.01
Permanent advances with Departmental Officers for contingent expenditure	0.30	0.30	0.00
Investment in earmarked funds	5,522.51	7,576.49	2,053.98
<b>Total (B)</b>	<b>5,522.43</b>	<b>7,576.42</b>	<b>2,053.99</b>
<b>Total Cash Balances (A)+ (B)</b>	<b>15,847.93</b>	<b>20,676.21</b>	<b>4,828.28</b>
<b>Interest realised<sup>34</sup></b>	<b>778</b>	<b>574</b>	<b>(-)204</b>

Source: Finance Accounts of the State Government for the year 2021-22.

The State Government's cash balances of ₹ 20,676.21 crore at the end of the current year showed an increase of ₹ 4,828.28 crore (30.47 per cent) over the previous year. Of the cash balance of ₹ 20,676.21 crore, ₹ 12,828.49 crore was invested in GoI Treasury Bills which earned an interest of ₹ 130.57 crore during the year. Further, ₹ 7,576.49 crore was invested in earmarked funds which earned an interest of ₹ 443.07 crore.

The cash balance investments of the State during the five-year period (2017-22) are given below.

Table 2.47: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)				
Year	Opening Balance	Closing Balance	Increase (+)/decrease (-)	Interest earned
2017-18	12,749.99	5,198.09	(-)7,551.90	553.79
2018-19	5,198.09	6,895.90	1,697.81	234.24
2019-20	6,895.90	10,347.99	3,452.09	211.33
2020-21	10,347.99	10,472.20#	124.21	96.86
2021-22	10,472.20	12,828.49	2,356.29	130.57

Source: Finance Accounts of the State Government for respective years

# Figure shown here differs from the figure shown as Closing balance of same year in SFAR 2020-21 due to proforma correction.

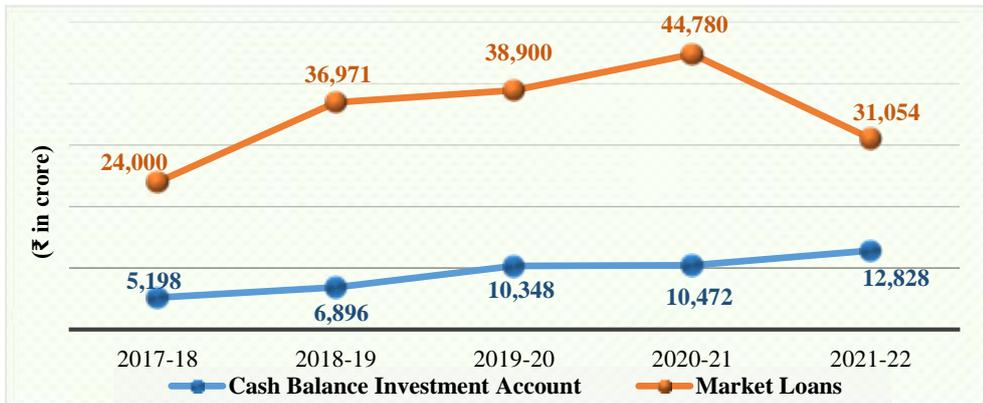
<sup>33</sup> Change due to proforma correction

<sup>34</sup> Interest of ₹ 443 crore and ₹ 681 crore realized during 2021-22 and 2020-21 respectively on Sinking fund Investment (realized along with regular investment); hence, not included under MH 0049 plus interest on Cash Investment ₹ 131 crore and ₹ 97 crore.

The trend analysis of the cash balance investment of the State Government during 2017-22 revealed that investment increased significantly during 2018-22. During the current year, investments held in cash balance investment account stood at 5.65 per cent of the annual budget estimates of the State (₹ 2,27,028.79 crore).

**Chart 2.21** compares the balances available in the cash balance investment account and the market loans raised by the State Government during the period 2017-22. Market Loans were taken at higher interest rates whereas, investment in Treasury Bills yielded interest at lower rates.

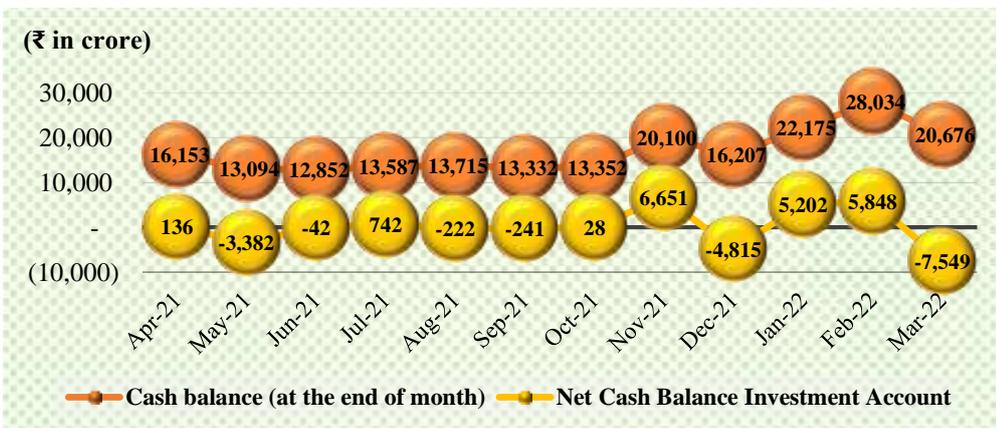
**Chart 2.21: Market loans raised vis-a-vis Investments held in Cash Balance Investment Account**



During 2021-22, the State Government raised ₹ 31,054 crore from the market, while at the same time, the balances available in cash balance investment account increased from ₹ 10,472 crore in 2020-21 to ₹ 12,828 crore in 2021-22, indicating that Government could have avoided the borrowings to that extent.

**Chart 2.22** shows the month-wise movement of cash balance at the end of the month and net cash balance investments during 2021-22.

**Chart 2.22: Month-wise movement of Cash Balance (at the end of month) and net Cash Balance Investments during 2021-22**



Further, borrowings are normally resorted to, for investment in capital projects and creation of assets. The increase in Capital Expenditure of the State during

2021-22 compared to the previous years, as brought out in Paragraph 2.4.3 has been minimal. Therefore, there appears to be no rationale for borrowing at a higher rate of interest, while the cash balances were adequate throughout the year. Further, at the end of the year, the Government had invested about 37 *per cent* of the cash balance in the earmarked funds including those at RBI (**Table 2.46**) as against 35 *per cent* at the end of 2020-21. Even to maintain investment of cash balance in the earmarked funds at 37 *per cent*, the State Government's monthly cash balance was sufficient and there was no need for additional borrowings. Thus, the borrowings especially the market loans could have been avoided to that extent and the resultant interest burden could also be averted.

This has been brought to the notice of Finance Department (December 2022). The reply of the department is awaited.

## 2.9 Conclusion

The State Government registered an increase of 30.18 *per cent* in its revenue receipts during 2021-22 compared to the previous year. There was a significant increase of 39.01 *per cent* in State's own-tax revenue and 53.85 *per cent* in State's Share of Union Taxes and Duties during 2021-22 over 2020-21. The State was largely financed from its own resources, with 67 *per cent* of the revenue coming from its own sources.

Capital Expenditure as a percentage of total expenditure decreased continuously over the last five years.

As compared to the States 'other than North Eastern and Himalayan states', development expenditure, expenditure on health and capital Expenditure of the State during 2021-22 was more while it was less in education sector.

The State Government had been able to continuously reduce its committed expenditure as a percentage of revenue expenditure.

The State Government resorted to market borrowings, despite having cash balance, resulting in increase in Investments held in Cash Balance Investment Account.

## 2.10 Recommendations

- Capital expenditure may be enhanced for asset creation and providing stimulus for economic growth.
- The State Government may consider developing a debt sustainability framework for ensuring long-term sustainability of its debt.



# **CHAPTER III**

## **Budgetary Management**



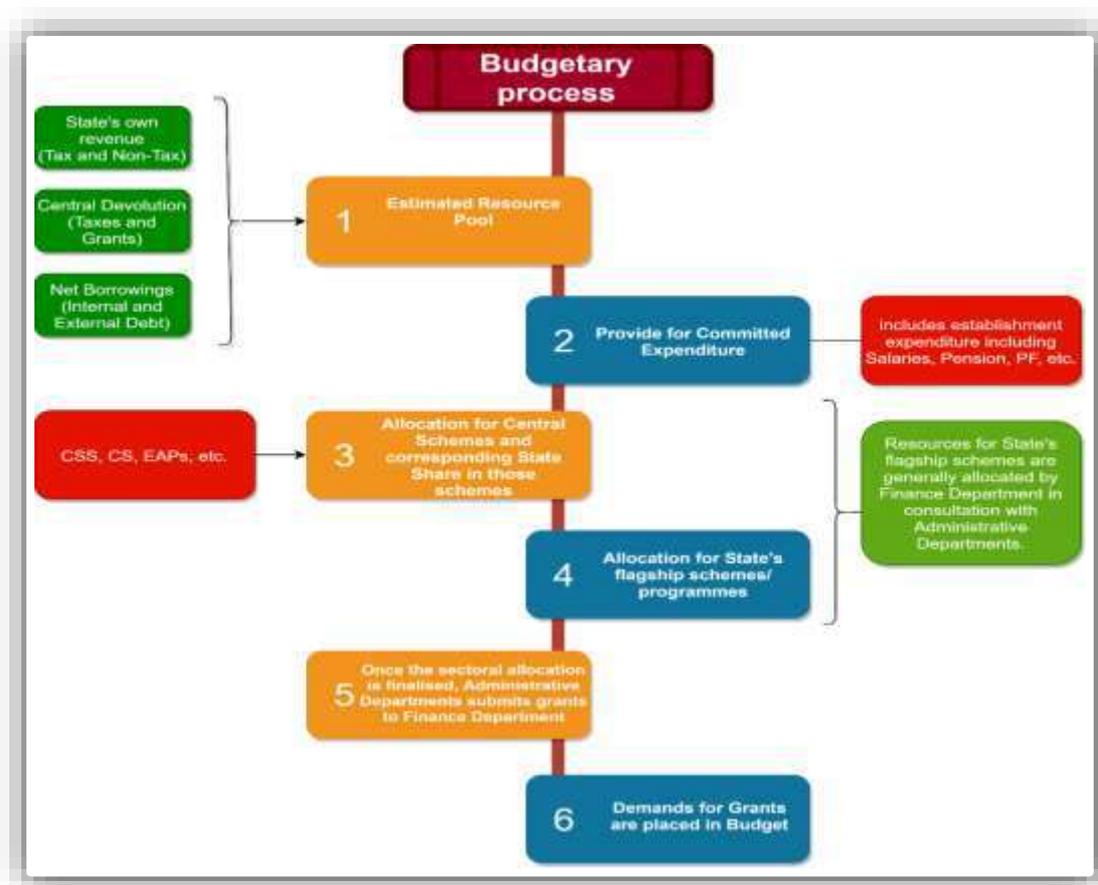
## Chapter III Budgetary Management

Effective financial management ensures that the decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds. This Chapter reviews the allocative priorities of the State Government and comments on the transparency of budget formulation and effectiveness of its implementation during 2021-22.

### 3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget glossary is given in **Appendix 3.1**. The Budget process commences with the issue of the Budget Circular, normally in September each year, providing guidance to the Departments in framing their estimates, for the next financial year. The budget preparation process in the State is given in **Chart 3.1** below:

**Chart 3.1: Budget process**



*CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAPs: Externally Aided Projects*

As per Gujarat Budget Manual, 1983, it is the responsibility of the Finance Department (FD) to prepare the annual statement of estimated receipts and expenditure and the supplementary estimates of expenditure for presentation to

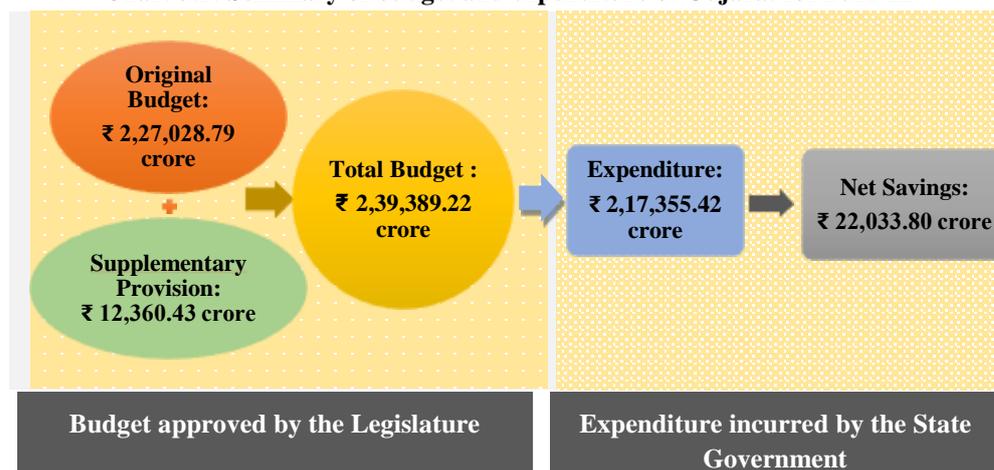
the Legislature. For such preparation, the FD shall obtain from the Administrative Departments concerned the material on which such estimates will be based. The Head of the Departments, based on material furnished by their subordinate officers, prepare the estimates for which they are responsible and forward it to the appropriate Administrative Department of the Secretariat by prescribed dates. The FD consolidates the estimates approved by the Government. The exercise requires utmost foresight both in estimating revenue and in anticipating expenditure. The estimate should be as close and accurate as possible. The provision to be included in respect of each item should be based upon what is expected to be actually paid or spent under proper sanction during the year, including arrears of the previous year and should not merely be confined to the liabilities pertaining to the year.

Legislative authorization is the sine qua non for incurring all expenditure by the State Government. Appropriation Bill is a Money Bill that allows the Government to withdraw funds from the Consolidated Fund of India to meet its expenses during a financial year. As per article 204 of the Constitution, the Government can withdraw money from the Consolidated Fund only after receiving approval from the Legislature. The Supplementary Statement of Expenditure, in accordance with Article 205 of the Constitution, includes Appropriation for (i) repayment to the Contingency Fund on account of advances authorised therefrom for incurring expenditure sanctioned by Government in anticipation of approval of the Legislature, (ii) Additional provision required for items already provided in the budget estimates for the current year, (iii) 'new expenditure' which requires specific approval of the Legislature, and (iv) adjustment in account for which provisions are necessary. After approval of Legislature, the supplementary Statement of Expenditure becomes the Supplementary Grant.

Apart from Supplementary Grant, re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, and Capital-Charged) of the Grant or Appropriation.

As per Appropriation Accounts for the year 2021-22, total amounts approved by the State Legislature (both original and supplementary provisions), expenditure incurred and savings during 2021-22 are as depicted in **Chart 3.2** below:

Chart 3.2: Summary of budget and expenditure of Gujarat for 2021-22



The net savings of ₹ 22,033.80 crore were the result of gross savings of ₹ 25,544.89 crore in 159 out of 191 Grants/Appropriations, offset by excess of ₹ 3,511.09 crore in 4 out of 191 Grants/Appropriations during 2021-22.

### 3.1.1 Summary of total provisions, actual disbursements and savings during financial year

A summarised position of total budget provision, disbursements and savings/excesses with its further bifurcation into voted/charged during 2021-22, is as shown below:

Table 3.1: Budget provision, disbursements and savings/excess during 2021-22

(₹ in crore)

Nature	Total Budget provision		Disbursements		Saving	
	Voted	Charged	Voted	Charged	Voted	Charged
Total	1,88,489.53	50,899.69	1,67,376.82	49,978.60	21,112.71	921.09

Source: Appropriation Accounts of 2021-22

### 3.1.2 Charged and voted disbursements

Break-up of total disbursements into charged and voted items during 2021-22 and trend analysis of last five years (2017-22) is shown below:

Table 3.2: Budget disbursements and savings during 2017-22

(₹ in crore)

Year	Disbursements		Savings			
	Voted	Charged	Voted	Percentage	Charged	Percentage
2017-18	1,28,110.06	32,953.02	19,301.35	15.07	2,606.88	7.91
2018-19	1,44,463.86	36,015.81	19,732.04	13.66	364.25	1.01
2019-20	1,48,754.75	39,524.20	25,852.54	17.38	139.73	0.35
2020-21	1,57,721.70	42,494.12	28,275.04	17.93	285.53	0.67
2021-22	1,67,376.82	49,978.60	21,112.71	12.61	921.09	1.84

Source: Appropriation Accounts of respective years

As can be seen from the table above, budget disbursements under both voted and charged items are increasing. Savings under voted sections have shown an increasing trend during the year 2017-2021 but decreased in 2021-22.

An analysis of savings/excesses under different Grants has been given in **Paragraph 3.3**.

### 3.1.3 Gender budget

The United Nation's Agenda 2030 of Sustainable Development Goals (SDGs) is a universal call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Among the 17 SDGs, Goal 5 is aimed to achieve gender equality and empower all women through ending all types of discrimination against women and girls. Gender equality is not only a basic human right, but it is also crucial for sustainable future. The State Government has already prepared "Gujarat Sustainable Vision 2030" document spanning 17 SDGs including gender equality. To bring out desired outcome for women empowerment and gender equality, the State Government has been implementing many Schemes for development of women and girl child. Since financial year 2014-15, the State Government has been publishing "Gender Budget" comprising women-specific financial allocations.

**Table 3.3** shows the details of allocations made by the State Government under gender budget during last five years (2017-22) whereas, **Chart 3.3** highlights the percentage of gender budget to total budget and GSDP during the same period.

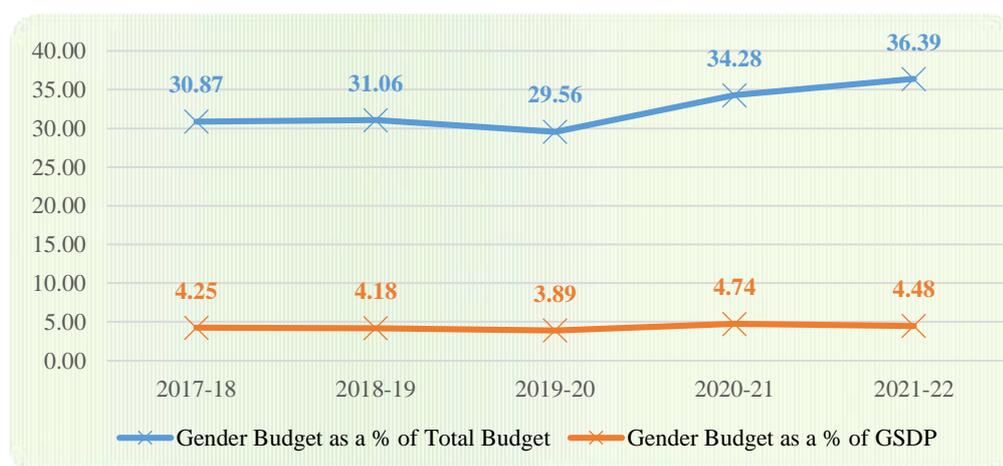
**Table 3.3: Allocation under gender budget during 2017-22**

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Gender Budget	56,491.89	62,302.93	63,341.07	78,418.48	87,111.11
Total Budget	1,82,971.32	2,00,575.97	2,14,271.22	2,28,776.39	2,39,389.22
GSDP	13,29,095	14,92,156	16,29,638	16,55,917	19,44,107

Source: Appropriation Accounts of respective years

**Chart 3.3: Gender budget as percentage of total budget and GSDP**



As can be seen, allocation under gender budget increased from ₹ 56,491.89 crore in 2017-18 to ₹ 87,111.11 crore in 2021-22. As a percentage of total budget, the share of gender budget increased from 34.28 *per cent* in 2020-21 to 36.39 *per cent* in 2021-22. However, its share in GSDP decreased from 4.74 *per cent* in 2020-21 to 4.48 *per cent* in 2021-22.

The Gender Resource Centre under the Women and Child Development Department (WCD), Government of Gujarat is responsible for collating schemes implemented by different Departments in the Gender Budget document. The Gender Budget document has categorized schemes as A, B and C Categories.

- i. Category A - 100 *per cent* women-oriented schemes
- ii. Category B – Schemes having women-oriented component of 30-99 *per cent* of the provision
- iii. Category C - Other schemes with less than 30 *per cent* women-oriented component

Details of expenditure against provision is neither available in budget document nor any separate publication. The details of mapping of various schemes in Gender Budget with Budget estimates of different Departments were called for from the WCD Department. Necessary details were not provided to audit, in the absence of which, actual expenditure could not be confirmed.

WCD Department is required to take steps to monitor expenditure against each provision shown in Gender Budget.

### 3.2 Appropriation Accounts

Appropriation Accounts provide details of expenditure of the Government for the financial year, compared with the amounts of Grants Voted and Appropriations Charged for various purposes specified in the Schedules appended to Appropriation Act passed under Article 204 and 205 of the Constitution of India. These Accounts depict the original budget provision, Supplementary Grants, savings, surrenders and Re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation Accounts are, therefore, complementary to the Finance Accounts.

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

### 3.3 Comments on integrity of budgetary and accounting process

#### 3.3.1 Expenditure incurred without authority of law

As per Gujarat Budget Manual, 1983, no expenditure can be incurred under any head without budget provision or in anticipation of a supplementary grant/appropriation or prior to provision of funds by re-appropriation.

Audit scrutiny revealed that in two cases, expenditure of ₹ 95.03 crore was incurred during 2021-22, without budget provision. The heads of account where expenditure was incurred without budget provision during 2021-22 are as detailed in **Table 3.4**:

**Table 3.4: Summary of expenditure without budget provision during 2021-22**

			(₹ in crore)
Sl. No.	Grant No. and Heads of Account where expenditure was incurred without budget provision		Expenditure without Provision
1	102-2217-80-191-10	Relaxation in Property tax to commercial Units.	86.95
2	102-2217-80-192-06	Relaxation in Property tax to commercial Units.	8.08
<b>Total</b>			<b>95.03</b>

Source: Appropriation Accounts of 2021-22

#### 3.3.2 Unnecessary Supplementary provision

During 2021-22, Supplementary provisions (₹ 5 crore or more in each case) aggregating ₹ 366.40 crore were made in five Grants/Appropriation, which proved unnecessary. Expenditure incurred in these five cases did not even reach the level of the original provision as detailed in **Table 3.5**:

**Table 3.5: Supplementary provision (₹ 5 crore or more in each case) proved unnecessary**

						(₹ in crore)
Sl. No.	Number and name of the grant	Original provision	Actual expenditure	Savings out of original provision	Unnecessary supplementary provision	
<b>Revenue – Voted</b>						
1	22 – Civil Supplies	830.02	827.76	2.26	145.28	
2	49 – Industries	4,794.60	4,789.11	5.49	64.40	
3	70 – Community Development	3,091.36	2,169.32	922.04	35.48	
4	86 – Roads and Bridges	3,714.01	3,607.04	106.97	113.82	
<b>Capital – Voted</b>						
5	13 – Power Projects	3,266.01	3,138.98	127.03	7.42	
<b>Total</b>		<b>15,696.00</b>	<b>14,532.21</b>	<b>1,163.79</b>	<b>366.40</b>	

Source: Appropriation Accounts of 2021-22

### 3.3.3 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 need for additional funds is identified.

In seven Sub-Heads, there was savings of ₹ 68.30 crore (more than ₹ 10 lakh in each case) from original and supplementary provisions. Re-appropriation of ₹ 48.75 crore proved unnecessary under these Sub-Heads, as detailed in **Appendix 3.2**.

Substantial savings of ₹ 68.30 crore, where re-appropriation was resorted to, reflects poorly on planning and monitoring of budget allocation and its utilisation by the State Government.

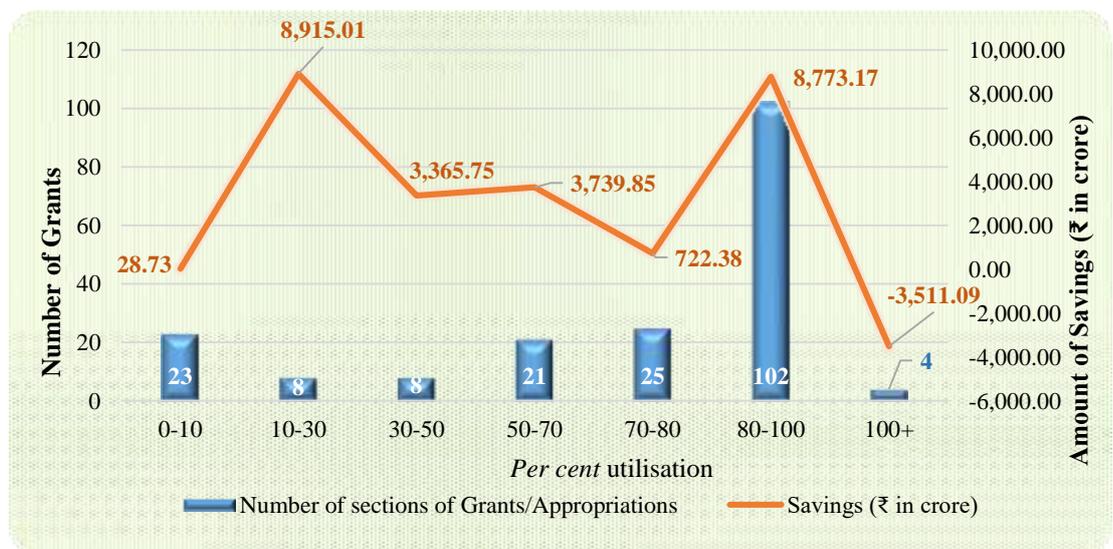
### 3.3.4 Unspent provisions and surrendered appropriations and/or large savings/surrenders

#### 3.3.4.1 Substantial savings due to low utilisation of budgetary provisions

There are 108 demands for Grants being operated by 27 Departments of Government of Gujarat, which translated into 191 Grants/Appropriations<sup>1</sup> during 2021-22.

There were overall gross savings of ₹ 25,544.89 crore in 159 out of 191 Grants/Appropriations during 2021-22, of which, 39 Grants/Appropriations showed utilisation of less than 50 per cent of the budget allocation. The distribution of Grants/Appropriations grouped by the extent of savings is as follows.

Chart 3.4: Section-wise utilisation of Grants/Appropriation



<sup>1</sup> Grant (Revenue Voted and Capital Voted); Appropriation (Revenue Charged and Capital Charged)

In 16 out of 191 Grants/Appropriations where budget allocation was more than ₹ one crore and budget utilisation was less than 50 per cent during 2021-22, Five Grants/Appropriations had demonstrated low utilisation consecutively during the last five years (2017-22) while two Grants/Appropriations had shown low utilisation in four of the last five years (Table 3.6).

**Table: 3.6: Sections of Grants/Appropriations where budget utilisation was less than 50 per cent**

Sl. No.	Section of Grant/Appropriation	2017-18	2018-19	2019-20	2020-21	2021-22	No. of Years <sup>2</sup>	Budget 2021-22	Total Budget (5 years)
		(in per cent)						(₹ in crore)	
1	0005-Co-operation Capital Voted	53.39	24.71	51.32	52.72	30.72	2	72.78	447.80
2	0006- Fisheries Capital Voted	35.90	9.34	0.50	5.95	23.86	5	144.16	1,123.41
3	0019-Other Expenditure pertaining to Finance Dept. Revenue Voted	0.59	0.69	0.86	0.80	15.69	5	10,093.26	44,782.43
4	0021-Food, Civil Supplies and Consumer Affairs Dept. Revenue Voted	87.72	54.53	59.91	37.88	27.00	2	83.67	269.47
5	0023-Food Capital Voted	23.16	83.15	70.81	60.81	49.99	2	25.58	412.13
6	0056-Labour and employment Deptt Revenue Voted	62.64	30.30	23.18	29.91	49.41	4	16.25	106.74
7	0057-Labour and Employment Capital Voted	45.72	15.14	16.45	9.11	20.13	5	45.51	243.91
8	0061-Other Expenditure Pertaining to Legal Department Capital Voted	24.99	27.79	21.92	42.49	5.18	5	3.53	8.04
9	0066- Irrigation and Soil Conservation Capital Voted	98.17	98.94	98.90	66.18	49.07	1	4,737.90	22,390.49
10	0075-Other Expenditure pertaining to Ports and Transport Dept. Revenue voted	80.29	89.39	54.88	51.02	33.26	1	66.94	319.61
11	0075-Other Expenditure pertaining to Ports and Transport Dept. Capital voted	100.00	41.65	75.17	13.04	0.01	3	23.01	93.44
12	0079-Relief on Account of Natural Calamities Capital Voted	37.64	86.71	85.68	99.94	28.10	2	274.01	901.41
13	0082-Other Expenditure pertaining to Revenue Dept. Revenue Voted	31.59	85.05	45.73	23.84	23.86	4	1.21	13.63
14	0084-Non-Residential Building Capital Voted	50.83	53.29	42.61	33.68	37.97	3	1,102.47	6,475.24

<sup>2</sup> Number of years where utilisation of budget was below 50 per cent

Sl. No.	Section of Grant/Appropriation	2017-18	2018-19	2019-20	2020-21	2021-22	No. of Years <sup>2</sup>	Budget 2021-22	Total Budget (5 years)
		(in per cent)						(` in crore)	
15	0085-Residential Building Capital Voted	78.19	54.99	39.78	42.34	31.67	3	166.62	1,211.86
16	0093-Welfare of Schedule Tribes Capital Voted	43.09	9.35	32.31	6.04	41.96	5	67.20	206.45

Source: Appropriation Accounts of respective years

Further, out of the overall savings of ₹ 25,544.89 crore in 159 out of 191 Grants/Appropriations during 2021-22, 96.11 per cent savings amounting to ₹ 24,552.29 crore occurred in 43 Grants/Appropriations (₹ 50 crore and above in each case), as indicated in **Appendix 3.3**.

### 3.3.4.2 Substantial surrenders

As per paragraph 103 of Gujarat Budget Manual, 1983, the Controlling Officers should report all the anticipated savings with full details and reasons to the Administrative Departments.

In 45 out of 191 Grants/Appropriations, a major portion of original provision or supplementary provision was not required/used during the year, leading to substantial surrenders of more than ₹ 50 crore in each grant at the end of March 2022, as detailed in **Table 3.7**:

**Table 3.7: Details of surrender of funds more than ₹ 50 crore at the end of March 2022**

(₹ in crore)							
Sr. No.	Grant No.	Original	Supp.	Total provision	Actual Expenditure	Savings (-) /Excess (+)	Amount Surrendered
1	0002-RV	4,023.97	0.00	4,023.97	2,710.19	(-)1,313.78	1,311.73
2	0005-CV	72.78	0.00	72.78	22.36	(-)50.42	51.77
3	0006-CV	144.16	0.00	144.16	34.40	(-)109.76	109.76
4	0009-RV	29,880.57	1,218.48	31,099.05	33,830.82	(+)2,731.76	514.81
5	0009-CV	431.89	0.00	431.89	301.23	(-)130.66	127.72
6	0013-CV	3,266.01	7.42	3,273.43	3,138.98	(-)134.45	134.88
7	0016-RV	345.47	0.00	345.47	277.77	(-)67.70	67.65
8	0018-RV	12,368.00	0.00	12,368.00	11,567.82	(-)800.18	785.78
9	0019-RV	10,093.26	0.00	10,093.26	1,583.95	(-)8,509.32	8,511.53
10	0020-RC	24,696.03	0.00	24,696.03	23,933.17	(-)762.86	531.05
11	0021-RV	83.67	0.00	83.67	22.59	(-)61.08	61.07
12	0026-RV	776.80	0.00	776.80	620.77	(-)156.04	156.10
13	0026-CV	558.61	0.00	558.61	506.13	(-)52.48	52.60
14	0040-RV	2,335.36	0.00	2,335.36	2,095.53	(-)239.83	177.35
15	0043-RV	6,023.07	0.00	6,023.07	5,144.68	(-)878.39	876.36
16	0046-CV	951.66	0.00	951.66	804.21	(-)147.45	147.45
17	0049-RV	4,794.60	64.40	4,859.00	4,789.11	(-)69.88	67.76
18	0049-CV	502.39	0.00	502.39	351.26	151.13	151.13
19	0057-RV	1,111.90	0.00	1,111.90	911.66	(-)200.25	188.01

Sr. No.	Grant No.	Original	Supp.	Total provision	Actual Expenditure	Savings (-) /Excess (+)	Amount Surrendered
20	0060-RV	1,053.42	0.00	1,053.42	921.75	(-)131.67	137.93
21	0065-CV	3,466.34	0.00	3,466.34	2,803.86	(-)662.48	664.06
22	0066-RV	1,193.68	0.00	1,193.68	1,102.88	(-)90.81	103.61
23	0066-CV	4,737.90	0.00	4,737.90	2,325.01	(-)2,412.89	2,413.85
24	0068-RC	210.00	0.00	210.00	158.62	(-)51.38	51.36
25	0070-RV	3,091.36	35.48	3,126.84	2,169.32	(-)957.52	956.23
26	0071-RV	2,468.53	0.00	2,468.53	1,615.20	(-)853.34	8,533.34
27	0072-RV	138.20	0.00	138.20	74.29	(-)63.92	63.92
28	0074-RV	727.59	70.80	798.39	765.14	(-)33.25	125.22
29	0074-CV	501.73	0.00	501.73	391.06	(-)110.67	110.67
30	0077-RV	279.13	0.00	279.13	206.19	(-)72.94	66.87
31	0079-RV	2,798.84	1,599.39	4,398.23	4,632.27	(+)234.04	768.71
32	0079-CV	274.01	0.00	274.01	77.00	(-)197.01	197.01
33	0084-CV	1,102.47	0.00	1,102.47	418.57	(-)683.90	682.35
34	0085-CV	166.62	0.00	166.62	52.77	(-)113.85	113.29
35	0086-RV	3,714.01	113.81	3,827.82	3,607.04	(-)220.79	133.64
36	0087-CV	294.33	0.00	294.33	179.52	(-)114.81	114.58
37	0092-RV	2,134.78	0.00	2,134.78	1,964.19	(-)170.59	161.76
38	0092-CV	602.46	0.00	602.46	551.28	(-)51.18	51.18
39	0095-RV	4,502.96	0.00	4,502.96	4,030.38	(-)472.58	451.10
40	0095-CV	793.34	66.56	859.90	801.15	(-)58.74	75.39
41	0096-RV	9,119.21	0.00	9,119.21	8,028.06	(-)1,091.15	1,026.66
42	0096-CV	4,673.91	0.00	4,673.91	4,285.56	(-)388.35	462.78
43	0102-RV	9,656.32	0.00	9,656.32	8,447.10	(-)1,209.22	1,209.20
44	0106-RV	2,663.81	1,005.44	3,669.25	3,473.51	(-)195.73	188.52
45	0108-RV	854.31	0.00	8,54.31	660.70	(-)193.61	193.61
<b>Total</b>		<b>1,63,679.46</b>	<b>4,181.79</b>	<b>1,67,861.25</b>	<b>1,46,389.04</b>	<b>21,472.21</b>	<b>33,081.35</b>

Source: Appropriation Accounts of 2021-22; RV: Revenue voted; RC: Revenue Charged; CV: Capital Voted

Further, supplementary provisions of ₹ 221.11 crore made under four out of 45 grants/appropriations proved unnecessary, as ₹ 1,292.51 crore was surrendered from these four grants/appropriations.

Budget provisions sought and obtained by some Departments was far more than actual requirement and their inability to utilise the same deprives allocation of resources to other priority sectors and leads to poor Legislative control over public finances.

### 3.3.5 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, no money shall be drawn from the Consolidated Fund except under appropriation made by Law by the State Legislature.

### 3.3.5.1 Excess expenditure during the year 2021-22

During 2021-22, there was an excess expenditure of ₹ 3,511.09 crore in four Grants/Appropriations requiring regularisation by the State Legislature (Table 3.8).

Table 3.8: Excess expenditure over provision during 2021-22 requiring regularisation

(₹ in crore)				
Grant No.	Name of Grant	Total Grant	Actual Expenditure	Excess Expenditure
<b>Revenue Voted</b>				
9	Education	31,099.05	33,830.81	2,731.76
73	Other Expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department	882.17	1,427.43	545.26
79	Relief on Account of Natural Calamities	4,398.23	4,632.27	234.04
<b>Revenue Charged</b>				
26	Forest	0.61	0.64	0.03
<b>Total</b>		<b>36,380.06</b>	<b>39,891.15</b>	<b>3,511.09</b>

Source: Appropriation Accounts of 2021-22

Excess expenditure over provision vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

### 3.3.5.2 Persistent excess expenditure in certain Grants

Persistent excess expenditure indicates that the budgetary control by the Departments is ineffective and budget estimates are not being prepared realistically.

Audit observed persistent excess in Grant No. 73 (Revenue Voted) since 2012-13 onwards. The excess during the last five years (2017-22), due to improper estimations at the time of budget preparation is detailed in Table 3.9:

Table 3.9: Persistent excess

(₹ in crore)						
Sl. No.	Description of Grant/Appropriation	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Grant No. 73 – Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department (Revenue Voted)					
	Grant	800.15	703.07	790.19	856.17	882.17
	Expenditure	1,127.87	1,463.84	1,347.89	1,352.62	1,427.43
	Excess	327.72	760.77	557.70	496.45	545.26

Source: Appropriation Accounts of respective years

The excess was observed under the Sub-Head ‘Superannuation and Retirement Allowances to Panchayat Employees’, ‘Gratuities to Panchayat Employees’ and ‘Family Pension to Panchayat Employees’.

The State Government needs to maintain a robust database of Panchayat employees due for superannuation, to estimate the retirement benefits accurately.

### 3.3.5.3 Regularisation of excess expenditure of previous financial years

The excess expenditure of ₹ 10,855.75 crore incurred during the period 2007-08 to 2011-12 and 2013-14 to 2020-21 was yet to be regularised by the State Legislature. The details of excess expenditure of previous financial years requiring regularisation are shown in **Appendix 3.4**.

## 3.4 Comments on Transparency of Budgetary and Accounting Process

### 3.4.1 Lump sum budgetary provisions

The Gujarat Budget Manual, 1983 prohibits lump sum provision in estimates except in cases where urgent measures are to be initiated for meeting emergent situations or for meeting preliminary expenses on a project/scheme which has been accepted in-principle for being taken up in the financial year. Detailed explanation justifying the provision is required to be given in the Budget Note accompanying the lump sum estimates. Lump sum provision without identifying the exact object of expenditure affects transparency of accounts.

In case of Grant No. 19, it was observed that the FD has been allocating a lump sum budget provision every year from 2012-13 onwards under Major Head 2075 – ‘Liability on Account of Increase in Rate of Dearness Allowance’. However, the same was surrendered by the FD in the month of March every year, as detailed in **Table 3.10**:

**Table 3.10: Lump sum provision surrendered completely**

(₹ in crore)

Year	Grant no.	Details of Head	Amount	Surrender/ Re Appropriation
2012-13	19	2075.00.001.01	2,500.00	2,500.00
2013-14	19	2075.00.001.01	3,000.00	3,000.00
2014-15	19	2075.00.001.01	3,500.00	3,500.00
2015-16	19	2075.00.001.01	3,500.00	3,500.00
2016-17	19	2075.00.001.01	4,500.00	4,500.00
2017-18	19	2075.00.001.01	6,000.00	6,000.00
2018-19	19	2075.00.001.01	7,000.00	7,000.00
2019-20	19	2075.00.001.01	7,500.00	7,500.00
2020-21	19	2075.00.001.01	8,000.00	8,000.00
2021-22	19	2075.00.001.01	8,000.00	8,000.00

Source: Appropriation Accounts of respective years

The action of FD was not in consonance with paragraph 38 of Gujarat Budget Manual, 1983 which provides that such provisions were to be made by the respective Departments in their budget estimates.

### 3.5 Comments on Effectiveness of Budgetary and Accounting Process

#### 3.5.1 Budget projection and gap between expectation and actual

The summarised position of budget including supplementary budget, actual expenditure, and excess/savings during 2021-22 against 191 Grants/Appropriations is given in **Table 3.11**.

**Table 3.11: Summarised position of expenditure vis-à-vis budget provision**

(₹ in crore)

Voted/Charged	Nature of expenditure	Budget (Original)	Budget (Supp)	Total Budget (O+S)	Actual Expenditure	Net Excess/Saving (-)	Excess/Saving %
Voted	Revenue	1,43,302.47	9,439.99	1,52,742.46	1,37,448.57	(-)15,293.89	(-)10.01
	Capital	31,698.95	2,619.01	34,317.96	28,857.21	(-)5,460.75	(-)15.91
	Loans and Advances	1,426.03	3.08	1,429.11	1,071.04	(-)358.07	(-)25.06
	<b>Total</b>	<b>1,76,427.45</b>	<b>12,062.08</b>	<b>1,88,489.53</b>	<b>1,67,376.82</b>	<b>(-)21,112.71</b>	<b>(-)11.20</b>
Charged	Revenue	26,182.24	137.20	26,319.44	25,445.32	(-)874.12	(-)3.32
	Capital	89.07	36.22	125.29	97.27	(-)28.02	(-)22.36
	Public Debt	24,330.03	124.93	24,454.96	24,436.01	(-)18.95	(-)0.08
	<b>Total</b>	<b>50,601.34</b>	<b>298.35</b>	<b>50,899.69</b>	<b>49,978.60</b>	<b>(-)921.09</b>	<b>(-)1.81</b>
<b>Grand Total</b>		<b>2,27,028.79</b>	<b>12,360.43</b>	<b>2,39,389.22</b>	<b>2,17,355.42</b>	<b>(-)22,033.80</b>	<b>(-)9.20</b>

Source: Appropriation Accounts of 2021-22

**Table 3.12: Original budget, revised estimates, and actual expenditure during 2017-22**

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Original Budget	1,72,179.24	1,83,666.38	2,04,815.00	2,17,287.24	2,27,028.79
Supplementary Budget	10,792.08	16,909.59	9,456.22	11,489.15	12,360.43
Total Budget (Original + Supplementary)	1,82,971.32	2,00,575.97	2,14,271.22	2,28,776.39	2,39,389.22
Actual Expenditure	1,61,063.09	1,80,479.68	1,88,278.95	2,00,215.82	2,17,355.42
Net Saving /excess	(-) 21,908.23	(-) 20,096.29	(-) 25,992.27	(-)28,560.57	(-)22,033.80
Percentage of Saving	(-)11.97	(-)10.02	(-) 12.13	(-)12.48	(-)9.20

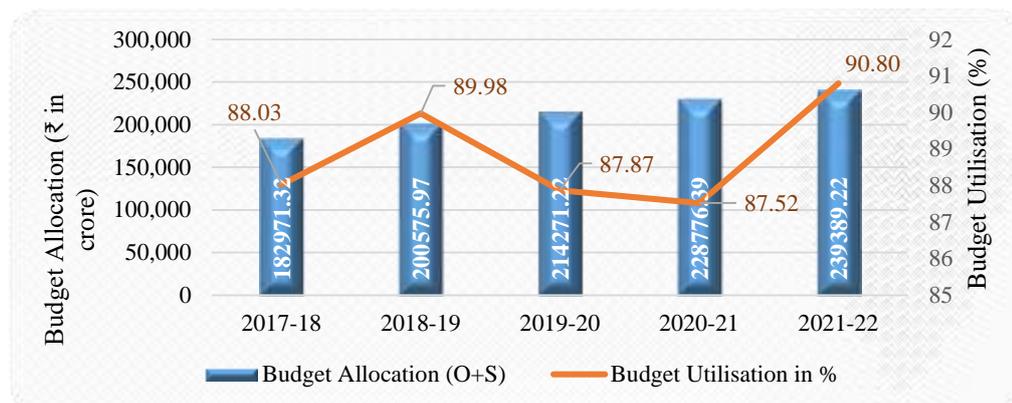
Source: Appropriation Accounts of the respective years

As can be seen from the **Table 3.12**, there was an overall saving of 9.20 per cent during 2021-22 as compared to 12.48 per cent during 2020-21.

#### 3.5.1.1 Sub-optimal utilisation of budgeted funds

Utilisation of budget by the State Government has been sub-optimal every year during the last five years. The extent of utilisation of budget during the last five years (2017-22) is shown in **Chart 3.5**:

Chart 3.5: Budget utilisation during 2017-22



As may be seen from the **Chart 3.5**, the utilisation of budget provision by State Government remained between 87.52 and 90.80 *per cent* during the last five years. Large amounts of savings in allocated funds indicate both, inaccurate assessments of requirement as well as inadequate capacity to utilise the funds for intended purposes.

### 3.5.1.2 Missing/incomplete explanations for variations from budgeted provisions

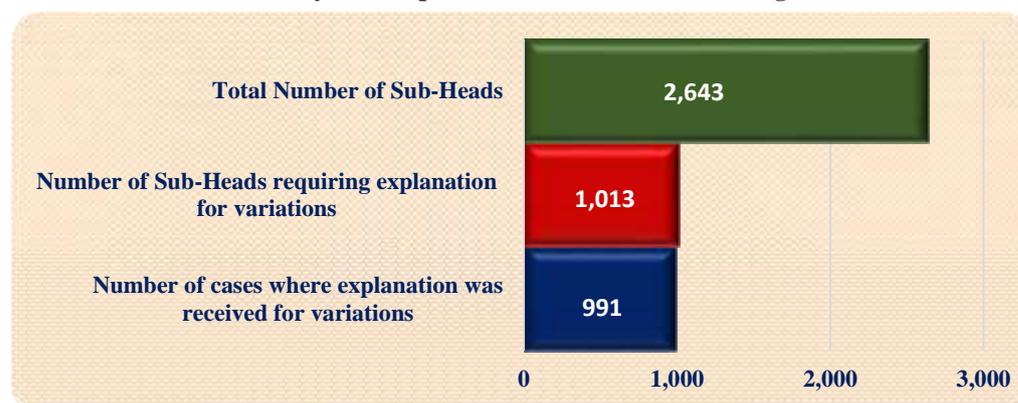
Apart from showing the expenditure against the approved budget, Appropriation Accounts also contain explanations provided by the concerned Departments for cases where the expenditure varies significantly from the budgeted provision (Original plus Supplementary). The limits beyond which such variations at the Sub-Head levels (unit of appropriation) are to be explained by the concerned Departments, are set by the State Public Accounts Committee (PAC).

The Principal Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/explanations for the variations in expenditure with reference to approved budgetary allocations as per the limits set by the PAC. The limits set by the PAC in October 1994 are shown in **Appendix 3.5**.

