



सत्यमेव जयते

## **Accounts at a Glance 2019-20**



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



# **Government of Gujarat**





## **Accounts at a Glance for the year 2019-20**

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**Pr. Accountant General  
(Accounts and Entitlement)**

**GOVERNMENT OF GUJARAT**





## Preface

The Annual accounts of the State Government are prepared in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The Annual accounts consist of Finance Accounts and Appropriation Accounts.

Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditure against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

'Accounts at a Glance' provides a broad overview of Government activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. While it has been our endeavour to rely on the figures in the certified Finance Accounts and Appropriation Accounts, the certified Annual Accounts should be referred to for authentic figures.

We look forward to suggestions that would help us in improving the publication.



( Biren D. Parmar)

Principal Accountant General (A&E)

Place : Rajkot

Date : 24/02/2021



# Our Vision, Mission and Core Values

## VISION

*(The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.)*

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders: the Legislature, the Executive and the Public- that public funds are being used efficiently and for the intended purposes.

## MISSION

*(Our mission enunciates our current role and describes what we are doing today.)*

## CORE VALUES

*(Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.)*

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach



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### **1.1 Introduction**

The Principal Accountant General (PAG) (A&E), Gujarat collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Gujarat. The compilation is done from the initial accounts rendered by the 33 District Treasuries, 158 Public Works Divisions, 70 Forest Divisions, compiled accounts of Pay and Accounts Offices at Gandhinagar and Ahmedabad and advices of Reserve Bank of India. A Monthly Civil Account is presented by the office of the Principal Accountant General (A&E) to the Government of Gujarat every month. The office of PAG (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The PAG (A&E) also prepares, annually, Finance Accounts and the Appropriation Accounts which are placed before the State Legislature after audit by the Principal Accountant General (Audit-II), Gujarat and certification by the Comptroller and Auditor General of India.

## 1.2 Structure of Government Accounts

### 1.2.1 Government accounts are kept in three parts:

#### Structure of Government Accounts

##### ● **Part 1 CONSOLIDATED FUND**

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund. All expenditure and disbursements of the Government, including release of loans and repayments of loanstaken (and interest thereon), are met from this fund.

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Gujarat is ₹ 200 crore.