Of the 191 Grants/ Appropriations<sup>3</sup>, reasons for variation were required in respect of 158 Grants/Appropriations. Audit of Appropriation Accounts of 2021-22 and an analysis of the underlying accounting data revealed that the Controlling Officers did not provide explanations for the variations in expenditure *vis-à-vis* budgeted allocations in respect of 14 out of 158 Grants/Appropriations. In terms of Sub-heads, explanations for variations were not provided in 22 out of 1,013 sub-heads.

The total number of Sub-Heads, number of Sub-Heads requiring explanation for variations and the number of Sub-Heads where explanations were received are shown in **Chart 3.6**. The relevant details in this regard are indicated in **Appendix 3.6**.

<sup>3</sup> Grant (Revenue Voted, Capital Voted), Appropriations (Revenue Charged, Capital Charged)

**Chart 3.6: Summary of unexplained variations vis-à-vis budget allocation**

Absence of explanation for variation between the budgeted allocation and its utilisation inhibits Legislative control over budget as a means of ensuring financial accountability of the Government.

### 3.5.1.3 Budgetary deviations at primary unit of appropriation

Sub-Head is the primary unit of appropriation, and the Appropriation Accounts accordingly bring out instances of deviations of expenditure from budgetary provisions at Sub-Head level, as per the criteria specified by the PAC.

As detailed in **Chart 3.6** above, there are 2,643 such units of appropriation in the Appropriation Accounts of the State. The distribution of Sub-Heads by size and total budgetary allocation is given in **Table 3.13**.

**Table 3.13: Distribution of Sub-Heads by size and total budgetary allocation**

Budget Allocation (in ₹)	Number of Sub-Heads	Share of Sub-Heads (per cent)	Total Budget (₹ in crore)	Share of Sub-heads in Budget (per cent)
Less than 15 lakh	443	16.76	12.64	0.01
15 lakh - 50 lakh	224	8.48	65.56	0.03
50 lakh - 1 crore	154	5.82	105.22	0.04
1 crore - 10 crore	764	28.91	2,909.75	1.22
10 crore - 100 crore	754	28.53	26,606.56	11.11
100 crore and above	304	11.50	2,09,689.49	87.59
<b>TOTAL</b>	<b>2,643</b>	<b>100</b>	<b>2,39,389.22</b>	<b>100</b>

Source: Appropriation Accounts of 2021-22

As can be seen from **Table 3.13**, around 12 *per cent* of the Sub-Heads account for 87.59 *per cent* of the total budgetary allocation while 16.76 *per cent* Sub-Heads account for merely 0.01 *per cent* of the total allocation. There is, thus, a need for rationalisation of unit of appropriation, both in terms of number of Heads and size of Heads, to increase Legislative control as well as make budget administration easier.

### 3.5.2 Budget and opportunity cost

At times, while obtaining original/supplementary provision, Departments report to Legislature large additional requirements for different purposes under various Schemes/activities; but finally end up spending less than the original budget provision and the supplementary provision or parts thereof. As a result, the unutilised funds cannot be made use of. At the same time, several Schemes remain incomplete for want of funds. Thus, the intended benefits of unfinished Schemes do not get extended to the public at large. This also leads to escalation in project costs.

However, in 21 schemes under capital section (**Appendix 3.7**), it was observed that concerned Departments could not utilise more than 50 *per cent* of the original provision (₹ 50 crore or more), leading to savings of ₹ 3,528.83 crore at the end of the year in these 21 schemes.

It was further observed from Appendix IX of Finance Accounts, Volume-II for the year 2021-22 that the Roads and Buildings Department and the Narmada, Water Resources, Water Supply and Kalpsar Department had 176 incomplete capital projects (estimated cost: ₹ 10,747.99 crore) with a progressive expenditure of ₹ 7,477.97 crore up to 31 March 2022. These projects were targeted to be completed between November 2015 and March 2022. Had there been proper planning, unutilised funds of ₹ 3,528.83 crore from 21 Schemes (**Appendix 3.7**) could have been allocated to other schemes/projects facing shortage of funds.

### 3.5.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the State Government are either partially executed or not executed due to non-approval of Scheme guidelines/modalities, for want of administrative sanction, non-release of budget *etc.* This not only deprives the beneficiaries of the intended benefits; savings in such Schemes also divest other Departments of the funds which they could have utilised.

Appendix XI, Volume-II of Finance Accounts, for the year 2021-22 gives the details of major policy decisions taken during the year or new Schemes proposed in the budget. During 2021-22, 25 new Schemes/major policy pronouncements were made by the State Government. Audit observed that out of this, 20 Schemes were implemented during the year.

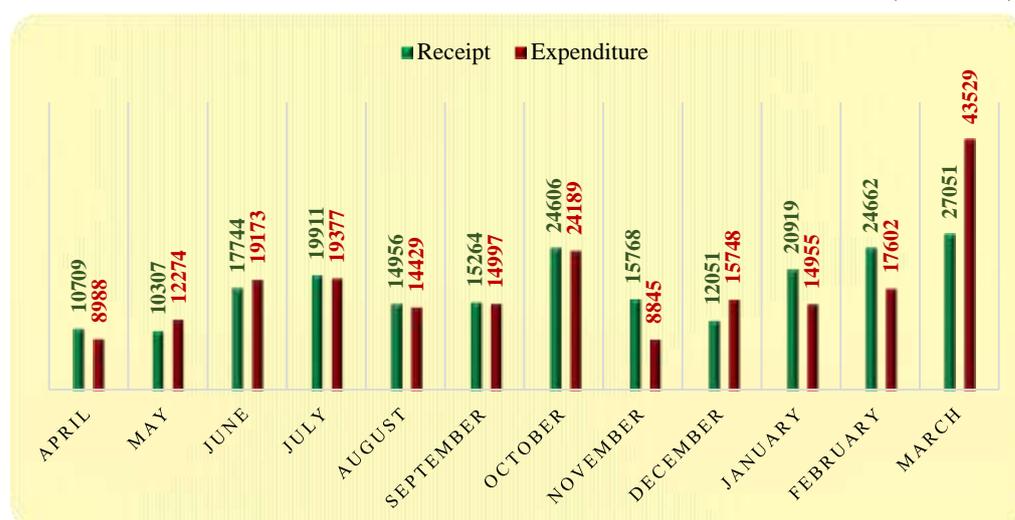
### 3.5.4 Rush of expenditure

As per Gujarat Budget Manual, 1983, rush of expenditure, particularly in the closing months of the financial year, is a breach of financial propriety.

Monthly flow of receipts into the State exchequer and disbursements during 2021-22 are shown in **Chart 3.7**.

Chart 3.7: Monthly receipts and expenditure during 2021-22

(₹ in crore)



(Expenditure figures are net of recoveries)

As may be seen from the **Chart 3.7**, receipts and expenditure in March were significantly higher than that of other months during the financial year 2021-22.

Major Heads where more than 50 per cent of the total expenditure (more than ₹ one crore in each case) was incurred in March 2022 alone are detailed in **Table 3.14**:

Table 3.14: Quantum of expenditure in March 2022

(₹ in crore)

Major Head	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total expr.	Expr. in March	Expr. in March as % of total expr.
2048	Appropriation for reduction or avoidance of debt	0.00	0.00	0.00	1,500.00	1,500.00	1,500.00	100
2075	Miscellaneous General Services	0.03	1.67	14.15	27.16	43.01	26.16	60.81
2402	Soil and Water Conservation	0.37	0.49	0.45	8.91	10.22	8.62	84.37
2425	Co-operation	24.35	96.65	73.84	1,112.43	1,307.27	790.94	60.50
4058	Capital Outlay on Stationery and printing	0.00	0.44	0.00	0.76	1.19	0.76	63.28
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	4.31	15.56	37.70	175.37	232.95	143.29	61.51
4401	Capital Outlay on Crop Husbandry	0.00	15.36	2.30	48.33	65.98	37.26	56.47
4435	Capital Outlay on Other Agricultural Programmes	0.00	3.85	0.59	16.56	21.00	15.65	74.51
4810	Capital Outlay on New and Renewable Energy	12.50	0.00	0.00	493.81	506.31	328.19	64.82
5053	Capital Outlay on Civil Aviation	8.53	0.80	13.77	139.80	162.90	133.26	81.81
5055	Capital Outlay on Road Transport	103.82	0.00	0.00	309.56	413.37	221.79	53.65

Major Head	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total expr.	Expr. in March	Expr. in March as % of total expr.
6216	Loans for Housing	0.00	0.00	0.00	1.15	1.15	1.15	100.00
7615	Miscellaneous loans	0.00	0.00	0.00	29.41	29.41	29.41	100.00
	<b>Total</b>	<b>153.91</b>	<b>134.82</b>	<b>142.80</b>	<b>3,863.24</b>	<b>4,294.77</b>	<b>3,236.46</b>	

Source: Information provided by O/o the PAG (A&E)

Thus, contrary to the spirit of financial regulation, substantial expenditure was incurred by the State Government at the end of the financial year, indicating inadequate control over expenditure and poor budgetary management.

Further, out of the expenditure of ₹ 46,616.21 crore incurred under 1,880 Sub-Heads in March 2022, under 124 Sub-Heads 100 *per cent* expenditure (₹ 4,747.17 crore) was incurred in March 2022. The details of 30 Sub-Heads (out of 124) where expenditure of ₹ 10 crore or more was incurred in March 2022, are depicted in **Appendix 3.8**.

Moreover, in case of expenditure done by Departments with respect to Grants placed at their disposal, it was observed that in nine out of 108 Grants, more than 50 *per cent* of the total expenditure was incurred in March as shown in **Table 3.15**.

**Table 3.15: Grants with more than 50 *per cent* expenditure in March (Descending order of percentage)**

(₹ in crore)

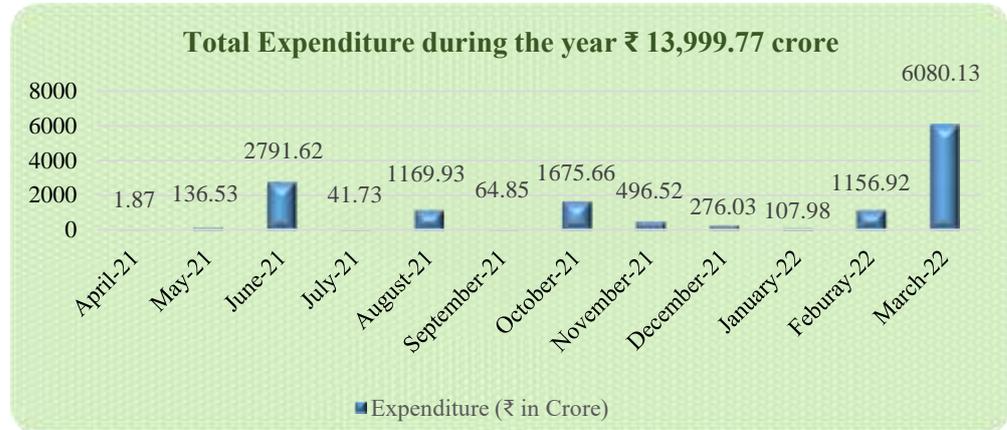
Sr. No	Grant No.	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total	Expenditure in March	Expenditure in March as percentage of total expenditure
1	0007	Other Expenditure Pertaining to Agriculture and Co-operation Department	0.00	0.00	0.00	18.67	18.67	18.67	100.00
2	0041	Other expenditure pertaining to Health and Family Welfare Department	0.00	0.00	0.00	0.28	0.28	0.28	100.00
3	0019	Other Expenditure pertaining to Finance Department	15.57	28.09	16.09	1,524.48	1,584.23	1,511.86	95.43
4	0010	Other Expenditure pertaining to Education Department	0.12	0.64	0.52	30.91	32.19	30.45	94.61
5	0072	Compensation and Assignment	0.00	10.78	9.75	53.75	74.29	46.77	62.96
6	0052	Other Expenditure Pertaining to Industries and Mines Department	35.79	28.67	32.98	175.17	272.61	169.49	62.17
7	0005	Co-operation	20.57	93.01	67.15	1,081.83	1,262.57	758.09	60.04
8	0003	Minor Irrigation, Soil Conservation and Area Development	0.94	1.05	4.07	8.71	14.77	8.16	55.27
9	0056	Labour and Employment Department	0.74	1.08	0.80	5.40	8.03	4.33	53.96

Source: Information provided by O/o the PAG (A&E)

### 3.5.4.1 Departments registering more than 25 per cent expenditure in March

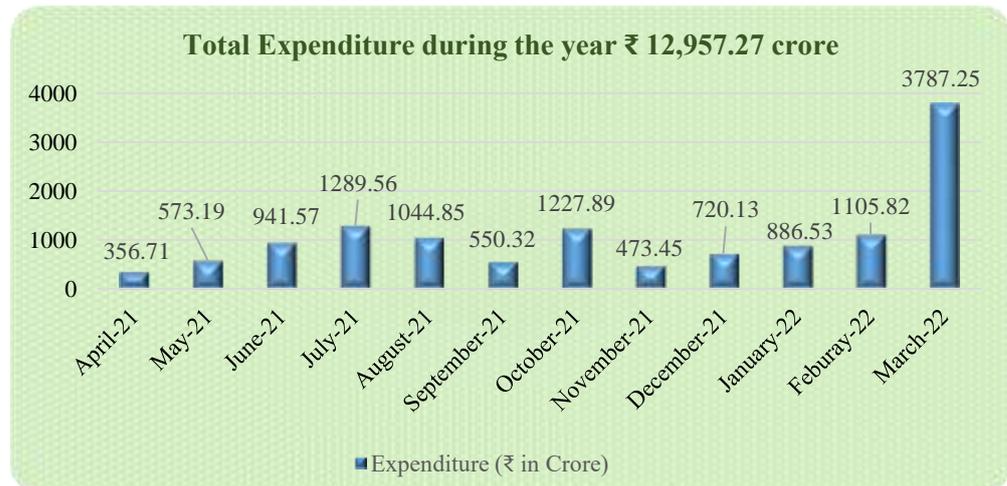
In 12 Departments more than 25 per cent of the total expenditure was incurred in March 2022. Details of two Departments with Major expenditure are shown in **Charts 3.8 and 3.9**. The details of month wise expenditure in respect of all 12 Departments are shown in **Appendix 3.9**.

**Chart 3.8: Month wise expenditure of Energy and Petrochemical Department**



Source: Information provided by O/o the PAG (A&E)

**Chart 3.9: Month wise expenditure of Tribal Development Department**



Source: Information provided by O/o the PAG (A&E)

## 3.6 Review of selected Grants

The Gujarat Budget Manual, 1983 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 in time and accurately and to ensure that the Grants placed at the disposal is spent only on the objects for which it has been provided and to surrender the savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, Audit test-checked the records of the Administrative Departments/Controlling Officers operating Grant No. 26 (Forest) under Forest and Environment Department; and Grant No. 38, 39, 40 and 41 (Health) under Health and Family welfare Department for a period of three years from 2019-20 to 2021-22. The audit findings are discussed in the succeeding paragraphs.

### 3.6.1 Review of Grant No 26- Forests

According to Article 246 of the Constitution of India read with VIIth Schedule referred to therein, "Forests" is included in List III- Concurrent List. The Forest Department is headed by Principal Chief Conservator of Forests and head of Forest force. The major functions of the Forest Department are the protection, conservation and development of forests. Grant 26 of the Department relates to these functions. The data for the Grant 26 under Revenue/Capital and Voted/Charged heads during the year 2019-22 is shown in **Table 3.16** below.

**Table 3.16: Budgetary provision and Expenditure under Grant No. 26**

(₹ in crore)

Year	Budget Provision			Expenditure	Excess (+) /savings(-)	Percentage of Saving/excess to Budget (%age)
	Original	Supplementary	Total			
<b>Revenue Voted</b>						
2019-20	598.45	0	598.45	515.43	(-)83.02	13.87
2020-21	827.55	0	827.55	616.08	(-) 211.47	25.55
2021-22	776.80	0	776.80	620.77	(-) 156.03	20.09
<b>Revenue Charged</b>						
2019-20	0.95	0.34	1.29	1.19	(-) 0.10	7.75
2020-21	0.60	0	0.60	0.41	(-) 0.19	31.67
2021-22	0.61	0	0.61	0.64	0.03	4.92
<b>Capital Voted</b>						
2019-20	452.13	0	452.13	434.14	(-) 17.99	3.98
2020-21	555.04	0	555.04	418.71	(-) 136.33	24.56
2021-22	558.61	0	558.61	506.13	(-)52.48	9.39

Source: Appropriation Accounts of 2019-22

The savings under Revenue Voted increased from 13.87 *per cent* in 2019-20 to 25.55 *per cent* in 2020-21 but fell to 20.09 *per cent* in 2021-22. The department attributed the same to vacant posts.

In case of Capital (voted) the savings in expenditure of 3.98 *per cent* during 2019-20 increased to 24.56 *per cent* in 2020-21 but fell to 9.39 *per cent* during 2021-22. The department attributed the increase in savings in 2020-21 to less Capital expenditure because of Covid-19 pandemic and to non-finalization of tender process during 2021-22.

### 3.6.1.1 Surrender of entire Budget provision

As per paragraph 103 of Gujarat Budget Manual, 1983, the Controlling officers should report all the anticipated savings with full details and reasons to the Administrative Departments.

Audit observed that during 2019-20 to 2021-22 in seven Schemes, entire budget provision of ₹ 52.06 crores was surrendered.

**Table 3.17: Surrender of entire budget provision**

(₹ in crore)

Sr. No.	Scheme (Head of Account under Grant No. 26)	Entire provision surrendered			Reasons for Non-utilization
		2019-20	2020-21	2021-22	
1.	Action Plan for creation of Kachchh Biosphere Reserve (CSS) (26-2406-02-110-24)	2.50	2.00	2.00	Due to non-approval of Annual Plan of Operation (APO) by Government of India (GoI).
2.	Payment of consultancy charges under Gujarat Forestry Development Project (GFDP) headed by Japan International Co-operation Agency (JICA) (4406-01-101-26)	0.02	0.23	1.25	During 2019-20, it was a token provision. During 2020-21, amount was surrendered due to non-taking up consultancy of work because of covid pandemic. During 2021-22, the approval for the staff of Project Management Unit could not be obtained from the Government and bid process for selection of consultants could not be completed.
3.	National Afforestation Programme (4406-01-101-30)	0.50	0.50	0.01	Due to non-approval of Annual Plan of Operation (APO) by Government of India (GoI).
4.	Action Plan for Conservation of Wet Lands(CSS) (2406-02-110-18)	0.00	2.80	2.80	Due to non-approval of Annual Plan of Operation (APO) by Government of India (GoI).
5.	Grass Godowns and Communication (4406-01-101-33)	0.00	24.21	0.00	Amount was surrendered due to non-taking up of work because of covid Pandemic.
6.	Forest Research (4406-01-800-01)	0.00	2.24	0.00	Amount was surrendered due to non-taking up of work because of covid Pandemic.
7.	Project Lion (2406-02-110-29)	0.00	0.00	11.00	Due to non-approval of Annual Plan of Operation (APO) by Government of India (GoI).
	<b>Total</b>	<b>3.02</b>	<b>31.98</b>	<b>17.06</b>	

Source: Information provided by Forest Department

Reasons for non-approval of Annual Plan of Operation by GoI need to be reviewed by the department concerned to take corrective action as non-implementation of particular scheme over a long period would adversely affect the progress of work in the identified area of operation.

### 3.6.1.2 Surrender of substantial Budget provision

Audit observed that during the period 2019-20 to 2021-22, the department received a grant of ₹ 170.53 crore under various schemes. The department could incur expenditure of ₹ 37.84 crore and remaining grant of ₹ 132.69 crore (78%) was surrendered.

**Table 3.18: Substantial amount of grant surrendered**

(₹ in crore)					
Sr. No.	Scheme (Head of Account)	Budget Period	Sanctioned Grant	Surrendered Grant	Reasons for Non utilization
1.	FST-16 Integrated development of Wild Life Habitat(CSS) 26-2406-02-110-22	2019-20	39.69	28.96	Amount was surrendered for re-appropriating to other schemes which were given priority over this scheme.
		2020-21	35.00	17.46	
		2021-22	35.00	33.46	Due to non-approval of Annual Plan of Operation (APO) by Government of India (GoI).
2.	Gujarat Forestry Development project (GFDP) (financed by Japan Bank of Industrial Corporation Japan) 26-4406-01-101-15	2019-20	1.34	0.81	Amount was surrendered due to various post remaining vacant in GFDP.
		2020-21	8.09	7.48	
		2021-22	22.98	22.47	
3.	Grant-in-aid to Gujarat Biotechnology Mission for Research of wildlife Genomics and DNA Banking 26-4406-02-110-05	2020-21	4.48	4.00	Amount was surrendered due to not taking up of research work because of covid-19 pandemic.
4.	Agro Forestry Scheme(CSS) 26-2406-01-101-11	2021-22	11.06	8.03	As GOI released less amount, hence proportional state share surrendered.
5.	National Bamboo Mission(CSS) 26-4406-01-101-32	2021-22	7.65	5.85	As GOI released less amount, hence proportional state share surrendered.

Sr. No.	Scheme (Head of Account)	Budget Period	Sanctioned Grant	Surrendered Grant	Reasons for Non utilization
6.	Forest Protection 26-4406-01-101-34	2021-22	3.00	2.00	Amount was surrendered for re-appropriating to other schemes which were given priority over this scheme.
7.	Forest research 26-4406-01-800-01	2021-22	2.24	2.17	Amount was surrendered due to non-completion of tender process.
		<b>Total</b>	<b>170.53</b>	<b>132.69</b>	

Source: Information provided by Forest Department

Reasons for non-approval of Annual Plan of Operation by GoI, non-release of central share and non-filling up of vacant posts need to be reviewed by the department concerned to take corrective action as non-implementation of particular scheme over a long period would adversely affect the progress of work in the identified area of operation.

### 3.6.1.3 Misclassification of Capital Expenditure as Revenue Expenditure under Forest Department

Government accounts are presented under six tier classification, viz., Major Heads (functions of Government), Sub-Major Heads (Sub-functions), Minor Heads (programmes/activities), Sub-Heads (schemes), Detailed Heads (sub-schemes) and Object Heads (purpose/object of expenditure). Budget preparation circular issued (September 2020) by Finance Department (FD) clearly states that object heads 5100-Motor Vehicles, 5200-Machinery and Equipment and 5300-Major Works have been provided for Acquisition of capital assets and other capital expenditure (Object Class-6). Budget provision of this expenditure in Revenue Heads of expenditure is not proper.

Audit observed that there was a budget provision of ₹ 4.85 crore and expenditure of ₹ 7.94 crore under these object heads, which were booked under Revenue expenditure in Grant 26. Budget provision/Classification of these items under Revenue expenditure is not proper as these are to be classified under capital expenditure as per the FD's circular. As a result, the details given in Statement 4, 5, 7, 8, 15, 16, 18, 19, Appendix II and III of Finance Accounts 2021-22 are affected as capital expenditure is understated and revenue expenditure is overstated.

The department stated that it has noted the observation for future compliance.

### 3.6.1.4 Non-reporting of cases of losses by fire/ misappropriations/ theft/ defalcation etc.

Rule 33 of the General Financial Rules, 2017 (GFR) prescribes that any loss or shortage of public moneys, departmental revenues or receipts, stamps, opium, stores or other property held by, or on behalf of, Government irrespective of the cause of loss and manner of detection shall be immediately reported by the

subordinate authority concerned to the next higher authority as well as to the Statutory Audit officer and to the concerned Principal Accounts officer, even when such loss has been made good by the party responsible for it.

Audit observed that the following cases of loss/theft/misappropriation were either under reported or not reported to the Head Office of Forest Department (PCCF & HOFF). These cases were not reported to audit too. None of these cases was reported to Audit Office. The details of these cases are shown in **Table 3.19** below.

**Table 3.19: Cases of losses by fire/ misappropriation/ theft/ defalcation not reported to audit during 2021-22**

(₹ in lakh)

Sl. No.	Division	Type of loss	Year	Affected Area (in hectare)	Money value of loss	Amount reported to the office of the PCCF & HOFF	Recovery
1	Baria	Loss due to cutting Forest Trees	2021-22	51.22 cu. metre	7.20	-	-
2	Junagadh	Loss due to fire	2021-22	4.25	1.33	-	-
3	Bhavnagar	Loss due to fire	2021-22	Not given	0.35	-	0.35
4	Jamnagar	Loss due to fire	2021-22	Not given	33.14	-	30.74
5	Kutchh East	Loss due to fire	2021-22	Not given	1.48	0.25	-
6	Kutchh West	Theft	2021-22		1.40	-	-
7	Patan	Misappropriation	2021-22		3.96	-	-
8	Kutchh Extension	Miscellaneous <sup>4</sup>	2021-22		1.08		0.98
9	Gandhinagar	Miscellaneous <sup>4</sup>	2021-22		1.61	-	-
10	Sabarkantha	Loss due to Fire	2021-22	Not given	0.40	-	-
11	Aravli	Loss due to Fire	2021-22	Not given	0.91	-	-
12	Surat	Miscellaneous <sup>4</sup>	2021-22	Not given	1.88	-	-
13	Vyara	Miscellaneous <sup>4</sup>	2021-22		77.97	-	-
14	Bharuch	Miscellaneous <sup>4</sup>	2021-22		2.00	-	0.15
15	Valsad South	Loss due to Fire	2021-22	Not given	1.77	1.77	-
		Loss due to cutting trees		Not given	2.80	-	1.61
16	Valsad North	Loss due to Fire	2021-22	Not given	0.73	-	-
		Loss due to cutting trees		Not given	10.96	-	10.07
17	Daang North	Loss due to Fire	2021-22	Not given	1.08	-	-
		Loss due to cutting trees		Not given	28.61	-	-
18	Daang south	Loss due to Fire	2021-22	Not given	6.11	-	-
		Loss due to cutting trees		Not given	51.15	-	-
<b>Total</b>					<b>237.92</b>	<b>2.02</b>	<b>43.90</b>

Source: Information provided by Forest Department

The department stated that it has noted the observation for future compliance.

<sup>4</sup> Miscellaneous here includes combined loss due to multiple factors like loss due to fire, plantation loss, grazing loss, etc.

### 3.6.1.5 Implementation of new Items included in budget

As per paragraph 78 of Gujarat Budget Manual, 1983 states that in every progressive administration, there is a need for expanding the scope of Government activities and so every year Government proposes new expenditure to be incurred in addition to standing charges, which is characterized as new expenditure or expenditure on new service. Thus before declaring a service as New item, the main criteria will be the magnitude and importance of the expenditure. Audit observed that various new items announced during the budget were not implemented and remained unfulfilled as detailed in **Table 3.20** below:

**Table 3.20: New items not implemented during 2020-21 and 2021-22**

Description of Item (Budget Head)	(₹ in lakh)			Reasons for Non-implementation
	Recurrent	Non-Recurrent	Total	
<b>2020-21</b>				
Establishment of Wetland Authority 2406 110 02	8.00	25.00	33.00	Scheme not implemented due to Covid-19.
Identification of Leopard by Radio Collar 2406 02 110 02	0.00	300.00	300.00	Scheme not implemented due to Covid-19.
Purchase of Root Trainer and Stands 4406 01 101 01	0.00	250.00	250.00	Scheme not implemented due to Covid-19.
Purchase of Rapid Action Kit 4406 01 101 10	0.00	252.00	252.00	Scheme not implemented due to Covid-19.
Construction of Grass Godowns 4406 08 101 33	0.00	2,420.00	2,420.00	Scheme not implemented due to Covid-19.
<b>2021-22</b>				
Strengthening of training Centre and Technical cell 2406 005 01	0.00	94.20	94.20	Scheme not implemented due to Covid-19.
<b>Total</b>			<b>3,349.20</b>	

Source: Information provided by Forest Department

From the above table, it can be seen that despite budgetary provisions, new items were not implemented during 2020-22, though substantial amount was planned and kept aside for specified work. These provisions could have been allocated to other projects, as can be seen from Appendix IX of Finance Accounts – List of Incomplete capital works.

### 3.6.2. Review of Grant No. 38, 39, 40 and 41 of Health and Family Welfare Department

The Health & Family Welfare Department (H&FWD), Government of Gujarat is responsible for undertaking activities relating to healthcare like planning and survey, development of infrastructure and policies, promotion of research, testing etc. relating to various subjects of health and family welfare. H&FWD is also responsible for carrying out activities related to medical education,

regulation of drugs and implementation of Central and State schemes relating to health and family welfare etc.

The H&FWD is providing health care services through Civil Hospitals (CHs), District hospitals (DHs), Community Health Centers (CHCs), Public Health Centers (PHCs) and Sub Centers (SCs). For implementation of National Health Mission (NHM) in the state, GoG has established State Health Society (SHS) under control of Mission Director, NHM.

Additional Chief Secretary (ACS) is head of the department at Government level. He is assisted by Commissioner of Health (CoH). CoH in turn, is assisted by Additional Director/Dy. Director/Regional Dy. Director of various branches at HO. At district level various functions of the H&FWD are executed by Chief District Medical Officer (CDHO)/Medical Superintendent (MS) at district Hospitals/Civil Hospitals and by Medical Officers at block and village level. There are 10 Grant Controlling<sup>5</sup> Officers in H&FWD:

Audit test checked records relating to grant and appropriation provisioned and utilized by the four branches of the Department, namely Public Health (PH), Family Welfare (FW), Medical Services (MS) and Medical Education and Research (MER) branches for Grants Nos. 38 to 41 for the period 2019-22.

### 3.6.2.1 Deviations from Budgetary provision

The budgetary allocations and expenditure during 2019-22 are given in **Table 3.21** below:

**Table 3.21: Budgetary Provision and Expenditure**

Year	Budget Provision			Expenditure	Excess (+) /savings(-)	Percentage of deviation(%)
	Original	Supplementary	Total			
<b>Grant 38</b>						
<b>Revenue Voted</b>						
2019-20	14.12	0.00	14.12	8.58	(-)5.54	39.24
2020-21	14.55	0.00	14.55	8.37	(-) 6.18	42.47
2021-22	11.28	0.00	11.28	8.66	(-) 2.62	23.23
<b>Grant 39</b>						
<b>Revenue Voted</b>						
2019-20	5,788.79	139.97	5,928.76	5,670.57	(-) 258.19	4.35
2020-21	6,273.95	571.63	6,845.58	6,760.05	(-) 85.53	1.25
2021-22	6,394.06	2,866.27	9,260.33	9,215.64	(-) 44.69	0.48

<sup>5</sup> Additional Director, Public Health (PH), Additional Director, Family Welfare (FW), Additional Director, Medical Education & Research (MER), Additional Director Medical Services (MS), Director of AYUSH, Commissioner Food, Drugs & Control Services (FDCS), Director, Employment State Insurance Scheme (ESIS), MD, National Health Mission (NHM), Chief Engineer, Project Implementation Unit (PIU), and MD, Gujarat Medical Services Corporation Ltd. (GMSCL)

Year	Budget Provision			Expenditure	Excess (+) /savings(-)	Percentage of deviation(%)
	Original	Supplementary	Total			
<b>Capital Voted</b>						
2019-20	1,146.83	0.00	1,146.83	962.52	(-) 184.31	16.07
2020-21	850.48	0.00	850.48	684.00	(-) 166.48	19.57
2021-22	762.60	298.81	1,061.41	1,053.95	(-) 7.46	0.70
<b>Grant 40</b>						
<b>Revenue Voted</b>						
2019-20	2,052.45	67.86	2,120.31	2,032.69	(-) 87.62	4.13
2020-21	2,339.66	0.0	2,339.66	1,945.56	(-) 394.10	16.84
2021-22	2,335.36	0.00	2,335.36	2,095.53	(-) 239.83	10.27
<b>Capital Voted</b>						
2019-20	5.07	4.99	10.06	10.06	0.00	0.00
2020-21	10.16	0.00	10.16	5.49	(-) 4.67	45.96
2021-22	16.42	283.01	299.43	298.17	(-) 1.26	0.42
<b>Grant 41</b>						
<b>Revenue Charged</b>						
2019-20	0.27	0.00	0.27	0.27	0.00	0.00
2020-21	0.27	0.00	0.27	0.27	0.00	0.00
2021-22	0.24	0.04	0.28	0.28	0.00	0.00
<b>Capital Voted</b>						
2019-20	0.15	0.10	0.25	0.17	(-) 0.08	32.00
2020-21	0.20	0.00	0.20	0.13	(-) 0.07	35.00
2021-22	0.15	0.00	0.15	0.00	(-) 0.15	100.00

Source: Appropriation Accounts of 2019-22

As seen from the **Table 3.21** above, saving under Revenue voted component in Grant 38 ranged between 23.23 *per cent* and 42.47 *per cent* and Grant No. 40 ranged between 4.13 *per cent* and 16.84 *per cent*. This suggests requirement for preparation of budget on realistic basis and strict control and monitoring over expenditure in these two grants.

### 3.6.2.2 Implementation of New Items in Budget

Paragraph 78 of Gujarat Budget Manual, 1983 states that in every progressive administration, there is a need for expanding the scope of Government activities and so every year Government proposes new expenditure to be incurred in addition to standing charges, which is characterized as new expenditure or expenditure on new service. Thus before declaring a service as New item, the main criteria will be the magnitude and importance of the expenditure. Audit observed that 26 new items amounting to ₹ 169.67 crore proposed by the Administrative Department, approved by Finance Department and included in the budget were not implemented as detailed in **Appendix 3.10**.

From **Appendix 3.10**, it may be seen that despite budgetary provisions, new items were not implemented during 2019-22, though substantial amount was planned and kept aside for specified work. By adequate planning, these provisions could have been allowed in other projects, as can be seen from Appendix IX of Finance Accounts – List of Incomplete capital works.

### 3.6.2.3 Grant given to Ayushman Bharat PMJAY

Ayushman Bharat Prime Minister Jan Arogya Yojna (AB PMJAY) is a Centrally Sponsored Scheme with sharing pattern of 60:40 between Centre and State. Under the scheme, the economically disadvantaged families as per data in Socio Economic Caste Census 2011 living in urban and rural areas are provided health assurance up to ₹ five lakh per family per year for secondary and tertiary hospitalizations through insurance coverage or assurance basis (direct payment). In Gujarat, AB-PMJAY was implemented with effect from 01 October 2018. Audit reviewed the records of grant and expenditure incurred under AB PMJAY during 2019-22. The receipt of grant and expenditure incurred under AB PMJAY during 2019-22 is shown in **Table 3.22** below:

**Table 3.22: Grant and expenditure incurred under AB PMJAY during 2019-22**

(₹ in crore)

Year	Opening Balance of Fund	Funds received during the year from Central Government	Funds utilised during the year	Balance fund accumulated
2019-20	Information not furnished by the Department	212.33	99.61	112.72
2020-21	112.72	90.53	155.94	47.31
2021-22	47.31	330.55	283.85	94.01
Year	Opening Balance of Fund	Funds given by State Government	Funds utilised during the year	Balance fund accumulated
2019-20	Information not furnished by the Department	146.03	66.73	79.30
2020-21	79.30	180.00	103.97	155.33
2021-22	155.33	146.55	189.23	112.65

Source: Information provided by the Department

**Table 3.22** above shows savings in State share during the 2019-22 suggesting need of proper budgeting.

The observations noticed are discussed herein after:

### *Unauthorized holding of Central Share*

The "Mukhyamantri Amrutam (MA)" scheme in 2012 was started by the State Government to protect poor citizens from the high costs of medical treatment and illness. Later, this scheme was extended to several other groups as well. The scheme was rebranded (August 2014) as Mukhyamantri Amrutam Vatsalya (MAV) Yojana. With the launch of the AB-PMJAY, the state government integrated MA / MAV Yojana with the AB-PMJAY scheme in 2019 with the name PMJAY-MA Yojana. Audit noticed that there were 14,453 beneficiaries for whom claims were settled by the State Government under MA Yojana during 2019-21. As these beneficiaries were also covered in AB PMJAY, SHA demanded refund of claims settled under MA Yojana, from insurance company under AB PMJAY. Accordingly, the insurance company refunded ₹ 10.89 crore during 2019-22.

Audit further observed that as per clause 10.2 of MoU between the SHA and Insurance Company under PMJAY, SHA was entitled to get refund of the annual insurance premium paid, which was left surplus after settling the claims pertaining to that year. In pursuance of this clause of MoU, the Insurer refunded additional surplus premium amounting to ₹ 63.63 crore to SHA during 2019-22.

Thus, total refund received by the SHA from the insurance company during 2019-22 was ₹ 74.00 crore as shown in **Table 3.23 below:**

**Table 3.23: Refund of insurance premium to SHA from the insurance company during 2019-22**

(₹ in crore)

Financial year	Refund by the insurance company for claims paid by SHA from MA yojana for common beneficiaries	Refunded by the insurance company under clause 10.2 of MoU	Total refund paid by the insurance company to SHA
2019-20	8.93	9.17	18.10
2020-21	1.43	54.46	55.90
2021-22	0.53	Reconciliation is pending	0
<b>Total</b>	<b>10.89</b>	<b>63.63</b>	<b>74.00</b>

Source: Information provided by the Department

Audit observed that as the expenditure on premium was shared by GoI and GoG in the ratio of 60:40, the State Government should have refunded the proportionate central share of ₹ 44.40 crore (i.e., 60 per cent of above refund of ₹ 74.00 crore) to GoI, which was not done. This resulted in unauthorized holding of central fund of Rs 44.40 crore.

General Manager (AB PMJAY), in the Office of the Commissioner of Health, Government of Gujarat stated that final refund would be calculated after clear report is given by the insurance company.

***Unauthorized retention of fund***

As State Government has limited financial resources, planning should be made for optimum utilization of funds and returning of funds to Government not required. Large idle funds in a department deprive the other needy department the opportunity of getting allotment of fund. As per the instructions issued (October 2016) by Finance Department, Government of Gujarat, surplus fund with Government Company/Corporations, Institutes, Societies can be parked in GSFS and interest earned on these funds should be credited into receipt Head 0049 periodically to avoid loss of interest to Government.

Audit noticed that SHA has parked ₹ 10 crore received in 2014-15 as Construction Labour Welfare grant with GSFS since the year 2015. The grant was not utilized during 2015-22, and total interest of ₹ 6.93 crore was lying parked with GSFS. Non refund of ₹ 10 crore with accumulated interest of ₹ 6.93 crore resulted in unauthorized holding of fund.

The General Manager (AB PMJAY), Commissioner of Health, stated that necessary action would be taken in due course after deciding the requirement of funds. Timely surrender of unutilised funds would have enabled its utilisation under other budget heads.

**3.6.2.4 Grant given to Project Implementation Unit**

Project Implementation Unit (PIU), Gandhinagar is an organisation of H&FWD responsible for carrying out civil, electrical works of various buildings and campuses on behalf of various branches under Health and Family Welfare Department, and for maintenance and repair works of the buildings and connected works.

FD, Government of Gujarat issued (December 2018) instructions to all Boards, Corporations, Companies, organizations under Government for timely preparation of annual accounts. FD assigned the responsibility for monitoring the timely preparation of annual accounts of organizations to the administrative department concerned. The administrative departments were also instructed that at the time of allotment of grants these departments shall ensure that accounts of the organizations under their control have prepared annual accounts timely.

Audit noticed that PIU received funds from various branches of H&FWD for carrying out capital works and these were held up due to various reasons like lack of planning, non-allotment of land, etc. The overall position of funds received and utilised during 2019-22 was as shown in **Table 3.24** below:

**Table 3.24: Receipts and expenditure of PIU during 2019-22****(₹ in crore)**

Year	Funds received during the year	Funds utilised during the year	Balance fund accumulated
2019-20	966.98	660.45	306.53
2020-21	609.77	647.87	268.43
2021-22	1,387.08	724.88	930.63
<b>Total</b>	<b>2,963.83</b>	<b>2,033.20</b>	<b>1,505.59</b>

Source: Information provided by the Department

The PIU did not provide any reason for accumulated balances.

Audit further observed that PIU has not prepared its annual accounts from 2018-19 onwards.

Non preparation of annual accounts by PIU from 2018-19 onwards needs to be taken up immediately as it will bring accountability in respect of huge funds placed at its disposal. Non preparation of audited accounts entail the risk of misuse of public funds, fraud or misappropriation, etc.

### **3.6.2.5 Irregularities in operation of HLT 29 Epidemics Diseases Programme**

H&FWD is running HLT 29 Epidemics Diseases Programme under which various activities for prevention and control of epidemics are carried out. Grant for the programme is demanded under Demand No 39-2210-06-101-03 (plan), 95-2210-06-106-02(plan) and 96-2210-06-796-06 (plan). During scrutiny of grant allotment files for 2019-22, audit noticed that:

- List of Major and Minor Heads prescribes the steps to be taken by Departments for classification of various expenses. Explanation to classifications under 2210 (Medical and Public Health) -06 (Public Health) -101 (Prevention and control of diseases) clearly states that prevention and control of each major disease like Cholera, Leprosy, Malaria and Filaria etc. should be recorded under distinct sub heads with suitable detailed heads thereunder.

Though Non-Communicable diseases (NCD) do not come under epidemics, a provision of ₹ 50 lakh was made under HLT 29 for NCD every year for 2019-20 and 2020-21 and 2021-22. Similarly, budget provision of ₹ 20 lakh was made under HLT 29 for Thalassaemia every year during 2019-20, 2020-21 and 2021-22 though it is not an epidemics/communicable disease .

Provision for NCD and Thalassaemia could have been made under the general planning instead of under HLT 29 epidemics.

### **3.6.2.6 Misclassification of Capital Expenditure as Revenue Expenditure in Health and Family Welfare Department**

Government accounts are presented under six tier classification, viz., Major Heads (functions of Government), Sub-Major Heads (Sub-functions), Minor Heads (programmed/activities), Sub-Heads (schemes), Detailed Heads (sub-schemes) and Object Heads (purpose/object of expenditure). Budget preparation circular issued (September 2020) by Finance Department (FD) clearly states that object heads 5100-Motor Vehicles, 5200-Machinery and Equipment and 5300-Major Works have been provided for Acquisition of capital assets and other capital expenditure (Object Class-6). Budget provision of this expenditure in Revenue Heads of expenditure is not proper.

Audit observed that there was a provision of ₹ 25.00 crore and expenditure of ₹ 22.14 crore under these object heads during 2021-22 which were booked under Revenue expenditure in Grant 38, 39, and 40. Budget

provision/Classification of these items under Revenue expenditure is not proper as these are to be classified under capital expenditure as per the FD's circular. As a result, the details given in Statement 4, 5, 7, 8, 15, 16, 18, 19, Appendix II and III of Finance Accounts 2021-22 are affected as capital expenditure is understated and revenue expenditure is overstated.

### **3.6.2.7 Improper classification of Object head 6000 "Other Capital Expenditure" under Capital section Health and Family Welfare Department**

Budget Preparation Circular states (September 2020) that provision under object head '6000' Other Capital Expenditure was to be used for Object Class: "accounting adjustment" purposes which include depreciation, reserves, inter account transfer, writing off losses *etc.*

Audit observed that without provision under object head "6000 other capital expenditure" in 2021-22, there was expenditure of ₹ 4.70 crore under Grant 40. These expenditure needs to be classified under any one object head namely, 53 00 (Major works), 54 00 (Investments), 55 00 (Loans and Advances) 31 00 (Grant-in-Aid General) and 35 00 (Grant for creation of Capital Assets).

As a result, the details given in Statement 4B, 8, 10, 19, Appendix II and III of Finance Accounts 2021-22 are affected as capital expenditure is overstated and revenue expenditure is understated. Also, grants-in-aid given to Panchayats are understated.

## **3.7 Recommendations**

- State Government needs to formulate a realistic budget based on the needs of the Departments and their capacity to utilise the allocated resources.
- An appropriate control mechanism may be instituted by the Government to enforce proper implementation and monitoring of budget so that large savings within the Grant/Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.

# **CHAPTER IV**

## **Quality of Accounts and Financial Reporting Practices**



## **Chapter IV**

### **Quality of Accounts and Financial Reporting Practices**

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

#### **4.1 Non-parking of Fund in Public Accounts**

As per Government of India instructions (07 January 2005), funds of Regulatory Bodies have to be maintained in Public Accounts, but operated in such a manner as will protect their independent status. However, State Government notified (2 August 2005) Gujarat Electricity Regulatory Commission (GERC) Fund Rules, in accordance with which, the Commission has been parking surplus funds in Nationalised banks/ Gujarat State Financial Services Limited<sup>1</sup>. As on 31 March 2022, balance of GERC Fund was ₹ 309.56 crore.

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

The Commission stated (May 2022) that it may not remain independent and autonomous if it places its funds in the Public Accounts. It was further stated that placing the funds in Public Accounts would mean opening a Public Ledger Account, the operation of which draws unwarranted restrictions from the Government from time to time. This can cause unnecessary confusion and trouble and consequently the status of the Commission being autonomous and independent body shall not be maintained. The reply is not acceptable as the GoI instructions are mandatory in nature.

Thus, the Commission should take up the matter with State Government for amendment of GERC Fund Rules. It is breach of Article 266 (2) of the Constitution of India.

#### **4.2 Interest liability towards interest-bearing deposits**

The State Government has a liability to provide and pay interest on the amounts in the interest-bearing Deposits (Major Head of Accounts 8336 and 8342). However, the State Government did not provide budgetary allocation for

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<sup>1</sup> A Government of Gujarat Non-Banking Financial Corporation (NBFC)

interest payments under Major Head 2049 (revenue expenditure), although there were balances in these Deposits as on 31 March 2021, as indicated in **Table 4.1**.

**Table 4.1: Non-discharge of interest liability towards interest-bearing Deposits**

(₹ in crore)			
Sr. No.	Name of the interest-bearing Deposit	Balance as on 31 March 2021	Amount of interest not provisioned
1.	Deposit bearing interest (Other than Contributory Pension Scheme)	17.50	1.31
2.	State Compensatory Afforestation Deposit	1,314.75	44.04
<b>Total</b>			<b>45.35</b>

Source: Finance Accounts for the year 2021-22

Non-discharge of interest liability would lead to reflection of reduced revenue deficit and smaller closing balances under the relevant Deposit Account.

### 4.3 Funds transferred directly to State Implementing Agencies

The Central Government had been transferring funds directly to the State implementing agencies for implementation of various Schemes/programmes in social and economic sectors. As these funds were not routed through the State budget/State Treasury System, the Annual Finance Accounts did not capture flow of such funds. Thus, to that extent, the State's receipts, and expenditure as well as other fiscal variables/parameters derived from them did not present the complete picture.

With effect from 01 April 2014, GoI decided to release all assistance for Centrally Sponsored Schemes/Additional Central Assistance to the State Governments. In Gujarat, however, transfer of Central funds directly to the State implementing agencies continued even during 2021-22 (refer Appendix VI of Finance Accounts, Volume-II). Year-wise details of such transfers from 2017-18 to 2021-22 are shown in **Table 4.2**.

**Table 4.2: Funds transferred to State implementing agencies by GoI**

(₹ in crore)					
Direct transfers to State implementing agencies	2017-18	2018-19	2019-20	2020-21	2021-22
Funds transferred	7,510.45	10,026.44	11,659.35	14,210.99	20,496.91

Source: Finance Accounts for the respective year

During 2021-22, GoI released ₹ 20,496.91 crore directly to implementing agencies, of which, ₹ 13,670.48 crore was released to 'State Government Implementing Agencies' and ₹ 6,826.43 crore to 'Other than State Government Implementing Agencies'. These transfers do not include the financial assistance to Panchayati Raj Institutions and Urban Local Bodies as GIA as mentioned in **paragraph 2.4.2.5**. These transfers were made as per the scheme guidelines of the respective schemes. The Schemes involving major transfers of Central funds directly to State Implementing Agencies were Pradhan Mantri Kisan Samman Nidhi (₹ 3,599.45 crore), Metro-link Express for Gandhinagar and Ahmedabad (₹ 1,962.47 crore), Mahatma Gandhi National Rural Employment

Guarantee Scheme (₹ 1,176.78 crore), Member of Parliament Local Area Development Scheme (₹ 91 crore).

Details of various Agencies receiving ₹ 20,496.91 crore directly from the GoI during 2021-22 for implementing various developmental Schemes are shown in **Chart 4.1**.

**Chart 4.1: Implementing agencies that received funds directly from GoI during 2021-22**



Source: PFMS data for the year 2021-22

#### 4.4 Deposits of Local Funds

There were 282 Personal Ledger Accounts (PLAs) being operated by 33 District Development Offices and 249 Taluka Development Offices under Panchayats, Rural Housing and Rural Development Department. The transactions under Zila Parishad Fund and Panchayat Samiti Fund during the last five years (2017-22) are as shown in **Table 4.3**.

**Table 4.3: Deposits in local funds**

		(₹ in crore)				
Year		2017-18	2018-19	2019-20	2020-21	2021-22
Zila Parishad Fund (8448-109-11)	Opening Balance	9,249.79	8,940.69	8,263.03	8,821.48	9,646.29
	Receipts	23,364.03	24,485.22	23,210.91	24,110.28	23,921.08
	Expenditure	23,673.13	25,162.88	22,652.46	23,285.47	25,043.58
	Closing Balance	8,940.69	8,263.03	8,821.48	9,646.29	8,523.79
Panchayat Samiti Fund (8448-109-12)	Opening Balance	3,680.94	3,845.12	4,138.24	4,209.52	4,153.86
	Receipts	16,300.28	16,526.91	15,349.79	15,767.41	17,538.09
	Expenditure	16,136.10	16,233.79	15,278.51	15,823.07	16,486.20
	Closing Balance	3,845.12	4,138.24	4,209.52	4,153.86	5,205.75
<b>Closing Balance at the end of year</b>		<b>12,785.81</b>	<b>12,401.27</b>	<b>13,031.00</b>	<b>13,800.15</b>	<b>13,729.54</b>

Source: Finance Accounts of respective years

As can be seen from **Table 4.3**, PLAs had an opening balance of ₹ 13,800.15 crore as on 01 April 2021. Receipts during the year were ₹ 41,459.17 crore while disbursements were ₹ 41,529.78 crore, leaving unutilised balance of ₹ 13,729.54 crore at the end of March 2022.

#### 4.5 Delay in Submission of Utilisation Certificates

Gujarat Financial Rules<sup>2</sup>, 1971 read with General Financial Rules<sup>3</sup> provide that every Grant-in-Aid (GIA) made for a specified object is subject to the implied conditions such as, (i) the GIA shall be spent for the intended purpose, and within a reasonable time if no time-limit has been fixed by the sanctioning authority, and (ii) any portion of the GIA which is ultimately not required for expenditure for the purpose, shall be duly surrendered to the Government.

State Government authorities who have received conditional GIA are required to furnish Utilisation Certificates (UCs) to the Head of the Departments concerned about proper utilisation of GIA and after verification, these are required to be forwarded to the Principal Accountant General (A&E) within 12 months of the closure of the financial year in which the GIA was released, unless specified otherwise.

Audit scrutiny revealed that 4,563 UCs in respect of GIA aggregating ₹ 10,309.47 crore given to 19 Departments of the State Government from 2001-02 to 2020-21 had not been submitted. The status and age-wise details of delays in submission of UCs are given in **Table 4.4 and 4.5** respectively.

**Table 4.4: Status of submission of UCs as on 31 March 2022**

Year <sup>4</sup>	Number of UCs Outstanding	Amount (₹ in crore)
Up to 2019-20	2,137	1,988.62
2020-21	1,045	2,918.78
2021-22	1,381	5,402.07
<b>Total</b>	<b>4,563</b>	<b>10,309.47</b>

Source: Finance Accounts of 2021-22

**Table 4.5: Age-wise arrears in submission of UCs**

Sr. No.	Range of delay (in years)	UCs pending	
		Number	Amount (₹ in crore)
1.	0-1 (2020-21)	1,381	5,402.07
2.	1-3 (2018-20)	1,361	3,621.08
3.	3-5 (2016-18)	201	1,086.66
4.	5-7 (2014-16)	43	40.50
5.	7-9 (2012-14)	27	24.26
6.	11 and above (2001-12)	1,550	134.90
	<b>Total</b>	<b>4,563</b>	<b>10,309.47</b>

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

<sup>2</sup> Rule 154 and 155

<sup>3</sup> Rule 238 (1) of General Financial Rules, 2017

<sup>4</sup> The year mentioned above relates to "Due year" i.e., after 12 months of actual drawal.

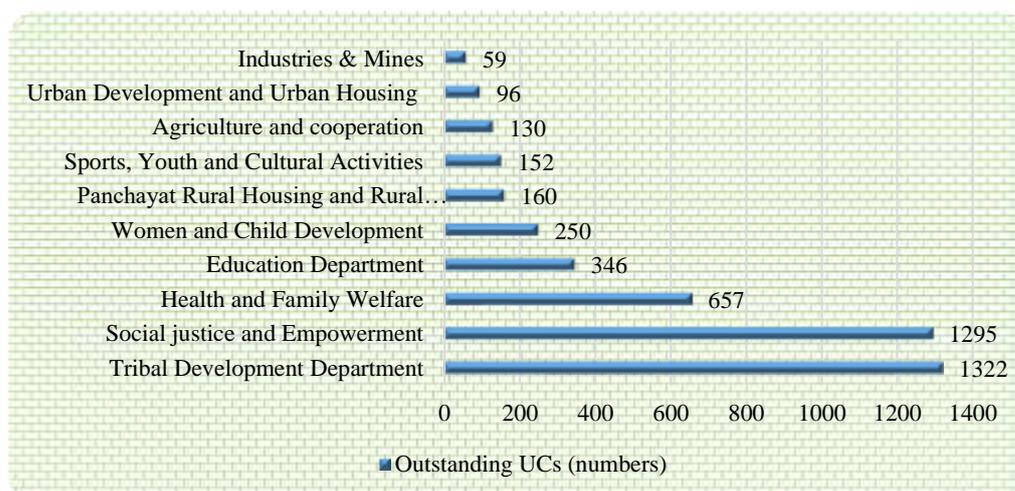
**Table 4.6: Year-wise break-up of pending UCs as on 31 March 2022**

Year	Number of UCs	(₹ in crore)
		Amount
2001-02	464	40.79
2002-03	694	35.27
2003-04	200	4.72
2004-05	67	3.40
2005-06	35	2.20
2006-07	14	3.12
2007-08	22	27.18
2008-09	7	1.24
2009-10	6	4.34
2010-11	35	12.37
2011-12	6	0.27
2012-13	3	0.40
2013-14	24	23.86
2014-15	26	31.43
2015-16	17	9.07
2016-17	64	511.77
2017-18	137	574.89
2018-19	316	702.30
2019-20	1,045	2,918.78
2020-21	1,381	5,402.07
<b>Total</b>	<b>4,563</b>	<b>10,309.47</b>

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

The year-wise break-up of pending UCs with amount is tabulated alongside in **Table 4.6**. The Table revealed that around 30 *per cent* of outstanding UCs pertained to years 2001-02, 2002-03, and 2003-04. Seventy two *per cent* of the pending UCs related to Tribal Development Department (1,322 UCs), Social Justice and Empowerment Department (1,295 UCs) and Health and Family Welfare Department (657 UCs). In the absence of UCs, there is also no assurance that moneys disbursed have been used for the purpose for which they were given. Moreover, high pendency of UCs was fraught with the risk of embezzlement, misappropriation, and diversion of funds. The State Government may fix responsibility for inordinate delays in submission of UCs.

Department-wise break-up of outstanding UCs for GIA paid up to 2020-21 is shown in **Appendix 4.1** while the status of outstanding UCs in 10 major Departments is indicated in **Chart 4.2**.

**Chart 4.2: Outstanding UCs in 10 major Departments for GIA paid up to 31 March 2021**

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

### 4.5.1 Recording of grantee institutions as “Others”

It is essential that the Government provides the details and nature of the grantee institution to which it is providing funds, in the interest of transparency of Accounts, if GIA constitute a significant portion of the total expenditure of the State.

In Gujarat, GIA constituted around 37 *per cent* of the State’s total expenditure during the last five years (2017-22). Further, though the Finance Accounts<sup>5</sup> of the State Government for the last five years showed increase<sup>6</sup> of Grants-in-aid released to various institutions classified under ‘Others’, the State Government did not devise any mechanism to assign codes to such institutions for monitoring the submission of UCs and verification of outstanding amount against each institution.

**Table 4.7** below shows the details of GIA released to ‘Others’ by the State Government during the last five years (2017-22).

**Table 4.7: Details of GIA released to ‘Others’ during 2017-22**

(₹ in crore)

Sl. No.	Year	Total expenditure	Total GIA released	GIA as percentage of total expenditure	GIA released to ‘Others’	GIA released to ‘Others’ as percentage of total GIA released
1.	2017-18	1,45,003.92	54,807.18	37.80	20,856.91	38.06
2.	2018-19	1,62,582.94	59,610.69	36.66	23,656.31	39.68
3.	2019-20	1,67,861.24	64,262.01	38.28	25,343.20	39.44
4.	2020-21	1,78,717.47	64,637.35	36.17	23,691.95	36.65
5.	2021-22	1,89,677.35	69,807.79	36.80	24,764.54	35.48

Source: Finance Accounts of respective years

As may be seen from **Table 4.7**, of the total GIA of ₹ 69,807.79 crore released during 2021-22, ₹ 24,764.54 crore (35 *per cent*) crore was released to various institutions classified under ‘Others’. The absence of details of grantees adversely affects the transparency of accounts and monitoring of submission of UCs against these GIA.

### 4.6 Abstract Contingent Bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers are not available at the time of drawal, are made on Abstract Contingent (AC) bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Contingent<sup>7</sup> (DC) bills to the Principal Accountant General (A&E) within a stipulated period of three months from the date of drawal of AC bills.

<sup>5</sup> Statement No. 10 and Appendix III of Finance Accounts

<sup>6</sup> From ₹ 20,856.91 crore in 2017-18 to ₹ 24,764.54 crore in 2021-22

<sup>7</sup> As per Rule 211 of Gujarat Treasury Rules, 2000

Over the years, drawal of funds on AC bills on large scale without carrying out their adjustment/settlement for long period (through submission of DC bills) had been a matter of concern.

As of 31 March 2022, 22 Departments of Government of Gujarat did not submit DC bills in respect of 3,167 AC Bills aggregating ₹ 272.90 crore as detailed in **Table 4.8**.

**Table 4.8: Status of pending DC bills against AC bills as of 31 March 2022**

(₹ in crore)

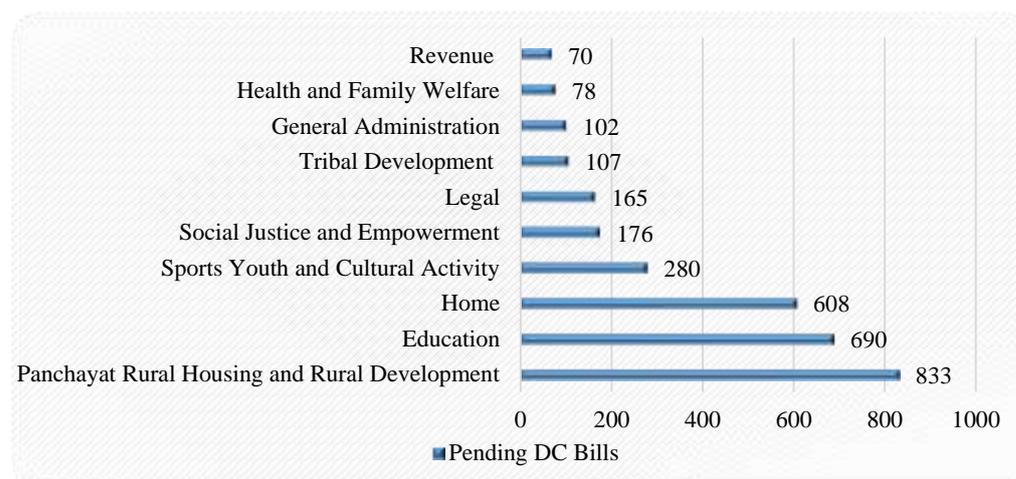
Year	AC bills drawn		DC bills received		Outstanding AC bills	
	No.	Amount	No.	Amount	No.	Amount
Up to 2020-21	3,650	553.13	1,763	482.28	1,887	70.85
2021-22	4,573	839.78	3,293	637.73	1,280	202.05
<b>Total</b>	<b>8,223</b>	<b>1,392.91</b>	<b>5,056</b>	<b>1,120.01</b>	<b>3,167</b>	<b>272.90</b>

Source: Data compiled by O/o the Principal Accountant General (A&E)

**Table 4.8** shows that out of 4,573 AC bills for ₹ 839.78 crore drawn in 2021-22, 528 AC bills (11.55 *per cent*) for ₹ 154.52 crore (18.40 *per cent*) were drawn in March 2022. Further, of the 528 AC bills drawn in March 2022, one AC bills for ₹ 2.00 lakh was drawn on the last day of the financial year.

The Department-wise details and year-wise details of pending DC bills up to 2021-22 are shown in **Appendix 4.2** and **Appendix 4.3** respectively. The status of pending DC bills in 10 major Departments is given in **Chart 4.3**.

**Chart 4.3: Pending DC Bills in 10 major Departments**



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

Sixty seven *per cent* of the pending DC bills related to Department of Panchayat, Rural Housing and Rural Development (833 Bills), Education (690 Bills) and Home (608 Bills). Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted to be correct or final.

## 4.7 Personal Deposit Accounts

A Personal Deposit (PD) Account is intended to facilitate an Administrator thereof to credit receipts into and effect withdrawals for a specific purpose. PD Account may be authorised to be opened only with the prior permission of the Department of the Government concerned. Transfer of funds to PD Accounts is booked under the service Major Heads concerned as final expenditure from the Consolidated Fund of the State. As per Rule 194 (4) of Central Government (Receipt and Payment) Rules, 1983, the Administrators are required to close such Accounts on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund, with the PD Accounts being reopened in the next year, if necessary.

**Table 4.9** provides the status of funds lying in PD Accounts on the last day of the financial year during 2017-22.

**Table 4.9: Parking of funds in Personal Deposit Accounts during 2017-22**

(₹ in crore)		
Year	No. of PD Accounts at the end of the year	Closing Balance
2017-18	482	447.41
2018-19	484	581.01
2019-20	465	795.41
2020-21	470	1,003.78
2021-22	471	989.57

Source: Finance Accounts of the State Government for the years 2017-22

The closing balances under PD Accounts have continuously increased from ₹ 447.41 crore in 2017-18 to ₹ 1,003.78 crore during 2020-21 but decreased to ₹ 989.57 crore in 2021-22. These Accounts were not closed at the end of the financial year and the balances were not credited to the Consolidated Fund of the State. There was no inoperative PD account as on 31 March 2022. All 471 Administrators of Personal Deposit Accounts had reconciled and verified their balances with the treasury figures.

Non-transfer of unspent balances lying in the PD Accounts to Consolidated Fund of the State entails the risk of misuse of public fund, fraud, and misappropriation.

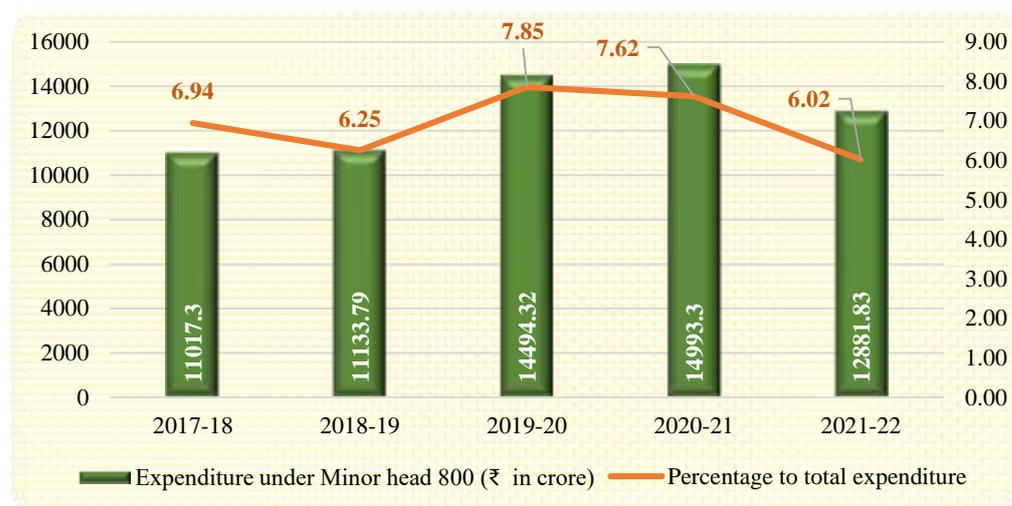
## 4.8 Indiscriminate use of Minor Head 800

The omnibus Minor Head 800 relating to Other Receipts/Other Expenditure is to be operated only in cases where the appropriate Minor Head has not been provided under a Major Head in the Accounts. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions and renders the Accounts opaque.

The Government of Gujarat has extensively operated the Minor Head during the five-year period 2017-22. During 2021-22, the State Government booked an expenditure of ₹ 12,881.83 crore under Minor Head 800 under 64 revenue and capital Major Heads of Account, constituting 6.02 *per cent* of the total expenditure of ₹ 2,14,113.36 crore. The extent of operation of Minor Head 800

- 'Other Expenditure' as a percentage of total expenditure during 2017-22 is as given in **Chart 4.4**.

**Chart 4.4: Operation of Minor Head 800 – 'Other Expenditure' during 2017-22**



**Chart 4.4** shows that the extent of operation of Minor Head 800 - 'Other Expenditure' as a percentage of total expenditure during 2017-22 ranged between 6.02 *per cent* and 7.85 *per cent*.

Instances of substantial proportion of expenditure (50 *per cent* or more) booked under Minor Head 800 – 'Other Expenditure' within a given Major Head during 2021-22 are as given in **Table 4.10**.

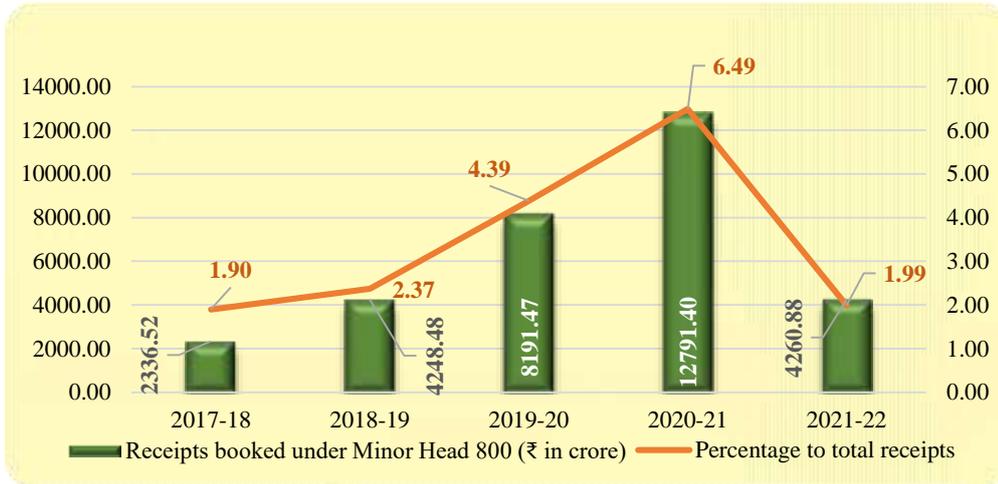
**Table: 4.10: Significant expenditure booked under Minor Head 800 – 'Other Expenditure' during 2021-22**

(₹ in crore)				
Sr. No.	Major Head	Expenditure under Major Head	Expenditure under Minor Head 800	Percentage
1	4236 Capital Outlay on Nutrition	22.20	22.20	100.00
2	6217 Loans for Urban Development	297.90	297.90	100.00
3	2075 Miscellaneous General Services	43.01	42.43	98.66
4	2852 Industries	3,098.92	2989.56	96.47
5	4875 Capital Outlay on Other Industries	349.99	326.92	93.41
6	4408 Capital Outlay on Food, Storage and Warehousing	15.55	12.79	82.25
7	2853 Non-ferrous Mining and Metallurgical Industries	212.33	148.29	69.84
8	3452 Tourism	75.84	50.13	66.10
9	2701 Medium Irrigation	194.67	121.00	62.15

Source: Finance Accounts of the State Government for the year 2021-22

The extent of operation of Minor Head 800- 'Other Receipts' as a percentage of total receipts during 2017-22 is as given in **Chart 4.5**.

Chart 4.5: Operation of Minor Head 800 – ‘Other Receipts’ during 2017-22



In case of receipts, the operation of Minor Head 800 ranged from 1.90 per cent of total receipts in 2017-18 to 6.49 per cent of total receipts during 2020-21. During 2021-22, the State Government classified receipts of ₹ 4,260.88 crore pertaining to 59 Major Heads, under the Minor Head 800 – ‘Other Receipts’ which constituted 1.99 per cent of the total receipt of ₹ 2,13,953.46 crore. Instances of substantial proportion of receipts (50 per cent or more) booked under Minor Head 800 – ‘Other Receipts’ within a given Major Head during 2021-22 are as given in **Table 4.11**.

**Table: 4.11: Significant receipts booked under Minor Head 800 – ‘Other Receipts’ during 2021-22.**

(₹ in crore)

Sr. No.	Major Head	Receipts under Major head	Receipts under Minor Head 800	Percentage
1	0575 Other Special Areas Programmes	18.73	18.92	100.97
2	0211 Family Welfare	1.49	1.49	100.00
3	0408 Food storage and warehousing	4.37	4.37	100.00
4	0801 Power	12.29	12.29	100.00
5	0810 Non-Conventional Sources of energy	100.93	100.93	100.00
6	1054 Roads and Bridges	35.64	35.43	99.41
7	0215 Water Supply and Sanitation	329.32	327.07	99.32
8	0235 Social Security and welfare	9.20	9.12	99.14
9	0401 Crop Husbandry	101.66	99.58	97.95
10	0702 Minor Irrigation	76.20	72.97	95.77
11	0435 Other Agricultural Programmes	1.31	1.25	95.64
12	0404 Dairy Development	1.80	1.61	89.75
13	0071 Contribution and Recoveries towards Pension and Other Retirement Benefits	67.86	56.39	83.10

Sr. No.	Major Head	Receipts under Major head	Receipts under Minor Head 800	Percentage
14	0515 Other Rural Development Programmes	49.91	40.89	81.93
15	0406 Forestry and Wild Life	33.72	27.04	80.20
16	0049 Interest Receipts	991.90	783.85	79.03
17	0210 Medical and Public Health	1601.17	1264.01	78.94
18	0220 Information and Publicity	1.68	1.29	77.15
19	0059 Public Works	46.94	35.34	75.29
20	0035 Taxes on Immovable Property other than Agricultural Land	300.76	197.87	65.79
21	0852 Industries	99.97	65.60	65.61
22	0250 Other Social Services	195.12	122.26	62.66
23	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes, OBC and Minorities	36.43	21.82	59.89
24	0216 Housing	31.84	18.91	59.39
25	1475 Other General Economic Services	84.77	49.77	58.71
26	0405 Fisheries	17.30	9.88	57.07

Source: Finance Accounts of the State Government for the year 2021-22

Omnibus Minor Head 800 relating to Other Receipts/Other Expenditure is to be operated only in cases where the appropriate minor head has not been provided under a Major Head in the accounts. Booking under Minor Head 800 even when suitable minor head is available under the same Major Head/ Other Major Head adversely impacts the transparency of accounts. A few instances noticed in Audit of inappropriate use of Minor Head 800 where suitable minor head was available are given in **Table 4.12**:

**Table: 4.12: Few Instances of inappropriate use of Minor Head 800 where suitable minor head was available during 2021-22**

(₹ in crore)				
Sr. No.	Budget Head	Budget Provision under Head	Expenditure	More appropriate Minor Head under the same Major Head
1	2801-Power 80-General 800-Other expenditure 03-PWR-25-Assistance to Sardar Patel Renewable Energy Research Institute	1.00	1.00	<b>Under</b> 2810-New and Renewable energy 00 104-Research, Design & Development in Renewable Energy
2	2852-Industries 80-General 800-Other expenditure 24-IND-5 Promotional Efforts for Industrial Development	44.94	140.38	<b>Under</b> -2852-80 104-Industrial Promotion
3	2852-Industries	1,564.40	1,960.00	<b>Under</b> - 2852-Industries

Sr. No.	Budget Head	Budget Provision under Head	Expenditure	More appropriate Minor Head under the same Major Head
	80-General 800-Other expenditure 26-IND-9 Development of textile Industries			08-consumer industries 202- Textiles
4	5054-Capital outlay on Roads and Bridges 04-Districts and Other roads 800-Other expenditure 06-RBD-102 Rural roads	5.00	7.96	<b>Under-5054-04</b> 337-Road works
5	5054-Capital outlay on Roads and Bridges 80-general 800-Other expenditure 01-RBD-103 Planning and Research	1.5	1.50	<b>Under-5054-Capital outlay on Roads and Bridges</b> 80-general 004-Research
6	2515-Other Rural Development Programmes 800-Other expenditure 11-CDP-7 Payment of Central Assistance for Strengthening of Panchayati Raj Institutions on the recommendation of Finance Commission.	1,802.43	904.23	<b>Under-2515-other rural development programmes</b> 101-Panchayati Raj
7	2202-General education 01-Elementary education 800-other expenditure 01-Assistance to Local Bodies for Primary Education for Education Cess	225.00	225.00	<b>Under-2202-General education</b> 01-Elementary education 103- Assistance to local bodies for primary education

Source: Appropriation Accounts for the year 2021-22

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

#### 4.9 Outstanding Balances under Major Suspense and Debt, Deposit and Remittances Heads

Suspense heads are opened in Government Accounts to reflect transactions which cannot be booked to a final Head of Account for some reason or the other. These Heads of Accounts are finally cleared by minus debit or minus credit when the amounts under them are booked to their respective final Heads of Accounts. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated, resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these Heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works and Forest Divisions *etc.*

The net balances under major Suspense and Remittance Heads for last three years are as given in **Table 4.13**.

**Table 4.13: Balances under Suspense and Remittance Heads**

(₹ in crore)

Minor Head	2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>Major Head 8658 – Suspense</b>						
101 - PAO suspense	166.57	(-)5.17	210.39	2.59	140.81	1.06
<b>Net</b>	<b>Dr. 171.74</b>		<b>Dr. 207.80</b>		<b>Dr. 139.75</b>	
102 - Suspense Account-Civil	245.71	311.51	9.94	61.97	(-)8.45	(-)12.41
<b>Net</b>	<b>Dr. 65.80</b>		<b>Cr. 52.03</b>		<b>Dr. 3.96</b>	
109 - Reserve Bank Suspense – Headquarters	0.90	0.03	1.15	0.01	0.32	(-)0.04
<b>Net</b>	<b>Dr. 0.87</b>		<b>Dr. 1.14</b>		<b>Dr. 0.36</b>	
110 - Reserve Bank Suspense - CAO	206.27	0.01	202.73	0.01	201.32	(-)0.02
<b>Net</b>	<b>Dr. 206.26</b>		<b>Dr. 202.72</b>		<b>Dr. 201.34</b>	
112 - Tax Deducted at Source (TDS) Suspense	0.00	9.32	0.00	38.77	0.00	49.51
<b>Net</b>	<b>Cr. 9.32</b>		<b>Cr. 38.77</b>		<b>Cr. 49.51</b>	
123 - A.I.S Officers' Group Insurance Scheme	0.40	0.18	0.46	0.37	0.27	0.28
<b>Net</b>	<b>Cr. 0.22</b>		<b>Dr. 0.09</b>		<b>Cr. 0.01</b>	
<b>Major Head 8782- Remittances</b>						
102 - P.W. Remittances	18,395.78	19,137.14	18,555.38	19,441.43	19,677.19	20,581.17
<b>Net</b>	<b>Cr. 741.36</b>		<b>Cr. 886.05</b>		<b>Cr. 903.98</b>	
103 - Forest Remittances	944.50	1,011.57	1,096.28	1,150.27	1,215.40	1,345.30
<b>Net</b>	<b>Cr. 67.07</b>		<b>Cr. 53.99</b>		<b>Cr. 129.90</b>	
108 Other Remittances	87.07	102.64	95.98	109.96	90.47	105.13
<b>Net</b>	<b>Cr. 15.57</b>		<b>Cr. 13.98</b>		<b>Cr. 14.66</b>	

Source: Finance Accounts for the year 2021-22

### *Pay and Accounts Office Suspense*

This Minor Head is operated for settlement of inter-Departmental and inter-Governmental transactions arising in the books of Pay and Accounts Offices (PAOs) and the Principal Accountant General (A&E). Transactions under this Minor Head represent either recoveries that have been affected or payments that

have been made by an Accounts Officer on behalf of another Accounts Officer against whom the Minor Head 'PAO Suspense' has been operationalised. 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 the Minor Head would mean that payments have been made by the Principal Accountant General (A&E) on behalf of a PAO, which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the Principal Accountant General (A&E) on behalf of a PAO, which are yet to be repaid/adjusted (November 2022).

The net debit balance under this head decreased from ₹ 207.80 crore in 2020-21 to ₹ 139.75 crore in 2021-22.

#### ***Suspense Accounts (Civil)***

This transitory Minor Head is operated for accounting of 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, 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 that payments were made which could not be debited to the final expenditure Head for want of details like vouchers. Outstanding credit balance would mean that amounts were received which could not be credited to the final receipt head for want of details.

The net debit balance as on 31 March 2022 under this Head was ₹ 3.96 crore, indicating that necessary details for classification of final receipt Head were not received.

#### ***Reserve Bank Suspense-Central Accounts Office***

This Head is operated for recording inter-Governmental transactions where monetary settlement between cash balances of two Governments is done by sending advice to the Central Accounts Section of the Reserve Bank of India (RBI).

This Head is cleared by transferring the amount to the final Head of Account on receipt of intimation of the monetary settlement having been carried out by the RBI. The main transactions which get settled through this Suspense Head are grants/loans received from the GoI and their repayments, discharge of securities and interest paid thereon by the Public Debt Offices of RBI, and payments made by the Director General of Supplies and Disposals for materials supplied to Government Departments.

As on 31 March 2022, debit balance under this Head was ₹ 201.34 crore.

#### 4.10 Reconciliation of Departmental Figures

Financial Rules stipulate that receipts and expenditure recorded in the books of accounts of Controlling Officers (COs) be reconciled by them every month during the financial year with those recorded in the books of the Principal Accountant General (A&E). This enables the COs to (a) exercise effective control over expenditure, (b) manage their budgetary allocation efficiently, and (c) ensure accuracy of their accounts.

While 87.09 per cent of the receipts and 91.46 per cent of the disbursements were reconciled during 2020-21, this increased to 95.57 per cent for receipts and 94.62 per cent for disbursements during 2021-22.

#### 4.11 Reconciliation of Cash Balances

As on 31 March 2022, there was a difference of ₹ 5.07 crore (Net Credit), between the Cash Balance of the State Government, as per the books of Accounts of the Principal Accountant General (A&E), and the Cash Balance as reported by the RBI. The difference of ₹ 5.07 crore is due to erroneous reporting by the Agency Banks, Treasuries, RBI EDP Centre at Mumbai, and other miscellaneous reasons.

#### 4.12 Compliance with Indian Government Accounting Standards

The Government Accounting Standards Advisory Board (GASAB), set up by the C&AG in 2002, has been formulating standards for Government accounting and financial reporting, to enhance accountability mechanisms. As of March 2022, three Indian Government Accounting Standards (IGAS) have been notified. The details of these standards and the extent of compliance to these by the Government of Gujarat in its financial statements for the year 2021-22 are given in **Table 4.14**.

**Table 4.14: Compliance with Indian Government Accounting Standards**

IGAS	Essence of IGAS	Status	Impact of non-compliance
<b>IGAS 1</b> <i>Guarantees given by Government – Disclosure requirements</i>	This standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Partly complied	While the State Government has disclosed the maximum amount of guarantees given during the year, Sector-wise break-up of guarantee fee receivable has not been provided by the State Government. The reconciliation of guarantees has not been done by the Departments.
<b>IGAS 2</b> <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the	Complied	During 2021-22, Government of Gujarat has correctly budgeted for and booked Grants-in-aid under the Revenue Section.

IGAS	Essence of IGAS	Status	Impact of non-compliance
	grantee, irrespective of the end use.		
<b>IGAS 3</b> <i>Loans and Advances made by Government</i>	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices.	Partly complied	The State Government is required to confirm the loan balances and recoveries in arrears and loans sanctioned in perpetuity. Though the State Government has provided information relating to recoveries as on 31 March 2022, it has not confirmed the outstanding loan balances as well as 'loans in perpetuity' despite constant pursuance.

#### 4.13 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

Several Autonomous Bodies (ABs) have been set up by the State Government in the fields of development, housing, *etc.* These ABs are audited under Section 19(2), 19(3) and 20(1) of the C&AG's (DPC) Act, 1971. Accounts of 70 such ABs in the State are audited by the C&AG. Separate Audit Reports (SARs) in respect of each of the 70 ABs are required to be submitted to the State Government while SARs in respect of 43 of 70 ABs are required to be placed in the State Legislature.

Only three of 70 ABs have submitted Accounts for the year 2021-22 while in case of 67 ABs, Accounts were in arrears. The status of Accounts received<sup>8</sup> and placement of SARs in the State Legislature in respect of 70 ABs is shown in **Appendix 4.4**.

Break-up of delays in submission of Accounts (67 ABs) and tabling of SARs in Legislature (37 ABs) are shown in **Table 4.15**.

**Table 4.15: Delay in submission of Accounts and tabling of SARs in Legislature**

Submission of Accounts for Audit		Tabling of SAR in Legislature	
Period of delay (up to June 2022)	Number of Autonomous Bodies	Delay	Number of Autonomous Bodies
Up to 1 year	23	Up to 1 year	12
2 years	14	1 – 2 years	07
More than 2 years	30	More than 2 years	18
<b>Total</b>	<b>67</b>	<b>Total</b>	<b>37</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit I) and Accountant General (Audit II)

<sup>8</sup> Accounts are to be submitted by ABs within three months of closure of financial year *i.e.*, by 30 June every year.

Inordinate delay in submission of Accounts and tabling of SARs in the State Legislature resulted in delayed scrutiny of functioning of these Bodies, where Government investments are made. Further, necessary remedial action, if any, required to be taken by the Government was also delayed.

#### 4.14 Non-submission of details of loans and grants given to Bodies and Authorities

Based on Accounts furnished by different ABs, audit under Section 14 of the C&AG's (DPC) Act, 1971 is conducted. There are 236 ABs covered under this Section.

A total of 279 Accounts (including those of earlier years) of 113 ABs were audited during 2021-22. Four<sup>9</sup> ABs have submitted their accounts for the period 2021-22 (November 2022). However, 733 Annual Accounts of 236 ABs due<sup>10</sup> up to 2021-22 were not received (November 2022) by Offices of the Principal Accountant General (Audit-I) and Accountant General (Audit-II), Gujarat.

Details of 236 ABs which did not furnish Accounts are given in **Appendix 4.5** and their age-wise pendency is as shown in **Table 4.16**.

**Table 4.16: Age-wise arrears of Annual accounts due from Government Bodies**

Sr. No.	Pendency in number of years	Number of the Bodies/Authorities
1.	Less than one year	101
2.	1-3	86
3.	3-5	21
4.	5-10	17
5.	Above 10	11
<b>Total</b>		<b>236</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit I) and Accountant General (Audit II)

**Table 4.16** above shows that the accounts of 28 ABs were in arrears for more than five years. In the absence of Annual Accounts, the accounting/utilisation of grants and loans disbursed to these bodies/authorities could not be verified by Audit.

Non-submission of information regarding grants and loans paid to various institutions and non-furnishing of Accounts by them increase the risk of mis-utilisation of the funds. The Finance Department needs to keep a watch on such transfers.

#### 4.15 Timeliness and Quality of Accounts

The Accounts of the State Government are compiled by the Principal Accountant General (A&E) from the initial Accounts rendered by 33 District Treasuries, 157 Public Works Divisions and 73 Forest Divisions, compiled Accounts of Pay and Accounts Offices at Gandhinagar and Ahmedabad and

<sup>9</sup> Forest Development Agency at Kheda; Forest Development Agency at Gir East; Suraksha Setu Society, Kheda; and Gujarat Information Commission, Gandhinagar.

<sup>10</sup> on 31 July 2022

advices of the RBI. The Accounts are compiled from the vouchers, initial and subsidiary Accounts rendered by the Treasuries and other Account-rendering units and there was no pendency in receipt of Accounts.

#### 4.16 Misappropriations, losses and defalcations

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer.

The State Government reported 178 cases of misappropriation, losses, defalcation *etc.* involving Government money of ₹ 28.20 crore (up to March 2022) on which final action was pending. Department-wise/category-wise details of losses due to theft, misappropriation/loss of Government material and fire/accidents pending at the end of March 2022 are given in **Appendix 4.6**. These are summarised in **Table 4.17**.

**Table 4.17: Details of theft, misappropriation and fire cases**

Category/Types	Number of cases	Amount involved (₹ in crore)
Theft	47	0.51
Misappropriation/loss of Government Material	107	25.78
Fire/Accident Cases	24	1.91
<b>Total</b>	<b>178</b>	<b>28.20</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit I) and Accountant General (Audit II) from the data furnished by the concerned Departments.

The age profile of 178 pending case is summarised in **Table 4.18**.

**Table 4.18: Age profile of misappropriation, losses and defalcation cases**

Range of years	Number of cases	Amount (₹ in crore)
Up to 5	31	12.75
5 – 10	40	7.40
10 – 15	13	0.33
15 – 20	16	6.67
20 – 25	14	0.21
25 and above	64	0.84
<b>Total</b>	<b>178</b>	<b>28.20</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit I) and Accountant General (Audit II) from data furnished by concerned Departments.

Of the 178 pending cases, 95 cases (53 *per cent*) pertained to three Departments i.e. 42 cases pertained to Forest and Environment Department, 28 cases pertained to Narmada, Water Resources, Water Supply and Kalpsar Department and 25 cases pertained to Revenue Department.

First Information Reports (FIRs) were lodged in 132 of 178 cases. In the remaining 46 cases<sup>11</sup>, Departmental proceedings were under progress (November 2022). The concerned Departments need to file FIRs in these cases at the earliest.

Reasons for pendency of misappropriation, losses and defalcation are listed in **Table 4.19**.

**Table 4.19: Reasons for pendency of misappropriation, losses and defalcation**

Sr. No.	Reasons for the delay/outstanding pending cases	Number of cases	Amount (₹ in crore)
1.	Awaiting Departmental and criminal investigation	18	10.77
2.	Departmental action initiated but not finalized	30	2.58
3.	Criminal proceedings finalized but execution of certificate for the recovery of the amount pending	6	0.67
4.	Awaiting orders for recovery or write off	61	4.02
5.	Pending in the courts of law	57	10.09
6.	Others	6	0.07
<b>Total</b>		<b>178</b>	<b>28.20</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit I) and Accountant General (Audit II) from the data furnished by the concerned Departments.

#### 4.17 Follow-up action on State Finances Audit Report

Though the Audit Reports of the C&AG on State Finances are being prepared and presented to the State Legislature from the year 2008-09 onwards, these have not been taken up by the Public Accounts Committee for discussion.

#### 4.18 Conclusion

Indiscriminate operation of omnibus Minor Head 800 – Other Expenditure affected transparency in financial reporting and obscured analysis of allocative priorities and quality of expenditure.

Non-submission of 4,563 Utilisation Certificates amounting to ₹ 10,309.47 crore within the specified period not only weaken the financial accountability mechanism but also indicate failure of the departmental officers to comply with the rules and procedures to ensure timely utilisation of grant for the intended purpose.

Non-adjustment of AC bills for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.

<sup>11</sup> Forest and Environment – 21 cases; Health and Family Welfare – 01 case; Narmada, Water Resources, Water Supply and Kalpsar – 17 cases; Roads and Buildings – 05 cases; Education – 01 case; and Panchayat, Rural Housing and Rural Development – 01 case.

Non-submission of Accounts by Autonomous Bodies and Authorities violated the prescribed financial rules and directives. These point to inadequate internal controls and deficient monitoring mechanism of the State Government.

#### **4.19 Recommendations**

- State Government needs to institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures regarding submission of Utilisation Certificates.
- The State Government should conduct a comprehensive review of all items presently appearing under Minor Head '800' and ensure that all such receipts and expenditure are booked under the appropriate heads of account.

# **CHAPTER V**

## **Financial Performance of State Public Sector Undertakings**



# **Chapter V**

## **Financial Performance of State Public Sector Undertakings**

### **5.1 Introduction**

This Chapter presents the summary of financial performance of Government Companies, Government Controlled Other Companies and Statutory Corporations of Government of Gujarat as revealed from their accounts/information furnished by them and results of oversight role of the Comptroller & Auditor General of India (CAG). It highlights some of significant comments issued as a result of supplementary audit of the Financial Statement (FS) of the State Public Sector Undertakings conducted by the CAG and the impact of comments issued by the CAG on the financial statements received during the current year in respect of the Statutory Corporations.

State Public Sector Undertakings (SPSUs) are established by Governments to carry out activities of commercial nature for the development of the State and to cater to the welfare of its people.

A Government Company is defined in Section 2 (45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

The Statutory Corporations are established by State Government and governed by their respective legislations.

Besides, any other company<sup>1</sup> owned or controlled, directly or indirectly, by the Central Government or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Other Companies.

In this Report, SPSUs encompass Government Companies, Government Controlled Other Companies and Statutory Corporations of Government of Gujarat (GoG).

#### **5.1.1 Mandate**

CAG of India appoints the Statutory Auditors for Government Companies and issue directions on the manner in which the FSs are to be audited under Sections 139 (5) and (7) the Companies Act, 2013. Audit of Government Companies and Government Controlled Other Companies is conducted by the CAG of India under Section 143 of the Companies Act, 2013 read with Section 19 of the CAG (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made

<sup>1</sup> Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs (04.09.2014).

there under. CAG of India has the right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the Statutory Auditors under Section 143 of the Companies Act, 2013.

The statutes governing Statutory Corporations also require that their FSs be audited by the CAG of India and a report be submitted to the State Legislature.

### 5.1.2 Number of SPSUs and status of Financial Statements

At the beginning of the year 2021-22, there were 97 SPSUs in Gujarat under the jurisdiction of C&AG of India for audit. During the financial year 2021-22, three<sup>2</sup> SPSUs came under the audit jurisdiction of CAG of India. As a result, the number of SPSUs under the jurisdiction of CAG of India stood at 100 in Gujarat. These included 64 Government Companies (GC) (including 12 inactive companies), four Statutory Corporations<sup>3</sup> and 32 Government Controlled Other Companies (GCOC) (including four inactive companies) as on 31 March 2022. Out of the 64 GCs, two are listed companies<sup>4</sup>. Similarly, Statutory Corporations included one listed Corporation<sup>5</sup> and GCOC included two listed companies<sup>6</sup>. The 100 SPSUs are listed in **Appendix 5.1**. Out of the 12 inactive GC, six<sup>7</sup> are under liquidation as at the beginning of 2021-22. Further, no GC went under liquidation in F.Y. 2021-22.

The financial performance of the 100 SPSUs, based on the latest finalised financial statements (FSs) received till 30 September 2022 and as per information received from SPSUs, is covered in this Report. The nature of SPSUs and the position of FSs of these SPSUs as on 30 September 2022 are given in **Table 5.1**.

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<sup>2</sup> G-Ride Bedi Port Rail Limited, Smart ICT Services Private Limited and Gujarat Education Technologies Limited.

<sup>3</sup> Gujarat State Financial Corporation, Gujarat Industrial Development Corporation, Gujarat State Warehousing Corporation and Gujarat State Road Transport Corporation.

<sup>4</sup> Gujarat Mineral Development Corporation Limited and Gujarat State Investments Limited.

<sup>5</sup> Gujarat State Financial Corporation.

<sup>6</sup> Gujarat Gas Limited and Gujarat State Petronet Limited.

<sup>7</sup> Alcock Ashdown (Gujarat) Limited, Gujarat Communication and Electronics Limited, Gujarat Leather Industries Limited, Gujarat State Construction Corporation Limited, Gujarat Small Industries Corporation Limited and Gujarat State Textile Corporation Limited.