##### **Part 2 CONTINGENCY FUND** ●

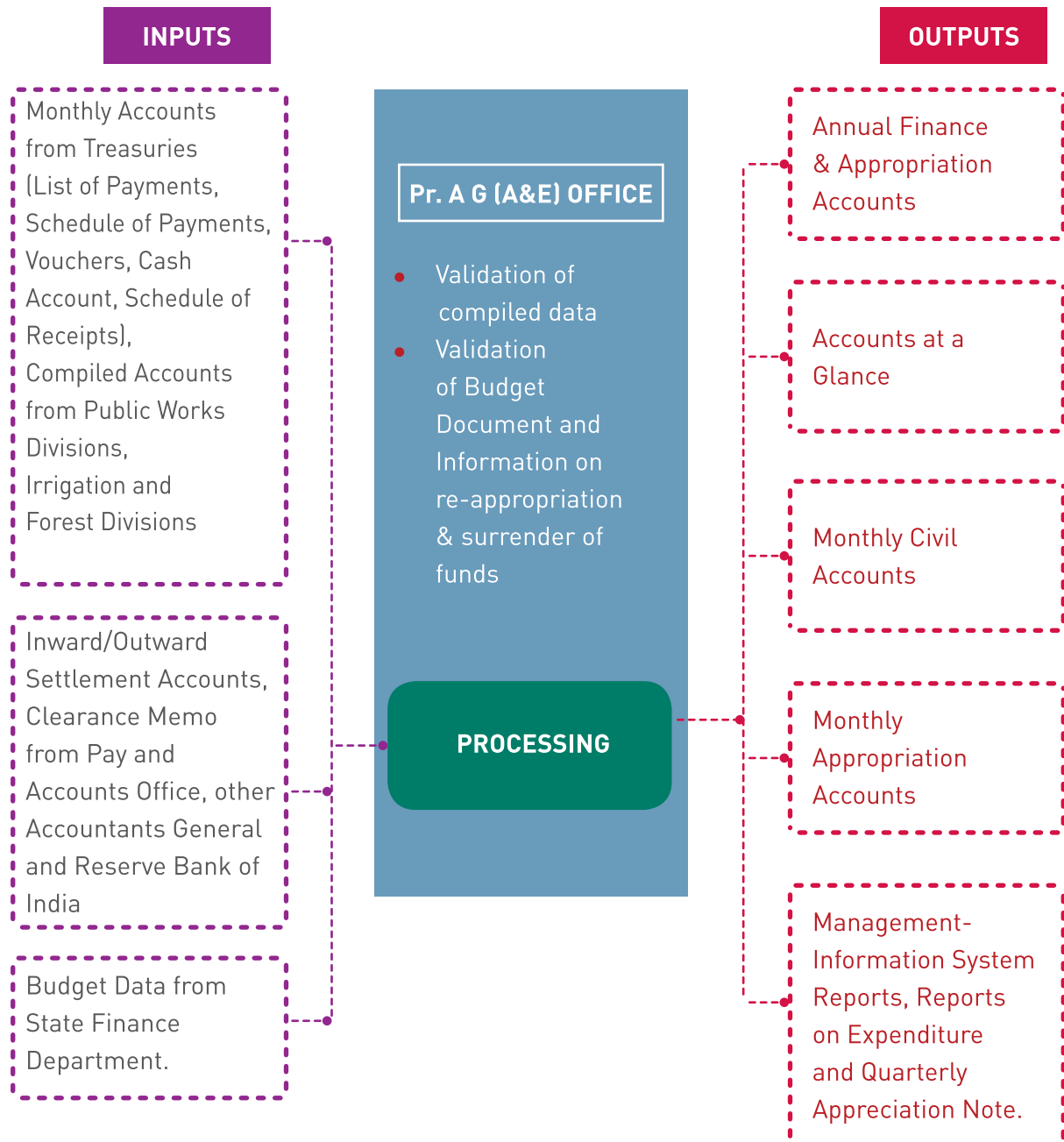
##### ● **Part 3 PUBLIC ACCOUNT**

All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee. The Public Account comprises: repayable like Small Savings and Provident Funds, Reserve Fund, Deposits and Advances, Suspense and Miscellaneous transactions (adjusting entries pending booking to final heads of account), Remittances between accounting entities, and Cash Balance.





## Flow diagram for Accounts Compilation



## 1.3 Finance Accounts and Appropriation Accounts

### 1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, matter of emphasis, summarized statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (Part-I) and appendices (Part-II).

The Union Government transfers substantial funds directly to State Implementing Agencies/Non-Governmental Organisations for implementation of various schemes and programmes. During the year 2019-20, the Government of India (GoI) released ₹11,659 crore directly to the implementing agencies in Gujarat. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

### 1.3.2 Financial highlight of year 2019-20

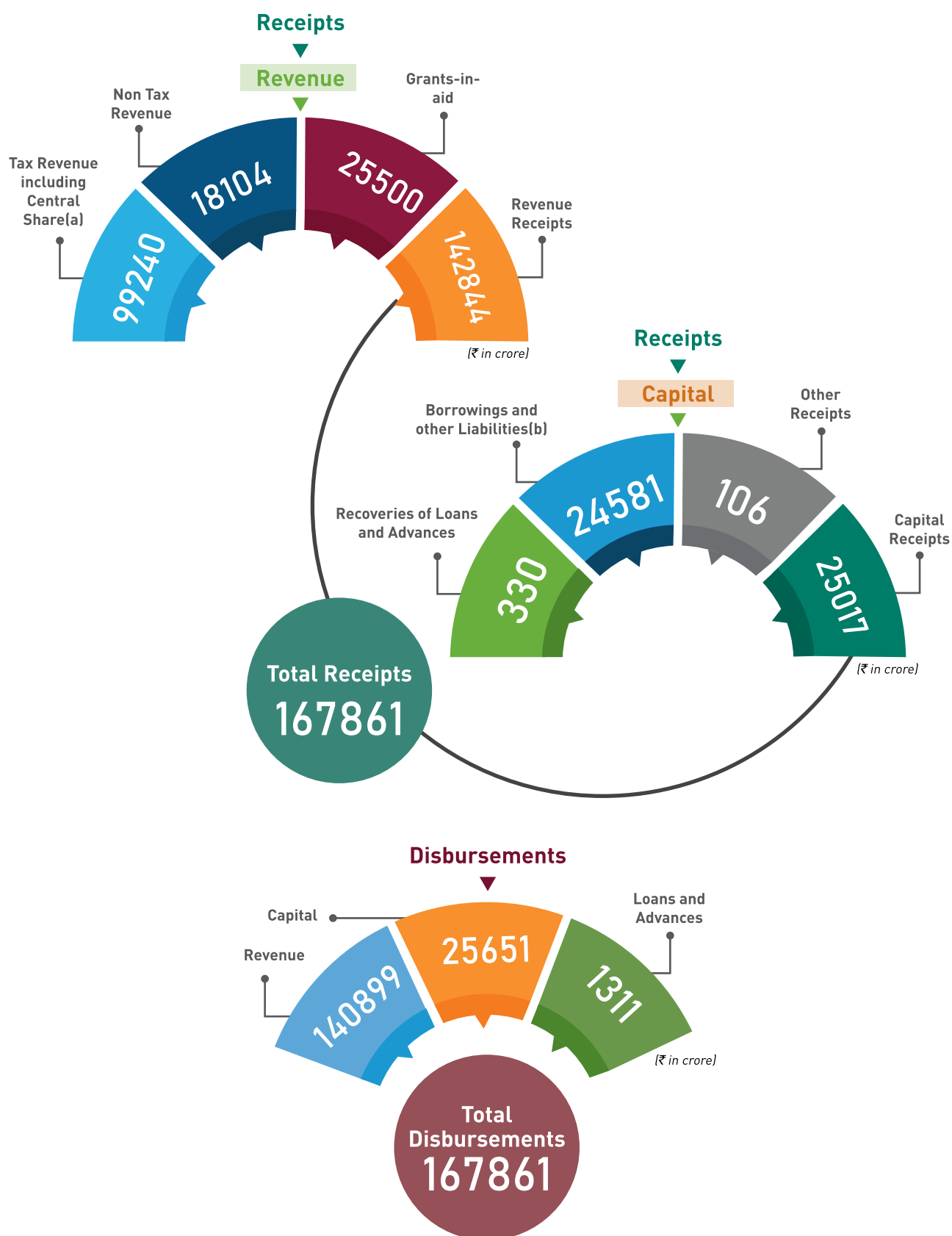
The following table provides the details of actual financial results vis-à-vis budget estimates for the year 2019-20:-

Sl. No	Component	Budget Estimate. 2019-20 (₹ in crore)	Actuals 2019-20 (₹ in crore)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (#)
1.	Tax Revenue	99,063	79,008	79.76	4.75
2.	Non-Tax Revenue	13,980	18,104	129.50	1.09
3.	Share of Union Taxes/ duties	26,048	20,232	77.67	1.22
4.	Grants-in-aid & Contributions	15,641	25,500	163.03	1.53
<b>5.</b>	<b>Revenue Receipts (1+2+3+4)</b>	<b>1,54,732</b>	<b>1,42,844</b>	<b>92.32</b>	<b>8.59</b>
6.	Recovery of Loans & Advances	286	330	115.38	0.02
7.	Other Receipts	0	106	0	0.01
8.	Borrowings and other liabilities (a)	31,253	24,581	78.65	1.48
<b>9.</b>	<b>Capital Receipts (6+7+8)</b>	<b>31,539</b>	<b>25,017</b>	<b>79.32</b>	<b>1.50</b>
<b>10.</b>	<b>Total Receipts (5+9)</b>	<b>1,86,271</b>	<b>1,67,861</b>	<b>90.12</b>	<b>10.09</b>
11.	Revenue Expenditure	1,51,858	1,40,899	92.78	8.47
12.	Expenditure on Interest Payments (out of Revenue Expenditure)	21,509	22,449	104.37	1.35
13.	Capital Expenditure	32,807	25,650	78.18	1.54
14.	Loans and Advances Disbursed	1,606	1,312	81.69	0.08
<b>15.</b>	<b>Total Expenditure (11+13+14)</b>	<b>1,86,271</b>	<b>1,67,861</b>	<b>90.12</b>	<b>10.09</b>
<b>16.</b>	<b>Revenue Deficit (-) / Revenue Surplus (+)(5-11)</b>	<b>(+)2,874</b>	<b>(+)1,945</b>	<b>67.68</b>	<b>0.12</b>
<b>17.</b>	<b>Fiscal Deficit (5+6+7-15)</b>	<b>(-)31,253</b>	<b>(-)24,581</b>	<b>78.65</b>	<b>1.48</b>

(a) Borrowing and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursement) of Public Account + Net of opening and closing balance.