Table 5.1: Coverage and nature of SPSUs

Sl. No.	Nature of SPSUs	Total SPSUs	Number of SPSUs of which FSs received during the reporting period <sup>8</sup>				Number of SPSUs of which FSs are in arrears (total FSs in arrear) as on 30 September 2022
			2021-22	2020-21	2019-20	Total	
1.	Government Companies (GC)	52	17	14	4	35	35 (64)
2.	Inactive Government Companies	12	1	1	-	2	10 (54 <sup>9</sup> )
3.	Total GC (1+2)	64	18	15	4	37	45 (118)
4.	Statutory Corporations	4	1	1	-	2	3 (11)
5.	Total (3+4)	68	19	16	4	39	48 (129)
6.	Government Controlled Other Companies (GCOC)	28	23	1	-	24	4 (4)
7.	Inactive Government Controlled Other Companies	4	1	-	-	1	3 (24)
8.	Total GCOC (6+7)	32	24	1	-	25	7 (28)
9.	Grand Total (5 + 8)	100	43	17	4	64	55 (157)

Source: Information compiled as per the latest finalised financial statements received from SPSUs.

### 5.1.3 Summary of financial performance of SPSUs

The Details of financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies is given in **Appendix 5.2**. Summary of financial performance of SPSUs is given in **Table 5.2**:

Table 5.2: Summary of financial performance of SPSUs as on 30 September 2022

Particulars	No. of SPSUs	Amount (₹ in crore)
<b>Government Companies and Statutory Corporations</b>		
Number of State PSUs	68	-
Paid-up capital (including share application money pending allotment)	67 <sup>10</sup>	1,25,160.60
Long-term loans	35	19,319.57
Net profit after tax	43	4,211.26
Net loss after tax	16	1,487.59
Zero profit/ loss	8	--
Dividend Paid	3	149.52
Total assets	67	3,07,254.73

<sup>8</sup> 16 December 2021 to 30 September 2022.

<sup>9</sup> This includes 11 FSs of Gujarat Foundation for Mental Health and Allied Sciences which presented its financial statement upto 2010-11. The SPSU become inactive since 2012-13. Thus, FS of the SPSU is shown in arrear since 2012-13 to 2021-22.

<sup>10</sup> Excludes one SPSU Gujarat Education Technologies Limited whose first financial statement is awaited.

Particulars	No. of SPSUs	Amount (₹ in crore)
Net worth	67	1,41,514.64
<b>Government Controlled Other Companies</b>		
Number of State PSUs	32	-
Paid-up capital (including share application money pending allotment)	32	7,078.32
Long-term loans	11	7,930.37
Net profit after tax	18	2,845.33
Net loss after tax	14	264.04
Zero profit/loss	-	-
Dividend Paid	1	9.00
Total assets	32	38,324.53
Net worth	32	20,192.43

Source: Information compiled as per latest finalised financial statements received from SPSUs.

## 5.2 Contribution of SPSUs to the Economy of the State

The ratio of turnover of the SPSUs to the Gross State Domestic Product (GSDP) shows the contribution of SPSUs to the economy of the State.

On the basis of nature of activities undertaken, Government Companies and Statutory Corporations have been categorized into five sectors. Sector wise turnover *vis-à-vis* share of turnover of these SPSUs in GSDP of Gujarat during three years period ended 31 March 2022 are given in **Table 5.3**:

**Table 5.3: Details of turnover of SPSUs *vis-à-vis* GSDP of GoG**

(₹ in crore)				
Sl. No.	Sector	2019-20	2020-21	2021-22
1	Power	1,10,297.90	1,05,661.08	1,20,127.13
2	Finance	3,628.82	3,214.91	2,891.74
3	Service	8,461.01	8,367.31	8,526.24
4	Infrastructure	2,319.62	2,461.97	2,571.21
5	Others <sup>11</sup>	17,928.06	16,141.71	28,275.68
<b>Total turnover</b>		<b>1,42,635.41</b>	<b>1,35,846.98</b>	<b>1,62,392.00</b>
GSDP of Gujarat		16,29,638.00	16,55,917.00	19,44,107.00
Percentage of turnover to GSDP of Gujarat		<b>8.75</b>	<b>8.20</b>	<b>8.35</b>

Source: GSDP figures are as per Finance Accounts of GoG of respective years and turnover figures are as per latest finalised financial statements received from SPSUs.

The contribution of SPSUs to GSDP of Gujarat declined from 8.75 *per cent* in 2019-20 to 8.35 *per cent* in 2021-22 though the turnover of these SPSUs increased by 13.85 *per cent* during 2021-22 compared to turnover in 2019-20. During the last three years, the compounded annual growth rate (CAGR) of GSDP was 9.22 *per cent*, while the CAGR of turnover was 6.70 *per cent*.

<sup>11</sup> 'Others' includes Gujarat State Petroleum Corporation Limited, which has earned major revenue during previous four Financial years from gas trading business (98 *per cent* in 2021-22). Since it is not carrying on its core business of petroleum extraction and exploration, therefore, it has been categorised as 'Others'.

During 2021-22, the SPSUs in Power Sector have contributed maximum turnover constituting 73.97 per cent of the total turnover.

### Investments in Government Companies and Statutory Corporations and budgetary support

#### 5.2.1 Investment in SPSUs

The amount of equity and loans in 67 Government Companies and Statutory Corporations as at the end of 31 March 2022 is given in **Table 5.4**.

**Table 5.4: Equity<sup>12</sup> and long-term loans in SPSUs**

Sources of investment	As on 31 March 2021			As on 31 March 2022		
	Equity	Long-term loans	Total	Equity	Long-term loans	Total
State Government	98,352.91	5,970.64	1,04,323.55	98,775.80	5,933.27	1,04,709.07
Central Government	1,554.16	41.33	1,595.49	1,850.16	91.00	1,941.16
SPSUs	13,280.62	6,123.56	19,404.18	13,948.47	4,911.75	18,860.22
Others <sup>13</sup>	5,387.29	8,362.78	13,750.07	5,862.58	8,383.55	14,246.13
<b>Total</b>	<b>1,18,574.98</b>	<b>20,498.31</b>	<b>1,39,073.29</b>	<b>1,20,437.01</b>	<b>19,319.57</b>	<b>1,39,756.58</b>
Percentage of investment of State Government to Total investment	82.95	29.13	75.01	82.01	30.71	74.92

Source: Information compiled as per latest finalised financial statements received from SPSUs.

Out of the total Equity holding, the Equity held by the State Government constituted 82.01 per cent during the year 2021-22.

Further, Government Controlled Other Companies had equity of ₹ 7,016.85 crore as on 31 March 2022, out of which State Government equity investment was ₹ 374.50 crore.

The Sector wise investment of State Government in Government Companies and Statutory Corporations during 2020-21 to 2021-22 is given in **Table 5.5**:

**Table 5.5: Sector wise investment of State Government in Government Companies and Statutory Corporations**

Nature of Sector	2020-21			2021-22		
	Equity	Loans	Total	Equity	Loans	Total
Power	25,504.39	888.58	26,392.97	25,504.39	808.07	26,312.46
Finance	1,547.62	1,340.83	2,888.45	1,547.62	1,340.83	2,888.45
Service	3,499.53	3,260.05	6,759.58	3,499.53	3,260.05	6,759.58
Infrastructure	67,340.10	141.50	67,481.60	67,762.99	184.64	67,947.63
Others	461.27	339.68	800.95	461.27	339.68	800.95
<b>Total</b>	<b>98,352.91</b>	<b>5,970.64</b>	<b>1,04,323.55</b>	<b>98,775.80</b>	<b>5,933.27</b>	<b>1,04,709.07</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

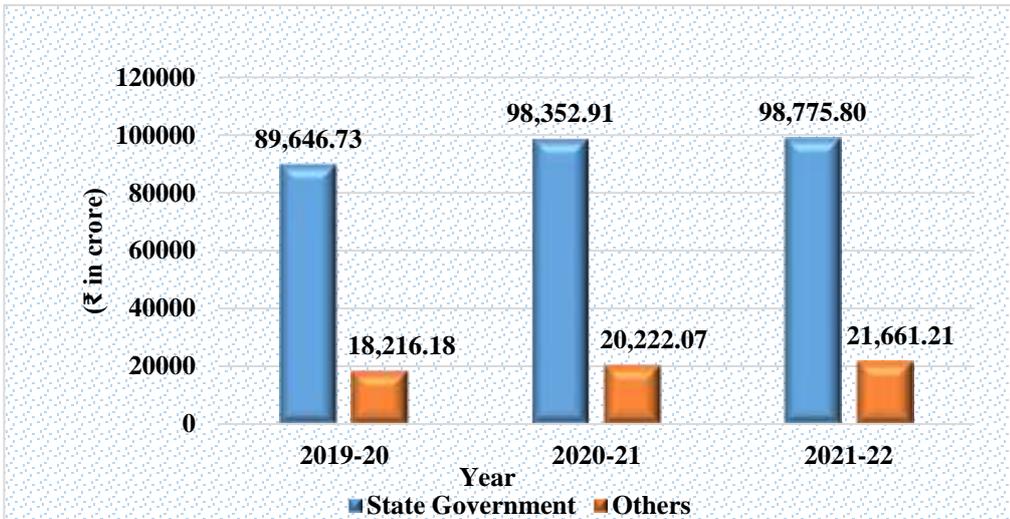
<sup>12</sup> Equity does not include 'share application money' of ₹ 4,723.59 crore pending allotment.

<sup>13</sup> Financial Institutions, Banks and Central SPSUs.

As on 31 March 2022, State Government’s total investment of ₹ 1,04,709.07 crore in Government Companies and Statutory Corporations comprised of equity capital ₹ 98,775.80 crore (94.33 per cent) and long-term loans of ₹ 5,933.27 crore (5.67 per cent). The thrust of State Government’s equity investment was mainly in Infrastructure Sector which constituted 68.60 per cent during 2021-22.

Holding in equity by State Government and Others (Central Government, State PSUs, Financial Institutions and Bank etc.) during the three years ended 31 March 2022 in Government Companies and Statutory Corporations is depicted in **Chart 5.1** below.

**Chart 5.1: Holding in Equity in SPSUs**



Details of significant Equity holding (more than ₹ 1,000 crore) of the State Government as at the end of March 2022 in the paid-up capital of the SPSUs is given in **Table 5.6** below.

**Table 5.6: Significant Equity holding of the State Government as on 31 March 2022**

Sl. No.	Name of the State PSU	Name of the Department	Amount (₹ in crore)
1.	Sardar Sarovar Narmada Nigam Limited	Narmada, Water Resources, Water supply and Kalpsar	65,835.85
2.	Gujarat Urja Vikas Nigam Limited	Energy and Petrochemicals	25,010.46
3.	Gujarat State Road Transport Corporation	Ports and Transport	3,317.95
4.	Gujarat Metro Rail Corporation Limited	Urban Development and Urban Housing	1,537.00
5.	Gujarat State Investments Limited	Finance	1,042.77
<b>Total</b>			<b>96,744.03</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

It was observed that out of the total equity investment by State Government in Government Companies and Statutory Corporations, a significant amount *i.e.* 97.94 per cent was invested in the above five SPSUs.

### 5.2.2 Budgetary support to SPSUs

State Government provides financial support to the SPSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans repayment/ written off and outstanding guarantees of the Government Companies and Statutory Corporations for the last three years ending 31 March 2022 are given in the **Table 5.7** below.

**Table 5.7: Statement showing details regarding budgetary support to Government Companies and Statutory Corporations**

(Amount: ₹ in crore)

Sl. No	Particulars	2019-20		2020-21		2021-22	
		No. of SPSUs	Amount	No. of SPSUs	Amount	No. of SPSUs	Amount
<b>Power Sector SPSUs</b>							
(i)	Equity Capital Outgo	2	3,349.26	2	3,334.57	2	3,710.23
(ii)	Grants/ Subsidy provided	4	221.08	2	40.00	8	1,552.89
(iii)	<b>Total outgo (i+ii)</b>		<b>3,570.34</b>		<b>3,374.57</b>		<b>5,263.12</b>
<b>Non-Power Sector SPSUs</b>							
(i)	Equity Capital Outgo	7	3,875.97	6	1,009.46	9	3,221.81
(ii)	Loans given	5	889.94	6	159.91	5	380.94
(iii)	Grants/ Subsidy provided	22	5,274.73	12	2,248.13	12	3,466.75
(iv)	<b>Total outgo (i+ii+iii)</b>		<b>10,040.64</b>		<b>3,417.50</b>		<b>7,069.50</b>
(v)	Loan repayment/written off	1	60.00	-	-	1	115.00
(vi)	Guarantees issued	-	-	-	-	2	55.32
(vii)	Outstanding Guarantees commitment	3	69.33	2	37.85	2	50.92

Source: Compiled as per information received from SPSUs.

State Government helps the SPSUs in raising loans from the banks and Public Financial Institutions by giving guarantee for repayment of principal and interest. As can be seen from the above table, the budgetary support by State Government to Power Sector SPSUs towards equity capital and grants/ subsidy increased from ₹ 3,374.57 crore (2020-21) to ₹ 5,263.12 crore (2021-22). There was no loans or guarantee given by State Government during the last three years to power sector SPSUs. The budgetary support to Non-Power Sector SPSUs towards equity, loans and grants/ subsidy ranged between ₹ 3,417.50 crore (2020-21) and ₹ 10,040.64 crore (2019-20) during the last three years.

State Government also provided budgetary support in form of Equity and grants/ subsidy to three Government Controlled Other Companies amounting to ₹ 96.56 crore during 2021-22.

The outstanding guarantee commitments given to Non-Power Sector SPSUs decreased from ₹ 69.33 crore in 2019-20 to ₹ 50.92 crore in 2021-22. The State Government recovers guarantee fee at the rate of 0.25 to one *per cent per annum* depending upon the loanees for availing loan from banks/ financial institutions. To the extent of information received from SPSUs, guarantee fee of ₹ 27.18 crore was paid by two<sup>14</sup> SPSUs to the Government during 2021-22.

<sup>14</sup> Gujarat State Petroleum Corporation Limited and Gujarat Gas Limited.

### 5.2.3 Submission of Annual Accounts of SPSUs

According to Section 395 of the Companies Act, 2013, every State Government shall cause the Annual Report on the working and affairs of the Government Company to be prepared within three months of its Annual General Meeting and as soon as may be after such preparation, lay before the House or both Houses of the State Legislature together with a copy of the Audit Report and comments upon or supplement by the Comptroller and Auditor General of India to the Audit Report.

Annual Financial Statements of 55 SPSUs (157 Financial Statements) were not submitted to Audit as of September 2022 as given in **Appendix 5.1**. Out of the 43 SPSUs, which submitted their Annual Financial Statements up to 2021-22, 28 SPSUs were not reflected in statement of Investments of Finance Accounts 2021-22, as no direct investment in form of equity or loan is made by Government of Gujarat.

The figures in respect of Equity and outstanding loan as per the records of the remaining 15 SPSUs should agree with the corresponding figures appearing in the Finance Accounts of GoG. In case the figures do not agree, the concerned SPSUs and the Finance Department should carry out reconciliation of the differences. There was no difference in the figures of equity in respect of three SPSUs<sup>15</sup>. In this regard, the position of remaining 12 SPSUs as per Annual Financial Statements furnished as on 31 March 2022 *vis-à-vis* Finance Accounts for the year ended on that date is given in **Table 5.8** below:

**Table 5.8: Equity and loans outstanding as on 31 March 2022 as per Finance Accounts *vis-à-vis* records of SPSUs**

(₹ in crore)			
Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Net Differences
Equity	8,786.57	2,024.73	6,761.84
Loans	5,646.23	1,661.42	3,984.81

Source: As per latest annual financial statement of SPSUs and Finance Accounts.

It can be observed from the above table that there is a net difference of ₹ 6,761.84 crore in respect of investments in form of Equity as detailed in **Appendix 5.3**. Further, there is a net difference of ₹ 3,984.81 crore in respect of loans<sup>16</sup>. Thus, there is a need for reconciliation of investments as per Government Accounts and as per the Annual Financial Statements of SPSUs.

### 5.2.4 Restructuring, Disinvestment and Privatisation of SPSUs

During the year 2021-22, there was neither disinvestment of any SPSUs nor was any SPSU privatised.

<sup>15</sup> Gujarat Mineral Development Corporation Limited, Gujarat State Financial Services Limited and Gujarat State Investments Limited.

<sup>16</sup> SPSUs wise loan amount outstanding is not available in Finance Accounts therefore the same is not reflected in the **Appendix 5.3**.

## 5.2.5 Analysis of outstanding loans given to SPSUs

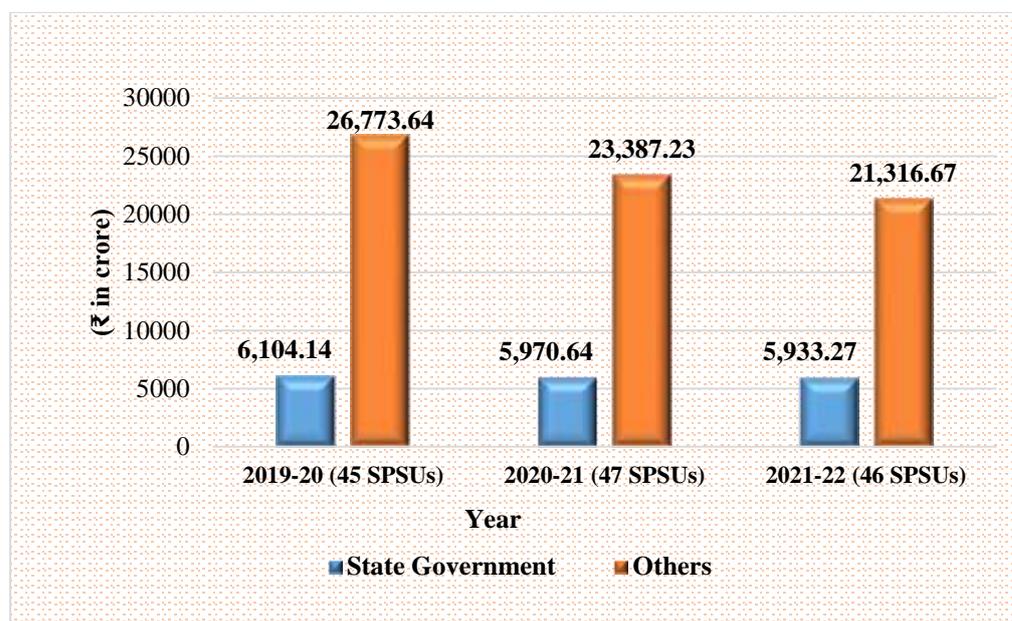
### 5.2.5.1 Long-term loans outstanding as on 31 March 2022

As on 31 March 2022, the total long-term loans outstanding in 46 out of 99 SPSUs<sup>17</sup> from all sources was ₹ 27,249.94 crore. The outstanding long-term loans of SPSUs registered a net decrease of ₹ 2,107.93 crore during 2021-22 (₹ 27,249.94 crore) from previous year 2020-21 (₹ 29,357.87 crore).

Out of the total outstanding loans as on 31 March 2022, loans from State Government were ₹ 5,933.27 crore of which significant amount (₹ 4,990.09 crore) pertained to three Non-power sector SPSUs viz. Gujarat State Road Transport Corporation (GSRTC) (₹ 3,146.07 crore), Gujarat State Financial Corporation (GSFC) (₹ 661.68 crore), Gujarat State Investments Limited (GSIL) (₹ 385 crore) and One Power sector SPSU viz. Gujarat Energy Transmission Corporation Limited (GETCO) (₹ 797.34 crore). It was observed that GSIL and GETCO regularly repaid their loans whereas no repayment of loan was reported by GSRTC and GSFC during the preceding three years ended on 31 March 2022.

The year-wise details of outstanding long-term loans of SPSUs is depicted in **Chart 5.2**.

**Chart 5.2. Long-term loans outstanding in SPSUs as on 31 March of the respective year**



### 5.2.5.2 Adequacy of assets to meet loan liabilities

Ratio of long-term loan to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than its long-term loans. The coverage of long-

<sup>17</sup> Excludes one SPSU Gujarat Education Technologies Limited whose first financial statement is awaited.

term loans by value of total assets in 42 SPSUs<sup>18</sup> which had outstanding loans as on 31 March 2022 is given in **Table 5.9** below.

**Table 5.9: Coverage of long-term loans with total assets as on 31 March 2022**

Nature of SPSU	Positive Coverage				Negative Coverage			
	No. of SPSUs	Long term loans	Assets	Percentage of assets to loan	No. of SPSUs	Long term loans	Assets	Percentage of assets to loan
		(₹ in crore)				(₹ in crore)		
<b>Listed</b>								
Government Companies	2	775.97	16,625.25	2,142.52	-	-	-	-
Statutory Corporation	1	661.68	3,235.42	488.97	-	-	-	-
<b>Non-listed</b>								
Government Companies	33	22,292.28	1,86,235.14	835.42	5	336.93	176.87	52.49
Statutory Corporation	1	3,146.07	8,623.59	274.11	-	-	-	-
<b>Total</b>	<b>37</b>	<b>26,876.00</b>	<b>2,14,719.40</b>		<b>5</b>	<b>336.93</b>	<b>176.87</b>	

Source: Information compiled as per latest finalised financial statements received from SPSUs.

Out of 42 SPSUs, securities of three SPSUs are listed in Stock exchange. Further, it can be observed that in five inactive SPSUs *viz.* Gujarat Dairy Development Corporation Limited, Gujarat State Construction Corporation Limited, Alcock Ashdown (Gujarat) Limited, Gujarat State Machine Tools Corporation Limited and Gujarat Trans Receivers Limited; the value of long-term loans outstanding exceeded total assets.

### 5.2.5.3 Interest coverage

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by comparing a company's earnings before interest and taxes (EBIT) with interest expenses for the same period. A lower ratio signifies lower ability of the Company to pay interest on debt. An ICR below one signifies that the company did not generate sufficient revenues to meet its interest expenses. The details of positive and negative interest coverage ratio of SPSUs, which had outstanding long-term loans during the period from 2019-20 to 2021-22 are given in **Table 5.10** below.

<sup>18</sup> Out of 46 SPSUs having long-term loan outstanding, the details of total assets of four Inactive SPSUs is not available, thus not considered in the table.

**Table 5.10: Interest Coverage Ratio of SPSUs**

Year	Interest (₹ in crore)	EBIT (₹ in crore)	Number of SPSUs with outstanding loans and interest	Number of SPSUs having Interest Coverage Ratio	
				ICR>=1	ICR<1
<b>Listed</b>					
2019-20	485.43	2,858.05	3	2	1 <sup>19</sup>
2020-21	339.57	3,158.64	3	2	1 <sup>19</sup>
2021-22	189.71	1,775.31	2	1	1 <sup>19</sup>
<b>Non-listed</b>					
2019-20	2,841.62	4,436.46	30	20	10 <sup>20</sup>
2020-21	2,364.89	5,101.83	32	22	10 <sup>21</sup>
2021-22	1,668.60	4,974.34	32	22	10 <sup>21</sup>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

It can be observed from the above **Table 5.10** that the interest coverage ratio in the SPSUs with debt has not varied significantly both in listed and non-listed SPSUs during 2019-22. Further, the number of PSUs with ICR equal to one or more than one has decreased from 24 in 2020-21 to 23 in 2021-22. On the other hand, the number of SPSUs with ICR less than one remained constant during 2019-22.

### 5.3 Returns from SPSUs

Out of 67 Government Companies and Statutory Corporations, 43 SPSUs earned profit, 16 SPSUs reported losses and eight SPSUs had neither profit nor loss during the year 2021-22. Further out of 32 Government Controlled Other Companies, 18 SPSUs earned profit while 14 SPSUs reported losses during the year 2021-22.

#### 5.3.1 Profit earned by SPSUs

The overall profit of these 43 SPSUs was ₹ 4,211.26 crore. The list of SPSUs which earned profit of more than ₹ 100 crore during the year 2021-22 is given in **Table 5.11**.

<sup>19</sup> Gujarat State Financial Corporation.

<sup>20</sup> Alcock Ashdown (Gujarat) Limited, GSPC LNG Limited, GSPL India Gasnet Limited, GSPL India Transco Limited, Gujarat Minorities Finance and Development Corporation Limited, Gujarat Metro Rail Corporation Limited, Gujarat Nomadic and Denotified Tribes Development Corporation, Gujarat State Construction Corporation Limited, Gujarat State Road Transport Corporation and Sardar Sarovar Narmada Nigam Limited.

<sup>21</sup> Same as Footnote no. 20 above except one SPSU GSPL India Gasnet Limited. In lieu of this, one SPSU Gujarat International Finance Tec City Company Limited is included.

**Table 5.11: SPSUs that earned profit after tax more than ₹ 100 crore during 2021-22**  
(₹ in crore)

Sl. No.	Name of the SPSUs	Net Profit after tax
1	Gujarat State Petroleum Corporation Limited (GSPC)	1,183.73
2	Gujarat Energy Transmission Corporation Limited (GETCO)	971.46
3	Gujarat Mineral Development Corporation Limited (GMDC)	404.28
4	Gujarat Industrial Development Corporation (GIDC)	286.73
5	Gujarat State Electricity Corporation Limited (GSECL)	283.03
6	Diamond Research and Mercantile City Limited (DRMCL)	145.59
7	Gujarat State Financial Services Limited (GSFS)	140.10
8	Madhya Gujarat Vij Company Limited (MGVCL)	103.49
<b>Total</b>		<b>3,518.41</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

It may be seen that the above eight SPSUs earned 83.55 per cent of the total profit earned by 43 SPSUs during 2021-22. Out of these, GSPC is one of the main SPSU in the State for trading of natural gas. GETCO is functioning under Power Sector in monopolistic conditions. GMDC earned significant revenue from sale of Lignite, the mineral for which the Company is the largest seller in the country. GIDC is the main PSU in the State which has right to develop and allot land for industrial/ institutional purposes on cost plus overhead charges basis. GSECL and MGVCL are in profit due to its normal operating activity *i.e.* sale of power. DRMCL earned exceptional income on account of reversal of revenue from sale of land. GSFS is registered as a Non-Banking Financial Company that earned profit by providing financial services to GoG entities at a competitive rate.

Further, out of 18 Government Controlled Other Company that earned profit of ₹ 2,845.33 crore during the year 2021-22, three SPSUs<sup>22</sup> (including two listed SPSUs) earned profit of more than ₹ 100 crore.

### 5.3.2 Losses incurred by SPSUs

During the year 2021-22, 16 SPSUs (14 Government Companies and two Statutory Corporations) reported losses. However, the overall net losses incurred by SPSUs decreased from ₹ 1,978.68 crore in 2019-20 to ₹ 1,487.59 crore in 2021-22 as given in **Table 5.12**.

**Table 5.12: Number of SPSUs that incurred losses**

Year	Number of SPSUs which incurred loss	Net loss after tax	Accumulated losses
2019-20	18	1,978.68	14,515.85
2020-21	17	1,525.64	13,913.26
2021-22	16	1,487.59	15,340.54

Source: Information compiled as per latest finalised financial statements received from SPSUs.

<sup>22</sup> Gujarat Gas Limited (₹ 1,285.64 crore), Gujarat State Petronet Limited (₹ 1,009.75 crore) and Sabarmati Gas Limited (₹ 346.55 crore).

The SPSUs which incurred losses above ₹ 100 crore during the year 2021-22 are shown in **Table 5.13**.

**Table 5.13: SPSUs that incurred losses of more than ₹ 100 crore in 2021-22**

		(₹ in crore)
Sl. No.	Name of the State PSU	Net loss after tax
1	Sardar Sarovar Narmada Nigam Limited	739.32
2	Gujarat State Textile Corporation Limited (Inactive SPSU)	300.58
3	Gujarat State Road Transport Corporation (Statutory Corporation)	173.62
4	Gujarat State Financial Corporation ( <i>Listed SPSU</i> )	127.81
<b>Total</b>		<b>1,341.33</b>

Source: Information compiled as per latest finalised financial statements received from SPSUs.

It may be seen from the above **Table 5.13** that these four SPSUs contributed 90.17 per cent of the total losses incurred by 16 SPSUs during 2021-22.

Further, 14 Government Controlled Other Companies reported losses of ₹ 264.04 crore during the year 2021-22.

### 5.3.3 Erosion of Net worth of SPSUs

Net worth means the sum total of the paid-up capital, free reserves and surplus *minus* accumulated losses and deferred revenue expenditure. It is essentially a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment of the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As on 31 March 2022, 22 SPSUs had accumulated losses of ₹ 29,312.55 crore, 37 SPSUs had surplus of ₹ 16,440.60 crore and eight SPSUs had neither accumulated losses nor surplus, as per their latest financial statements. The maximum accumulated losses were reported by Gujarat State Petroleum Corporation Limited (₹ 12,896.70 crore), Sardar Sarovar Narmada Nigam Limited (₹ 6,741.42 crore), Gujarat State Road Transport Corporation (₹ 3,830.72 crore), Gujarat State Financial Corporation (₹ 3,055.46 crore), Gujarat Water Infrastructure Limited (₹ 678.21 crore) and Alcock Ashdown (Gujarat) Limited (₹ 660.90 crore). Thus, the overall accumulated losses of 67 SPSUs was ₹ 12,871.95 crore, though, the overall net worth was positive which stood at ₹ 1,41,514.64 crore.

Out of 22 SPSUs which had accumulated losses, the net worth of 15 had been completely eroded and had thus become negative. The total negative net worth of these 15 SPSUs was ₹ 5,219.35 crore against the paid up capital of ₹ 3,902.88 crore as on 31 March 2022.

The maximum erosion of net worth was noticed in Gujarat State Financial Corporation (₹ 2,947.45 crore), Alcock Ashdown (Gujarat) Limited (₹ 609.90 crore), Gujarat Water Infrastructure Limited (₹ 523.19 crore) and Gujarat State Road Transport Corporation (₹ 406.49 crore) at the end of March 2022. Of these 15 SPSUs<sup>23</sup> whose net worth had been completely eroded (negative net worth), six SPSUs had earned profit of ₹ 159.70 crore, seven

<sup>23</sup> Out of 15 SPSUs the data of profit or loss of two SPSUs is not available.

SPSUs had incurred losses of ₹ 397.63 crore as on 31 March 2022. Details of SPSUs having negative net worth as on 31 March 2022 are given in **Appendix 5.4**.

In 15 SPSUs whose net worth had been completely eroded, Equity and Outstanding loans of State Government as on 31 March 2022 were ₹ 4,833.83 crore and ₹ 4,430.90 crore respectively.

### 5.3.4 Dividend pay-out by SPSUs

The Finance Department, GoG has issued standing instructions in October 1994 by which all SPSUs were required to pay maximum dividend to the Government. The instruction, however, did not prescribe the minimum/maximum rate of dividend to be paid by the SPSUs.

Out of 67 SPSUs (Government Companies and Statutory Corporations), the State Government had infused equity in 57 SPSUs. Dividend payout relating to these 57 SPSUs for the period 2019-20 to 2021-22 is shown in **Table 5.14**.

**Table 5.14: Dividend Payout of SPSUs during 2019-20 to 2021-22**

(₹ in crore)

Year	Total PSUs where equity infused by GoG		SPSUs which earned profit during the year		SPSUs which declared/paid dividend during the year		Dividend Payout Ratio (%)
	No. of SPSUs	Equity infused	No. of SPSUs	Amount of equity infused	No. of SPSUs	Dividend paid by PSUs	
1	2	3	4	5	6	7	8=7/5*100
2019-20	56	89,646.73	33	24,825.34	4 <sup>24</sup>	74.31	0.30
2020-21	57	98,352.91	34	27,653.02	5 <sup>25</sup>	73.66	0.27
2021-22	57	98,775.80	34	27,674.07	3 <sup>26</sup>	149.52	0.54

During the period 2019-20 to 2021-22, the number of SPSUs which earned profits ranged between 33 and 34 whereas the number of SPSUs which paid dividend to the State Government ranged between 3 to 5. The Dividend Payout Ratio during 2019-20 to 2021-22 ranged between 0.27 to 0.54 *per cent* only.

Out of the 32 Government Controlled Other Companies, One SPSU *viz.* Gujarat Gas Limited paid dividend amounting ₹ 5.62 crore to State Government during 2021-22.

### 5.3.5 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures a company's long-term profitability and the efficiency with which total capital is

<sup>24</sup> Gujarat State Seeds Corporation Limited, Gujarat State Forest Development Corporation Limited, Gujarat Mineral Development Corporation Limited and Gujarat State Financial Services Limited.

<sup>25</sup> Same as Footnote no. 24 above, in addition to one SPSU Gujarat State Investments Limited.

<sup>26</sup> Same as Footnote no. 25 above, except two SPSUs Gujarat State Financial Services Limited and Gujarat State Forest Development Corporation Limited.

employed by the company. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed<sup>27</sup>.

SPSU-wise details of RoCE for the period 2019-20 to 2021-22 are given in **Appendix 5.5**. The consolidated RoCE of Government Companies and Statutory Corporations during the period from 2019-20 to 2021-22 is given in **Table 5.15** below.

**Table 5.15: Return on Capital Employed of SPSUs**

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	RoCE (in percentage)
2019-20	7,723.48	1,44,901.55	5.33
2020-21	7,824.68	1,55,258.93	5.04
2021-22	8,463.68	1,60,777.19	5.26

Source: Information compiled as per latest finalised financial statements received from SPSUs.

It was observed that ROCE of these SPSUs decreased marginally from 5.33 *per cent* during 2019-20 to 5.26 *per cent* during 2021-22. Further, in case of 32 Government Controlled Other Companies, the EBIT for the year 2021-22 was ₹ 4,018.33 crore whereas the Capital Employed in these SPSUs was ₹ 28,122.79 crore. Hence, ROCE worked out to 14.29 *per cent* during 2021-22.

### 5.3.6 Return on Equity of SPSUs

Return on Equity (RoE) is a measure of financial performance to assess how effectively the management is using company's assets to create profits and is calculated by dividing net profit after taxes by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund of a Company is calculated by adding paid up capital and free reserves net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a Company's shareholders if all assets were sold and all debts repaid. A positive shareholders' fund reveals that the company has enough assets to cover its liabilities while negative shareholders fund means that liabilities exceed its assets.

RoE has been computed in respect of 57 SPSUs where fund had been infused by the State Government. SPSU wise details of ROE for the period 2019-20 to 2021-22 are given in **Appendix 5.6**. The details of shareholders' fund and ROE relating to these SPSUs during the period from 2019-20 to 2021-22 is given in **Table 5.16** below.

<sup>27</sup> Capital employed = Paid up share capital *plus* free reserves and surplus *plus* long term loans *minus* accumulated losses *minus* deferred revenue expenditure.

**Table 5.16: Return on Equity of SPSUs**

Year	Number of PSUs for which ROE calculated	Net Income for the year (₹ in crore)	Shareholders' fund (₹ in crore)	ROE (in percentage)
2019-20	56	-615.18	84,462.70	-0.73
2020-21	57	193.08	93,618.88	0.21
2021-22	57	784.06	95,967.44	0.82

Source: Information compiled as per latest finalised financial statements received from SPSUs.

As can be seen from the above table, the Net Income of the PSUs increased significantly from net loss of ₹ 615.18 crore in 2019-20 to net income of ₹ 784.06 crore in 2021-22. The RoE has also increased to 0.82 *per cent* in 2021-22.

### 5.3.7 Rate of Real Return on Investment

In view of the significant investment by Government in the SPSUs, Rate of Real Return or RORR on such investment is essential from the perspective of State Government. Traditional calculation of Return on Investment (ROI) is based on historical cost of investment, which may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value (PV) of money. Therefore, in addition to ROI, RORR is calculated considering the PV of historical cost of investment. PV of the State Government investment was computed where funds had been infused by the State Government as equity, grants/ subsidies and interest free loans since inception of these Companies till 31 March 2022.

The RORR of State Government investment in the SPSUs was computed on the basis of the following assumptions:

- Interest free loans (IFL) have been considered as investment infusion by the State Government. However, in case of repayment of loans by SPSUs, the PV was calculated on the reduced balances of IFLs over the period.
- The average rate of interest on State Government borrowings for the relevant financial year<sup>28</sup> was adopted as compound rate for arriving at PV since they represent the cost incurred by the Government towards investment of funds for the year.

Of the 100 SPSUs, the State Government has made direct investment in the form of equity, long term loans, grants and subsidies in 76 SPSUs. **Table 5.17** shows the RORR calculation of State Government investment in these 76 SPSUs considering the PV of historical cost of investments, since 2017-18 till 2021-22.

<sup>28</sup> The average rate of interest on Government borrowings is as depicted in Table 2.27.

**Table 5.17: Year-wise details of investments made by the State Government in SPSUs and their present value till 2021-22**

(₹ in crore)

Financial year	PV of investment at beginning of year	Investment during the year	Investment at the end of year	Avg. rate of interest on government borrowings (in per cent)	Present value of total investment at the end of the year	Min. expected return to recover cost of funds for the year	Total earnings after tax for the year	RORR in per centage
i	ii	iii	iv=ii+iii	v	vi=iv× (1+(v÷100))	vii=vi×(v÷ 100)	viii	ix=viii *100/vi
2017-18	2,41,400.63*	17,337.05	2,58,737.68	7.59	2,78,375.87	19,638.19	(1,443.64)	(-)0.52
2018-19	2,78,375.88	18,366.67	2,96,742.55	7.44	3,18,820.20	22,077.65	(530.42)	(-)0.17
2019-20	3,18,820.20	13,285.65	3,32,105.85	7.47	3,56,914.15	24,808.31	(741.29)	(-)0.21
2020-21	3,56,914.15	6,822.87	3,63,737.03	7.19	3,89,889.71	26,152.69	2,117.19	0.54
2021-22	3,89,889.71	12,731.23	4,02,620.94	7.12	4,31,287.55	28,666.61	5,304.96	1.23

Source: Information provided by SPSUs and latest finalised FSs received up to 30 September 2022.

Note: \*Actual Equity at present value at the beginning of the year.

RoRR ranged between (-) 0.17 per cent and (-) 0.52 per cent during 2017-18 to 2019-20, but increased continuously thereafter and improved to 1.23 per cent in 2021-22. The year wise details of the investment and present value of such investment infused by the State Government for the period 2004-05 to 2021-22 is depicted in **Appendix 5.7**. Rate of Return on State Government Investment (Historical cost *viz-a-viz* present value) is depicted in **Table 5.18**.

**Table 5.18: Rate of Return on State Government Investment**

(₹ in crore)

Financial year	Total Earnings/ Loss (-)	Investment by the State Government at historical cost of investment at the end of the year	ROR (%)	Investment by the State Government at present value of investment at end of the year	ROR (%)
2021-22	5,304.96	2,13,821.62	2.48	4,31,287.55	1.23

## 5.4 Oversight Role of C&AG

### 5.4.1 Appointment of statutory auditors of SPSUs by C&AG

C&AG of India appoints the statutory auditors of a Government Controlled Company and Government Controlled Other Company as per Section 139 (5)/(7) of the Companies Act, 2013 (Act), which stipulates that the statutory auditors, in case of a Government Company or Government Controlled Other Company, are to be appointed by the CAG of India within a period of 180 days from the commencement of the financial year and 60 days from the registration in case of first auditor. The CAG of India has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their FSs be audited by the CAG of India and a report submitted to

the State Legislature.

## 5.4.2 Submission of Accounts by SPSUs

### 5.4.2.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the activity and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report must be laid before the Legislative Assembly, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the companies.

Section 96 of the Companies Act, 2013 requires every Company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration. Consequently, the Financial Statements need to be prepared and placed in the AGM by 30 September of the following year.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

### 5.4.2.2 Timeliness in preparation of FSs by SPSUs

As on 31 March 2022, there were 100 SPSUs under the purview of CAG's audit in Gujarat. Out of these 100 SPSUs, 16 are inactive which are either under liquidation or defunct. A total of 43 SPSUs have submitted their FSs for 2021-22 for audit by CAG of India until 30 September 2022. The financial statement of two SPSUs (Gujarat State Textile Corporation Limited and GSPC offshore Limited) were not due to be submitted and had no arrears. Remaining 55 SPSUs did not provide their 157 Annual Financial Statements by 30 September 2022. Details of FSs received from SPSUs as on 30 September 2022 are given in **Table 5.19** below.

**Table 5.19: Details of status of FSs received from SPSUs**

Particulars		SPSUs under audit jurisdiction of C&AG					
		GCC <sup>29</sup>		GCOC		Total	
		Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
<b>Total number of SPSUs as on 31 March 2022</b>		<b>68</b>		<b>32</b>		<b>100</b>	
<b>Number of Listed/ Unlisted Companies</b>		<b>3</b>	<b>65</b>	<b>2</b>	<b>30</b>	<b>5</b>	<b>95</b>
Less: Companies from which financial statements for 2021-22 were not due and had no arrears		-	1 <sup>30</sup>	-	1 <sup>31</sup>	-	2
SPSUs from which FSs for 2021-22 were due		3	64	2	29	5	93
Active SPSUs from which FSs were received by 30 September 2022		3	15	2	21	5	36
Inactive SPSUs from which FSs were received by 30 September 2022		-	1	-	1	-	2
SPSUs with arrears in financial statements		-	48	-	7	-	55
<b>No. of financial statements in arrears</b>		<b>-</b>	<b>129</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>157</b>
Break-up of arrears	SPSUs under Liquidation	-	6	-	-	-	6
	Inactive SPSUs	-	48	-	24	-	72
	First financial statement not submitted	-	1 <sup>32</sup>	-	-	-	1
	‘Others’(active and due)	-	74	-	4	-	78
Age-wise analysis of arrears against ‘Others’ category	One year (2021-22)	-	20	-	4	-	24
	Two years (2020-21 and 2021-22)	-	10	-	-	-	10
	Three years and more	-	44	-	-	-	44

Source: As compiled by office of Pr. AG (Audit-I) and AG (Audit-II), Gujarat.

The list of the SPSUs and status of FSs in arrears is indicated in **Appendix 5.1**. The GCC discussed in the **Table 5.19** include three listed SPSUs *viz.*, Gujarat Mineral Development Corporation Limited, Gujarat State Investments Limited and Gujarat State Financial Corporation and the GCOC includes two listed SPSUs *viz.*, Gujarat State Petronet Limited and Gujarat Gas Limited. The FSs for 2021-22 were received from all these five listed SPSUs.

Audit of four<sup>33</sup> Statutory Corporations is conducted by the CAG of India as per provisions of the relevant Act. CAG of India is the sole auditor for Gujarat State Road Transport Corporation and Gujarat Industrial Development Corporation. Of the four Statutory Corporations, only one Statutory Corporation *viz.*, Gujarat State Financial Corporation submitted FSs for 2021-22. The FSs of other three Statutory Corporations were in arrears (including financial year 2021-22) as on 30 September 2022.

<sup>29</sup> Government Controlled Companies include the four Statutory Corporations.

<sup>30</sup> Gujarat State Textile Corporation Limited.

<sup>31</sup> The name of GSPC offshore Limited was struck-off from the Register of Companies.

<sup>32</sup> Gujarat Education Technologies Limited has not submitted its first Financial statement from 9 March 2021 to 31 March 2022.

<sup>33</sup> Gujarat State Warehousing Corporation, Gujarat State Financial Corporation, Gujarat State Road Transport Corporation and Gujarat Industrial Development Corporation.

Delay in submission of Accounts is being brought to the notice of the State Government periodically through Audit Reports. In the absence of annual FSs and their audit, proper utilisation of the grants and loans disbursed to those SPSUs and their accounting cannot be vouched. Apart from reflecting on the inadequate monitoring by the State Government, absence of FSs indicates lack of accountability from these SPSUs over the funds released by Government of Gujarat.

### **5.4.3 C&AG's oversight- Audit of annual Financial Statements and supplementary audit**

#### **5.4.3.1 Financial reporting framework**

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, as recommended by the Institute of Chartered Accountants of India, after consultation with and after examination of the recommendations made by the National Financial Reporting Authority. The Statutory Corporations are required to prepare their FSs in the format prescribed under their respective rules, framed in consultation with the CAG and any other specific provision relating to FSs in the Act governing such Corporations.

#### **5.4.3.2 Audit of Financial Statements of Government Companies by Statutory Auditors**

The Statutory Auditors appointed by the CAG of India under Section 139 of the Companies Act, 2013, conduct audit of FSs of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG of India plays an oversight role by monitoring the performance of the statutory auditors in the audit of public sector undertakings with the overall objective that the Statutory Auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power:

- To issue directions to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 and
- To supplement or comment upon the Statutory Auditor's Report under Section 143(6) of the Companies Act, 2013.

#### **5.4.3.3 Supplementary audit of annual Financial Statements of Government Companies**

The primary responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the Management of an entity.

The Statutory Auditors appointed by the CAG of India under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on an

independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG of India. The statutory auditors are required to submit the Audit Report to the CAG of India under Section 143 of the Companies Act, 2013.

The FSs of selected Government Companies along with the report of the Statutory Auditors are reviewed by CAG of India by conducting a supplementary audit. Based on such review, significant audit observations, if any, reported under Section 143 (6) of the Companies Act, 2013 are to be placed before the AGM of respective SPSU.

## **5.5 Results of C&AG’s oversight role**

### **5.5.1 Audit of Financial Statements of Government Companies under Section 143 of the Companies Act, 2013**

As on 30 September 2022, 43 SPSUs submitted their 43 FSs for the year 2021-22. The remaining 55 SPSUs did not submit their 157 Annual Financial Statements for various reasons by 30 September 2022. Out of these 55 SPSUs, 26 SPSUs submitted 28 Financial Statement for previous years spanning from 2018-19 to 2020-21.

Out of the total 71 FSs received during 2021-22, Non-Review Certificates were issued in respect of seven FSs, and 43 FSs were reviewed upto 30 September 2022. The audit in respect of 21 FSs were in progress as on 30 September 2022. The results of the review are summarised below:

#### **5.5.1.1 Amendment of Financial Statements**

As a result of supplementary audit conducted by the CAG of India of the financial statements received till 30 September 2022, Gujarat State Construction Corporation Limited has amended its Financial Statements for the three years 2017-18 to 2019-20.

#### **5.5.1.2 Revision of Auditors Report**

As a result of supplementary audit conducted by the CAG of India of the financial statements received till 30 September 2022, the Statutory Auditors of five<sup>34</sup> SPSUs revised their report before laying of the Financial Statements of these Companies in their AGM.

#### **5.5.1.3 Significant comments of the CAG issued as supplement to the Statutory Auditors’ Reports on SPSUs**

Subsequent to the audit of the financial statements received until 30 September 2022 by the Statutory Auditors, the CAG conducted supplementary audits of 43 FSs of 41 SPSUs. Some of the significant comments issued on financial statements of Government Controlled Companies and

<sup>34</sup> Gujarat State Aviation Infrastructure Company Limited, Gujarat State Petroleum Corporation Limited, GSPL India Transco Limited, Gujarat Mineral Development Corporation Limited and G-ride Bedi Port Rail Limited.

Government Controlled Other Companies are given below.

### Comments on Profitability

Sl. No.	Name of the PSU	Comment
1	Gujarat Industrial Development Corporation (2020-21)	<p><b>Income</b>  <b>Interest received/accrued on deposits with Companies - ₹ 243.69 crore</b></p> <p>The Government Resolution dated 22 December 2015 requires that interest earned should be adjusted in the account maintained for that scheme or project. The GR also states that the accrued income forms the part of the grant for a particular scheme/ project and the same shall be utilised towards the implementation of the scheme/ project. Audit noticed that on 01 April 2020, the Corporation has not adjusted the interest payable amounting to ₹ 240.18 crore and interest paid/adjusted during the year 2020-21 of ₹ 45.36 crore in grant account. Thus, the interest accrued on grant for the year 2020-21 was not calculated on ₹ 194.82 crore at the rate of 5.8 per cent per annum in accordance with Note 21 of Notes of Accounts.</p> <p>This has resulted in understatement of interest liability for the year 2020-21 and overstatement of "Interest income on deposits with companies" by ₹ 11.30 crore { ₹ 240.18 crore - ₹ 45.36 crore (amount paid/ adjusted during the year as per Schedule-G) x 5.8 per cent simple interest rate as mentioned in Note – 21 }.</p>
2	Gujarat State Forest Development Corporation Limited (2020-21)	<p><b>Other Income – ₹ 771.07 lakh (Note No. 17)</b></p> <p>Above does not include ₹ 406.95 lakh (principal – ₹ 241.73 lakh and interest – ₹ 165.22 lakh) being the amount of VAT refund for the year 2009-10 for which the refund order was received in May 2021 before finalisation of the Financial Statements for the year 2020-21. The principal amount of ₹ 241.73 lakh was accounted for in the Prior Period Income and debited as VAT Refund receivable whereas interest amount of ₹ 165.22 lakh was not accounted for in the FY 2020-21.</p> <p>Since the VAT refund is neither an error nor an omission, the same cannot be accounted as Prior Period Item. This resulted in overstatement of Prior Period Income and understatement of other income by ₹ 241.73 lakh. Also non-accounting of interest of VAT Refund resulted in understatement of other income as well as interest receivable by ₹ 165.22 lakh.</p>

### Comments on Financial Position

Sl. No.	Name of the PSU	Comment
1	Gujarat Industrial Development Corporation (2020-21)	<p><b>Assets</b>  <b>Capital Expenditure towards cost of land and development of industrial estates (Schedule B) - ₹ 13,442.08 crore</b></p> <p>The gross block of Asset under the head “Capital Expenditure towards Cost of Development” for computing depreciation as per the Replacement and Renewal regulations considered was ₹ 4,159.63 crores. However, the same was depicted as ₹ 4,136.72 crore in Schedule-B forming part of the Balance Sheet. Hence, there is a difference of ₹ 22.91 crore which needs to be reconciled. In the absence of reconciliation, the impact on depreciation on account of unreconciled balance of assets audit could not be ascertained.</p>
		<p><b>Current Assets</b>  <b>Cash and Bank Balance - ₹ 394.98 crore</b></p>

Sl. No.	Name of the PSU	Comment
		<p>The Corporation has 103 bank accounts of which reconciliation statement in respect of 77 bank accounts has been prepared whereas in 26 bank accounts, bank reconciliation statement has not been prepared for reconciling difference between bank balance and trial balance. In only five (5) bank accounts out of 26 bank accounts, balance confirmation certificates were available, while in remaining 21 bank accounts, balance confirmation certificates were not available. The details of discrepancies noticed are discussed below;</p> <ol style="list-style-type: none"> <li>Out of 77 (103 - 26) bank accounts, in 50 bank accounts, there was un-reconciled balance of ₹ 92.35 crore as on March 2021 due to difference in book balances as per reconciliation statement and trial balance.</li> <li>In 26 bank accounts out of 103 bank accounts, reconciliation statement has not been prepared while bank balance certificate in respect of only five (5) accounts was available. As per bank balance confirmation certificate, one (1) account was closed with NIL balance, however trial balance was showing a balance of ₹ 3.24 lakh in this bank account. In respect of three (3) accounts there was difference of ₹ 3.81 lakh in trial balance and bank certificate while the remaining one (1) account, there was no difference in balance between trial balance and balance certificate.</li> <li>In respect of 21 (26-5) bank accounts out of 26 bank accounts, reconciliation statement has not been prepared and balance confirmation certificate was also not submitted by the Corporation. In absence of the same audit could not verify the correctness of the bank balance of ₹ 12.28 crore. Furthermore, two (2) accounts were closed however trial balance was showing a balance of ₹ 1.55 crore (₹ 6,28,564.73 + ₹ 1,48,94,215.06) in those two accounts.</li> </ol> <p>Hence, in the absence of proper reconciliation, audit could not verify the extent of liability/ expenditure that needed to be provided during the year and its impact on Income &amp; Expenditure Account and Balance Sheet for the year 2020-21.</p>
2	Sarigam Clean Initiative (2020-21)	<p><b>Non-Current Assets</b>  <b>Property, Plant and Equipment's – ₹ 51.77 crore (Note No. 7)</b></p> <p>The Company was formed on 08 June 2015 and took the physical possession of the Common Effluent Treatment Plant (CETP) of Gujarat Industrial Development Corporation (GIDC) in June 2015. The Company capitalised CETP <i>w.e.f.</i> 01 April 2019 with a capital cost of ₹ 59.00 crore. The Company started billing to members for use of CETP from 01 August 2015. Since the CETP was commercialised and the risk and rewards of the asset vested with the Company from 01 August 2015, CETP should have been capitalised <i>w.e.f.</i> 01 August 2015 and depreciation should have been charged accordingly.</p> <p>Further, the Company had incorrectly applied the rate of depreciation on Straight Line Method (SLM) as provided in the Schedule II of the Companies Act, 2013 on the residual value (<i>i.e.</i> 95 per cent of the Gross Block) of the assets instead of the Gross Block of the assets. This has resulted in understatement of depreciation for the year as well as prior periods.</p> <p>The net impact of the above has resulted in understatement of Prior Period Expenses by ₹ 15.19 crore, understatement of negative balance of Reserve and Surplus by ₹ 15.19 crore, understatement of depreciation for the year by ₹ 0.19 crore and consequent overstatement of profit before tax by ₹ 0.19 crore. Resultantly, Net Block of Property, Plant and Equipments is overstated by ₹ 15.38 crore.</p>

Sl. No.	Name of the PSU	Comment
3	Gujarat State Forest Development Corporation (2020-21)	<p><b>Equity and Liabilities: Shareholders' Funds</b>  <b>Reserves and Surplus – ₹ 9180.83 lakh (Note No.3)</b>  <b>Subsidy from Government</b></p> <p>(i) The Company informed that Grant for Capital assets includes, Grant for Infrastructure (MSP) which has unutilized balance of ₹ 586.35 lakh. However, the balance of all the Grants for Capital Assets as included in Reserves &amp; Surplus is ₹ 209.85 lakh. Further, the Company does not have any mechanism for reconciliation between grant received for capital assets and that received for other than capital assets. As such, the audit cannot vouchsafe the correctness of balance under each head.</p> <p>(ii) Above includes ₹ 101.30 lakh which was utilized towards honey collection activities and debited under subsidy from Government on Capital Assets, though it should have been booked as Expenditure under Subsidy/ Grant received (other than capital assets). Incorrect accounting for utilization of the Grant resulted in understatement of balance of subsidy from Government on Capital Assets and overstatement of Subsidy/Grant received (other than Capital Assets) by ₹ 101.30 lakh.</p> <p>(iii) Above includes unutilized grant amounting to ₹ 1,594.84 lakh (Capital Assets – ₹ 209.85 lakh and Other than Capital Assets – ₹ 1,384.99 lakh). Since the above grants are not having obligation for issue of equity shares, the same should not have been included in Reserves and Surplus and should have been shown separately as Deferred Government Grants/ Other Current Liabilities based on the nature of grant (either Capital or Revenue). This has resulted in overstatement of Reserves and Surplus by ₹ 1594.84 lakh, understatement of Deferred Government Grants/Other Current Liabilities by ₹ 1,594.84 lakh.</p>

### Comments on Disclosures

Sl. No.	Name of the PSU	Comment
1	Gujarat Industrial Development Corporation (2020-21)	As per the Replacement and Renewal Fund Regulations approved (June 1979) by Industries and Mines Department of Government of Gujarat for the Corporation, the rates of replacement should have been reviewed from time to time but no later than once in five years. However, these rates have not been changed since 2006-07. In view of this, the Corporation should have disclosed the reason(s) of non-review and stated in the Notes to Accounts whether the rates decided were adequate or the same could not be reviewed for any other reason.
2	Gujarat State Construction Corporation Limited (2019-20)	<p><b>Notes to Financial Statements</b></p> <p>Financial Statement of the Company had been earlier audited by Statutory Auditor and they had issued audit report on 30 November 2021. The Comptroller and Auditor General of India (C&amp;AG) carried out audit and issued provisional comments on 20 January 2022. Thereafter the financial statements of the Company were revised to give effect to the Provisional Comments issued by C&amp;AG and the same have been audited by Statutory Auditor.</p> <p>However, the above fact with respect to revision of financial statements of the Company has not been disclosed in the Notes to Accounts.</p>
3	Sarigam Clean Initiative (2020-21)	<p><b>Note 13 (I): Provision Contingent Liabilities – Contingent Assets</b></p> <p>Above does not include an amount of ₹ 20.09 crore being payable to Gujarat Industrial Development Corporation (GIDC) towards consideration for the Common Effluent Treatment Plant (CETP) at Sarigam. The Company initialised CETP from 01 April 2019 with a cost of ₹ 59.00 crore. The total consideration for CETP as initialised by GIDC</p>

Sl. No.	Name of the PSU	Comment
		<p>in October 2021 is ₹ 79.09 crore which included interest amount of ₹ 27.31 crore (₹ 12.42 crore charged up to 31 July 2015 and ₹ 14.89 crore charged after 31 July 2015) for delayed payment of consideration for the transferred assets. The Company has started making payment as per this consideration; however, a final consensus on the consideration is yet to be reached between the Company and GIDC.</p> <p>Since the final consideration between the company and GIDC is yet to be finalized, the amount of ₹ 20.09 crore being payable to Gujarat Industrial Development Corporation (GIDC) towards consideration for the Common Effluent Treatment Plant (CETP) at Sarigam should have been disclosed as Contingent Liabilities. Hence, Note no. 13 (I) Provision Contingent Liabilities – Contingent Assets is deficient to that extent.</p> <p><b>Note No. 4: Trade Payables</b></p> <p>Trade payables under Current Liabilities should be bifurcated in two part as required in the Para 8.6 of the Guidance Note on Division I Non-IND AS schedule III to the Companies Act, 2013 revised in July 2019 – (a) total outstanding dues of micro enterprises and small enterprises; and (b) total outstanding dues of creditors other than micro enterprises and small enterprises.</p> <p>The Company has not complied with the above minimum disclosure requirement despite assurance to do the needful in previous two financial years, the Note No. 4 to the Financial Statements is deficient to that extent.</p>
4	<b>Gujarat State Financial Corporation (2021-22)</b>	<p><b>Contingent Liabilities</b></p> <p>The Corporation has not disclosed the fact that penalty of ₹ 0.12 crore for the quarter ended March 2022 has been imposed by BSE for non-compliance of provisions of SEBI (LODR) Regulations 2015. Penalty has been levied for non Compliance to various Corporate Governance Issues like non appointment of independent directors, non formation of Nomination and Remuneration Committee, non compliance to Minimum Public Shareholding condition etc. The Corporation has objected the imposition of fine stating that State Financial Corporation (SFC) Act either does not contain required conditions or contradicts the conditions specified by SEBI.</p> <p>SEBI has advised (20 December 2021) the Corporation to amend SFC Act. The Corporation took up the matter relating to amendment of SFC Act with Government of India, Finance Ministry, and Department of Financial Services (through the administrative department-Industries &amp; Mines Department) in January 2022. The matter is still under consideration and the penalty has still not been waived.</p> <p>The disclosure under Contingent Liabilities is deficient to that extent.</p>
5	<b>GSPL India Gasnet Limited (2021-22)</b>	<p><b>1. Notes to Standalone Ind AS financial statements</b></p> <p><b>Contingent Liabilities (Note -27)</b></p> <p>Petroleum and Natural Gas Regulatory Board (PNGRB) issued (March 2016) order for encashment of Performance Bank Guarantee (PBG) amounting to ₹ 880 Lakh<sup>35</sup> due to slow progress of work. The Company challenged the same and as the matter was sub-judice at Appellate Tribunal for Electricity (APTEL), the Company was disclosing the payment of ₹ 880 Lakh as Payment Under Protest up to 31 March 2021.</p> <p>During 2021-22, PNGRB refunded the encashed PBG of ₹ 500 Lakh for MBPL to the Company based on APTEL's judgement, which was received by the Company during the year. PNGRB also approved the</p>

<sup>35</sup> (₹ 500 Lakh for Mehsana-Bhatinda-Natural Gas Pipeline (MBPL) and ₹ 380 lakh for Bhatinda-Jammu-Srinagar Natural Gas Pipeline (BJSPL).)

Sl. No.	Name of the PSU	Comment
		<p>foreclosure of BJSPL pipeline project by terminating it at Gurdaspur subject to condition that the encashed PBG of ₹ 380 lakh will be retained by PNGRB. Therefore, the Company recognized this amount in Statement of Profit &amp; loss under the head “Other Expenses” during the year 2021-22.</p> <p>The above facts being material should have been disclosed by the Company in Notes to the Ind AS financial statements.</p> <p>Furthermore, the Company classified the expenses of ₹ 380 lakh as miscellaneous expenses under the head “Other Expenses” and not shown the same separately in the financial statements even though the same exceeds one percent of revenue.</p> <p>In view of the above, Notes to Financial Statements is deficient to the above extent.</p>

#### 5.5.1.4 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of SPSUs were reported as comments by the CAG under Section 143 (6) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process, were also communicated to the management through a ‘Management Letter’ for taking corrective action. The deficiencies generally related to (a) application and interpretation of accounting policies (b) adjustments arising out of audit and (c) Inadequate disclosure or non-disclosure of certain information on which management of the concerned SPSU gave assurances that corrective action would be taken in the subsequent year. The list of SPSUs to whom these 57 Management letters were issued is given in **Appendix 5.8**.

#### 5.6 Conclusion

As on 31 March 2022, there were 100 SPSUs including 64 Government Companies (12 inactive companies) and four Statutory Corporations and 32 Government Controlled Other Companies.

During 2021-22, Government Companies and Statutory Corporation registered an annual turnover of ₹ 1,62,392.00 crore, which was equal to 8.35 *per cent* of the GSDP of Gujarat. The investment of the State Government in equity and long-term loans in these SPSUs was ₹ 1,04,709.07 crore against total investment of ₹ 1,39,756.58 crore at the end of 31 March 2022. The outstanding long term loans of these PSUs as on 31 March 2022 decreased to ₹ 19,319.57 crore from ₹ 20,498.31 crore during the previous year (2020-21).

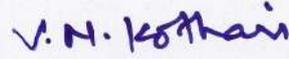
Out of the 67 Government Companies, 43 SPSUs earned profit after tax (₹ 4,211.26 crore), while 16 SPSUs incurred losses (₹ 1,487.59 crore) and eight SPSUs neither reported profit nor loss. As on 31 March 2022, 22 SPSUs had accumulated losses of ₹ 29,312.55 crore. Out of 32 Government controlled other Companies 18 SPSUs made profit of ₹ 2,845.33 crore and 14 SPSUs

incurred losses of ₹ 264.04 crore.

Further one hundred fifty seven financial statements of 55 SPSUs including three Statutory Corporation were in arrears.

### 5.7 Recommendations

- (i) Government of Gujarat may review the functioning of all loss-making SPSUs and take necessary steps to improve their financial performance.
- (ii) Government may issue necessary instructions to Administrative Departments to set targets for individual SPSUs to furnish the FSs in time and to strictly monitor the clearance of arrears.
- (iii) Government may review the inactive Government Companies and take appropriate decision on their revival/ winding up.



(VIJAY N. KOTHARI)

Ahmedabad  
The 20 March 2023

Accountant General (Audit-II), Gujarat

*Countersigned*



(GIRISH CHANDRA MURMU)

New Delhi  
The 21 March 2023

Comptroller and Auditor General of India



# APPENDICES



**Appendix 1.1**  
**State Profile**  
(Reference: Paragraph 1.1)

Sr. No.	Particulars	Unit	India	Gujarat
1.	Area	Sq. Km.	32,87,263	1,96,244
2.	Population (2012)	in crore	122.69	6.14
	Population projections (2022)	in crore	137.56	7.06
3.	Density of Population (2011)	Persons per Sq. Km.	418	360
4.	Urban Population to total population (2011)	<i>per cent</i>	31.1	42.6
5.	Sex Ratio	Females per 1000 Males	943	919
6.	Population below poverty line (2011-12)	<i>per cent</i>	21.9	16.6
7.	Literacy (2011)	<i>per cent</i>	73.0	78.0
8.	Infant Mortality Rate (2019)	Per 1000 live births	28.0	23.0
9.	Life Expectancy at Birth (2014-18)	year	69.7	70.2
10	Population Growth (2012 to 2022)	<i>per cent</i>	12.12	15.09
11	GDP and GSDP (2021-22) at Current Prices (2011-12 Series)	(₹ in crore)	2,36,64,637	19,44,107

Source:

1. Census of India 2011; (Sr. No. 1)
2. Report of the Technical Group on Population projection for India and States (2011-2036) by National commission on Population, Ministry of H&FW; (Sr. Nos. 2,3 & 10)
3. Socio- Economic Review, Government of Gujarat 2021-22 (Sr. Nos. 4 & 5)
4. Ministry of Statistics and Programme Implementation; (Sr. No. 6)
5. Economic Survey 2021-22, Census of India 2011; (Sr. No. 7)
6. SRS Bulletin, May 2022; (Sr. No. 8)
7. SRS Based Abridged Life Tables 2015-19, Registrar General of India; (Sr. No. 9)
8. Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation; and GSDP of Gujarat-Budget Publication No. 30 of Gujarat Fiscal Responsibility Act, 2005 (2022-23) (Sr. No. 11)

**Appendix 2.1**  
**Time series data on the State Government finances**  
(Reference: Paragraph 2.2)

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>PART A- Receipts</b>					
<b>1. Revenue receipts</b>	<b>1,23,291</b>	<b>1,36,002</b>	<b>1,42,844</b>	<b>1,28,156</b>	<b>1,66,830</b>
<b>(A) Tax revenue</b>	<b>92,331</b>	<b>1,03,592</b>	<b>99,240</b>	<b>90,485</b>	<b>1,28,784</b>
<b>(i) Own Tax revenue</b>	<b>71,549</b>	<b>80,103</b>	<b>79,008</b>	<b>70,266</b>	<b>97,678</b>
State Goods and Service Tax (SGST)	21,251	34,889	34,107	29,459	43,487
Taxes on sales, trade, etc.(VAT/Sales Tax)	29,639	22,414	21,072	18,800	29,044
State excise	85	131	138	134	155
Taxes on vehicles	3,885	4,119	3,847	2,981	3,889
Stamps and registration fees	7,255	7,781	7,701	7,390	10,433
Land revenue	1,859	2,408	2,359	2,134	2,782
Taxes on goods and passengers	131	117	48	104	11
Taxes on electricity duty	6,484	7,348	8,774	8,319	7,013
Other taxes	960	896	962	945	864
<b>(ii) State's share of Union taxes and duties</b>	<b>20,782</b>	<b>23,489</b>	<b>20,232</b>	<b>20,219</b>	<b>31,106</b>
<b>(B) Non tax revenue</b>	<b>15,074</b>	<b>13,417</b>	<b>18,104</b>	<b>10,493</b>	<b>14,018</b>
<b>(C) Grants in aid from Government of India</b>	<b>15,886</b>	<b>18,993</b>	<b>25,500</b>	<b>27,178</b>	<b>24,028</b>
<b>2. Miscellaneous capital receipts</b>	<b>0</b>	<b>65</b>	<b>106</b>	<b>9,968</b>	<b>0</b>
<b>3. Recoveries of loans and advances</b>	<b>346</b>	<b>151</b>	<b>330</b>	<b>155</b>	<b>155</b>
General Services	-	-	-	-	-
Social Services	7	12	16	17	37
Economic Services	291	89	271	83	148
Loans to Government Servants and Miscellaneous Loans	48	50	43	56	(-) 30
<b>4. Total revenue and non-debt capital receipts (1+2+3)</b>	<b>1,23,637</b>	<b>1,36,218</b>	<b>1,43,280</b>	<b>1,38,280</b>	<b>1,66,985</b>
<b>5. Public debt receipts</b>	<b>26,953</b>	<b>43,146</b>	<b>43,491</b>	<b>58,857</b>	<b>46,969<sup>1</sup></b>
Internal debt (excluding ways and means advances and overdrafts)	26,863	40,950	42,694	47,508	33,293
Net transactions under ways and means advances and overdrafts	-	-	-	-	-
Loans and advances from Government of India	90	2,196	797	11,349	13,676 <sup>1</sup>

<sup>1</sup> The figure of 'Public debt receipts' here do not tally with the figures in Table 2.16 and Table 2.44 due to rounding-off difference of ₹ 1.00 crore. Similarly, figure of 'Loans and advances from GoI' here do not tally with the figures in Table 2.42 due to rounding-off difference of ₹ 1.00 crore.

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>1,50,590</b>	<b>1,79,364</b>	<b>1,86,771</b>	<b>1,97,137</b>	<b>2,13,954</b>
7. Contingency fund receipts	0	0	0.25	0	0
8. Public account receipts (Gross)	89,133	1,05,720	1,04,862	1,00,214	1,18,597
<b>9. Total receipts of the State (6+7+8)</b>	<b>2,39,723</b>	<b>2,85,084</b>	<b>2,91,633</b>	<b>2,97,351</b>	<b>3,32,551</b>
<b><i>PART B-Expenditure/Disbursement</i></b>					
<b>10. Revenue Expenditure</b>	<b>1,18,060</b>	<b>1,32,790</b>	<b>1,40,899</b>	<b>1,50,704</b>	<b>1,60,421</b>
State Fund Expenditure	1,03,047	1,17,424	1,21,874	1,30,334	1,42,028
Central assistance including CSS/CS	15,013	15,366	19,025	20,370	18,393
General services (including interest payments)	41,402	47,564	49,172	52,074	56,423
Social services	49,039	53,285	59,197	60,816	68,254
Economic services	27,145	31,576	32,115	37,424	35,332
Grants-in-aid and contributions	474	365	415	390	412
<b>11. Capital Expenditure</b>	<b>26,313</b>	<b>28,062</b>	<b>25,650</b>	<b>26,781</b>	<b>28,185</b>
State Fund Expenditure	20,305	23,087	20,539	22,322	22,391
Central assistance including CSS/CS	6,008	4,975	5,111	4,459	5,794
General services	871	875	691	485	550
Social services	6,813	7,696	6,175	7,040	8,373
Economic services	18,630	19,491	18,784	19,256	19,262
<b>12. Disbursement of loans and advances</b>	<b>631</b>	<b>1,731</b>	<b>1,312</b>	<b>1,233</b>	<b>1,071</b>
General Services	-	-	-	-	-
Social Services	265	924	884	708	924
Economic Services	311	756	379	477	114
Loans to Government Servants and Miscellaneous Loans	55	51	49	48	33
<b>13. Total expenditure (10+11+12)</b>	<b>1,45,004</b>	<b>1,62,583</b>	<b>1,67,861</b>	<b>1,78,718</b>	<b>1,89,677</b>
<b>14. Repayments of public debt</b>	<b>13,700</b>	<b>15,432</b>	<b>16,702</b>	<b>17,922</b>	<b>24,436</b>
Internal debt (excluding Ways and Means Advances and Overdrafts)	12,991	14,719	15,908	17,139	23,518
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and advances from Government of India	709	713	794	783	918
<b>15. Appropriation to Contingency Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>1,58,704</b>	<b>1,78,015</b>	<b>1,84,563</b>	<b>1,96,640</b>	<b>2,14,113</b>
17. Contingency fund disbursements	-	0.25	-	-	-
18. Public account disbursements	87,738	1,03,998	1,02,635	1,07,893	1,13,609
<b>19. Total disbursement by the State (16+17+18)</b>	<b>2,46,442</b>	<b>2,82,013</b>	<b>2,87,198</b>	<b>3,04,533</b>	<b>3,27,722</b>

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Part C- Deficits</b>					
<b>20. Revenue deficit(-) / revenue surplus (+) (1-10)</b>	(+)5,232	(+)3,212	(+)1,945	(-)22,548	(+)6,409
<b>21. Fiscal deficit (-)/fiscal surplus (+) (4-13)</b>	(-)21,366	(-)26,365	(-)24,581	(-)40,438	(-)22,692
<b>22. Primary deficit(-)/primary surplus(+) (21+23)</b>	(-)2,412	(-)6,182	(-)2,133	(-)16,235	(+)2,496
<b>Part D- Other data</b>					
<b>23. Interest payments (included in revenue expenditure)</b>	18,954	20,183	22,449	24,203	25,188
<b>24. Financial assistance to local bodies etc.</b>	54,807	59,611	64,262	64,637	69,808
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
<b>26. Interest on Ways and Means advances/ overdraft</b>	-	-	-	-	-
<b>27. Gross State Domestic Product (GSDP)<sup>Φ</sup></b>	13,29,095	14,92,156	16,29,638 (P)	16,55,917 (Q)	19,44,107 (A)
<b>28. Outstanding fiscal liabilities (year-end)</b>	2,56,366	2,85,844	3,15,456	3,57,892	3,80,802
<b>29. Outstanding guarantees (year-end)</b>	4,834	4,699	4,462	3,656	3,044
<b>30. Maximum amount guaranteed (during the year)</b>	11,796	11,796	11,747	11,751	10,757
<b>31. Number of Incomplete Projects</b>	96	118	123	158	176
<b>32. Capital blocked in Incomplete Projects</b>	4,278	2,207	5,811	6,929	7,478
<b>Part E- Fiscal Health Indicators</b>					
<b>I. Resource Mobilisation</b>					
Own tax revenue/GSDP ( <i>per cent</i> )	5.38	5.37	4.85	4.24	5.02
Own non-tax revenue/GSDP ( <i>per cent</i> )	1.13	0.90	1.11	0.63	0.72
Central transfers/GSDP ( <i>per cent</i> )	2.76	2.85	2.81	2.86	2.84
<b>II. Expenditure Management</b>					
Total expenditure/GSDP ( <i>per cent</i> )	10.91	10.90	10.30	10.79	9.76
Total expenditure/revenue receipts	1.18	1.20	1.18	1.39	1.14
Revenue expenditure/total expenditure	0.81	0.82	0.84	0.84	0.85
Expenditure on social services/total expenditure	0.39	0.38	0.39	0.38	0.40
Expenditure on economic services/total expenditure	0.32	0.31	0.30	0.32	0.29

	2017-18	2018-19	2019-20	2020-21	2021-22
Capital expenditure/total expenditure	0.18	0.17	0.15	0.15	0.15
Capital expenditure on social and economic services/total expenditure	0.18	0.17	0.15	0.15	0.15
<b>III. Management of fiscal imbalances</b>					
Revenue deficit or surplus/GSDP ( <i>per cent</i> )	0.39	0.22	0.12	(-)1.36	0.33
Fiscal deficit/GSDP ( <i>per cent</i> )	(-)1.61	(-)1.77	(-)1.51	(-)2.44	(-)1.17
Primary deficit (-) or surplus(+)/GSDP ( <i>per cent</i> )	(-)0.18	(-)0.41	(-)0.13	(-)0.98	0.13
Revenue deficit/fiscal deficit	(-)0.24	(-)0.12	(-)0.08	0.56	(-)0.28
Primary revenue balance/GSDP ( <i>per cent</i> )	1.82	1.57	1.50	0.10	1.63
<b>IV. Management of fiscal liabilities</b>					
Fiscal liabilities/GSDP	0.19	0.19	0.19	0.21 <sup>2</sup>	0.18 <sup>3</sup>
Fiscal liabilities/RR ( <i>per cent</i> )	207.94	210.18	220.84	272.07 <sup>2</sup>	214.91 <sup>3</sup>
Primary deficit <i>vis-à-vis</i> quantum spread ( <i>per cent</i> )	(-)15.79	(-)49.99	(-)42.70	90.67	6.96
Debt redemption (principal + interest) / total debt receipts	1.07	0.91	0.93	0.85	1.02
<b>V. Other Fiscal Health Indicators</b>					
Return on investment ( <i>per cent</i> )	0.11	0.13	0.09	0.12	0.12
Financial assets/liabilities	0.94	0.96	0.99	0.92	0.94

Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2022-23)

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

<sup>2</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received during 2020-21 has not been considered as public debt here.

<sup>3</sup> As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received during 2020-21 and ₹ 13,040 crore received during 2021-22 have not been considered as public debt here.

**Appendix 2.2**  
**Unspent balances of previous year incorrectly credited as Revenue Receipts**

(Reference: Paragraph 2.3.2.2)

Department	DDO	District	Receipt head account classification	Date of deposit	Receipts Amount (₹ in lakh)	Details	Deposited in	UTC
Education, Sports, Art and Culture	District Education District Sixan Amreli	Amreli	0202-01-101-01 Other Receipts	02-07-2021	13.59	Vidya laxmi bond maturity amount	PLA of DDO Amreli	UTC given at the end
Crop Husbandry	Gujarat State Seed Certification Agency	Ahmedabad	0401-00-800-00 Other Receipts	25-10-2021	441.20	Unutilised amount of scheme	Saving Accounts	UTC given at the end
Crop Husbandry	Gujarat State Seed Certification Agency	Ahmedabad	0401-00-800-00 Other Receipts	19-07-2021	327.97	Unutilised amount of scheme	Saving Accounts	UTC given at the end
Crop Husbandry	Gujarat State Seed Certification Agency	Ahmedabad	0401-00-800-00 Other Receipts	17-08-2021	281.93	Unutilised amount of scheme	Saving Accounts	UTC given at the end
Crop Husbandry	Gujarat State Seed Certification Agency	Ahmedabad	0401-00-800-00 Other Receipts	25-10-2021	231.01	Unutilised amount of scheme	Saving Accounts	UTC given at the end
Crop Husbandry	Gujarat State Seed Certification Agency	Ahmedabad	0401-00-800-00 Other Receipts	19-07-2021	144.44	Unutilised amount of scheme	Saving Accounts	UTC given at the end

Department	DDO	District	Receipt head account classification	Date of deposit	Receipts Amount (₹ in lakh)	Details	Deposited in	UTC
Animal Husbandry	Nayab Paspalan Niyamak, Jilla Vikas Adhikari, Jilla Panchayat Ahmedabad	Ahmedabad	0403-00-800-05 Miscellaneous Receipt	01-07-2021	140.74	Unutilised amount of scheme	PLA of DDO Ahmedabad	UTC given at the end
Other Rural Development Programmes	Chief Accountant, Finance Department, Ahmedabad Municipal Corporation	Ahmedabad	0515-00-800-01 Miscellaneous Receipts	16-07-2021	132.76	Unutilised amount of scheme	Saving Accounts	UTC given at the end
Crop Husbandry	Gujarat State Seed Certification Agency	Ahmedabad	0401-00-800-00 Other Receipts	27-08-2021	120.26	Unutilised amount of scheme	Saving Accounts	UTC given at the end
Housing	A/C Officer, Jilla Panchayat Ahmedabad	Ahmedabad	0216-03-800-00 Other Receipts	13-01-2022	1,069.46	unutilised amount of grant allotted	PLA of DDO Ahmedabad	UTC given at the end
Education, Sports, Art and Culture	Knowledge Consortium Of Gujarat, Pragna Puram Camp	Ahmedabad	0202-01-103-02 Other Receipts	29-01-2022	400.00	unutilised amount of grant allotted	GSFS	UTC given at the end
Education, Sports, Art and Culture	Knowledge Consortium Of Gujarat, Pragna Puram Camp	Ahmedabad	0202-01-103-02 Other Receipts	29-01-2022	200.00	unutilised amount of grant allotted	GSFS	UTC given at the end
Education, Sports, Art and Culture	Knowledge Consortium Of Gujarat, Pragna Puram Camp	Ahmedabad	0202-01-103-02 Other Receipts	01-02-2022	200.00	unutilised amount of grant allotted	GSFS	UTC given at the end

Department	DDO	District	Receipt head account classification	Date of deposit	Receipts Amount (₹ in lakh)	Details	Deposited in	UTC
Education, Sports, Art and Culture	Knowledge Consortium Of Gujarat, Pragna Puram Camp	Ahmedabad	0202-01-103-02 Other Receipts	01-02-2022	100.00	unutilised amount of grant allotted	GSFS	UTC given at the end
Education, Sports, Art and Culture	Knowledge Consortium Of Gujarat, Pragna Puram Camp	Ahmedabad	0202-01-103-02 Other Receipts	01-02-2022	100.00	unutilised amount of grant allotted	GSFS	UTC given at the end
Police	LOK RAKSHAK BHARTI BOARD 2018 And Director General Of Police, Gandhinagar	Gandhinagar	0055-00-800-02 Other Receipts	09-07-2021	204.31	Unutilised grant of Lok Rakshak recruitment	Bank Account	UTC given at the end
Water Supply and Sanitation	Swachh Bharat Mission-G Gandhinagar	Gandhinagar	0215-01-800-05 Other Receipts	28-09-2021	4,000.00	Unutilised amount Swachh Bharat Mission	Bank Account	UTC given at the end
Labour and Employment	GRIMCO Gandhinagar Ltd	Gandhinagar	0230-00-800-03 Other Receipts	29-06-2021	174.58	Unutilised amount of scheme	GSFS	UTC given at the end
Village and Small Industries	GRIMCO Gandhinagar Ltd	Gandhinagar	0851-00-200-00 Other Village Industries	27-07-2021	73.48	Leather/rexene Articles making Training and Natural Fiber Articles making training for special Com. Plan unutilised grant of 2019-20 and 2020-21	GSFS	UTC given at the end

Department	DDO	District	Receipt head account classification	Date of deposit	Receipts Amount (₹ in lakh)	Details	Deposited in	UTC
Village and Small Industries	GRIMCO Gandhinagar Ltd	Gandhinagar	0851-00-200-00 Other Village Industries	27-07-2021	47.74	Leather/rexene Articles making Training and Natural Fiber Articles making training for Tribal Area Sub Plan unutilised grant of 2019-20 and 2020-21	GSFS	UTC given at the end
Village and Small Industries	GRIMCO Gandhinagar Ltd	Gandhinagar	0851-00-200-00 Other Village Industries	27-07-2021	195.18	Leather/rexene Articles making Training and Natural Fiber Articles making training for General Plan unutilised grant of 2019-20 and 2020-21	GSFS	UTC given at the end
Animal Husbandry	Pashu Shakha Botad	Botad	0403-00-800-07 Other Receipts	26-11-2021	62.83	Unutilised grant of 2017-21 of deputy director animal husbandry, botad	PLA of DDO Botad	UTC given at the end
Animal Husbandry	Pashu Shakha Botad	Botad	0403-00-800-07 Other Receipts	26-11-2021	11.00	Unutilised grant for 2018-21 relating to Mukhyamantri nishulk pashusarvar yojana	PLA of DDO Botad	UTC given at the end
Animal Husbandry	Pashuchikitsha Adhikari Botad	Botad	0403-00-800-07 Other Receipts	21-09-2021	3.96	Unutilised grant of 2020-21 of Veterinary officer Botad	PLA of TDO Botad	UTC given at the end
Animal Husbandry	Gujarat Co.Op. Milk Mktg. Federation Ltd., Anand	Anand	0403-00-102-01 Cattle Farms	05-06-2021	1,697.93	Unutilised amount of 2018-21 relating to GCMMLF, Anand	Bank Account	online UTC PFMS

Department	DDO	District	Receipt head account classification	Date of deposit	Receipts Amount (₹ in lakh)	Details	Deposited in	UTC
Other Social Services	Jilla Samaj Adhikari Dp-Anand	Anand	0250-00-101-00 Nutrition	30-09-2021	24.08	ZP Anand unutilised grant of 2016-17	DDO PLA	UTC given at the end
Crop Husbandry	Hisab Anand Niyamakshree, Agricultural University	Anand	0401-00-800-00 Other Receipts	19-07-2021	15.94	Other Receipts of Anand Agriculture University, Organic farming grant material unutilised grant	Bank Account	UTC given at the end
Other Rural Development Programmes	Chief Officer Palika, Ode Nagar	Anand	0515-00-800-01 Miscellaneous Receipts	25-08-2021	10.91	Oad Nagarpalika unutilised grant of 2017-18	Bank Account	UTC given at the end
Other Rural Development Programmes	Chief Officer, Ode Nagarpalika	Anand	0515-00-800-01 Miscellaneous Receipts	18-06-2021	10.00	Oad Nagarpalika unutilised grant of 2017-18	Bank Account	UTC given at the end
<b>Total</b>						<b>10,435.31</b>		

Source: Details furnished by the Departments

## Appendix 3.1

### Glossary of important Budget related terms

(Reference: Paragraph 3.1)

1. ***'Accounts' or 'Actuals' of a year.*** - are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
2. ***'Administrative approval' of a scheme, proposal or work.*** - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
3. ***'Annual financial statement'*** – Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
4. ***'Appropriation'*** - means the amount authorized by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
5. ***'Charged Expenditure'*** - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
6. ***'Consolidated Fund of India/ State-*** All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
7. ***'Contingency Fund'*** is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
8. ***'Controlling Officer (budget)'***- means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
9. ***'Drawing and Disbursing Officer' (DDO)*** – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function
10. ***'Excess Grant'*** – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
11. ***'New Service'*** – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to

the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.

12. **'New Instrument of Service'**- means relatively large expenditure arising out of important expansion of an existing activity.
13. **'Public Accounts'**- means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
14. **'Reappropriation'** - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
15. **'Revised Estimate'** - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
16. **'Supplementary Demands for Grants'**- means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
  - a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State.
  - b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilize the savings of one of the Sections for any other Section.
  - c) **Token Supplementary** allows to utilize the savings within the same section of the grant.
17. **'Major Head'** - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
18. **'Sub-Major Head'** - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
19. **'Minor Head'** - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
20. **'Sub-Head'** - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.

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21. ***‘Major Work’*** - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
  22. ***‘Minor Work’*** - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
  23. ***‘Modified Grant or Appropriation’*** - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
  24. ***‘Supplementary or Additional Grant or Appropriation’*** - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
  25. ***‘Schedule of New Expenditure’*** - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
  26. ***‘Token demand’*** - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

**Appendix 3.2**  
**Unnecessary Re-appropriation**  
(Reference: Paragraph 3.3.3)

(₹ in lakh)

Sl. No	Grant No.	Major Head	Sub Major Head	Minor head	Sub Head	Nomenclature	Provisions				Actual Expenditure	Final Savings
							Original	Supplementary	Total	Reappropriation		
1	2	3	4	5	6	7	8	9	10 (8+9)	11	12	13 (10-12)
1	0009	2202	03	102	04	EDN 34 Grants to Universities	37,943.12	61.56	38,004.68	1,178.15	37,585.25	419.43
2	0020	2049	04	104	03	Modernisation of Police Force	280.30	0	280.30	36.25	234.06	46.24
3	0020	2049	04	109	01	Interest on State Plan Loans consolidated in terms of recommendations of the Finance Commission	15,300.00	0	15,300.00	3,509.35	11,677.77	3,622.23
4	0040	2211	00	103	07	Maternity & Child Health Chiranjivi Matruvandana Yojana	22,774.54	0	22,774.54	107.67	20,460.52	2,314.02
5	0066	4701	20	800	43	Canals & Branches	16.00	0	16.00	0.05	4.29	11.71
6	0084	2059	01	053	01	Work charged establishment (Salary) (Repairs to Non-residential buildings)	90.00	890.00	980.00	10.84	634.87	345.13
7	0095	2225	01	277	03	SCW 3 Muni Metraj Scholarship for Pre SSC students whose parents are engaged in unclean occupation (30-70 Partially Centrally Sponsored Scheme)	7,200.00	0	7,200.00	32.98	7,128.72	71.28
						<b>Total</b>	<b>83,603.96</b>	<b>951.56</b>	<b>84,555.52</b>	<b>4,875.29</b>	<b>77,725.48</b>	<b>6,830.04</b>

Source: Appropriation Accounts 2021-22

## Appendix 3.3

## Statement showing Grants/Appropriations with Savings of ₹ 50 crore and above

(Reference: Paragraph 3.3.4.1)

(₹ in crore)

Sl No.	Grant No.	Name of the Grant/Appropriation	Nature	Total Grant	Actual Expenditure	Savings
1	0002	Agriculture	Revenue Voted	4,023.97	2,710.19	1,313.78
2	0005	Co-operation	Capital Voted	72.78	22.36	50.42
3	0006	Fisheries	Capital Voted	144.16	34.40	109.76
4	0009	Education	Capital Voted	431.89	301.23	130.66
5	0013	Power Projects	Capital Voted	3,273.43	3,138.98	134.45
6	0016	Tax Collection Charges (Finance Department)	Revenue Voted	345.47	277.77	67.70
7	0018	Pension and Other Retirement Benefits	Revenue Voted	12,368.00	11,567.82	800.18
8	0019	Other expenditure pertaining to Finance Department	Revenue Voted	10,093.26	1,583.95	8,509.31
9	0020	Repayment of Debt Pertaining to Finance Department and its servicing	Revenue Charged	24,696.03	23,933.17	762.86
10	0021	Food	Revenue Voted	83.67	22.59	61.08
11	0022	Civil Supplies	Revenue Voted	975.30	827.76	147.54
12	0026	Forests	Revenue Voted	776.80	620.77	156.03
13	0026	Forests	Capital Voted	558.61	506.13	52.48
14	0040	Family Welfare	Revenue Voted	2,335.36	2,095.53	239.83
15	0043	Police	Revenue Voted	6,023.07	5,144.68	878.39
16	0046	Other Expenditure Pertaining to Home Department	Capital Voted	951.66	804.21	147.45
17	0049	Industries	Revenue Voted	4,859.00	4,789.11	69.89
18	0049	Industries	Capital Voted	502.39	351.26	151.13
19	0057	Labour and Employment	Revenue Voted	1,111.90	911.66	200.24
20	0060	Administration of Justice	Revenue Voted	1,053.42	921.75	131.67
21	0065	Narmada Development Scheme	Capital Voted	3,466.34	2,803.86	662.48
22	0066	Irrigation and Soil Conservation	Revenue Voted	1,193.68	1,102.88	90.80
23	0066	Irrigation and Soil Conservation	Capital Voted	4,737.90	2,325.01	2,412.89
24	0068	Other Expenditure	Revenue Charged	210.00	158.62	51.38
25	0070	Community Development	Revenue Voted	3,126.84	2,169.32	957.52
26	0071	Rural Housing and Rural Development	Revenue Voted	2,468.53	1,615.20	853.33
27	0072	Compensation and Assignments	Revenue Voted	138.20	74.29	63.91
28	0074	Transport	Capital Voted	501.73	391.06	110.67
29	0077	Tax Collection Charges Revenue Department	Revenue Voted	279.13	206.19	72.94
30	0079	Relief on Account of Natural Calamities	Capital Voted	274.01	77.00	197.01
31	0084	Non Residential Buildings	Capital Voted	1,102.47	418.57	683.90
32	0085	Residential Buildings	Capital Voted	166.62	52.77	113.85

Appendices

Sl No.	Grant No.	Name of the Grant/ Appropriation	Nature	Total Grant	Actual Expenditure	Savings
33	0086	Roads and Bridges	Revenue Voted	3,827.82	3,607.04	220.78
34	0087	Gujarat Capital Construction Scheme	Capital Voted	294.33	179.52	114.81
35	0092	Social Security and Welfare	Revenue Voted	2,134.78	1,964.19	170.59
36	0092	Social Security and Welfare	Capital Voted	602.46	551.28	51.18
37	0095	Scheduled Castes Sub Plan	Revenue Voted	4,502.96	4,030.38	472.58
38	0095	Scheduled Castes Sub Plan	Capital Voted	859.90	801.15	58.75
39	0096	Tribal Area Sub Plan	Revenue Voted	9,119.21	8,028.06	1091.15
40	0096	Tribal Area Sub Plan	Capital Voted	4,673.91	4,285.56	388.35
41	0102	Urban Development	Revenue Voted	9,656.32	8,447.10	1,209.22
42	0106	Other Expenditure Pertaining to Women and Child Development Department	Revenue Voted	3,669.25	3,473.51	195.74
43	0108	Other Expenditure Pertaining to Climate Change Department	Revenue Voted	854.31	660.70	193.61
<b>Total</b>				<b>1,32,540.87</b>	<b>1,07,988.58</b>	<b>24,552.29</b>