# GSDP of 2019-20 was ₹ 16,63,362 crore (advance)

## Receipts and disbursement in year 2019-20





### 1.3.3 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorization of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The budget of the Gujarat has 02 charged Appropriation and 76 voted and 30 combined (Charged and Voted) Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year.

### 1.3.4 Efficiency on Budget Preparation

At the end of the year, the actual expenditure of the Government of Gujarat against the budget ( ₹ 2,14,271.22 crore) approved by the Legislature, showed a net saving of ₹ 25,992.27 crore ( 12.13 *per cent* ) as the result of savings of ₹ 27,459.11 crore in 90 grants and 23 appropriations under the revenue section and 55 grants and 06 appropriation under the capital section, offset by an excess of ₹ 1,466.84 crore in 03 grants under the revenue section and one appropriation under capital section.

## 1.4 Sources and Application of Funds

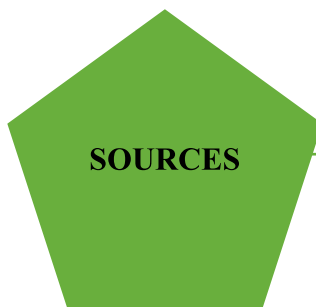
### 1.4.1 Fund flow statement

The state had a Revenue Surplus of ₹ 1,945 crore and a Fiscal Deficit of ₹ 24,581 crore as on 31 March 2020. The Fiscal Deficit was met from net Public Debt (₹ 26,790 crore) decrease in Public Account (₹ 2,195 crore) and net increase of opening and closing cash balance (₹ 15.17 crore). Around 48.64 *per cent* of the revenue receipts ( ₹ 1,42,844 crore) of the State Government was spent on committed expenditure like salaries (₹ 10,950 crore), interest payments (₹ 22,449 crore), pensions (₹ 17,663 crore) and subsidies (₹ 18,420 crore).

During the year 2019-20 revenue surplus of ₹ 1,945 crore (₹ 3,212 crore Surplus in 2018-19) and fiscal deficit of ₹ 24,581 crore in 2019-20 (₹ 26,365 crore deficit in 2018-19) represent 0.12 *per cent* and 1.48 *per cent* of the Gross State Domestic Product (GSDP) respectively. The fiscal deficit constituted 14.64 *per cent* of total expenditure.

## Sources and Application of Funds

(₹in crore)



PARTICULARS	AMOUNT
Opening Cash Balance as on 1 April 2019	—
Revenue Receipts	1,42,844
Capital Receipts	106
Recovery of Loans and Advances	330
Public Debt Receipts	43,491
Small Savings, Provident Funds etc.	2,237
Reserves Fund & Sinking Funds	4,083
Deposits Received	52,489
Suspense Account	2,11,295
Remittances	19,528
<b>TOTAL</b>	<b>4,76,403</b>



Revenue Expenditure	1,40,899
Capital Expenditure	25,650
Loans Given	1,312
Repayment of Public Debt	16,702
Small Savings, Provident Funds etc.	2,244
Reserves Fund & Sinking Funds	3,721
Deposits Repaid	50,022
Suspense Account	2,16,410
Remittances	19,428
Closing Cash Balance as on 31 March	15
<b>TOTAL</b>	<b>4,76,403</b>

#### 1.4.4 Where the ₹ came from

##### Actual Receipts



53% Tax Revenue



23% Public Debt



14% Grants-in-aid



10% Non-Tax Revenue

0% Recovery of Loans and Advances

(Recovery of Loans and Advances were only ₹330 crores, which is negligible amount. Hence value is shown as zero.)