Source: Appropriation Accounts of 2021-22

**Appendix-3.4**  
**Excess expenditure of previous years requiring regularisation**  
(Reference: Paragraph 3.3.5.3)

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant No./Appropriation No.	Amount of excess	Status of discussion by Public Accounts Committee
2007-08	40-Grants 3-Appropriations	Revenue Voted-3, 5, 8, 9, 11, 12, 13, 15, 18, 21, 22, 23, 25, 26, 31, 38, 39, 40, 41, 44, 50, 51, 53, 55, 57, 61, 62, 64, 66, 73, 74, 75, 78, 80, 82, 84, 86, 87, 88, 95 Revenue Charged-32, 84 Capital Charged-81	1,055.38	Yet to be regularised.
2008-09	21-Grants 5-Appropriations	Revenue Voted-5, 8, 9, 13, 21, 22, 23, 26, 38, 39, 41, 43, 44, 62, 66, 73, 79, 80, 86, 87, 104 Revenue Charged-106 Capital Charged-55, 58, 81, 86	347.05	Yet to be regularised.
2009-10	38-Grants 7-Appropriations	Revenue Voted – 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 Capital Voted –65, 93 Revenue Charged – 20, 32, 43, 68, 84 Capital Charged – 81, 86	1,010.86	Yet to be regularised.
2010-11	13-Grants 2-Appropriations	Revenue Voted – 10, 41, 51, 62, 66, 72, 73, 82, 86, 87, 88, 105 Capital Voted- 13 Revenue Charged- 71 Capital Charged- 81	120.25	Yet to be regularised.
2011-12	6-Grants 4-Appropriations	Revenue Voted-10, 18, 51, 82, 86 Capital Voted- 87 Revenue Charged – 26, 96 Capital Charged – 20, 81, 96	660.62	Yet to be regularised.
2013-14	5-Grants 3-Appropriations	Revenue Voted – 9, 73, 88 Capital Voted – 26, 87 Revenue Charged – 26, 68 Capital Charged – 66	1,026.35	Yet to be regularised.
2014-15	4-Grants 3-Appropriation	Revenue Voted – 73, 85, 88 Capital Voted – 26 Revenue Charged –19, 43, 81	144.45	Yet to be regularised.
2015-16	1 Grants 3 Appropriations	Revenue Voted – 73 Revenue Charged – 26, 39 Capital Charged – 20	299.09	Yet to be regularised.
2016-17	6 Grants 4 Appropriations	Revenue Voted – 9, 67, 73, 83 Capital Voted – 10, 41 Revenue Charged – 74, 96, 106 Capital Charged - 96	278.11	Yet to be regularised.
2017-18	2 Grants 1 Appropriation	Revenue Voted – 73 Capital Voted – 3 Revenue Charged - 18	333.99	Yet to be regularised.
2018-19	4 Grants 1 Appropriation	Revenue Voted – 9, 13, 73, 86 Revenue Charged - 18	2,394.24	Yet to be regularised.
2019-20	3 Grants 1 Appropriation	Revenue Voted-9, 73, 86 Capital Charged- 20,	1,466.84	Yet to be regularised
2020-21	3 Grants 3 Appropriations	Revenue Voted- 9, 73 Capital Voted- 88 Capital Charged- 20, 66, 96	1,718.52	Yet to be regularised
<b>Total</b>			<b>10,855.75</b>	

Source: Appropriation Accounts of respective years

## Appendix 3.5

## Limits set by the State PAC in October 1994

(Reference: Paragraph 3.5.1.2)

<b>Saving</b>	<p>1. If a grant / appropriation has an overall saving of less than 5 per cent of the total provision made there under, no notes or comments on savings/excesses are necessary under individual sub-heads. For this purpose Revenue (Voted), Revenue (Charged), Capital (Voted) and Capital (Charged) should be treated as separate grant / appropriation.</p> <p>2. Even in case; where the overall saving is 5 per cent or more under a grant / appropriation</p> <p>A. No explanation is necessary for saving/excess in respect of the sub-heads where the saving/excess is 10 per cent of the provision made there under or less ;</p> <p>B. Even if the saving/excess under sub-head is more than 10 percent of the total provision made there under, no explanation need be given in the Appropriation Accounts :-</p> <p>i. if the total provision under 'Revenue Voted' below a grant is ;</p> <ol style="list-style-type: none"> <li>1. more than ₹ 30 crores and the saving/excess under sub-head is less than ₹ 30 lakhs;</li> <li>2. between ₹ 10 crores and ₹ 30 crores and the saving/excess under a sub-head is less than ₹ 20 lakhs;</li> <li>3. less than ₹ 10 crores and savings/excess under a sub-head is less than ₹ 10 lakhs.</li> </ol> <p>ii. if the total provision under 'Capital Voted' below grant is</p> <ol style="list-style-type: none"> <li>1. more than ₹ 20 crores and the savings/excess under a sub-head is less than ₹ 25 lakhs;</li> <li>2. between ₹ 10 crores and ₹ 20 crores and the saving/excess under sub-head is less than ₹ 20 lakhs;</li> <li>3. less than ₹ 10 crores and he saving/excess under a sub -head is less than ₹ 10 lakhs.</li> </ol> <p>iii. In respect of 'Revenue Charged' and 'Capital Charged' if the saving/excesses under a sub-head is less than ₹ 5 lakhs.</p>
<b>Excess</b>	<p>If under a grant/appropriation expenditure incurred is more than the provision made there under, the excess requires regularisation.</p> <p>However, in the Appropriation Accounts explanations for excesses/savings under sub-heads need be given only as provided below;</p> <ol style="list-style-type: none"> <li>1. Explanation need be given if the excess under a sub-head exceeds 10 per cent of the provision made there- under and the excess is more than ₹ 5 lakhs.</li> </ol> <p>In the following cases even if the excess is less than 10 per cent provision explanation may be given in the Appropriation Accounts:-</p> <p>A. If the total provision under 'Revenue Voted' below a grant is :-</p> <ol style="list-style-type: none"> <li>i. More than ₹ 30 crores and excess under a sub-heads is more than ₹ 30 lakhs;</li> <li>ii. Between ₹ 10 crores and ₹ 30 crores and the excess under a sub-head is more than ₹ 20 lakhs</li> <li>iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs;</li> </ol> <p>B. If the total provision under 'Capital Voted' below a grants is :-</p> <ol style="list-style-type: none"> <li>i. More than ₹ 20 crores and excess under a sub-heads is more than ₹ 25 lakhs</li> <li>ii. Between ₹ 10 crores and ₹ 20 crores and excess under a sub head is more than ₹ 15 lakhs.</li> <li>iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs</li> </ol> <p>C. In respect of 'Revenue Charged' and 'Capital Charged', if the excess under a subhead is more than ₹ 5 lakhs;</p> <p>2. Explanations for savings under sub-heads may be given as per the forgoing provision for giving explanations for savings under sub-heads under a grant/appropriation where there is an overall saving.</p>

**Appendix 3.6:**  
**Sub-Heads with variations beyond PAC specified limits and status of explanation**  
(Reference: Paragraph 3.5.1.2)

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
01 Agriculture and Co-Operation Department	2	2	2
02 Agriculture	75	34	33
03 Minor Irrigation, Soil Conservation and Area Develop	9	3	3
04 Animal Husbandry	26	1	1
05 Co-operation	34	3	2
06 Fisheries	14	3	3
07 Other Expenditure Pertaining to Agriculture and Co-operation Department	3	0	0
08 Education Department	2	1	1
09 Education	110	60	59
10 Other Expenditure Pertaining to Education Department	8	1	1
11 Energy and Petro-Chemicals Department	3	2	2
12 Tax Collection Charges (Energy and Petro-Chemicals Department)	1	0	0
13 Power Projects	36	0	0
14 Other Expenditure Pertaining to Energy and Petro-Chemicals Department	5	2	2
15 Finance Department	2	1	1
16 Tax Collection Charges (Finance Department)	7	5	5
17 Treasury and Accounts Administration	6	5	5
18 Pension and Other Retirement Benefits	11	6	6
19 Other Expenditure Pertaining to Finance Department	17	7	6
20 Repayment of Debt Pertaining to Finance Department	50	0	0
21 Food, Civil Supplies and Consumer Affairs Department	4	2	2
22 Civil Supplies	23	8	8
23 Food	10	1	1
24 Other Expenditure Pertaining to Food, Civil Supplies and Consumer Affairs Department	2	0	0
25 Forests and Environment Department	2	2	2
26 Forests	37	25	25
27 Environment	5	0	0
28 Other Expenditure Pertaining to Forest and Environment Department	2	0	0
29 Governor	14	1	1
30 Council of Ministers	1	0	0
31 Elections	9	5	5
32 Public Service Commission	2	1	1
33 General Administration Department	14	5	5
34 Economic Advice and Statistics	5	2	2
35 Other Expenditure Pertaining to General Administration Department	18	3	3
36 State Legislature	4	2	2
37 Loans and Advances to Government Servants in Gujarat Legislature Secretariat	2	1	1
38 Health and Family Welfare Department	3	1	1
39 Medical and Public Health	137	0	0
40 Family Welfare	26	14	14
41 Other expenditure pertaining to Health and Family Welfare Department	3	1	1
42 Home Department	5	2	2
43 Police	39	24	24

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
44 Jails	6	1	1
45 State Excise	4	2	2
46 Other expenditure Pertaining to Home Department	36	6	6
47 Industries and Mines Department	2	2	2
48 Stationery and Printing	8	2	2
49 Industries	61	6	6
50 Mines and Minerals	6	1	1
51 Tourism	10	3	3
52 Other Expenditure Pertaining to Industries and Mines Department	13	0	0
53 Information and Broadcasting Department	2	1	1
54 Information and Publicity	7	0	0
55 Other expenditure pertaining to Information and Broadcasting Department	2	1	1
56 Labour and Employment Department	1	1	1
57 Labour and Employment	31	18	16
58 Other expenditure Pertaining to Labour and Employment Department	2	0	0
59 Legal Department	2	1	1
60 Administration of Justice	21	13	12
61 Other expenditure Pertaining to Legal Department	12	6	6
62 Legislative and Parliamentary Affairs Department	3	3	3
63 Other expenditure Pertaining to Legislative and Parliamentary Affairs Department	2	0	0
64 Narmada, Water Resources, Water Supply and Kalpsar Department	1	1	1
65 Narmada Development Scheme	7	1	1
66 Irrigation and Soil Conservation	139	86	85
67 Water Supply	16	0	0
68 Other Expenditure Pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department	3	2	2
69 Panchayats, Rural Housing and Rural Development	3	1	1
70 Community Development	29	14	14
71 Rural Housing and Rural Development	28	13	13
72 Compensation and Assignments	12	7	7
73 Other expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department	14	8	5
74 Transport	11	1	1
75 Other Expenditure Pertaining to Ports and Transports Department	7	4	3
76 Revenue Department	6	5	5
77 Tax Collection Charges (Revenue Department)	39	15	15
78 District Administration	09	5	5
79 Relief On Account of Natural Calamities	90	28	28
80 Dang District	37	4	4
81 Compensation and Assignment	15	0	0
82 Other Expenditure Pertaining to Revenue Department	6	3	3
83 Roads and Building Department	4	3	3
84 Non-Residential building	54	32	31
85 Residential Building	13	8	8
86 Roads and Bridges	33	13	12
87 Gujarat Capital Construction Scheme	8	6	6
88 Other Expenditure Pertaining to Roads and Building Department	9	2	2
89 Science and Technology Department	6	0	0

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
90 Other expenditure pertaining to Science and Technology Department	15	0	0
91 Social Justice and Empowerment	3	3	3
92 Social Security and Welfare	80	32	32
94 Other Expenditure Pertaining to Social Justice and Empowerment Department	2	2	2
95 Scheduled Castes Sub-Plan	249	139	138
93 Welfare of Scheduled Tribes	51	1	1
96 Tribal Area Sub-Plan	415	202	195
97 Sports Youth and Cultural Activities Department	4	2	2
98 Youth Services and Cultural Activities	38	11	11
99 Other Expenditure Pertaining to Sports, Youth and cultural Activities Department	3	0	0
100 Urban Development and Urban Housing Department	1	1	1
101 Urban Housing	38	0	0
102 Urban Development	59	25	25
103 Compensation Assignment and Tax Collection Charges	4	0	0
104 Other Expenditure Pertaining to Urban Development and Urban Housing Department	2	1	1
105 Women and Child Development Department	2	1	1
106 Other Expenditure Pertaining to Women and Child Development Department	53	24	24
107 Climate Change Department	1	1	1
108 Other Expenditure Pertaining to Climate Change Department	5	3	3
<b>Total</b>	<b>2,643</b>	<b>1,013</b>	<b>991</b>

Source: Appropriation Accounts of 2021-22

**Appendix 3.7**  
**Budget and Opportunity cost**  
(Reference: Paragraph 3.5.2)

Sl. No.	Grant	Account	Scheme	(₹ in crore)			
				Original allocation	Actual expenditure	Unutilized funds	Unutilized funds (Percentage)
<b>Capital (Voted)</b>							
1	5	4435.01.101.01	WRH-1 Establishment of Agricultural Produce Market Fund	71.70	20.62	51.08	71.24
2	6	5051.02.200.08	Construction of Fishing Center under Loan from NABARD	96.66	8.00	88.66	91.72
3	9	4202.01.201.06	EDN-113 Samagra Shiksha Abhiyan (60-40 Partially Centrally Sponsored Scheme)	282.59	50.45	232.14	82.15
4	13	4801.05.190.20	Share Capital Contribution of GUVNL for installing Flue Gas Desulphurization (FGD) system in GSECL Power Plants	90.00	22.50	67.50	75.00
5	46	4055.00.800.05	Information Technology	176.82	69.97	106.85	60.43
6	49	4875.60.800.05	Capital Support for Gujarat Common Effluent Treatment (CETP) Deep Sea Pipeline & Allied Infrastructure	200.00	100.00	100.00	50.00
7	66	4701.83.800.43	Canals & Branches	66.09	26.31	39.78	60.20
8	66	4702.00.101.03	Construction of Barrage on River Narmada near Village Bhadbhut	1453.06	363.59	1089.47	74.98
9	66	4702.00.800.01	MNR-251 Construction to Gujarat Green Revolution Company Limited for Drip Irrigation (60-40 Partially Centrally Sponsored Scheme)	653.20	223.88	429.32	65.73
10	66	4711.01.103.01	Flood Control Works	64.75	30.67	34.08	52.64
11	79	4250.22.101.13	National Cyclone Risk Mitigation Project (NCRMP) (75-25 Centrally Sponsored Scheme)	186.81	11.60	175.21	93.79
12	84	4059.01.051.42	Roads & Building Department Office Building	88.66	11.81	76.85	86.68

Sl. No.	Grant	Account	Scheme	Original allocation	Actual expenditure	Unutilized funds	Unutilized funds (Percentage)
13	84	4059.01.051.49	RTO Buildings for Ports & Transport Department	50.19	10.93	39.26	78.22
14	84	4059.01.051.51	Administration of Justice Buildings for Legal Department (Partially Centrally Sponsored Scheme)	244.87	99.24	145.63	59.47
15	84	4202.02.203.42	EDN-29 Buildings	60.04	20.11	39.93	66.50
16	84	4202.02.105.42	TED-23 Buildings	124.66	20.77	103.89	83.34
17	85	4216.01.106.02	Construction of Residential Building for R & B Department	97.67	27.83	69.84	71.51
18	87	4217.01.051.01	UDP-26 Residential Buildings	205.00	101.10	103.90	50.68
19	95	4202.01.201.04	EDN-113 Facilities should be provided for infrastructure of all the primary school in state (60-40 Centrally Sponsored Scheme)	97.29	4.55	92.74	95.32
20	96	4202.01.796.43	Works (Education Department) (60-40 Centrally Sponsored Scheme)	83.39	11.88	71.51	85.76
21	96	4215.01.796.09	Rural Water Supply Programme	600.00	228.81	371.19	61.87
<b>Total</b>				<b>4,993.45</b>	<b>1,464.62</b>	<b>3,528.83</b>	

Source: Appropriation Accounts of 2021-22

## Appendix 3.8

## Sub-Heads where 100 per cent expenditure (₹ 10 crore and above) was incurred in March 2022

(Reference: Paragraph 3.5.4)

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure incurred during March (₹ in Crore)
1	0007	2049-60-101-01-Interest on Provident Fund of the establishment of Agricultural Universities	18.67
2	0009	2049-60-101-01-Interest on Provident Fund of the staff and Teacher	190.00
3	0009	2049-60-101-02-Interest on Provident Fund of the staff and Teacher	15.00
4	0009	2049-60-101-03-Interest on Provident Fund of the establishment of Universities	20.01
5	0010	7615-00-200-01-House Building Advances	29.14
6	0019	2048-00-101-01-Gujarat State Sinking Fund	1500.00
7	0020	2049-03-104-01-Interest on General Provident Fund (Other than Class IV employees)	511.31
8	0020	2049-03-104-02-Interest on General Provident Fund of Class-IV employees	34.52
9	0020	2049-03-104-07-Interest on Provident Fund of Rojmadar Employees	18.49
10	0020	2049-03-108-02-Savings Fund	133.28
11	0020	2049-03-108-03-Interest on Balance of Insurance Fund	18.92
12	0039	4210-02-104-01-HLT-31 Community Health Centers Finance Commission	14.40
13	0040	4211-00-102-01-Dignostic Infrastructure for Urban Primary Health	17.62
14	0046	2235-02-103-02-Nirbhaya Fund –Implementation of Safe City Project	30.00
15	0049	4875-60-800-05-Capital Support for Gujarat Common Effluent Treatment Plant (CETP), Deep sea Pipeline and Allied Infrastructure	100.00
16	0051	5452-80-104-03-Special-Assistance-Capital for Gandhi Ashram Memorial and precinct development project (100% CSS)	150.00
17	0071	2049-60-101-01-Interest on Provident Fund Deposit of Panchayats	500.00

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure incurred during March (₹ in Crore)
18	0072	3604-00-101-01-Grants-in-aid to Village Panchayats (under section 219 of Gujarat Panchayat Act, 1993)	12.47
19	0086	3054-80-001-05-Expenditure Transferred on Prorata basis to Major Head 3054	11.21
20	0086	3054-80-797-11-Transfer to deposit Accounts of Central Road Fund	725.29
21	0095	3456-00-190-03-Food Security(50-50 Partially Centrally Sponsored Scheme)	21.00
22	0096	2225-02-796-06 VKY-20 Article 275(1)	87.94
23	0096	4210-03-796-44-To increase UG Seats (MIBBS) in Medical colleges under Medical education	14.93
24	0096	4702-00-796-03-Pradhan Mantri Krishi Sinchai Yojna, Har Khet ko pani – Ground water Irrigation	47.50
25	0101	2049-60-101-01-Interest on Provident Fund Deposits of Municipal Corporations	124.94
26	0101	2049-60-101-02-Interest on Provident Fund Deposits of Municipalities	24.70
27	0101	2049-60-101-03-Interest on Deposits of Provident Fund of employees of Municipal School Board	61.21
28	0102	2217-80-191-10-Relaxation in Property tax to commercial Units	86.95
29	0102	4217-60-800-02-Capital Support to GUDC for developing of Fintech hub at GIFT City Capital support to Gujarat Urban Development Company	22.30
30	0103	2202-01-797-01-Transfer to Education Cess Fund	30.00

Appropriation Accounts of 2021-22

## Appendix 3.9

**Statement showing details of Departments registering more than 25 per cent expenditure in March 2022.**  
(Reference: Paragraph 3.5.4.1)

(₹ in crore)

Sr. No	Name of Department	April-21	May-21	June-21	July-21	Aug-21	Sept-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
1	Agriculture, Farmer's Welfare And Co-operation Department	189.77	28.48	317.52	673.25	201.86	422.82	499.23	114.09	288.02	788.14	334.65	1,340.71	5,198.54
2	Energy and Petrochemicals	1.87	136.53	2,791.62	41.73	1,169.93	64.85	1,675.66	496.52	276.03	107.98	1,156.92	6,080.13	13,999.77
3	Food, Civil Supplies and Consumer Affairs Department	5.98	15.89	34.18	78.34	25.00	57.92	64.31	103.65	156.78	118.04	10.54	279.94	950.57
4	GAD	12.64	20.26	52.76	55.01	162.84	89.58	180.52	68.58	72.81	244.52	75.67	409.37	1,444.56
5	Industries and Mines	11.16	94.14	693.34	479.52	218.72	488.02	1,340.52	201.61	437.61	127.51	190.97	2,089.79	6,372.91
6	Panchayats, Rural Housing and Rural Development	102.95	469.49	583.39	282.53	481.80	758.33	560.24	56.70	320.15	364.66	233.68	1,580.74	5,794.66
7	Revenue Development	68.99	280.03	530.60	799.43	167.16	334.34	306.66	70.10	468.71	402	285.81	2,112.43	5,826.26
8	Roads and Buildings	250.64	572.62	626.62	675	523.57	1,092.61	931.44	597.43	919.42	575.14	841.14	3,327.04	10,932.67
9	Science and Technology	0.76	0.77	130.81	0.85	0.78	31.44	104.34	0.01	0.85	101.44	0.86	226.38	599.29
10	Tribal Development	356.71	573.19	941.57	1,289.56	1,044.85	550.32	1,227.89	473.45	720.13	886.53	1,105.82	3,787.25	12,957.27
11	Sports, Youth and cultural Activities	3.57	33.01	12.54	23.00	34.49	25.48	31.25	14.26	12.17	23.85	38.16	109.30	361.08
12	Climate Change Department	0.06	0.06	186.89	25.76	0.05	0.06	25.86	0.01	26.10	0.08	225.18	171.55	661.66

Source: Information furnished by O/o Principal Accountant General (A & E) Rajkot

## Appendix 3.10

## New Items approved but not implemented during 2019-22.

(Reference: Paragraph 3.6.2.2)

Year	New Item proposed	Budget provision (₹ in lakh)	Reason for non utilisation/implementation of scheme
<b>Public Health</b>			
2020-21	Procurement of reagent for 167 PHCs (tribal)	41.75	Reasons not furnished
	Creation of new post for 1277 staff nurses at 505 PHCs	786.00	Reasons not furnished
	For operation of 9 Vihan Centre under AIDS control society	87.17	Reasons not furnished
	For construction of main building of CHC, Olpad	135.10	Grant not received
2021-22	Construction of main building of CHC at Bavla and Medasan	270.20	Grant not received
<b>Medical and Education Research</b>			
2019-20	To create eight new posts at office of Additional Director Dental	21.00	Post was not filled at that time
	Provision for establishment of required staff of Super Speciality Services under PMSSY Phase III at PDU hospital Rajkot	687.00	Post was not filled at that time
	To establish electronic health record system in six Government teaching Hospitals and eight GMERS	500.00	Administrative approval was not given by FD
	Provision for ancillary expenditure on establishment of AIIMS at Rajkot	1,000.00	As per condition Number 8 of AA, PIU was to park the fund in GISF and hence, Grant allotment was not done.
	Provision for new construction of 300 beds Maternity Child Health block at Sir T Hospital, Bhavnagar	1,000.00	As per condition Number 14 of AA, PIU was to park the fund in GISF and hence, Grant allotment was not done.
	Provision for new construction maternity child health block at GG Hospital, Jamnagar	2,500.00	Administrative approval not given by FD
2020-21	To create new post of Deputy Mamlatdar (Contractual) for bond recovery from UG and PG students under Government and Private Medical College	5.00	Post was not filled at that time
	Creation of posts of Assistant Hospital Administrator at five GMC and one MN & J institutes of Ophthalmology Ahmedabad	10.00	Post was not filled at that time
	To provide outsource vehicles to strengthen teaching, administrative services at office of Medical Education and Research	15.00	As the tender process for hiring vehicles from outsources was not completed in that financial year
	provision for human recourse for establishment of cochlear implant centre under school health programmed	8.33	Posts were not filled at that time
	Creation of post in the office of Addl. Director Dental	10.40	Posts were not filled at that time
	To provide staff under PMSSY Phase IV at Medical college Bhavnagar	1,000.00	AA was not accorded
	Provision for staff as per MCI norms at Government Medical College Rajkot and	1,000.00	Posts were not filled at that time

Year	New Item proposed	Budget provision (₹ in lakh)	Reason for non utilisation/implementation of scheme
	Bhavnagar due to increase in MBBS seats.		
	Provision for men power to strengthen SNCU at four Government Hospitals, Ahmedabad, Surat, Rajkot and Vadodara to reduce infant mortality rate	1,000.00	Posts were not filled at that time
	Provision for State Share to increase MBBS seats at Government PDU Medical College, Rajkot and Medical College Bhavnagar	4,800.00	Posts were not filled at that time
2021-22	To provide staff for speech language pathology and audiology department to start sports injury centre at Government Spine Institutes Ahmedabad	25.00	Posts were not filled at that time
	To create new 149 posts for strengthening of services of MC attached Hospitals under medical education and research	300.00	Posts were not filled at that time
	Provision for six critical care specialists at attached hospitals of six medical college	65.00	Posts were not filled at that time
	Provision for staff required to upgrade District Hospitals into MC under GMERS at Navsari, Porbander, Rajpipla, Godhara and Morbi	1,000.00	As per condition Number IV of AA, PIU was to park the fund in GISF and hence, Grant allotment was not done.
	To create post of six GMERS Medical College, Sola, Gotri, Vadnagar, Himatnagar, Gandhinagar and Junagadh	200.00	As per the Conditions stated in G.R, Grant not received.
	To provide staff for modernisation of Kidney Hospital at Surat	500.00	AA was not given by FD
<b>Total</b>		<b>16,966.95</b>	

Source: Information provided by the Department

**Appendix 4.1**  
**Department-wise break-up of outstanding UCs for GIA**  
**paid up to 2020-21**  
**(Reference: Paragraph 4.5)**

(₹ in crore)

Sr. No.	Name of Department	No. of pending UCs	Amount
1.	Agriculture, Farmer's welfare and cooperation	130	1,316.63
2.	Climate Change	8	644.56
3.	Women and Child Development	250	116.45
4.	Education Department	346	1,673.67
5.	Food & Civil Supplies	13	0.48
6.	Forest & Environment	11	22.11
7.	Health and Family Welfare	657	2,887.94
8.	Home Department	12	26.73
9.	Industries & Mines	59	31.74
10.	Labour & Employment	34	29.82
11.	Legal Department	7	0.03
12.	Narmada, Water resources, water supply and Kalpsar	8	21.85
13.	Ports and Transport Department	1	1.20
14.	Panchayat Rural Housing and Rural Development	160	71.01
15.	Revenue Department	2	0.55
16.	Social justice and Empowerment	1,295	583.57
17.	Sports, Youth and Cultural Activities	152	32.30
18.	Urban Development and Urban Housing	96	1,106.83
19.	Tribal Development Department	1,322	1,742.00
<b>Total</b>		<b>4,563</b>	<b>10,309.47</b>

Source: Information provided by O/o the Principal Accountant General (A&E), Gujarat

## Appendix 4.2

## Department-wise details of pending DC bills as on 31 March 2022

(Reference: Paragraph 4.6)

Sr. No.	Name of Department	No. of pending DC bills	Amount (₹ in crore)
1.	Agriculture farmer's welfare and cooperation	4	0.07
2.	Women and Child Development	15	124.79
3.	Education Department	690	11.88
4.	Food, Civil Supplies and Consumer Affairs Department	4	0.06
5.	Finance Department	20	0.07
6.	General Administration	102	32.15
7.	Gujarat Legislature secretariat	1	0.00
8.	Health and Family Welfare	78	0.63
9.	Home Department	608	50.79
10.	Industries & Mines	4	9.22
11.	Labour and Employment	4	0.05
12.	Legal Department	165	0.64
13.	Narmada, Water Resources, Water Supply	1	0.00
14.	Panchayat Rural Housing and Rural Development	833	16.69
15.	Roads and Building	2	0.00
16.	Revenue Department	70	3.34
17.	Social Justice and Empowerment	176	3.17
18.	Sports, Youth and Cultural Activities	280	15.64
19.	Tribal Development Department	107	3.70
20.	Forest and Environment Department	1	0.00
21.	Energy and Petrochemical Department	1	0.00
22.	Climate Change	1	0.00
<b>Total</b>		<b>3,167</b>	<b>272.90</b>

Source: Information provided by O/o the Principal Accountant General (A&amp;E), Gujarat

\* Amount is less than ₹ 50,000; hence rounded off to zero

### Appendix 4.3

#### Year-wise details of pending DC bills as on 31 March 2022

(Reference: Paragraph 4.6)

Year	No. of pending DC bills	Amount (₹ in crore)
2000-01	106	1.20
2001-02	137	2.45
2002-03	171	1.09
2003-04	198	0.83
2004-05	88	0.86
2005-06	97	1.35
2006-07	141	1.17
2007-08	76	0.88
2008-09	68	0.71
2009-10	52	1.09
2010-11	110	3.15
2011-12	79	1.96
2012-13	33	1.15
2013-14	45	0.94
2014-15	22	0.68
2015-16	55	1.84
2016-17	47	2.78
2017-18	32	1.29
2018-19	99	35.48
2019-20	150	5.05
2020-21	81	4.90
2021-22	1,280	202.05
<b>Total</b>	<b>3,167</b>	<b>272.90</b>

Source: Information provided by O/o the Principal Accountant General (A&E), Gujarat

**Appendix 4.4**  
**Statement showing pendency of Accounts and delay in placement of Separate Audit Reports (SARs) in State Legislature as on 31<sup>st</sup> July 2022**

(Reference: Paragraph 4.13)

Sr. No.	Name of Body	Period of entrustment (up to)	Audited under Section	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	Whether SAR required to be placed in the Legislature	Date of issue of SAR by Audit to State Government	Date of placement of SAR	Number of accounts pending
<b>Legal Department</b>									
1.	Gujarat State Legal Service Authority, Ahmedabad	Not required	19 (2)	2016-17	2016-17	Yes	06.02.2019	Date awaited	5
2.	District Legal Services Authority, Navsari	Not required	19 (2)	2015-16	2015-16	Yes	21.11.2017	Date awaited	6
3.	District Legal Services Authority, Valsad	Not required	19 (2)	2017-18	2017-18	Yes	06.02.2019	Date awaited	4
4.	District Legal Services Authority, Rajkot	Not required	19 (2)	2020-21	2020-21	Yes	06.12.2021	Date awaited	1
5.	District Legal Services Authority, Patan	Not required	19 (2)	2020-21	2020-21	Yes	10.08.2022	Date awaited	1
6.	District Legal Services Authority, Jammagar	Not required	19 (2)	2017-18	2017-18	Yes	23.10.2020	Date awaited	4
7.	District Legal Services Authority, Mehsana	Not required	19 (2)	2020-21	2020-21	Yes	02.05.2022	Date awaited	1
8.	District Legal Services Authority, Palanpur	Not required	19 (2)	2015-16	2015-16	Yes	19.04.2018	Date awaited	6
9.	District Legal Services Authority, Bharuch	Not required	19 (2)	2015-16	2015-16	Yes	06.12.2016	Date awaited	6

Sr. No.	Name of Body	Period of entrustment (up to)	Audited under Section	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	Whether SAR required to be placed in the Legislature	Date of issue of SAR by Audit to State Government	Date of placement of SAR	Number of accounts pending
10.	District Legal Services Authority, Junagadh	Not required	19 (2)	2019-20	2019-20	Yes	21.10.2021	Date awaited	2
11.	District Legal Services Authority, Tapi Vyara	Not required	19 (2)	2018-19	2018-19	Yes	23.10.2020	Date awaited	3
12.	District Legal Services Authority, Anand	Not required	19 (2)	2019-20	2019-20	Yes	01.07.2022	Date awaited	2
13.	District Legal Services Authority, Kheda Nadiad	Not required	19 (2)	2015-16	2015-16	Yes	01-02-2017	Date awaited	6
14.	District Legal Services Authority, Gandhinagar	Not required	19 (2)	2021-22	2021-22	Yes	07.12.2022	Date awaited	No delay
15.	District Legal Services Authority, Surat	Not required	19 (2)	2021-22	2021-22	Yes	07.12.2022	Date awaited	No delay
16.	District Legal Services Authority, Himmatnagar	Not required	19 (2)	2017-18	2017-18	Yes	10.01.2019	Date awaited	4
17.	District Legal Services Authority, Dahod	Not required	19 (2)	2017-18	2017-18	Yes	23.10.2020	Date awaited	4
18.	District Legal Services Authority, Amreli	Not required	19 (2)	2018-19	2018-19	Yes	23.10.2020	Date awaited	3
19.	District Legal Services Authority, Kutch, Bhuj	Not required	19 (2)	2020-21	2020-21	Yes	28.09.2022	Date awaited	1
20.	District Legal Services Authority, Bhavnagar	Not required	19 (2)	2015-16	2015-16	Yes	04.06.2018	Date awaited	6
21.	District Legal Services Authority, Vadodara	Not required	19 (2)	2014-15	2014-15	Yes	19.06.2017	Date awaited	7
22.	District Legal Services Authority, Godhra	Not required	19 (2)	2019-20	2019-20	Yes	08.09.2021	Date awaited	2

Sr. No.	Name of Body	Period of entrustment (up to)	Audited under Section	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	Whether SAR required to be placed in the Legislature	Date of issue of SAR by Audit to State Government	Date of placement of SAR	Number of accounts pending
23.	District Legal Services Authority, Surendranagar	Not required	19 (2)	2017-18	2017-18	Yes	23.10.2020	Date awaited	4
24.	District Legal Services Authority, Ahmedabad Rural	Not required	19 (2)	2019-20	2019-20	Yes	06.08.2021	Date awaited	2
25.	District Legal Services Authority, Rajpipla	Not required	19 (2)	2015-16	2015-16	Yes	24.11.2017	Date awaited	6
26.	District Legal Services Authority, Porbandar	Not required	19 (2)	2019-20	2019-20	Yes	25-03-2022	Date awaited	2
27.	District Legal Services Authority, Jamkhambhalaya	Not required	19 (2)	2018-19	2018-19	Yes	01.11.2021	Date awaited	3
28	District Legal Services Authority, Morbi	Not required	19 (2)	2020-21	2020-21	yes	24.11.2022	Date awaited	1
29	District Legal Services Authority, Aravali	Not required	19 (2)	No Accounts received till date	No Accounts received till date	Yes			6
30.	District Legal Services Authority, Girsomnath	Not required	19 (2)	No Accounts received till date	No Accounts received till date	Yes			6
31.	District Legal Services Authority, Mahisagar	Not required	19 (2)	No Accounts received till date	No Accounts received till date	Yes			5
32.	District Legal Services Authority, Chhotaudepur	Not required	19 (2)	No Accounts received till date	No Accounts received till date	Yes			6
33.	District Legal Services Authority, Botad	Not required	19 (2)	No Accounts received till date	No Accounts received till date	Yes			4
<b>Energy and Petro-chemicals Department</b>									

Sr. No.	Name of Body	Period of entrustment (up to)	Audited under Section	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	Whether SAR required to be placed in the Legislature	Date of issue of SAR by Audit to State Government	Date of placement of SAR	Number of accounts pending
34.	Gujarat Electricity Regulatory Commission	Not required	19 (2)	2021-22	2020-21	Yes	30.11.2021	Date awaited	No delay
<b>Ports and Transport Department</b>									
35.	Gujarat Maritime Board	2021-22	20 (1)	2021-22	2020-21	Yes	30.06.2022	Date awaited	1
<b>Labour and Employment Department</b>									
36.	Gujarat Building and other Construction Workers' Welfare Board, Ahmedabad	Not required	19 (2)	2016-17	2016-17	Yes	27/10/2020	31/03/2021	5
37.	Gujarat State Fund for person with disabilities, Gandhinagar	Not required	19 (2)	2020-21	2020-21	Yes	13/04/2022	Date awaited	1
<b>Urban Development and Urban Housing Department</b>									
38.	Gujarat Rural Housing Board, Gandhinagar	2022-23	19 (3)	2019-20	2019-20	Yes	21.02.2022	Date awaited	2
39.	Gujarat Housing Board, Ahmedabad	2026-27	19 (3)	2020-21	2020-21	Yes	29.07.2022	Date awaited	1
40.	Gujarat Slum Clearance cell	2026-27	19 (3)	2019-20	2019-20	Yes	13.04.2022	Date awaited	2
41.	Gujarat Municipal Finance Board, Gandhinagar	2023-24	20 (1)	2020-21	2020-21	Yes	21.10.2021	Date awaited	1
42.	Water and Sanitation Management Organisation, Gandhinagar	2025-26	20 (1)	2020-21	2020-21	No	07.07.2022	Not required	1
43.	Ahmedabad Urban Development Authority	2026-27	20 (1)	2020-21	2019-20	No	25.06.2021	Not required	1

Sr. No.	Name of Body	Period of entrustment (up to)	Audited under Section	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	Whether SAR required to be placed in the Legislature	Date of issue of SAR by Audit to State Government	Date of placement of SAR	Number of accounts pending
44.	Vadodara Urban Development Authority	2026-27	20 (1)	2020-21	2020-21	No	25.06.2021	Not required	1
45.	Rajkot Urban Development Authority	2026-27	20 (1)	2020-21	2019-20	No	10.06.2021	Not Required	1
46.	Surat Urban Development Authority	2026-27	20 (1)	2020-21	2019-20	No	25.06.2021	Not required	1
47.	Jamnagar Area Development Authority	2026-27	20 (1)	2020-21	2019-20	No	21.10.2021	Not required	1
48.	Bhavnagar Area Development Authority	2026-27	20 (1)	2018-19	2018-19	No	19.07.2021	Not required	3
49.	Bhuj Area Development Authority	2026-27	20 (1)	2018-19	2018-19	No	25.06.2021	Not required	3
50.	Rapar Area Development Authority	2026-27	20 (1)	2020-21	2019-20	No	25.06.2021	Not required	1
51.	Gandhinagar Urban Development Authority	2026-27	20 (1)	2020-21	2019-20	No	15.06.2021	Not required	1
52.	Anjar Area Development Authority	2026-27	20 (1)	2019-20	2019-20	No	15.06.2021	Not required	2
53.	Bhachau Area Development Authority	2026-27	20 (1)	2020-21	2019-20	No	16.06.2021	Not required	1
54.	Junagadh Area Development Authority	2026-27	20 (1)	2019-20	2019-20	No	16/06/2021	Not required	2
55.	Ambaji Area Development Authority	2026-27	20 (1)	2020-21	2019-20	No	16.06.2021	Not required	1
56.	Alang Area Development Authority	2026-27	20 (1)	2020-21	2019-20	No	16.06.2021	Not required	1

Sr. No.	Name of Body	Period of entrustment (up to)	Audited under Section	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	Whether SAR required to be placed in the Legislature	Date of issue of SAR by Audit to State Government	Date of placement of SAR	Number of accounts pending
57.	Bharuch / Ankleshwar Urban Area Development Authority.	2026-27	20 (1)	2019-20	2019-20	No	11.10.2021	Not required	2
58.	Morbi / Vankaner Urban Area Development Authority	2026-27	20 (1)	2016-17	2016-17	No	11.07.2018	Not required	5
59.	Anand /Vallabh Vidyanagar / Karamsad Urban Area Development Authority.	2026-27	20 (1)	2017-18	2017-18	No	25.06.2021	Not required	4
60.	Surendranagar / Dudhrej / Wadhavan Urban Area Development Authority.	2026-27	20 (1)	2018-19	2018-19	No	25.06.2021	Not required	3
61.	Himatnagar Urban Area Development Authority	2026-27	20 (1)	2017-18	2017-18	No	22.06.2021	Not required	4*
62.	G.I.F.T. Urban Area Development Authority	2026-27	20 (1)	2020-21	2019-20	No	25.03.2021	Not required	1
63.	Shamlaji Urban Area Development Authority	2026-27	20 (1)	2019-20	--	No	-	Not required	2**
64.	Khambhalia Urban Area Development Authority	2026-27	20 (1)	2019-20	2018-19	No	25.06.2021	Not required	2
65.	Navsari Area Development Authority, Navsari	2026-27	20 (1)	2020-21	2018-19	No	19.07.2021	Not required	1
66.	Bardoli Area Development Authority, Bardoli	2026-27	20 (1)	2019-20	2019-20	No	19.07.2021	Not required	2
67.	Khajod Area Development Authority, Khajod	2026-27	20 (1)	2017-18	--	No	-	Not required	4***

Sr. No.	Name of Body	Period of entrustment (up to)	Audited under Section	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	Whether SAR required to be placed in the Legislature	Date of issue of SAR by Audit to State Government	Date of placement of SAR	Number of accounts pending
68.	Gujarat Real Estate Regularity Authority, Gandhinagar	Not required	19 (2)	2020-21	2020-21	Yes	23.09.2021	Date Awaited	1
69.	Gandhidham Development Authority, Gandhidham	2024-25	20(1)	Newly entrusted from 2020-21	No				2
<b>Forests and Environment Department</b>									
70.	Gujarat State CAMPA	Not required	20(1)	2013-14	2013-14	Yes	15.11.2019	No information	8

Source: Information compiled by Offices of the Principal Accountant General (Audit-I) and Accountant General (Audit-II)

# Accounts of a financial year are to be submitted latest by 30 June every year

\*Sr. No. 61: Himatnagar Urban Area Development Authority Accounts for the year 2013-14 to 2017-18 were received in July 2019. However, Accounts for the year 2012-13 was still pending.

\*\*Sr. No. 63: Shamlaji Urban Area Development Authority Accounts for the year 2012-13 and 2013-14 have not been prepared but information of Nil expenditure has been submitted. Accounts for the years 2014-15 to 2019-20 have been submitted in July 2021.

\*\*\*Sr. No. 67: Khajod Area Development Authority has submitted Nil expenditure for 2017-18.

**Appendix 4.5**  
**Statement showing details of pendency in finalisation of Accounts by**  
**various Bodies and Authorities**  
**(Reference: Paragraph 4.14)**

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
<b>2005-06 onwards</b>			
1	K J Mehta TB Hospital, Bhavnagar	17	Health and Family Welfare
<b>2006-07 onwards</b>			
1	G.K. General Hospital, Kachcha	16	Health and Family Welfare
2	Gujarat Council of Education Research & Technology, Gandhinagar	16	Education
<b>2008-09 onwards</b>			
1	Forest Development Agency, Jamnagar;	14	Forests and Environment
2	Forest Development Agency, S.K. Himatnagar (South)	14	Forests and Environment
3	Narayan Eye Hospital (Arogya Dham Sanchalit) Halol Panchmahal	14	Health and Family Welfare
4	Sports Authority of Gujarat, Gandhinagar	14	Sports, Youth and Cultural Activities
<b>2009-10 onwards</b>			
1	Mandvi Taluka Kshaya Nivaran Sangh, Kachchh	13	Health and Family Welfare
<b>2010-11 onwards</b>			
1	Gujarat Tribal Development Corporation, Gandhinagar	12	Tribal Development
<b>2012-13 onwards</b>			
1	Forest Development Agency, Gandhinagar	10	Forests and Environment
2	Forest Development Agency, Vyara	10	Forests and Environment
<b>2013-14 onwards</b>			
1	Bala Hanuman Ayurved Mahavidyalaya, Mansa, Gandhinagar	9	Education
2	Gujarat Landless Laborers & Halpati Housing Board, Gandhinagar	9	Panchayats, Rural Housing and Rural Development
3	Gujarat Medicinal Plants Board, Gandhinagar	9	Health and Family Welfare
4	Gujarat Scheduled Castes Development Corporation, Gandhinagar	9	Social Justice and Empowerment
5	Rogi Kalyan Samiti Guru Gobindsinh, Jamnagar	9	Health and Family Welfare;
6	Rogi Kalyan Samiti, New Civil Hospital, Surat	9	Health and Family Welfare
7	Rogi Kalyan Samiti, Sir T. General Hospital, Bhavnagar	9	Health and Family Welfare
8	Sardar Vallabhbhai Patel Memorial Society Ahmedabad	9	Sports, Youth and Cultural Activities

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
9	School of Architecture, CEPT University, Ahmedabad	9	Education
10	School of Building Science & Technology, CEPT University, Ahmedabad	9	Education
11	School of Interior Design, CEPT University, Ahmedabad	9	Education
12	School of Planning CEPT University Ahmedabad	9	Education
13	Sentinel Surveillance Unit, Surat	9	Health and Family Welfare
14	State Health Society, Commissionerate of Health, Medical Services and Medical Education, Gandhinagar	9	Health and Family Welfare
<b>2014-15 onwards</b>			
1	Forest Development Agency, Chhota Udepur	8	Forests and Environment
2	Forest Development Agency, Kachchh (East)	8	Forests and Environment
3	Gujarat University, Ahmedabad	8	Education
<b>2015-16 onwards</b>			
1	Gujarat State Social Welfare Board, Ahmedabad	7	Social Justice and Empowerment
2	Gujarat State Tribal Development Residential Educational Institutions Society, Gandhinagar	7	Tribal Development
3	Krantiguru Shyamji Krishna Verma Kutch University, Kachchh	7	Education
4	Gujarat State Biodiversity Board	7	Forests and Environment
5	Development Support Agency of Gujarat, Gandhinagar	7	Tribal Development
6	Gujarat State Tribal Development Residential Educational Institutions Society, Gandhinagar	7	Tribal Development
<b>2016-17 onwards</b>			
1	Gau Sewa ayog & Gaucher Vikas Board, Gandhinagar	6	Agriculture, Farmer's Welfare and Co-operation
2	Medical College Development Society, Vadodara	6	Health and Family Welfare
3	P.D. Malviya College of Commerce, Rajkot	6	Education
4	Gujarat State Watershed Management Agency (GSWMA), Gandhinagar	6	Panchayats, Rural Housing and Rural Development
5	Gurjareswar Kumarpal Jain Sarvoday Technical Institute, Vadodara	6	Labour and Employment
6	Sanjivani Hospital, Surat	6	Health and Family Welfare
7	Smt. A.J. Savla Homeopathic Medical College, Mehsana	6	Health and Family Welfare

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
8	Society for Education Welfare & Action (Rural), Bharuch	6	Social Justice and Empowerment
9	Gujarat Rural Workers Welfare Board Gandhinagar	6	Labour and Employment
10	Unorganised Labour Welfare Board Gandhinagar	6	Labour and Employment
11	Gujarat Pavitra Yatra Dham Vikas Board (pending 2016-17 to 2018-19, 2020-21)	6	Industries and Mines
12	Gujarat State Social Security Board, Gandhinagar	6	Labour & Employment
<b>2017-18 onwards</b>			
1	Gujarat Medical Education and Research Society (GMERS), Gandhinagar	5	Health and Family Welfare
2	Gujarat Pollution Control Board, Gandhinagar	5	Forests and Environment
3	Institute of Kidney Diseases & Research Centre, Ahmedabad	5	Health and Family Welfare
<b>2018-19 onwards</b>			
1	Institute for Post Graduate Teaching & Research in Ayurveda (IPGTRA), Jamnagar	4	Education
2	State Literacy Mission Authority, Gandhinagar	4	Education
3	Vitthalbhai Patel & Rajratna P.T. Patel Science College, Anand	4	Education
4	Gujarat State Lalit Kala Academy, Ahmedabad	4	Sports, youth and Cultural activities Department
<b>2019-20 onwards</b>			
1	B.S. Nathwani T.B. Hospital, Keshod, Junagadh	3	Health and Family Welfare
2	B.V. Patel Pharmaceutical Education Research Development (PERD) Centre, Ahmedabad	3	Education
3	Blind Men's/Peoples Association, Ahmedabad	3	Social Justice and Empowerment
4	Employment Extension Bureau, Gandhinagar	3	Labour and Employment
5	Gujarat Backward Classes Development Corporation, Gandhinagar	3	Social Justice and Empowerment
6	Gujarat State AIDS Control Society, Ahmedabad	3	Health and Family Welfare
7	Maharaja Sayajirao University, Fatehgunj, Vadodara	3	Education
8	Ravishankar Maharaj Eye Hospital, Gujarat Blind Relief & Health Association, Anand	3	Health and Family Welfare
9	Veer Narmad South Gujarat University, Surat	3	Education

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
10	Gujarat School Quality Accreditation Council Gandhinagar	3	Education
11	Gujarat State Board Text book Gandhinagar	3	Education
12	Rajesh Mehta Technical School for Blind, C/o Blind People's Association, Ahmedabad	3	Social Justice and Empowerment
13	Gujarat Technological University Ahmedabad	3	Education
14	Gujarat Water Supply and Sewerage Board, Gandhinagar	3	Narmada, Water Resources, Water Supply & Kalpsar
15	International Centre for Entrepreneurship and Career Development, Ahmedabad	3	Education
16	Gujarat Institute of Educational Technology, Ahmedabad.	3	Education
17	Gujarat Knowledge Society, Directorate of Technical Education, Gandhinagar	3	Education
18	Shri Pragna Chakshu Mahila Sevakunj, Surendranagar	3	Health & Family Welfare
19	Gujarat Council of Vocational Training, Gandhinagar	3	Labour and Employment
20	Gujarat Secondary and Higher Secondary Education Board, Gandhinagar	3	Education Department
21	Forest Development Agency, Bhavnagar	3	Forest and Environment
22	Knowledge Consortium of Gujarat, Ahmedabad	3	Education
23	Gujarat State Sangeet Natak Academy, Gandhinagar	3	Sports, Youth and Cultural Activities
<b>2020-21 onwards</b>			
1	Gujarat Livestock Development Board, Gandhinagar	2	Agriculture, Farmer's Welfare and Co-operation
2	Water and Land Management Institute, Anand	2	Narmada, Water Resources, water supply & kalpsar Department
3	Tribal Research and Training Institute, Ahmedabad	2	Tribal Development Department
4	Blind welfare council, Dahod	2	Social Justice & Empowerment
5	C.U. Shah T. B. Hospital, Surendranagar	2	Health and family welfare
6	Cambay General Hospital, Khambhat	2	Health and family welfare
7	D.S. Patel Technical Institute, Sunav, Anand	2	Education Department
8	Disable Welfare Trust of India, Surat	2	Social Justice & Empowerment
9	Dr. Rasiklal shah Sarvajanik hospital, sabarkantha	2	Health and family welfare
10	Gujarat ayurveda University, Jamnagar	2	Education Department

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
11	Gujarat Cancer & Research Center, Ahmedabad	2	Health and family welfare
12	Gujarat State child Protection Society, Birsa Munda Bhavan, Gandhinagar	2	Social Justice & Empowerment
13	Jan Shikshan Sansthan, Surat	2	Education Department
14	Janak Smarak Hospital, Vyara , Tapi	2	Health and family welfare
15	Lions Cancer Detection Centre Trust, Surat	2	Health and family welfare
16	Medical College Development Committee, Surat	2	Health and family welfare
17	Water and land management Institute, Anand	2	Water supply Department
18	Gujarat Skill Development Society, Gandhinagar	2	Labour and Employment
19	Society for Creation of Opportunity through Proficiency in English (SCOPE), Ahmedabad	2	Education Department
20	Gujarat Social Infrastructure Development Society (GSIDC) Gandhinagar	2	Urban Development & Urban Housing Department
21	Center for Entrepreneurship Development, Gandhinagar	2	Industries and mines
22	Gujarat Infrastructure Development board	2	Industries and mines
23	Forest Development Agency, S.K. Himmatnagar (North)	2	Forest and Environment
24	Forest Development Agency, Surendranagar	2	Forest and Environment
25	Forest Development Agency, Gir (West)	2	Forest and Environment
26	Forest Development Agency, Valsad (South)	2	Forest and Environment
27	Gujarat Energy Development Agency, Gandhinagar	2	Climate Change
28	Forest Development Agency, Godhra	2	Forest and Environment
29	Forest Development Agency, Surat	2	Forest and Environment
30	Forest Development Agency, Ahwa (Dang South)	2	Forest and Environment
31	Forest Development Agency, (Devghadbaria) Dahod	2	Forest and Environment
32	Forest Development Agency, Valsad (North)	2	Forest and Environment
33	Gujarat Ecology Education and Research (GEER) Foundation, Gandhinagar	2	Forest and Environment
34	Gujarat Forensic Science University, Gandhinagar	2	Home
35	Gujarat National Law University, Koba, Gandhinagar	2	Legal
36	Forest Development Agency, Banaskantha	2	Forest and Environment

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
37	Gujarat Council of Science city, Ahmedabad	2	Science and Technology
38	Institute of Seismology research,	2	Science and Technology
39	Gujarat Environment Management Institute	2	Forest and Environment
40	Suraksha Setu Society, Ahmedabad (Rural)	2	Home
41	Bhavnagar University, Sardar Vallabhbhai Patel Campus, Bhavnagar	2	Education
42	samjulaxmi Maternity Hospital, Pij Bhagol, Nadiad	2	Health and Family Welfare
43	Shree Somnath Sanskrit University, Somnath	2	Education
44	Shree Somabhai J Patel Sarvajanic Hospital, Gandhinagar	2	Health and Family Welfare
45	Kashiben Gordhandas Patel Children Hospital, Vadodara	2	Health and Family Welfare
46	Gujarat Council of School education	2	Education
47	R K M Technical Institute, Borsad, Anand	2	Education
48	Shree Gathani General Jain Hospital, Visavdar	2	Health and Family Welfare
49	Akshar Purushottam Arogya Mandir, Vadodara	2	Health and Family Welfare
50	Gujarat Sahitya Academy, Gandhinagar	2	Sports, Youth and Cultural Activities
51	Rogi Kalyan Samiti, Civil Hospital Asarwa Ahmedabad	2	Health and Family Welfare
52	Dr. V.H. Dave Homoeopathic Medical College & Hospital, Anand	2	Education
53	Gandhi Lincoln Hospital, Deesa, Palanpur	2	Health and Family Welfare
54	Sardar Patel University, Vallabh Vidyanagar, Anand	2	Education
55	Hemchandracharya North Gujarat University, Patan	2	Education
56	Seth Vadilal Sarabhai General Hospital & Seth Chinai Maternity Hospital, Ahmedabad	2	Health and Family Welfare
57	Trimurti Hospital, Bavla, Ahmedabad	2	Health and Family Welfare
58	Sabarmati Ashram Preservation & Memorial Trust, Ahmedabad	2	Sports, youth and Cultural Activities
59	Saurashtra University, Rajkot	2	Education department
<b>2021-22</b>			
1	Anand Agriculture University, Anand	1	Agriculture, Farmer's Welfare and Co-operation
2	Junagadh Agriculture University, Junagadh	1	Agriculture, Farmer's Welfare and Co-operation
3	Navsari Agriculture University, Navsari	1	Agriculture, Farmer's Welfare and Co-operation

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
4	Sardar Krishinagar Dantiwada Agriculture University, Palanpur	1	Agriculture, Farmer's Welfare and Co-operation
5	Gujarat Horticulture Mission, Gandhinagar	1	Agriculture, Farmer's Welfare and Co-operation
6	Kacheria Mojilal Gordhandas General Hospital, Kheda	1	Health and Family Welfare
7	Revabai General Hospital, Gandhinagar	1	Health and Family Welfare
8	Smt. S.C. & Sheth D.M. Sarvajanik Hospital & Maternity Home, Mahesana	1	Health and Family Welfare
9	Electrical Research & Dev. Association(ERDA) Vadodara	1	Industries and mines
10	Gujarat Industrial Research & Development agency, Vadodara	1	Industries and mines
11	Gujarat Matikamkalakari & Rural Technology Institute, Gandhinagar	1	Industries and mines
12	Industrial Extension Bureau-Indext-B	1	Industries and mines
13	Industrial Extension Cottage-Indext-C	1	Industries and mines
14	Forest Development Agency, Rajkot	1	Forests and Environment
15	Suraksha Setu Society, Bhavnagar	1	Home
16	Suraksha Setu Society, Surendranagar	1	Home
17	Forest Development Agency, Patan	1	Forest and Environment
18	Suraksha Setu Society, Narmada	1	Home
19	Suraksha Setu Society, State Level, Gandhinagar	1	Home
20	Forest Development Agency, Kutch (West)	1	Forests and Environment
21	Suraksha Setu Society, Vadodara	1	Home
22	Forest Development Agency, Ahwa (Dang North)	1	Forest and Environment
23	Forest Development Agency, Junagadh	1	Forest and Environment
24	Forest Development Agency, (Narmada) Rajpipla East	1	Forest and Environment
25	Gujarat State Biotechnology Mission	1	Science and Technology
26	Gujarat Council of Science & Technology, Gandhinagar	1	Science and Technology
27	Gandhinagar Gymkhana (AB)	1	GAD
28	Director of Gujarat Social Infrastructure Development Society	1	GAD
29	Gujarat Press Academy (AB), Gandhinagar	1	Information and Broadcasting
30	ITI College (Swaminarayan Sanchalit) Panchmahal Lunawada	1	Labour and Employment
31	Veraval People's Cooperative Bank Silver Jubilee Industrial Training Centre, Veraval	1	Labour and Employment

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
32	Apang Manav Mandal, Ahmedabad	1	Social Justice and Empowerment
33	Bhagwat Vidyapith Ashok ITI, Ahmedabad	1	Labour and Employment
34	Methodist Technical Institute, Vadodara	1	Education
35	K.V. Patel I.T.I, Chansama, Patan	1	Labour and Employment
36	Adult Training Centre (Trust) for the Blind, Ahmedabad	1	Social Justice and Empowerment
37	R.K. Technical (ITI), Anand	1	Labour and Employment
38	Bhagubhai mafatlal hospital( sevashram), Bharuch	1	Health and Family Welfare
39	Rogi Kalyan Samiti, Pandit Deen Dayal Upadhya Hospital, Rajkot	1	Health and Family Welfare
40	Gujarat Homoeopathic Medical College, Vadodara.	1	Education
41	Shrimant Fatehsinh Rao Gaekwad General Hospital, Sabarkantha	1	Health and Family Welfare
42	A. R. College of Pharmacy & G. H. Patel Institute of Pharmacy, Anand	1	Education
43	Andh Apang Kalyan Kendra, Ahmedabad	1	Social Justice and Empowerment
44	B. M. Institute of Mental Health, Ahmedabad	1	Social Justice and Empowerment
45	Bhailalbai & Bhikhabhai Institute of Technology, Anand	1	Education
46	C. L. Patel Technical Institute, Kheda	1	Education
47	Centre for Social Studies, Veer Narmad South Gujarat University, Surat	1	Education
48	Chikhli Education Society, Chikhali	1	Labour and Employment
49	Chimanlal Nagindas Technical Centre, Ahmedabad	1	Education
50	Dr. Dayaram Patel Pharmacy College, Surat	1	Education
51	L. M. College of Pharmacy, Ahmedabad.	1	Education
52	R. B. Patel Technical Institute, Navsari	1	Education
53	R. K. Patel Technical Institute, Kheda	1	Education
54	Rogi Kalyan Samiti, Government Spine Institute & Physiotherapy College, New Civil Hospital, Ahmedabad	1	Health and Family Welfare
55	Sardar Patel Institute of Economic & Social Research, Thaltej Road, , Ahmedabad	1	Education
56	Sardar Smarak Hospital, Bardoli, Surat	1	Health and Family Welfare
57	School for Deaf - Mutes Society, Ashram Road, Ahmedabad	1	Social Justice and Empowerment
58	Shamlaji Hospital, CHC Shamlaji, Taluka Bhiloda, Dist Arvalli	1	Health and Family Welfare

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
59	Sharda School for the Mentally Retarded Children, Ashram Road, Ahmedabad	1	Social Justice and Empowerment
60	Tolani Foundation Gandhidham Polytechnic, Adipur, Kutch	1	Education
61	U. N. Mehta Institute of Cardiology and Research Centre, Ahmedabad	1	Health and Family Welfare
62	Xavier Technical Institute, Sevasi, Vadodara	1	Education
63	Shree Bhogilal Mohanlal Bhatt General Hospital, Gandhinagar	1	Health and Family Welfare
64	Smt. Savitaben Ramanlal Dahyalal Shah Sarvajanic Hospital and Prashutigrah, Mehsana	1	Health and Family Welfare
65	Kaka-Ba Hospital, Bharuch	1	Health and Family Welfare
66	Indian Red Cross Society, Ahmedabad	1	Health and Family Welfare
67	Sardar Vallabhai Patel Rashtriya Ekta Trust, Statue of Unity, Kevadia	1	Sports, Youth and Cultural Activities
68	Tolani Institute of Pharmacy, Adipur, Kutch	1	Education
69	Excel Udyog Vidhyalaya, Himmatnagar	1	Labour and Employment
70	Shri K K School and Home for Blind Trust, Vidyanagar	1	Education
71	Ebrahim Bawany Technical Institute, Ajwa, Vadodara	1	Education
72	The Lady Navajibai Ratan Tata Technical Institute, Nargol, Valsad	1	Education
73	Akshar Purshottam Technical Institute, Mogri, Anand	1	Education
74	Industrial Training Centre, Karjan, Vadodara	1	Labour and Employment
75	Technical Training Centre, Amreli	1	Labour and Employment
76	Matrushri V B Manvar Technical Institute, Dumiyani, Upleta	1	Education
77	Anand Technical Institute, Anand	1	Education
78	Shri C U Shah Technical Institute, Wadhwan City	1	Education
79	Rajkot Rajya Foundation, Rajkot	1	Sports, Youth and Cultural Activities
80	Sadvichar Pariwar Viklang Punarvas Kendra Sanchalit ITC, Ubarsad, Gandhinagar	1	Labour and Employment
81	S.K. Patel Industrial Training Institute, Mehsana	1	Labour and Employment
82	Indian Institute of Teachers Education, Gandhinagar	1	Education
83	Maniben Pithawala I.T.I Navyug College, Surat	1	Labour and Employment
84	Shivanand Mission, Saurashtra Central Hospital, Rajkot	1	Health and Family Welfare

Sr. No.	Name of AB and year from which Accounts have not been received up to 2021-22	No. of Accounts pending upto F.Y. 2021-22	Grants-in-aid releasing Department
85	Birla Vishwakarma Mahavidalaya Engineering College, Anand	1	Education
86	Children's University, Gandhinagar	1	Education
87	Dharmsinh Desai Institute of Technology, , Nadiad	1	Education
88	Gujarat Urban Development Mission, Gandhinagar	1	Urban Development & Urban Housing
89	O. H. Nazar Ayurved Mahavidalaya and Ayurved Hospital, Surat	1	Health and Family Welfare
90	Smt. B. H. Shah (Karjanwala) Industrial Training Institute, Kamrej Char Rasta, Surat	1	Labour and Employment
91	Shri B M Shah College of Pharmacy, Modassa	1	Education
92	Bhavan's shri Swaminarayan Technical Institute, Dakor kheda	1	Education
93	Gujarat State Council for Blood Transfusion,	1	Health and Family Welfare Department
94	M.N. College of Pharmacy, Anand	1	Education Department
95	Mahatma Gandhi Labour Institute, Ahmedabad	1	Labour and Employment
96	Shanti Lal Shah college of Pharmacy, Bhavnagar	1	Education
97	Shri Kathiawar Nirashrit balashram, Rajkot	1	Social justice and empowerment
98	Shri K K Shah Sabarkantha Arogya mandal, Sabarkantha	1	Health and Family Welfare Department
99	Anand Homoeopathic Medical college & Research institute, Anand	1	Health and Family Welfare Department
100	Andh Kanya Prakash Gruh, Ahmedabad	1	Social justice and empowerment
101	Revabhai General Hospital, Gandhinagar	1	Health and Family Welfare Department

Source: Information compiled by Offices of the Principal Accountant General (Audit-I) and Accountant General (Audit-II)

\*Accounts of Gurjareshwar Kumarpal Jain Sarvoday Technical Institute, Vadodara Labour and Employment are due for the year 2016-17, 2017-18 and 2021-22.

## Appendix 4.6

## Department-wise/category-wise details of losses due to theft, misappropriation/loss of Government material and fire/accidents as on 30 June 2022

(Reference: Paragraph 4.16)

Sr. no.	Name of Department	Theft cases		Misappropriation/ Loss of Government material		Fire/Accident cases		Total	
		No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)
1	Agriculture, Farmer's Welfare and Co-operation	1	3.21	1	1.41	0	0.00	2	4.62
2	Education	9	5.11	9	478.98	0	0.00	18	484.09
3	Food, Civil Supplies and Consumer Affairs	1	0.11	1	61.65	0	0.00	2	61.76
4	Forests & Environment	11	6.85	8	188.92	23	190.99	42	386.76
5	Health and Family Welfare	6	2.93	6	147.38	0	0.00	12	150.31
6	Home	0	0.00	13	128.34	0	0.00	13	128.34
7	Industries and Mines	1	0.46	2	77.62	0	0.00	3	78.08
8	Labour Employment	2	9.13	0	0.00	0	0.00	2	9.13
9	Legal	1	11.68	5	3.53	1	0.80	7	16.01
10	Narmada, Water Resources, Water Supply and Kalpsar	11	6.46	17	37.70	0	0.00	28	44.16
11	Panchayats, Rural Housing and Rural Development	0	0.00	7	135.82	0	0.00	7	135.82
12	Ports and Transport	1	3.21	4	69.08	0	0.00	5	72.29
13	Revenue	0	0.00	25	14.41	0	0.00	25	14.41
14	Roads and Buildings	3	1.57	4	347.39	0	0.00	7	348.96
15	Science and Technology	0	0.00	1	699.05	0	0.00	1	699.05
16	Social Justice and Empowerment	0	0.00	1	14.87	0	0.00	1	14.87
17	Tribal Development	0	0.00	1	147.19	0	0.00	1	147.19
18	Urban Development and Urban Housing	0	0.00	2	24.40	0	0.00	2	24.40
	<b>Total</b>	<b>47</b>	<b>50.72</b>	<b>107</b>	<b>2,577.74</b>	<b>24</b>	<b>191.79</b>	<b>178</b>	<b>2,820.25</b>

Source: Information compiled by Offices of the Principal Accountant General (Audit-I) and Accountant General (Audit-II) from data furnished by concerned Departments.

## Appendix 5.1

## Statement showing list of State Public Sector Undertakings (SPSUs) of Government of Gujarat under audit jurisdiction of C&amp;AG of India and status of their annual financial statements as on 30 September 2022

(Reference: Paragraph 5.1.2, 5.2.3 and 5.4.2.2)

Sl. No.	Name of PSU	Date of Incorporation	FSs finalised up to	Year for which FSs not finalised/ received	No. of FSs in arrears
<b>A</b>	<b>Power sector</b>				
<b>Government company</b>					
1	Dakshin Gujarat Vij Company Limited	15 September 2003	2021-22	Nil	0
2	Gujarat Energy Transmission Corporation Limited	19 May 1999	2021-22	Nil	0
3	Gujarat Power Corporation Limited	01 August 1993	2020-21	2021-22	1
4	Gujarat State Electricity Corporation Limited	12 August 1993	2021-22	Nil	0
5	Gujarat Urja Vikas Nigam Limited (standalone and consolidated)	22 December 2004	2020-21	2021-22	1
6	Madhya Gujarat Vij Company Limited	15 September 2003	2021-22	Nil	0
7	Paschim Gujarat Vij Company Limited	15 September 2003	2021-22	Nil	0
8	Uttar Gujarat Vij Company Limited	15 September 2003	2021-22	Nil	0
<b>B</b>	<b>Finance Sector</b>				
<b>Government Company</b>					
9	Dr. Ambedkar Antyodaya Vikas Nigam	01 October 2014	2018-19	2019-20 to 2021-22	3
10	Gujarat Minorities Finance and Development Corporation Limited	24 September 1999	2019-20	2020-21 to 2021-22	2
11	Gujarat Gopalak Development Corporation Limited	18 May 2001	2020-21	2021-22	1
12	Gujarat Industrial Investment Corporation Limited (Standalone & Consolidated)	12 August 1968	2020-21	2021-22	1
13	Gujarat Livelihood Promotion Company Limited	21 April 2010	2018-19	2019-20 to 2021-22	3
14	Gujarat Nomadic and Denotified Tribes Development Corporation	14 August 2015	2020-21	2021-22	1
15	Gujarat Safai Kamdar Vikas Nigam Limited	24 October 2001	2017-18	2018-19 to 2021-22	4
16	Gujarat State Financial Services Limited	20 November 1992	2021-22	Nil	0
17	Gujarat State Handloom And Handicrafts Development Corporation Limited	10 August 1973	2017-18	2018-19 to 2021-22	4
18	Gujarat State Investments Limited	29 January 1988	2021-22	Nil	0
19	Gujarat Thakor and Koli Vikas Nigam Limited	19 September 2003	2019-20	2020-21 to 2021-22	2

Sl. No.	Name of PSU	Date of Incorporation	FSs finalised up to	Year for which FSs not finalised/ received	No. of FSs in arrears
20	Gujarat Women Economic Development Corporation Limited	16 August 1988	2018-19	2019-20 to 2021-22	3
	<b>Statutory corporation</b>				
21	Gujarat State Financial Corporation	01 May 1960	2021-22	Nil	0
	<b>Inactive Company</b>				
22	Gujarat Leather Industries Limited ( <b>under liquidation</b> )	18 April 1978	2001-02	2002-03	1
23	Gujarat Small Industries Corporation Limited ( <b>under liquidation</b> )	26 March 1962	2006-07	2007-08	1
<b>C</b>	<b>Infrastructure Sector</b>				
	<b>Government Company</b>				
24	Dholera Industrial City Development Limited	28 January 2016	2021-22	Nil	0
25	Diamond Research and Mercantile City Limited	10 July 2015	2020-21	2021-22	1
26	Gandhinagar Railway and Urban Development Corporation Limited	05 January 2017	2021-22	Nil	0
27	Gujarat Growth Centre Development Corporation Limited	11 December 1992	2020-21	2021-22	1
28	Gujarat Metro Rail Corporation Limited	04 February 2010	2021-22	Nil	0
29	Gujarat Rail Infrastructure Development Corporation Limited	06 January 2017	2021-22	Nil	0
30	Gujarat State Aviation Infrastructure Company Limited	07 July 2010	2019-20	2020-21, 2021-22	2
31	Gujarat State Police Housing Corporation Limited	01 November 1988	2020-21	2021-22	1
32	Gujarat State Road Development Corporation Limited	12 May 1999	2021-22	Nil	0
33	Gujarat Urban Development Company Limited	27 May 1999	2020-21	2021-22	1
34	Gujarat Water Infrastructure limited	25 October 1999	2020-21	2021-22	1
35	Sardar Sarovar Narmada Nigam Limited	24 March 1988	2020-21	2021-22	1
	<b>Statutory corporation</b>				
36	Gujarat Industrial Development Corporation	04 August 1962	2020-21	2021-22	1
	<b>Inactive Company</b>				
37	Gujarat Industrial Corridor Corporation Limited	30 March 2009	2019-20	2020-21, 2021-22	2
38	Gujarat State Construction Corporation Limited ( <b>under liquidation</b> )	16 December 1974	2019-20	2020-21	1
39	Gujarat State Rural Development Corporation	07 July 1977	2016-17	2017-18 to 2021-22	5
<b>D</b>	<b>Service sector</b>				
	<b>Government Company</b>				
40	Gujarat Education Technologies Limited	09 March 2021	First FS awaited	2021-22	1

Sl. No.	Name of PSU	Date of Incorporation	FSs finalised up to	Year for which FSs not finalised/ received	No. of FSs in arrears
41	Gujarat Fibre Grid Network Limited	30 September 2016	2020-21	2021-22	1
42	Gujarat Informatics Limited (standalone and consolidated)	19 February 1999	2018-19	2019-20 to 2021-22	3
43	Gujarat ISP Services Limited	05 December 2016	2020-21	2021-22	1
44	Gujarat Medical Services Corporation Limited	23 August 2012	2018-19	2019-20 to 2021-22	3
45	Gujarat Rural Industries Marketing Corporation Limited	16 May 1979	2021-22	Nil	0
46	Gujarat State Civil Supplies Corporation Limited	26 September 1980	2019-20	2020-21 to 2021-22	2
47	Gujarat State Forest Development Corporation Limited	20 August 1976	2020-21	2021-22	1
48	Gujarat State Handicapped (Divyang) Finance and Development Corporation	13 April 2020	2020-21	2021-22	1
49	Gujarat Student Startup and Innovation Hub	16 May 2019	2020-21	2021-22	1
50	Gujarat Unreserved Education & Economical Development Corporation	11 May 2018	2018-19	2019-20 to 2021-22	3
51	Gujarat Water Resources Development Corporation Limited	03 May 1971	2020-21	2021-22	1
52	Guj-Tour Development Company Limited	07 April 2011	2020-21	2021-22	1
53	Tourism Corporation of Gujarat Limited	10 June 1975	2020-21	2021-22	1
	<b>Statutory Corporation</b>				
54	Gujarat State Road Transport Corporation	01 May 1960	2018-19	2019-20 to 2021-22	3
	<b>Inactive Company</b>				
55	BISAG Satellite Communication	23 August 2012	2014-15	2015-16 to 2021-22	7
56	Gujarat Foundation for Mental Health and Allied Sciences	29 April 2003	2010-11	2011-12 to 2021-22	11
<b>E</b>	<b>Other Sectors</b>				
	<b>Government Company</b>				
57	Gujarat Agro Industries Corporation Limited	05 September 1969	2018-19	2019-20 to 2021-22	3
58	Gujarat Mineral Development Corporation Limited	15 May 1963	2021-22	Nil	0
59	Gujarat Sheep and Wool Development Corporation Limited	10 September 1979	2019-20	2020-21 to 2021-22	2
60	Gujarat State Land Development Corporation Limited	28 March 1978	2016-17	2017-18 to 2021-22	5
61	Gujarat State Petroleum Corporation Limited	29 January 1979	2021-22	Nil	0
62	Gujarat State Seeds Corporation Limited	16 April 1975	2021-22	Nil	0
	<b>Statutory corporation</b>				
63	Gujarat State Warehousing Corporation	05 December 1960	2014-15	2015-16 to 2021-22	7
	<b>Inactive Company</b>				

Sl. No.	Name of PSU	Date of Incorporation	FSS finalised up to	Year for which FSSs not finalised/ received	No. of FSSs in arrears
64	Alcock Ashdown Gujarat Limited (under liquidation)	05 September 1994	2020-21	2021-22	1
65	Gujarat Communication & Electronics Corporation Limited ( <b>under liquidation</b> )	30 May 1975	2000-01	2001-02 to 2002-03	2
66	Gujarat Dairy Development Corporation Limited	29 March 1973	2021-22	Nil	0
67	Gujarat Fisheries Development Corporation Limited	17 December 1971	1998-99	1999-2000 to 2021-22	23
68	Gujarat State Textile Corporation Limited ( <b>under liquidation</b> )	13 November 1968	1996-97	Nil	0
<b>Government Controlled Other Companies</b>					
A	<b>Power sector</b>				
69	GSPC Pipavav Power Company Limited	22 February 2006	2021-22	Nil	0
70	Gujarat State Energy Generation Limited	30 December 1998	2021-22	Nil	0
B	<b>Service Sector</b>				
71	Dahej SEZ Limited	21 September 2004	2021-22	Nil	0
72	GIFT Collective Investment Management Company Limited	07 May 2008	2021-22	Nil	0
73	GIFT District Cooling Systems Limited	16 September 2008	2021-22	Nil	0
74	GIFT ICT Services Limited	18 September 2008	2021-22	Nil	0
75	GIFT Power Company Limited	11 September 2008	2021-22	Nil	0
76	GIFT SEZ Limited	09 September 2008	2021-22	Nil	0
77	GIFT Waste Management Services Limited	11 September 2008	2021-22	Nil	0
78	GIFT Water Infrastructure Limited	12 September 2008	2021-22	Nil	0
79	GSPL India Gasnet Limited	13 October 2011	2021-22	Nil	0
80	GSPL India Transco Limited	13 October 2011	2021-22	Nil	0
81	Guj Info Petro Limited	15 January 2001	2021-22	Nil	0
82	Gujarat Gas Limited	30 March 2015	2021-22	Nil	0
83	Gujarat Industrial and Technical Consultancy Organisation Limited	28 December 1978	2020-21	2021-22	1
84	Gujarat International Finance Tec-City Company Limited	21 June 2007	2021-22	Nil	0
85	Gujarat State Petronet Limited	23 December 1998	2021-22	Nil	0
86	Narmada Clean Tech	04 December 2014	2021-22	Nil	0
87	Sabarmati Gas Limited	06 June 2006	2021-22	Nil	0
88	Sarigam Clean Initiative	08 June 2015	2020-21	2021-22	1
89	Smart ICT Services Private Limited	01 January 2013	2021-22	Nil	0

Sl. No.	Name of PSU	Date of Incorporation	FSS finalised up to	Year for which FSSs not finalised/ received	No. of FSSs in arrears
<b>C</b>	<b>Infrastructure Sector</b>				
90	Bahucharaji Rail Corporation Limited	10 December 2018	2021-22	Nil	0
91	G-ride Bedi Port Rail Limited	27 August 2021	2021-22	Nil	0
92	Gujarat Ports Infrastructure and Development Company Limited	27 August 1982	2020-21	2021-22	1
<b>D</b>	<b>Finance Sector</b>				
	<b>Inactive Company</b>				
93	Infrastructure Finance Company Gujarat Limited	03 February 2000	2010-11	2011-12 to 2021-22	11
<b>E</b>	<b>Others</b>				
94	GSPC (JPDA) Limited	13 October 2006	2021-22	Nil	0
95	GSPC Energy Limited	18 December 2015	2021-22	Nil	0
96	GSPC LNG Limited	27 February 2007	2020-21	2021-22	1
97	GSPC Offshore Limited	23 September 2015	2020-21	NIL <sup>1</sup>	0
	<b>Inactive Company</b>				
98	Gujarat State Machine Tools Corporation Limited	15 February 1974	2021-22	Nil	0
99	Gujarat Trans Receivers Limited	26 March 1981	2018-19	2019-20 to 2021-22	3
100	Naini Coal Company Limited	09 October 2009	2011-12	2012-13 to 2021-22	10
	<b>Total</b>				<b>157</b>

<sup>1</sup> The name of the company is struck off from the Register of Company on 10 October 2022. Thus, NIL is shown.

## Appendix – 5.2

## Summarised financial position and working results of SPSUs as per latest finalised financial statement as on 30 September 2022

(Reference: paragraph 5.1.3)

(figures in col. 5 to 11 are ₹ in crore)

Sl. No.	Type and name of SPSUs	Period of latest finalized accounts	Year in which the accounts were finalised	Net profit/ Loss (-) before Interest & Tax	Net Profit/ Loss (-)	Turn over	Paid-up capital#	Capital Employed	Net Worth	Accumulated Profit/ Loss (-)
1	2	3	4	5	6	7	8	9	10	11
<b>A.</b>	<b>Power Sector</b>									
<b>Government Companies</b>										
1.	Dakshin Gujarat Vij Company Limited	2021-22	2022-23	205.12	94.74	16,903.53	489.92	2,875.69	2,873.89	493.07
2.	Gujarat Energy Corporation Limited	2021-22	2022-23	2,062.13	971.46	4,575.50	1,856.65	13,761.95	9,838.66	4,674.54
3.	Gujarat Power Corporation Limited	2020-21	2021-22	57.72	41.24	268.93	513.23	1,119.39	1,119.39	605.78
4.	Gujarat State Electricity Corporation Limited	2021-22	2022-23	574.53	283.03	11,354.07	3,007.16	8,470.84	8,400.01	1,430.88
5.	Gujarat Urja Vikas Nigam Limited	2020-21	2021-22	127.94	94.88	43,563.46	26,832.13	25,588.47	25,491.91	481.45
6.	Madhya Gujarat Vij Company Limited	2021-22	2022-23	190.18	103.49	7,660.21	484.65	2,556.38	2,539.09	392.85
7.	Paschim Gujarat Vij Company Limited	2021-22	2022-23	338.77	96.60	20,479.58	8,089.03	9,924.47	9,877.75	-337.59
8.	Uttar Gujarat Vij Company Limited	2021-22	2022-23	204.74	78.00	15,321.85	640.63	3,583.87	3,570.37	252.30
<b>Total A</b>				<b>3,761.13</b>	<b>1,763.44</b>	<b>1,20,127.13</b>	<b>41,913.40</b>	<b>67,881.06</b>	<b>63,711.07</b>	<b>7,993.28</b>
<b>B.</b>	<b>Finance Sector</b>									
<b>Government Companies</b>										
9.	Dr. Ambedkar Antyodaya Development Corporation	2018-19	2021-22	2.64	1.10	0	5.00	18.85	6.17	3.17
10.	Gujarat Minorities Finance and Development Corporation Limited	2019-20	2022-23	2.27	-0.26	1.46	20.00	102.08	11.63	-8.37
11.	Gujarat Gopalak Development Corporation Limited	2020-21	2021-22	5.47	4.37	0	14.91	108.57	33.10	18.15
12.	Gujarat Industrial Investment Corporation Limited	2020-21	2021-22	15.49	39.82	20.35	256.98	368.60	307.71	50.73
13.	Gujarat Livelihood Promotion Company Limited	2018-19	2020-21	1.68	1.21	0	0.05	2.73	2.73	2.68

Sl. No.	Type and name of SPSUs	Period of latest finalized accounts	Year in which the accounts were finalised	Net profit/ Loss (-) before Interest & Tax	Net Profit/ Loss (-)	Turn over	Paid-up capital#	Capital Employed	Net Worth	Accumulated Profit/ Loss (-)
14.	Gujarat Nomadic and Denotified Tribes Development Corporation	2020-21	2021-22	1.51	-0.02	1.81	6.00	59.08	6.22	0.22
15.	Gujarat Safai Kamdar Vikas Nigam Limited	2017-18	2020-21	4.78	3.15	2.59	14.09	142.84	51.72	0
16.	Gujarat State Financial Services Limited	2021-22	2022-23	2,823.70	140.10	2,769.57	138.00	3,648.69	3,648.69	2,089.53
17.	Gujarat State Handloom and Handicrafts Development Corporation Limited	2017-18	2019-20	4.81	3.00	9.25	12.06	-39.71	-44.32	-56.38
18.	Gujarat State Investments Limited	2021-22	2022-23	80.88	71.16	83.43	1,042.77	1,931.30	1,546.30	503.53
19.	Gujarat Thakor and Koli Vikas Nigam Limited	2019-20	2022-23	3.80	3.01	2.43	15.11	110.17	35.26	20.15
20.	Gujarat Women Economic Development Corporation Limited <sup>s</sup>	2018-19	2022-23	\$	\$	0	7.02	7.02	7.02	0
<b>Inactive Government Companies</b>										
21	Gujarat Leather Industries Limited (under liquidation)	2001-02	2002-03	0	-	0	1.50	-3.11	-5.17	-6.67
22	Gujarat Small Industries Corporation Limited (under liquidation)	2006-07	2007-08	-3.62	6.93	0	4.00	-47.86	-70.93	-74.93
<b>Statutory Corporations</b>										
23	Gujarat State Financial Corporation	2021-22	2022-23	5.93	-127.81	0.85	89.11	-2,285.77	-2,947.45	-3,055.46
<b>Total B</b>				<b>2,949.34</b>	<b>145.76</b>	<b>2,891.74</b>	<b>1,626.60</b>	<b>4,123.48</b>	<b>2,588.68</b>	<b>-513.65</b>
<b>C. Service Sector</b>										
<b>Government Companies</b>										
24	Gujarat Education Technologies Limited	First financial statement not received								
25	Gujarat Fibre Grid Network Limited	2020-21	2021-22	3.66	2.81	54.35	0.10	50.95	50.95	0
26	Gujarat Informatics Limited	2018-19	2020-21	35.34	5.18	13.83	18.51	144.21	135.62	117.11
27	Gujarat ISP Services Limited	2020-21	2021-22	-0.05	0.01	0	0.10	-0.13	-0.13	-0.23
28	Gujarat Medical Services Corporation Limited	2018-19	2019-20	1.11	0.58	2.42	2.50	5.51	5.51	3.01
29	Gujarat Rural Industries Marketing Corporation Limited	2021-22	2022-23	19.84	14.12	209.68	13.00	70.82	70.82	56.00

Sl. No.	Type and name of SPSUs	Period of latest finalized accounts	Year in which the accounts were finalised	Net profit/ Loss (-) before Interest & Tax	Net Profit/ Loss (-)	Turn over	Paid-up capital#	Capital Employed	Net Worth	Accumulated Profit/ Loss (-)
30	Gujarat State Civil Supplies Corporation Limited	2019-20	2022-23	29.78	18.93	5,398.71	70.00	127.96	127.96	57.96
31	Gujarat State Forest Development Corporation Limited	2020-21	2021-22	11.04	9.15	25.11	6.32	82.18	82.18	75.68
32	Gujarat State Handicapped (Divyang) Finance and Development Corporation	2020-21	2021-22	0	0	0	1.00	0.01	0.01	0
33	Gujarat Student Startup and Innovation Hub	2020-21	2021-22	1.61	1.61	1.70	0.01	1.56	1.56	1.55
34	Gujarat Unreserved Educational & Economical Development Corporation	2018-19	2022-23	0	0	0	5.01	110.40	5.01	0
35	Gujarat Water Resources Development Corporation Limited	2020-21	2022-23	9.35	4.11	3.60	31.49	-148.97	-148.97	-180.46
36	Guj-Tour Development Company Limited	2020-21	2021-22	1.81	1.36	0	18.40	120.62	120.62	102.22
37	Tourism Corporation of Gujarat Limited	2020-21	2022-23	14.86	9.36	42.94	20.00	196.59	196.55	176.55
<b>Inactive Government Companies</b>										
38	BISAG Satellite Communication	2014-15	2015-16	3.78	3.78	0	39.08	7.02	6.75	6.70
39	Gujarat Foundation for Mental health and Allied Sciences <sup>8B</sup>	2010-11	2013-14	β	β	0	0.02	0.02	0.02	0
<b>Statutory Corporations</b>										
40	Gujarat State Road Transport Corporation	2018-19	2021-22	-172.50	-173.62	2,773.90	3,424.23	2,739.58	-406.49	-3,830.72
<b>Total C</b>				<b>-40.37</b>	<b>-102.62</b>	<b>8,526.24</b>	<b>3,649.77</b>	<b>3,508.33</b>	<b>247.97</b>	<b>-3,414.63</b>
<b>D. Infrastructure sector</b>										
<b>Government Companies</b>										
41.	Dholera Industrial City Development Limited	2021-22	2022-23	34.39	25.55	29.70	5,683.33	5,875.13	5,875.13	191.80
42.	Diamond Research and Mercantile City Limited	2020-21	2021-22	158.21	145.59	6.26	100.00	-100.75	-100.75	-200.75
43	Gandhinagar Railway and Urban Development Corporation Limited	2021-22	2022-23	-3.96	-3.18	25.41	533.17	31.83	31.83	1.45
44.	Gujarat Growth Centres Development Corporation Limited	2020-21	2021-22	-0.01	-0.01	0	36.35	35.88	35.88	-0.47
45	Gujarat Metro Rail Corporation Limited	2021-22	2022-23	-35.47	-46.54	0.22	3,880.11	7,109.58	3,048.33	-178.24

Sl. No.	Type and name of SPSUs	Period of latest finalized accounts	Year in which the accounts were finalised	Net profit/ Loss (-) before Interest & Tax	Net Profit/ Loss (-)	Turn over	Paid-up capital#	Capital Employed	Net Worth	Accumulated Profit/ Loss (-)
46.	Gujarat Rail Infrastructure Development Corporation Limited	2021-22	2022-23	-0.02	-0.05	14.24	91.23	52.05	52.05	1.05
47	Gujarat State Aviation Infrastructure Company Limited	2019-20	2022-23	0	0	0.05	0.05	0.11	0.11	0.06
48	Gujarat State Police Housing Corporation Limited##	2020-21	2021-22	##	##	1.31	50.00	50.00	50.00	0
49	Gujarat State Road Development Corporation Limited	2021-22	2022-23	2.61	2.02	158.61	5.00	913.40	36.65	31.65
50	Gujarat Urban Development Company Limited	2020-21	2021-22	0.97	0.70	0	26.00	63.90	63.90	37.90
51	Gujarat Water Infrastructure Limited	2020-21	2021-22	-50.46	-50.47	512.94	155.02	-523.19	-523.19	-678.21
52	Sardar Sarovar Narmada Nigam Limited	2020-21	2021-22	-530.75	-739.32	1,020.51	66,107.22	60,454.82	59,094.43	-6,741.42
<b>Inactive Government Companies</b>										
53	Gujarat Industrial Corridor Corporation Limited	2019-20	2021-22	-0.02	-0.003	0	10.00	1.38	1.38	-8.62
54	Gujarat State Construction Corporation Limited (under liquidation)	2019-20	2021-22	0.54	-0.50	0	5.00	10.24	-47.32	-52.32
55	Gujarat State Rural Development Corporation Limited	2016-17	2020-21	-5.35	-5.35	0	0.58	-3.69	-3.69	-4.27
<b>Statutory Corporations</b>										
56	Gujarat Industrial Development Corporation*	2020-21	2021-22	286.73	286.73	801.96	0	2,577.60	2,577.60	2,577.60
<b>Total D</b>				<b>-142.59</b>	<b>-384.83</b>	<b>2,571.21</b>	<b>76,683.06</b>	<b>76,548.29</b>	<b>70,192.34</b>	<b>-5,022.79</b>
<b>E. Other Sector</b>										
<b>Government Companies</b>										
57	Gujarat Agro Industries Corporation Limited	2018-19	2021-22	40.50	25.16	405.89	8.08	203.58	183.58	169.18
58	Gujarat Mineral Development Corporation Limited	2021-22	2022-23	736.08	404.28	2,732.08	63.60	4,272.53	4,272.53	1,489.64
59	Gujarat Sheep and Wool Development Corporation Limited	2019-20	2021-22	0.48	0.33	0.0011	4.31	6.09	6.09	1.78
60	Gujarat State Land Development Corporation Limited	2016-17	2019-20	1.97	0.06	507.99	5.88	-41.09	-104.95	-110.83

Sl. No.	Type and name of SPSUs	Period of latest finalized accounts	Year in which the accounts were finalised	Net profit/ Loss (-) before Interest & Tax	Net Profit/ Loss (-)	Turn over	Paid-up capital#	Capital Employed	Net Worth	Accumulated Profit/ Loss (-)
61	Gujarat State Petroleum Corporation Limited	2021-22	2022-23	1,403.99	1,183.73	24,364.97	1,075.65	4,525.96	895.86	-12,896.70
62	Gujarat State Seeds Corporation Limited	2021-22	2022-23	32.93	23.71	209.02	3.93	319.06	319.06	315.13
<b>Inactive Government Companies</b>										
63	Alcock Ashdown (Gujarat) Limited (under liquidation)	2020-21	2021-22	-1.63	-39.86	0	51.00	-412.59	-609.90	-660.90
64	Gujarat Communications and Electronics Limited (under liquidation)	2000-01	2001-02	-34.13	-	5.57	12.45	-82.70	-92.29	-104.74
65	Gujarat Dairy Development Corporation Limited	2021-22	2022-23	-0.02	-0.02	0	10.46	-38.48	-113.80	-124.26
66	Gujarat Fisheries Development Corporation Limited	1998-99	2002-03	-0.90	1.20	28.13	1.94	8.24	5.95	4.01
67	Gujarat State Textile Corporation Limited (under liquidation)	1996-97	1997-98	-248.80	-300.58	7.57	46.47	3.93	3.93	0
<b>Statutory Corporations</b>										
68	Gujarat State Warehousing Corporation	2014-15	2016-17	5.85	3.91	14.46	4.00	8.52	8.52	3.53
<b>Total E</b>										
<b>Grand Total (52 Government Companies)</b>				<b>1,936.32</b>	<b>1,301.92</b>	<b>28,275.68</b>	<b>1,287.77</b>	<b>8,773.05</b>	<b>4,774.58</b>	<b>-11,914.16</b>
<b>Grand Total (12 Inactive Government Companies)</b>				<b>8,627.97</b>	<b>3,068.86</b>	<b>1,58,759.56</b>	<b>1,21,460.76</b>	<b>1,58,351.88</b>	<b>1,43,207.53</b>	<b>-7,540.90</b>
<b>Grand Total (4 Statutory Corporations)</b>				<b>-290.15</b>	<b>-334.40</b>	<b>41.27</b>	<b>182.50</b>	<b>-557.60</b>	<b>-925.07</b>	<b>-1,026.00</b>
<b>1. Grand Total (A to E) (68 PSUs)</b>				<b>126.01</b>	<b>-10.79</b>	<b>3,591.17</b>	<b>3,517.34</b>	<b>3,039.93</b>	<b>-767.82</b>	<b>-4,305.05</b>
<b>F Power sector</b>										
<b>Government Controlled other Companies</b>										
69	GSPC Pipavav Power Company Limited	2021-22	2022-23	91.67	33.81	468.30	861.84	1,192.29	818.69	-43.15
70	Gujarat State Energy Generation Limited	2021-22	2022-23	62.60	31.44	280.91	568.70	597.74	554.60	1.14
<b>Total F</b>				<b>154.27</b>	<b>65.25</b>	<b>749.21</b>	<b>1,430.54</b>	<b>1,790.03</b>	<b>1,373.29</b>	<b>-42.01</b>
<b>G Finance Sector</b>										
<b>Government Controlled other Companies</b>										
<b>Inactive Government Controlled other Company</b>										
71	Infrastructure Finance Company Gujarat Limited	2010-11	2016-17	0.10	0.09	--	2.50	1.84	1.84	-0.66
<b>Total G</b>				<b>0.10</b>	<b>0.09</b>	<b>--</b>	<b>2.50</b>	<b>1.84</b>	<b>1.84</b>	<b>-0.66</b>

Sl. No.	Type and name of SPSUs	Period of latest finalized accounts	Year in which the accounts were finalised	Net profit/ Loss (-) before Interest & Tax	Net Profit/ Loss (-)	Turn over	Paid-up capital#	Capital Employed	Net Worth	Accumulated Profit/ Loss (-)
<b>H</b>	<b>Service Sector</b>									
<b>Government Controlled other Companies</b>										
72	Dahej SEZ Limited	2021-22	2022-23	54.22	46.98	66.61	46.05	514.34	264.34	218.29
73	GIFT Collective Investment Management Company Limited	2021-22	2022-23	-0.01	-0.01	0	0.05	-5.09	-5.09	-5.14
74	Gift District Cooling System Limited	2021-22	2022-23	-0.003	-0.003	0	0.10	0.05	0.05	-0.05
75	GIFT ICT Services Limited	2021-22	2022-23	0.01	0.0093	0	0.85	0.83	0.83	-0.017
76	GIFT Power Company Limited	2021-22	2022-23	-3.51	-3.51	20.73	0.10	-7.21	-7.21	-7.31
77	GIFT SEZ Limited	2021-22	2022-23	-13.85	2.20	4.10	0.10	-14.56	-14.56	-14.66
78	GIFT Waste Management Services Limited	2021-22	2022-23	-0.0029	-0.0029	0	0.10	0	0	-0.10
79	GIFT Water Infrastructure Limited	2021-22	2022-23	0.0051	0.0052	0	0.10	0.1024	0.1024	0.0024
80	GSPL India Gasnet Limited	2021-22	2022-23	167.54	73.36	228.47	1,892.02	5,416.81	1,924.45	32.43
81	GSPL India Transco Limited	2021-22	2022-23	-117.55	-155.56	84.90	607.00	1,026.54	351.01	-255.99
82	Guj Info Petro Limited	2021-22	2022-23	4.33	3.24	19.75	0.05	59.40	59.40	32.08
83	Gujarat Gas Limited	2021-22	2022-23	1,769.38	1,285.64	16,787.35	137.68	5,242.28	4,851.31	4,710.91
84	Gujarat Industrial and Technical Consultancy Limited	2020-21	2021-22	0.30	0.21	3.75	0.20	5.36	5.36	5.16
85	Gujarat International Finance Tec City Company Limited	2021-22	2022-23	9.54	-50.15	118.59	565.42	937.26	318.34	-247.08
86	Gujarat State Petronet Limited	2021-22	2022-23	1,305.33	1,009.75	2,020.02	564.21	8,432.35	8,432.35	7,446.97
87	Narmada Clean Tech	2021-22	2022-23	11.10	9.98	77.03	85.57	67.69	58.91	-26.66
88	Sabarmati Gas Limited	2021-22	2022-23	464.91	346.55	1,900.46	20.00	1,119.98	1,119.98	954.31
89	Sarigam Clean Initiative	2020-21	2021-22	0.84	-6.10	10.22	60.47	58.38	58.38	-2.09
90	SMART ICT Services Private Limited	2021-22	2022-23	-0.21	-0.31	0.70	0.05	-2.05	-2.05	-2.10
<b>Total H</b>				<b>3,652.37</b>	<b>2,562.28</b>	<b>21,342.68</b>	<b>3,980.12</b>	<b>22,852.46</b>	<b>17,415.90</b>	<b>12,838.96</b>
<b>I</b>	<b>Infrastructure Sector</b>									
<b>Government Controlled other Companies</b>										
91	Bahucharaji Rail Corporation Limited	2021-22	2022-23	1.50	0.53	43.92	496.92	493.88	493.88	-3.04
92	G-ride Bedi Port Rail Limited	2021-22	2022-23	-0.74	-0.74	0	62.04	62.04	62.04	0
93	Gujarat Ports Infrastructure and Development Company Limited	2020-21	2021-22	2.02	1.30	0	18.00	41.68	41.68	23.68
<b>Total I</b>				<b>2.78</b>	<b>1.09</b>	<b>43.92</b>	<b>576.96</b>	<b>597.60</b>	<b>597.60</b>	<b>20.64</b>

Sl. No.	Type and name of SPSUs	Period of latest finalized accounts	Year in which the accounts were finalised	Net profit/ Loss (-) before Interest & Tax	Net Profit/ Loss (-)	Turn over	Paid-up capital#	Capital Employed	Net Worth	Accumulated Profit/ Loss (-)
<b>J</b>	<b>Other Sector</b>									
	<b>Government Controlled other Companies</b>									
94	GSPC (JPDA) Limited	2021-22	2022-23	-0.06	-0.06	0	117.14	-55.05	-55.05	-172.19
95	GSPC Energy Limited	2021-22	2022-23	0.22	0.17	198.99	0.05	1.16	1.16	1.11
96	GSPC LNG Limited	2020-21	2021-22	209.05	-47.48	448.35	970.13	2,937.14	866.81	-103.32
97	GSPC Offshore Limited	2020-21	2021-22	-0.008	-0.008	0.00	0.05	-0.33	-0.33	-0.38
	<b>Inactive Government Controlled other Companies</b>									
98	Gujarat State Machine Tools Corporation Limited	2021-22	2022-23	0.00	-0.10	0.00	0.54	0.09	-3.07	-3.61
99	Gujarat Trans Receivers Limited	2018-19	2019-20	0.00	-0.001	0.00	0.24	-2.25	-5.83	-6.07
100	Naini Coal Company Limited	2011-12	2013-14	0.10	0.07	0.00	0.05	0.10	0.10	0.05
	<b>Total J</b>			<b>209.30</b>	<b>-47.41</b>	<b>647.34</b>	<b>1,088.20</b>	<b>2,880.86</b>	<b>803.79</b>	<b>-284.41</b>
	<b>Total (28 Government Controlled other Companies)</b>			<b>4,018.62</b>	<b>2,581.24</b>	<b>22,783.15</b>	<b>7,074.99</b>	<b>28,123.02</b>	<b>20,199.39</b>	<b>12,542.81</b>
	<b>Grand Total (4 Inactive Government Controlled other Companies)</b>			<b>0.20</b>	<b>0.06</b>	<b>0.00</b>	<b>3.33</b>	<b>-0.22</b>	<b>-6.96</b>	<b>-10.29</b>
<b>2.</b>	<b>Grand Total (F to J) (32 PSUs)</b>			<b>4,018.82</b>	<b>2,581.30</b>	<b>22,783.15</b>	<b>7,078.32</b>	<b>28,122.80</b>	<b>20,192.43</b>	<b>12,532.52</b>
	<b>Grand Total (1+2)</b>			<b>12,482.65</b>	<b>5,304.97</b>	<b>1,85,175.15</b>	<b>1,32,238.92</b>	<b>1,88,957.00</b>	<b>1,61,707.07</b>	<b>-339.43</b>

(A) The turnover of the Company represents the main source of income of the SPSU based on the nature of activity undertaken. It represents the revenue from operations.