#### 1.4.5 Where the ₹ went

##### Actual Expenditure



63% Development Expenditure



27% Non- Development Expenditure



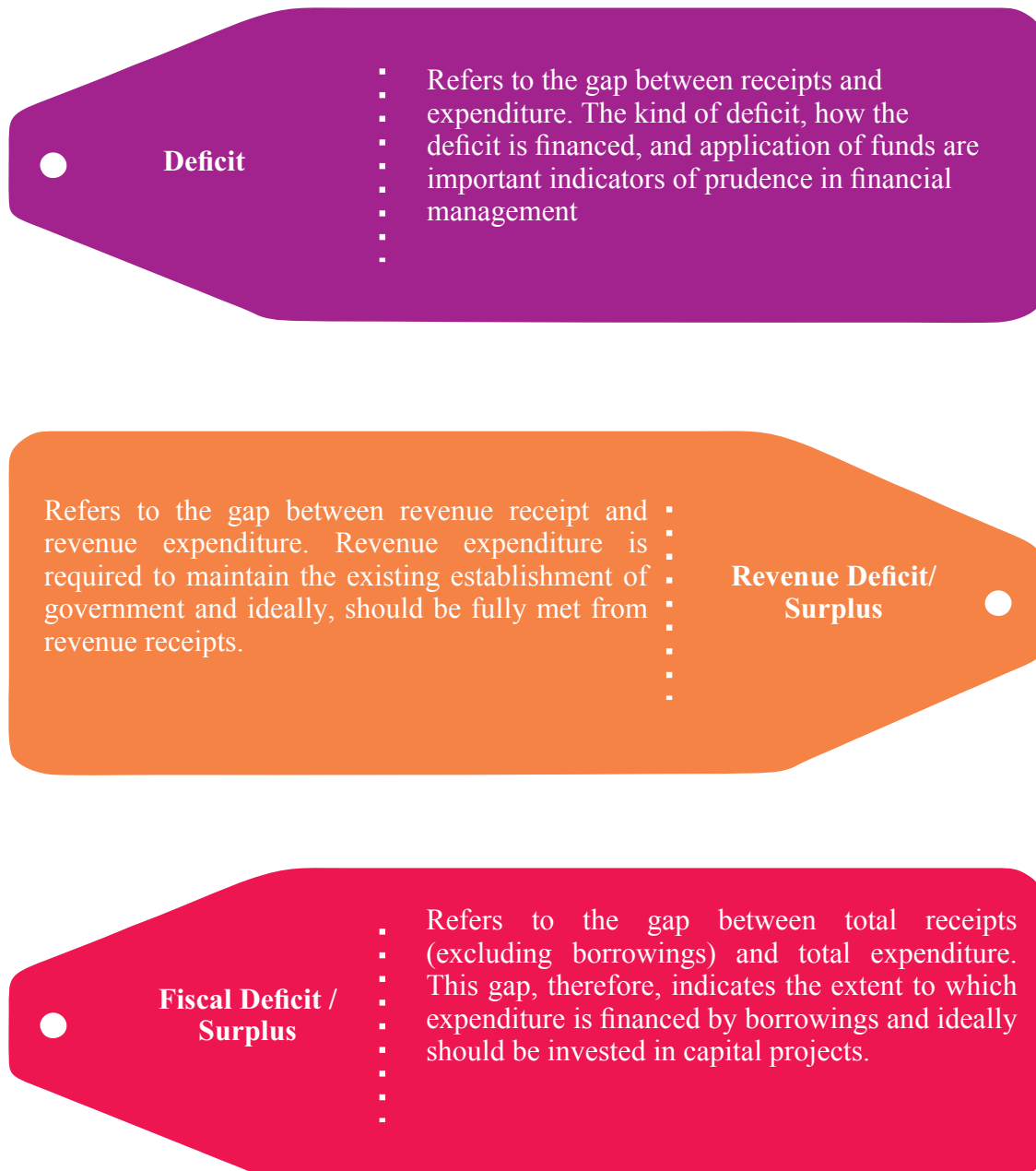
9% Public Debt



1% Loans and Advances



## *What do the deficits and surpluses indicate?*



### 1.5 Gujarat Fiscal Responsibility Act, 2005

The Government of Gujarat has enacted the Gujarat Fiscal Responsibility Act, 2005. As per this Act, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2019-20 against fiscal targets laid down in the Act and rules framed there under, were as follows:-

( ₹ in crore)