(B) Net worth represents paid up capital excluding share application money pending allotment plus accumulated profit/ loss plus free reserve.

(C) Capital employed in case of Companies/ Corporation preparing their financial statement is the sum of "Shareholders' Funds" and "Long Term Borrowings". However, Shareholders' Funds here does not include Share Application money pending allotment.

\$ Excess of expenditure over income adjusted against capital reserve and Non-plan grant by Company (SI. No. 20).

# Paid-up capital includes share application money pending allotment.

## Neither profit or loss is shown by the Company as excess of expenditure over income are transferred to works completed. (SI. No. 48)

β Expenditure incurred set off from grants income taken to Statement of Profit and Loss. (SI. No. 39)

\* Government of Gujarat made capital contribution in the form of loan, hence, paid-up capital is Nil. However, even loans have now been repaid. (SI. No. 56)

## Appendix 5.3

## Statement showing difference between Finance Accounts of Government of Gujarat and financial statements of SPSUs as on 31 March 2022

(Reference: Paragraph 5.2.3)

*(Figures in column 3 to 5 are ₹ in crore)*

Sr. No	Name of SPSUs	Paid-up Capital		Differences
		As per Finance Account	As per SPSUs records	
1	2	3	4	5
1	Gujarat Energy Transmission Corporation Limited	50.00	0.00	50.00
2	Gandhinagar Railway and Urban Development Corporation Limited	432.45	22.48	409.97
3	Gujarat Rail Infrastructure Development Corporation Limited	42.71	26.01	16.70
4	Dholera Industrial City Development Limited	2,898.50	0.00	2,898.50
5	Gujarat State Seeds Corporation Limited	20.95	3.75	17.20
6	Gujarat Gas Limited	0.00	9.00	(9.00)
7	Gujarat State Road Development Corporation Limited	263.74	5.00	258.74
8	Gujarat Rural Industries Marketing Corporation Limited	9.17	13.00	(3.83)
9	Gujarat Metro Rail Corporation Limited	1,984.00	1,537.00	447.00
10	Gujarat State Financial Corporation	47.69	49.09	(1.40)
11	Gujarat Dairy Development Corporation Limited	7.74	10.46	(2.72)
12	Gujarat State Petroleum Corporation Limited	3,029.62	348.94	2,680.68
<b>Total</b>		<b>8,786.57</b>	<b>2,024.73</b>	<b>6,761.84</b>

## Appendix- 5.4

## Details of SPSUs whose Net worth has eroded as per their latest finalised financial statement

(Reference: Paragraph 5.3.3)

Sl. No.	Name of SPSUs		Latest Year of finalised FS	Total paid up Capital <sup>1</sup>	Net Loss after Interest, Tax and Dividend	Accumulated Losses (-)	Net worth	State Government Equity as on 31 March 2022 <sup>2</sup>	State Government loans as on 31 March 2022
	ii	i							
1	Alcock Ashdown (Gujarat) Limited	(under)	2020-21	51.00	-39.86	-660.90	-609.09	14.50	133.50
2	Diamond Research and Mercantile City Limited		2020-21	100.00	145.59	-200.75	-100.75	75.00	0.00
3	Gujarat Communications and Electronics Limited (under liquidation)		2000-01	12.45	-	-104.74	-92.29	12.45	0.00
4	Gujarat Dairy Development Corporation Limited		2021-22	10.46	-0.02	-124.26	-113.80	10.46	55.07
5	Gujarat ISP Services Limited		2020-21	0.10	0.01	-0.23	-0.13	0.10	0.10
6	Gujarat Leather Industries Limited (under liquidation)		2001-02	1.50	-	-6.67	-5.17	0.00	2.06
7	Gujarat Small Industries Corporation Limited (under liquidation)		2006-07	4.00	6.93	-74.93	-70.93	3.79	8.65
8	Gujarat State Construction Corporation Limited (under liquidation)		2019-20	5.00	-0.50	-52.32	-47.32	5.00	0.00
9	Gujarat State Financial Corporation		2021-22	89.11	-127.81	-3,055.46	-2,947.45	49.09	630.19
10	Gujarat State Handloom and Handicrafts Development Corporation Limited		2017-18	12.06	3.00	-56.38	-44.32	10.23	11.62
11	Gujarat State Land Development Corporation Limited		2016-17	5.88	0.06	-110.83	-104.95	5.88	15.91
12	Gujarat State Road Transport Corporation		2018-19	3,424.23	-173.62	-3,830.72	-406.49	4,460.24	3,573.80
13	Gujarat State Rural Development Corporation Limited		2016-17	0.58	-5.35	-4.27	-3.69	0.58	0.00
14	Gujarat Water Infrastructure Limited		2020-21	155.02	-50.47	-678.21	-523.19	155.02	0.00
15	Gujarat Water Resources Development Corporation Limited		2020-21	31.49	4.11	-180.46	-148.97	31.49	0.00
	<b>Total</b>			<b>3,902.88</b>	<b>-237.93</b>	<b>-9,141.13</b>	<b>-5,219.35</b>	<b>4,833.83</b>	<b>4,430.90</b>

<sup>1</sup> Information in respect of column no. iii to vii as per latest finalised accounts.

<sup>2</sup> Information in respect of column no. viii to ix as per information received from SPSUs as on 31 March 2022.

**Appendix 5.5**  
**Details of Return on Capital Employed (ROCE) of State PSUs for the three years ended 31 March 2022**  
(Reference: Paragraph 5.3.5)

SL No.	Name of PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
<b>A. Government Companies and Statutory Corporations</b>										
1	Alcock Ashdown (Gujarat) Limited (under liquidation)	3.67	-379.00	NA	-1.63	-412.59	NA	-1.63	-412.59	NA
2	BISAG Satellite Communication	3.78	7.02	53.85	3.78	7.02	53.85	3.78	7.02	53.85
3	Dakshin Gujarat Vij Company Limited	242.79	2,263.70	10.73	241.81	2,560.06	9.45	205.12	2,875.69	7.13
4	Dholera Industrial City Development Limited	39.81	4,245.88	0.94	-8.87	5,374.31	-0.17	34.39	5,875.13	0.59
5	Diamond Research and Mercantile City Limited	-362.49	-281.35	NA	158.21	-100.75	NA	158.21	-100.75	NA
6	Dr. Ambedkar Antyodaya Development Corporation	2.64	18.85	14.01	2.64	18.85	14.01	2.64	18.85	14.01
7	Gandhinagar Railway and Urban Development Corporation Limited	7.23	37.68	19.20	-3.41	35.01	-9.73	-3.96	31.83	-12.44
8	Gujarat Minorities Finance and Development Corporation Limited	2.27	102.08	2.22	2.27	102.08	2.22	2.27	102.08	2.22
9	Gujarat Agro Industries Corporation Limited	40.50	203.58	19.89	40.50	203.58	19.89	40.50	203.58	19.89
10	Gujarat Communications and Electronics Limited (under liquidation)	-34.13	-82.70	NA	-34.13	-82.70	NA	-34.13	-82.70	NA
11	Gujarat Dairy Development Corporation Limited	-0.17	-38.39	NA	-0.19	-38.47	NA	-0.02	-38.48	NA
12	Gujarat Education Technologies Ltd ***	-	-	-	-	-	-	-	-	-
13	Gujarat Energy Transmission Corporation Limited	1,738.68	10,521.83	16.52	2,226.48	13,602.72	16.37	2,062.13	13,761.95	14.98
14	Gujarat Fibre Grid Network Limited	36.61	48.15	76.03	3.66	50.95	7.18	3.66	50.95	7.18
15	Gujarat Fisheries Development Corporation Limited	-1.05	8.24	-12.74	-1.05	8.24	-12.74	-1.05	8.24	-12.74
16	Gujarat Foundation for Mental health and Allied Sciences <sup>β</sup>	-	0.02	-	-	0.02	-	-	0.02	-

Sl. No.	Name of PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
17	Gujarat Gopalak Development Corporation Limited	3.68	89.77	4.10	5.47	108.57	5.04	5.47	108.57	5.04
18	Gujarat Growth Centres Development Corporation Limited	-0.07	35.89	-0.20	-0.01	35.88	-0.03	-0.01	35.88	-0.03
19	Gujarat Industrial Corridor Corporation Limited	-0.02	1.38	-1.45	-0.02	1.38	-1.45	-0.02	1.38	-1.45
20	Gujarat Industrial Development Corporation	269.18	2,319.54	11.60	286.73	2,577.60	11.12	286.73	2,577.60	11.12
21	Gujarat Industrial Investment Corporation Limited	21.30	340.91	6.25	15.49	368.60	4.20	15.49	368.60	4.20
22	Gujarat Informatics Limited	35.34	144.21	24.51	35.34	144.21	24.51	35.34	144.21	24.51
23	Gujarat ISP Services Limited	-0.06	-0.14	NA	-0.05	-0.13	NA	-0.05	-0.13	NA
24	Gujarat Leather Industries Limited ( <b>under liquidation</b> )	0.00	-3.11	NA	0.00	-3.11	NA	0.00	-3.11	NA
25	Gujarat Livelihood Promotion Company Limited	1.68	2.73	61.54	1.68	2.73	61.54	1.68	2.73	61.54
26	Gujarat Medical Services Corporation Limited	1.11	5.51	20.15	1.11	5.51	20.15	1.11	5.51	20.15
27	Gujarat Metro Rail Corporation Limited	-13.38	4,980.06	-0.27	-41.08	5,897.28	-0.70	-35.47	7,109.58	-0.50
28	Gujarat Mineral Development Corporation Limited	203.45	3,931.32	5.18	-344.44	3,867.10	-8.91	736.08	4,272.53	17.23
29	Gujarat Nomadic and Denotified Tribes Development Corporation	0.91	43.73	2.07	1.51	59.08	2.56	1.51	59.08	2.56
30	Gujarat Power Corporation Limited	78.86	1,069.95	7.37	57.72	1,119.39	5.16	57.72	1,119.39	5.16
31	Gujarat Rail Infrastructure Development Corporation Limited	0.04	50.85	0.08	1.69	52.09	3.24	-0.02	52.05	-0.04
32	Gujarat Rural Industries Marketing Corporation Limited	8.10	51.14	15.83	8.27	56.88	14.54	19.84	70.82	28.01
33	Gujarat Safai Kamdar Vikas Nigam Limited	4.78	142.84	3.35	4.78	142.84	3.35	4.78	142.84	3.35
34	Gujarat Sheep and Wool Development Corporation Limited	0.48	6.09	7.88	0.48	6.09	7.88	0.48	6.09	7.88
35	Gujarat Small Industries Corporation Limited ( <b>under liquidation</b> )	-3.62	-47.86	NA	-3.62	-47.86	NA	-3.62	-47.86	NA

Sl. No.	Name of PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
36	Gujarat State Aviation Infrastructure Company Limited	0.00	0.11	0.00	0.00	0.11	0.00	0.00	0.11	0.00
37	Gujarat State Civil Supplies Corporation Limited	29.78	127.96	23.27	29.78	127.96	23.27	29.78	127.96	23.27
38	Gujarat State Construction Corporation Limited (under liquidation)	0.54	10.24	5.27	0.54	10.24	5.27	0.54	10.24	5.27
39	Gujarat State Electricity Corporation Limited	781.38	11,038.32	7.08	778.73	7,635.30	10.20	574.53	8,470.84	6.78
40	Gujarat State Financial Corporation	12.56	-2,035.05	NA	8.97	-2,157.96	NA	5.93	-2,285.77	NA
41	Gujarat State Financial Services Limited	3,572.53	3,263.73	109.46	3,120.60	3,571.08	87.39	2,823.70	3,648.69	77.39
42	Gujarat State Forest Development Corporation Limited	4.00	73.53	5.44	11.04	82.18	13.43	11.04	82.18	13.43
43	Gujarat State Handicapped (Divyang) Finance and Development Corporation	-	-	-	0.00	0.01	0.00	0.00	0.01	0.00
44	Gujarat State Handloom and Handicrafts Development Corporation Limited	4.81	-39.71	NA	4.81	-39.71	NA	4.81	-39.71	NA
45	Gujarat State Investments Limited	43.13	1,919.84	2.25	55.25	1,922.34	2.87	80.88	1,931.30	4.19
46	Gujarat State Land Development Corporation Limited	1.97	-41.09	NA	1.97	-41.09	NA	1.97	-41.09	NA
47	Gujarat State Petroleum Corporation Limited	991.28	4,384.94	22.61	1,180.14	3,856.33	30.60	1,403.99	4,525.96	31.02
48	Gujarat State Police Housing Corporation Limited <sup>##</sup>	-	-	-	-	-	-	-	-	-
49	Gujarat State Road Development Corporation Limited	2.39	410.94	0.58	17.00	576.00	2.95	2.61	913.40	0.29
50	Gujarat State Road Transport Corporation	-172.50	2,739.58	-6.30	-172.50	2,739.58	-6.30	-172.50	2,739.58	-6.30
51	Gujarat State Rural Development Corporation Limited	-5.35	-3.69	NA	-5.35	-3.69	NA	-5.35	-3.69	NA
52	Gujarat State Seeds Corporation Limited	40.44	258.12	15.67	51.63	295.75	17.46	32.93	319.06	10.32
53	Gujarat State Textile Corporation Limited (under liquidation)	-248.8	3.93	-6,330.79	-248.80	3.93	-6,330.79	-248.80	3.93	-6,330.79
54	Gujarat State Warehousing Corporation	5.85	8.52	68.66	5.85	8.52	68.66	5.85	8.52	68.66
55	Gujarat Student Startup and Innovation Hub	-0.06	0.01	-600.00	1.61	1.56	103.21	1.61	1.56	103.21

Sl. No.	Name of PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
56	Gujarat Thakor and Koli Vikas Nigam Limited	3.80	110.17	3.45	3.80	110.17	3.45	3.80	110.17	3.45
57	Gujarat Unreserved Educational & Economical Development Corporation	0.00	110.40	0.00	0.00	110.40	0.00	0.00	110.40	0.00
58	Gujarat Urban Development Company Limited	1.51	63.20	2.39	0.97	63.90	1.52	0.97	63.90	1.52
59	Gujarat Urja Vikas Nigam Limited	216.56	22,840.53	0.95	127.94	25,588.47	0.50	127.94	25,588.47	0.50
60	Gujarat Water Infrastructure Limited	-96.74	-472.72	NA	-50.46	-523.19	NA	-50.46	-523.19	NA
61	Gujarat Water Resources Development Corporation Limited	16.64	-153.08	NA	9.35	-148.97	NA	9.35	-148.97	NA
62	Gujarat Women Economic Development Corporation Limited <sup>s</sup>	-	-	-	-	-	-	-	-	-
63	Guj-Tour Development Company Limited	1.86	27.27	6.82	1.81	28.62	6.32	1.81	120.62	1.50
64	Madhya Gujarat Vij Company Limited	179.21	2,153.36	8.32	179.57	2,348.99	7.64	190.18	2,556.38	7.44
65	Paschim Gujarat Vij Company Limited	292.61	8,644.71	3.38	348.35	9,310.93	3.74	338.77	9,924.47	3.41
66	Sardar Sarovar Narmada Nigam Limited	-560.02	56,349.63	-0.99	-530.75	60,454.82	-0.88	-530.75	60,454.82	-0.88
67	Tourism Corporation of Gujarat Limited	36.38	187.23	19.43	14.86	196.59	7.56	14.86	196.59	7.56
68	Uttar Gujarat Vij Company Limited	235.82	3,080.22	7.66	216.85	3,407.30	6.36	204.74	3,583.87	5.71
	<b>Total A</b>	<b>7,723.48</b>	<b>1,44,901.55</b>	<b>5.33</b>	<b>7,824.68</b>	<b>1,55,258.93</b>	<b>5.04</b>	<b>8,463.68</b>	<b>1,60,777.19</b>	<b>5.26</b>
<b>B. Government Controlled Other Companies</b>										
69	Bahucharaji Rail Corporation Limited	-2.11	-2.72	NA	0.70	188.81	0.37	1.50	493.88	0.30
70	Dahej SEZ Limited	58.05	185.87	31.23	42.29	467.56	9.04	54.22	514.34	10.54
71	GIFT Collective Investment Management Company Limited	-	-	-	-0.03	-5.08	NA	-0.01	-5.09	NA
72	GIFT District Cooling System Limited	-	-	-	-0.01	0.06	-16.67	0.00	0.05	-6.00
73	GIFT ICT Services Limited	-	-	-	-0.0042	0.07	-5.75	0.01	0.83	1.20
74	GIFT Power Company Limited	-	-	-	-1.91	-3.67	NA	-3.51	-7.21	NA
75	GIFT SEZ Limited	-	-	-	-15.10	-16.75	NA	-13.85	-14.56	NA
76	GIFT Waste Management Services Limited	-	-	-	0.00	0.01	-21.00	0.00	0.00	NA
77	GIFT Water Infrastructure Limited	-	-	-	0.01	0.10	6.79	0.01	0.10	4.98
78	G-ride Bedi Port Rail Limited*	-	-	-	-	-	-	-0.74	62.04	-1.19
79	GSPC (JPDA) Limited	0.00	-64.13	NA	-12.10	-57.36	NA	-0.06	-55.05	NA
80	GSPC Energy Limited	0.33	0.42	78.57	0.76	0.99	76.77	0.22	1.16	18.97

Sl. No.	Name of PSU	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
81	GSPC LNG Limited	19.94	2,735.79	0.73	209.05	2,937.15	7.12	209.05	2,937.14	7.12
82	GSPC Offshore Limited	-0.01	-0.32	NA	-0.01	-0.33	NA	-0.01	-0.33	NA
83	GSPC Pipavav Power Company Limited	112.58	1,320.66	8.52	120.72	1,324.51	9.11	91.67	1,192.29	7.69
84	GSPL India Gasnet Limited	39.04	2,731.84	1.43	101.60	4,871.81	2.09	167.54	5,416.81	3.09
85	GSPL India Transco Limited	-37.61	1,002.10	-3.75	-35.84	1,171.17	-3.06	-117.55	1,026.54	-11.45
86	Guj Info Petro Limited	0.16	52.02	0.31	5.68	56.18	10.11	4.33	59.40	7.29
87	Gujarat Gas Limited	1,399.81	4,357.10	32.13	1,811.65	4,472.73	40.50	1,769.38	5,242.28	33.75
88	Gujarat Industrial and Technical Consultancy Limited	0.68	5.17	13.17	0.30	5.36	5.63	0.30	5.36	5.60
89	Gujarat International Finance Tec City Company Limited	-	-	-	-121.46	925.41	-13.12	9.54	937.26	1.02
90	Gujarat Ports Infrastructure and Development Company Limited	14.54	40.38	36.00	2.02	41.68	4.85	2.02	41.68	4.85
91	Gujarat State Energy Generation Limited	69.35	631.33	10.98	106.39	652.61	16.30	62.60	597.74	10.47
92	Gujarat State Machine Tools Corporation Limited	0.00	0.09	0.00	-0.07	0.10	-70.00	0.00	0.09	0.00
93	Gujarat State Petronet Limited	1,445.68	7,265.02	19.90	1,338.02	7,859.66	17.02	1,305.33	8,432.35	15.48
94	Gujarat Trans-Receiver Limited	0.00	-2.25	NA	0.00	-2.25	NA	0.00	-2.25	NA
95	Infrastructure Finance Company Gujarat Limited	0.10	1.84	5.43	0.10	1.84	5.43	0.10	1.84	5.43
96	Naini Coal Company Limited	0.10	0.10	100.00	0.10	0.10	100.00	0.10	0.10	100.00
97	Narmada Clean Tech	-4.02	43.99	-9.13	6.05	50.56	11.96	11.10	67.69	16.40
98	Sabarmati Gas Limited	174.53	604.70	28.86	303.43	813.47	37.30	464.91	1,119.98	41.51
99	Sarigam Clean Initiative	-0.40	49.32	-0.81	0.84	58.38	1.44	0.84	58.38	1.44
100	SMART ICT Services Private Limited*	-	-	-	-	-	-	-0.21	-2.05	NA
	<b>Total B</b>	<b>3,290.74</b>	<b>20,958.32</b>	<b>15.70</b>	<b>3,863.18</b>	<b>25,814.88</b>	<b>14.96</b>	<b>4,018.33</b>	<b>28,122.79</b>	<b>14.29</b>
	<b>Grand Total</b>	<b>11,014.22</b>	<b>1,65,859.87</b>	<b>6.64</b>	<b>11,687.86</b>	<b>1,81,073.81</b>	<b>6.46</b>	<b>12,482.51</b>	<b>1,88,899.98</b>	<b>6.61</b>

\*\*\* The PSU came under the audit jurisdiction during the F.Y. 2021-22, however, first account is awaited, thus the figures is not available.

\* The SPSUs came under the audit jurisdiction during the F.Y. 2021-22, thus previous year figure is not considered.

NA: The ROCE has not been calculated of those PSUs in which Capital Employed is eroded.

The SPSUs at Sl. No. 43, 71, 72, 73, 74, 75, 76, 77 and 89 came under the audit jurisdiction during the F.Y. 2020-21, thus previous year figure is not considered.

## Neither profit nor loss is shown by this PSU as excess of expenditure over income are transferred to work completed, ROCE is not calculated.

\$ Excess of expenditure over income adjusted against capital reserve and Non-plan grant by Company.

β Expenditure incurred set off from grants income taken to Statement of Profit and Loss.

## Appendix 5.6

**Statement showing Return on Equity of Government Companies and Statutory Corporations wherein State Government has direct Equity investment for the three years ended 31 March 2022**

(Reference: Paragraph 5.3.6)

Sl. No.	Name of PSU	2021-22			2020-21			2019-20		
		Net profit/Loss after Tax (₹ in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)
1	Alcock Ashdown (Gujarat) Limited (under liquidation)	-39.86	-609.90	NA	-39.86	-609.90	NA	-24.56	-570.04	NA
2	BISAG Satellite Communication	3.78	6.75	56.00	3.78	6.75	56.00	3.78	6.75	56.00
3	Diamond Research and Mercantile City Limited	145.59	-100.75	NA	145.60	-100.75	NA	-367.62	-281.35	NA
4	Dr. Ambedkar Antyodaya Development Corporation	1.10	6.17	17.83	1.10	6.17	17.83	1.10	6.17	17.83
5	Gandhinagar Railway and Urban Development Corporation Limited	-3.18	31.83	-9.99	-2.67	35.01	-7.63	5.40	37.68	14.33
6	Gujarat Minorities Finance and Development Corporation Limited	-0.26	11.63	-2.24	-0.26	11.63	-2.24	-0.26	11.63	-2.24
7	Gujarat Agro Industries Corporation Limited	25.16	183.58	13.71	25.16	183.58	13.71	25.16	183.58	13.71
8	Gujarat Communications and Electronics Limited (under liquidation)	-	-92.29	NA	-	-92.29	NA	-	-92.29	NA
9	Gujarat Dairy Development Corporation Limited	-0.02	-113.80	NA	-0.19	-113.79	NA	-0.17	-113.59	NA
10	Gujarat Fibre Grid Network Limited	2.81	50.95	5.52	2.81	50.95	5.52	29.03	48.15	60.29
11	Gujarat Fisheries Development Corporation Limited	1.20	5.95	20.17	1.20	5.95	20.17	1.20	5.95	20.17
12	Gujarat Foundation for Mental health and Allied Sciences <sup>β</sup>	β	0.02	β	β	0.02	β	B	0.02	β
13	Gujarat Gopalak Development Corporation Limited	4.37	33.10	13.20	4.37	33.10	13.20	2.25	28.23	7.97
14	Gujarat Growth Centres Development Corporation Limited	-0.01	35.88	-0.03	-0.01	35.88	-0.03	-0.07	35.89	-0.20

Sl. No.	Name of PSU	2021-22				2020-21				2019-20			
		Net profit/Loss after Tax (₹ in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)
15	Gujarat Industrial Corridor Corporation Limited	-0.003	1.38	-0.22	-0.003	1.38	-0.22	-0.003	1.38	-0.22	-0.003	1.38	-0.22
16	Gujarat Industrial Investment Corporation Limited	39.82	307.71	12.94	39.82	307.71	12.94	18.00	279.46	12.94	18.00	279.46	6.44
17	Gujarat Informatics Limited	5.18	135.62	3.82	5.18	135.62	3.82	5.18	135.62	3.82	5.18	135.62	3.82
18	Gujarat Livelihood Promotion Company Limited	1.21	2.73	44.32	1.21	2.73	44.32	1.21	2.73	44.32	1.21	2.73	44.32
19	Gujarat Medical Services Corporation Limited	0.58	5.51	10.53	0.58	5.51	10.53	0.58	5.51	10.53	0.58	5.51	10.53
20	Gujarat Metro Rail Corporation Limited	-46.54	3,048.33	-1.53	-45.98	2,376.29	-1.93	-17.13	2,215.98	-1.93	-17.13	2,215.98	-0.77
21	Gujarat Mineral Development Corporation Limited	404.28	4,272.53	9.46	-36.89	3,867.10	-0.95	145.11	3,931.32	-0.95	145.11	3,931.32	3.69
22	Gujarat Nomadic and Denotified Tribes Development Corporation	-0.02	6.22	-0.32	-0.02	6.22	-0.32	-0.28	4.55	-0.32	-0.28	4.55	-6.22
23	Gujarat Power Corporation Limited	41.24	1,119.39	3.68	41.24	1,119.39	3.68	67.46	1,069.95	3.68	67.46	1,069.95	6.30
24	Gujarat Rail Infrastructure Development Corporation Limited	-0.05	52.05	-0.10	1.24	52.09	2.38	-0.09	50.85	2.38	-0.09	50.85	-0.18
25	Gujarat Rural Industries Marketing Corporation Limited	14.12	70.82	19.94	5.74	56.88	10.09	5.68	51.14	10.09	5.68	51.14	11.11
26	Gujarat Safai Kamdar Vikas Nigam Limited	3.15	51.72	6.09	3.15	51.72	6.09	3.15	51.72	6.09	3.15	51.72	6.09
27	Gujarat Sheep and Wool Development Corporation Limited	0.33	6.09	5.42	0.33	6.09	5.42	0.33	6.09	5.42	0.33	6.09	5.42
28	Gujarat Small Industries Corporation Limited ( <b>under liquidation</b> )	6.93	-70.93	NA	6.93	-70.93	NA	6.93	-70.93	NA	6.93	-70.93	NA
29	Gujarat State Aviation Infrastructure Company Limited	0.00	0.11	0.00	0.00	0.11	0.00	0.00	0.11	0.00	0.00	0.11	0.00
30	Gujarat State Civil Supplies Corporation Limited	18.93	127.96	14.79	18.93	127.96	14.79	18.93	127.96	14.79	18.93	127.96	14.79
31	Gujarat State Construction Corporation Limited ( <b>under liquidation</b> )	-0.50	-47.32	NA	-0.50	-47.32	NA	-0.50	-47.32	NA	-0.50	-47.32	NA
32	Gujarat State Financial Corporation	-127.81	-2,947.45	NA	-122.92	-2,819.64	NA	-117.44	-2,696.73	NA	-117.44	-2,696.73	NA
33	Gujarat State Financial Services Limited	140.10	3,648.69	3.84	428.08	3,571.08	11.99	428.90	3,263.73	11.99	428.90	3,263.73	13.14
34	Gujarat State Forest Development Corporation Limited	9.15	82.18	11.13	9.15	82.18	11.13	3.40	73.53	11.13	3.40	73.53	4.62

Sl. No.	Name of PSU	2021-22			2020-21			2019-20		
		Net profit/Loss after Tax (₹ in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)
35	Gujarat State Handicapped (Divyang) Finance and Development Corporation <sup>^</sup>	0.00	0.01	0.00	0.00	0.01	0.00	-	-	-
36	Gujarat State Handloom and Handicrafts Development Corporation Limited	3.00	-44.32	NA	3.00	-44.32	NA	3.00	-44.32	NA
37	Gujarat State Investments Limited	71.16	1,546.30	4.60	55.26	1,537.34	3.59	41.71	1,534.84	2.72
38	Gujarat State Land Development Corporation Limited	0.06	-104.95	NA	0.06	-104.95	NA	0.06	-104.95	NA
39	Gujarat State Petroleum Corporation Limited	1,183.73	895.86	132.13	738.77	-288.42	NA	366.38	-1,027.56	NA
40	Gujarat State Police Housing Corporation Limited <sup>#</sup>	##	50.00	##	##	50.00	##	##	50.00	##
41	Gujarat State Road Development Corporation Limited	2.02	36.65	5.51	12.00	34.62	34.66	1.74	22.63	7.69
42	Gujarat State Road Transport Corporation	-173.62	-406.49	NA	-173.62	-406.49	NA	-173.62	-406.49	NA
43	Gujarat State Rural Development Corporation Limited	-5.35	-3.69	NA	-5.35	-3.69	NA	-5.35	-3.69	NA
44	Gujarat State Seeds Corporation Limited	23.71	319.06	7.43	38.10	295.75	12.88	29.84	258.12	11.56
45	Gujarat State Textile Corporation Limited (under liquidation)	-300.58	3.93	-7,648.35	-300.58	3.93	-7,648.35	-300.58	3.93	-7,648.35
46	Gujarat State Warehousing Corporation	3.91	8.52	45.89	3.91	8.52	45.89	3.91	8.52	45.89
47	Gujarat Student Startup and Innovation Hub	1.61	1.56	103.21	1.61	1.56	103.21	-0.06	0.01	-600.00
48	Gujarat Thakor and Koli Vikas Nigam Limited	3.01	35.26	8.54	3.01	35.26	8.54	3.01	35.26	8.54
49	Gujarat Unreserved Educational & Economical Development Corporation	0.00	5.01	0.00	0.00	5.01	0.00	0.00	5.01	0.00
50	Gujarat Urban Development Company Limited	0.70	63.90	1.10	0.70	63.90	1.10	1.09	63.20	1.72
51	Gujarat Urja Vikas Nigam Limited	94.88	25,491.91	0.37	94.88	25,491.91	0.37	106.40	22,734.19	0.47
52	Gujarat Water Infrastructure Limited	-50.47	-523.19	NA	-50.47	-523.19	NA	-96.78	-472.72	NA
53	Gujarat Water Resources Development Corporation Limited	4.11	-148.97	NA	4.11	-148.97	NA	2.41	-153.08	NA
54	Gujarat Women Economic Development Corporation Limited <sup>\$</sup>	\$	7.02	\$	\$	7.02	\$	\$	7.02	\$
55	Guj-Tour Development Company Limited	1.36	120.62	1.1	1.35	28.62	4.72	1.40	27.27	5.13

Sl. No.	Name of PSU	2021-22			2020-21			2019-20		
		Net profit/ Loss after Tax (₹ in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)	Net profit/Loss after Tax (in crore)	Net worth (₹ in crore)	ROE (per cent)
56	Sardar Sarovar Narmada Nigam Limited	-739.32	59,094.43	-1.25	-739.32	59,094.43	-1.25	-874.10	53,974.89	-1.62
57	Tourism Corporation of Gujarat Limited	9.36	196.55	4.76	9.36	196.55	4.76	29.70	187.19	15.87
	<b>TOTAL</b>	<b>784.06</b>	<b>95,967.44</b>	<b>0.82</b>	<b>19,593.08</b>	<b>93,618.88</b>	<b>0.21</b>	<b>-615.18</b>	<b>84,462.70</b>	<b>-0.73</b>

NA: The ROE has not been calculated of those PSUs which are having shareholders fund/ Net worth negative.

^ The SPSUs came under the audit jurisdiction during the F.Y. 2020-21, thus previous year figure is not considered.

## Neither profit nor loss is shown by this PSU as excess of expenditure over income are transferred to work completed, ROE is not calculated.

\$ Excess of expenditure over income adjusted against capital reserve and Non-plan grant by Company.

β Expenditure incurred set off from grants income taken to Statement of Profit and Loss.

## Appendix – 5.7

Statement showing year-wise details of the investment *vis-à-vis* present value of the investment infused by the State Government for the period 2004-05 to 2021-22

(Refer paragraph 5.3.7)

Assumptions for computing present value of the State Government investment	
•	Interest free loans (IFL) have been considered as investment infusion by the State Government. However, in case of repayment of loans by SPSUs, the PV was calculated on the reduced balances of IFLs over the period.
•	The average rate of interest on government borrowings for the concerned financial year <sup>3</sup> was adopted as compounded rate for arriving at PV since they represent the cost incurred by the government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the government.

Financial year	Present value of total investment at the beginning of the year	Amount infused by State Government during the year				Total investment during the year	Investment at the end of the year	Average rate of interest on government borrowings (in %)	Net present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year
		Equity	Interest free loans/ (Net Repayment)	Convert into equity	Grants/ Subsidies for operation and administrative expenses						
i	ii	iii	iv	v	vi	vii= iii+iv+v+vi	viii=ii+vii	ix	x=viii×(1+(ix-100))	xi= (viii×(ix÷100))	xii
Upto 2004-05	0	14,107.20	21.15	-	2,143.43	16,271.78	16,271.78	9.08	17,749.26	1,477.48	0
2005-06	17,749.26	3,124.54	0.05	-	2,432.36	5,556.95	23,306.21	8.06	25,184.69	1,878.48	405.37
2006-07	25,184.69	3,321.00	227.34	150.00	2,966.28	6,364.62	31,549.31	8.19	34,133.20	2,583.89	238.87
2007-08	34,133.20	3,218.23	-0.43	-	3,402.59	6,620.39	40,753.59	8.12	44,062.78	3,309.19	783.60
2008-09	44,062.78	5,524.94	-11.04	-	4,955.36	10,469.26	54,532.04	7.80	58,785.54	4,253.50	736.39
2009-10	58,785.54	2,326.56	15.73	-	5,430.18	7,772.47	66,558.01	7.64	71,643.04	5,085.03	684.98

3 The average rate of interest on government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of Gujarat) for the concerned year wherein the average rate for interest paid=Interest Payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/ 2]\*100.

Financial year	Present value of total investment at the beginning of the year	Amount infused by State Government during the year				Total investment during the year	Investment at the end of the year	Average rate of interest on government borrowings (in %)	Net present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year
		Equity	Interest free loans/ (Net Repayment)	Convert into equity	Grants/ Subsidies for operation and administrative expenses						
i	ii	iii	iv	v	vi	vii= iii+iv+v+vi	viii=ii+vii	ix	x=viii×(1+(ix÷-100))	xi= (viii×(ix÷100))	xii
2010-11	71,643.04	2,922.52	497.84	-	5,349.56	8,769.92	80,412.96	7.56	86,492.18	6,079.22	1,089.45
2011-12	86,492.19	3,824.42	130.67	-	4,517.76	8,472.85	94,965.04	7.63	1,02,210.87	7,245.83	1,636.27
2012-13	1,02,210.87	7,076.43	-8.74	-	6,777.61	13,845.30	1,16,056.17	7.66	1,24,946.07	8,889.90	1,823.74
2013-14	1,24,946.08	6,709.97	27.11	-	7,142.97	13,880.05	1,38,826.13	7.62	1,49,404.68	10,578.55	1,187.35
2014-15	1,49,404.68	6,713.58	333.35	-	7,752.47	14,799.40	1,64,204.08	7.76	1,76,946.32	12,742.24	873.79
2015-16	1,76,946.32	7,675.04	323.82	-	7,547.66	15,546.52	1,92,492.84	7.69	2,07,295.54	14,802.70	-1,105.34
2016-17	2,07,295.54	8,357.37	-84.30	-	8,635.57	16,908.64	2,24,204.18	7.67	2,41,400.64	17,196.46	-16,371.63
2017-18	2,41,400.63	8,739.64	41.25	-	8,556.16	17,337.05	2,58,737.68	7.59	2,78,375.87	19,638.19	-1,443.64
2018-19	2,78,375.88	6,826.14	926.03	-	10,614.50	18,366.67	2,96,742.55	7.44	3,18,820.20	22,077.65	-530.42
2019-20	3,18,820.20	7,275.23	512.10	-	5,498.32	13,285.65	3,32,105.85	7.47	3,56,914.15	24,808.31	-741.29
2020-21	3,56,914.15	4,431.53	103.21	-	2,288.13	6,822.87	3,63,737.02	7.19	3,89,889.71	26,152.69	2,117.19
2021-22	3,89,889.71	7,006.30	682.99	-	5,041.94	12,731.23	4,02,620.94	7.12	4,31,287.55	28,666.61	5,304.96
<b>Total</b>		<b>1,09,180.64</b>	<b>3,738.13</b>	<b>150.00</b>	<b>1,01,052.85</b>	<b>2,13,821.62</b>					

### Appendix-5.8

#### Statement showing list of SPSUs where Management Letters were issued

(Reference: Paragraph 5.5.1.4)

Sl. No.	Name of the SPSU	Year of financial statement
1	Alcock Ashdown (Gujarat) Limited	2020-21
2	Gujarat Industrial Development Corporation	2020-21
3	Guj-Tour Development Company Limited	2020-21
4	Gujarat State Construction Corporation Limited	2017-18
5	Gujarat State Construction Corporation Limited	2018-19
6	Gujarat State Construction Corporation Limited	2019-20
7	Gujarat State Aviation Infrastructure Company Limited	2018-19
8	Sarigam Clean Initiative	2020-21
9	Gujarat Mineral Development Corporation Limited (Standalone and Consolidated)	2021-22
10	Gujarat Industrial Investment Corporation Limited (Standalone and Consolidated)	2020-21
11	Gujarat State Financial Corporation	2021-22
12	G-Ride bedi Port Rail Limited	2021-22
13	Tourism Corporation of Gujarat Limited	2020-21
14	Bahuchraji Rail Corporation Limited	2021-22
15	Gujarat State Road Development Corporation Limited	2021-22
16	Gujarat State Aviation Infrastructure Company Limited	2019-20
17	Gujarat State Machine Tools Limited	2021-22
18	Gujarat Rail Infrastructure Development Corporation (Standalone and Consolidated)	2021-22
19	Narmada Clean Tech	2021-22
20	Gandhinagar Railway and Urban Development Corporation Limited	2021-22
21	Dahej SEZ Limited	2021-22
22	Gujarat Rural Industries Marketing Corporation Limited	2021-22
23	Dholera Industrial City Development Limited	2021-22
24	Gujarat Fibre Grid Network Limited	2020-21
25	Gujarat State Police Housing Corporation Limited	2020-21
26	Gujarat State Forest Development Corporation	2020-21
27	Gujarat ISP Services Limited	2020-21
28	Gujarat Power Corporation Limited	2020-21
29	GSPL India Transco Limited	2021-22
30	Gujarat State Financial Services Limited	2021-22
31	GSPL India Gasnet Limited	2021-22
32	Gujarat State Petronet Limited (Standalone & Consolidated)	2021-22
33	Gujarat Gas Limited (Standalone & Consolidated)	2021-22
34	Sabarmati Gas Limited	2021-22
35	Guj Info Petro Limited	2021-22

Sl. No.	Name of the SPSU	Year of financial statement
36	Gujarat State Energy Generation Limited	2021-22
37	GSPC Pipavav Power Company Limited	2021-22
38	Gujarat State Petroleum Corporation Limited (Standalone & Consolidated)	2021-22
39	GSPC Energy Limited	2021-22
40	Gujarat State Investments Limited (Standalone & Consolidated)	2021-22
41	GSPC (JPDA) Limited	2021-22
42	Dakshin Gujarat Vij Company Limited	2021-22
43	Madhya Gujarat Vij Company Limited	2021-22
44	Paschim Gujarat Vij Company Limited	2021-22
45	Uttar Gujarat Vij Company Limited	2021-22
46	Gujarat Energy Transmission Corporation Limited	2021-22
47	Gujarat State Electricity Corporation Limited	2021-22
48	Gujarat Thakar and Koli Vikas Nigam	2019-20
49	Gujarat Water Resources and Development Corporation Limited	2020-21
50	Gujarat Minorities Finance and Development Corporation Limited	2019-20
51	Gujarat Water Infrastructure Limited	2020-21
52	Gujarat Agro Industries Corporation Limited	2018-19
53	Sardar Sarovar Narmada Nigam Limited	2020-21
54	Gujarat Women Economic Development Corporation Limited	2018-19
55	Gujarat International Finance Tec City Company Limited	2021-22
56	Smart ICT Services Private Limited	2021-22
57	Gujarat State Seeds Corporation Limited	2021-22



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