Sr. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP*
			Target
1	Revenue Surplus	1,945 (0.12 per cent of GSDP)	To be maintained at ₹ 1,142 crore (0.07% of GSDP*)
2	Fiscal Deficit	24,581 (1.48 per cent of GSDP)	₹ 27,057 crore (1.63% of GSDP*)
3	Public Debt	2,67,094 (16.06 per cent of GSDP)	₹ 2,67,651 crore (16.09% of GSDP)
4	Outstanding Guarantees	4,462 (0.27 per cent of GSDP)	Below ₹ 16,000 crore

\* Source: GSDP figure ( ₹16,63,362 crore) is taken from Economic and Statistics Department, Government of Gujarat as the same was not available on the web site of Ministry of Statistics and Program Implementation, Government of India .

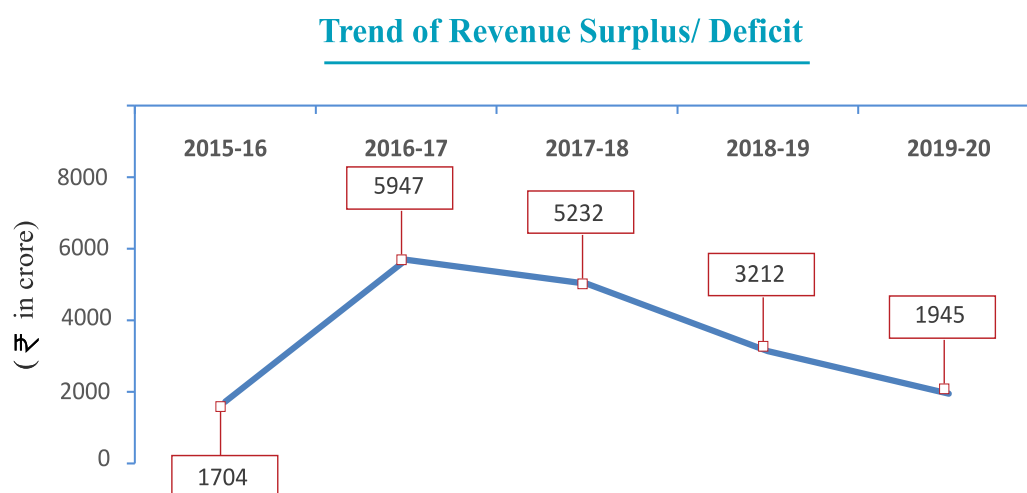
The State Government had made disclosures to the Legislature required under the Gujarat Fiscal Responsibility Rules, 2006.

The State Government had revenue surplus of ₹ 1,945 crore in 2019-20 and ₹ 3,212 crore during the year 2018-19 which was as per the target of FRBM Act. Fiscal deficit decreased to ₹ 24,581 crore from ₹ 26,365 crore in 2018-19 and was to 1.48 *per cent* of GSDP. Against the target of reducing outstanding Public Debt to 16.09 *per cent* of GSDP by the year 2019-20, the outstanding Public Debt stood at ₹ 2,67,094 crore as on 31 March 2020, being 16.06 *per cent* of GSDP. The amount of outstanding guarantees was ₹ 4,462 crore as on 31 March 2020 which was below the limit of ₹ 16,000 crore.

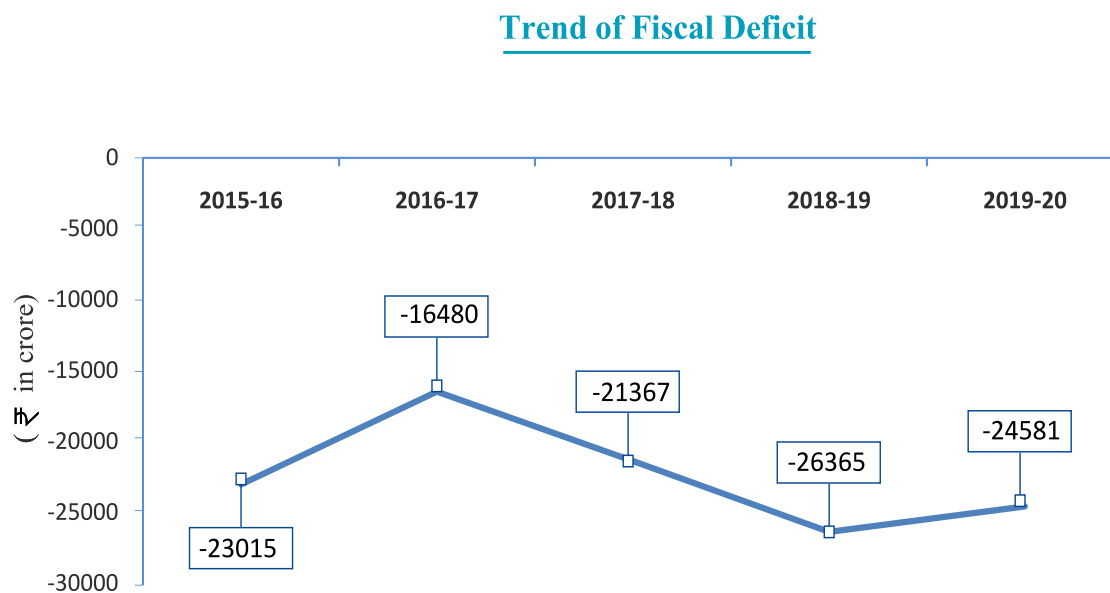




### 1.5.1 Trend of Revenue Deficit/ Surplus



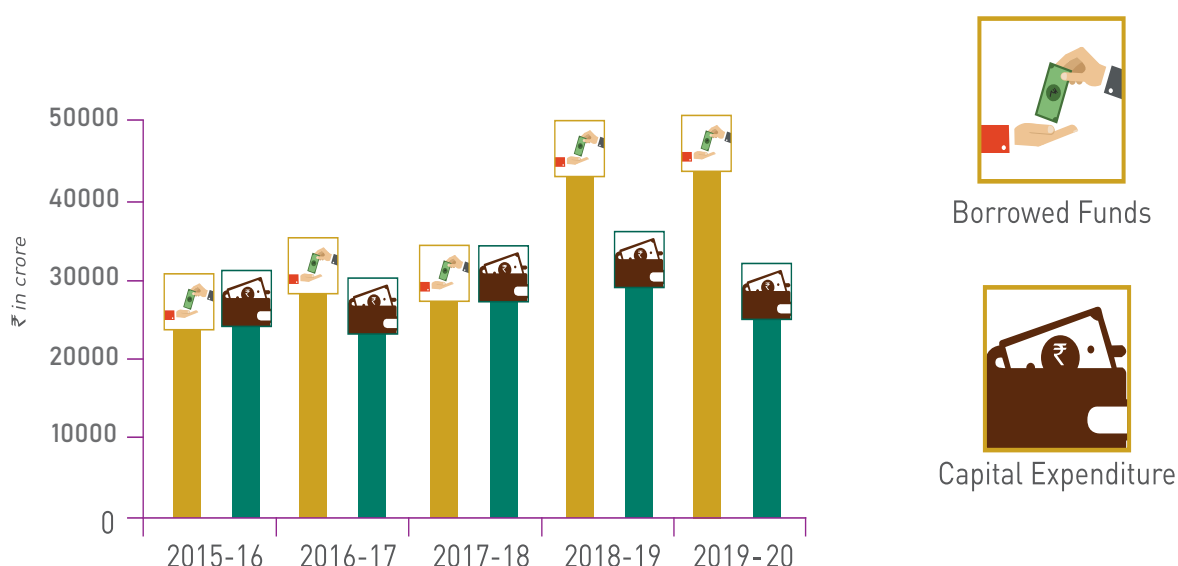
### 1.5.2 Trend of Fiscal Deficit



### 1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2015-16	23,486	24,169
2016-17	27,668	22,355
2017-18	26,953	26,313
2018-19	43,146	28,062
2019-20	43,491	25,651



The governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 59 *per cent* of the borrowings of the current year (₹43,491 crore) on capital expenditure (₹ 25,650 crore). It would therefore appear that balance of borrowings in the public debt was utilized to repay the principal (₹ 16,702 crore) and part of interest on public debt of previous years.

#### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total revenue and non-debt capital receipts are ₹1,43,280 crore.

#### 2.2 Revenue Receipts

The revenue receipts of the government comprise three components viz. Tax Revenue, Non-tax Revenue and Grants-in-aid received from the Union Government.



##### Tax Revenue

- Comprises taxes collected and retained by the state and State's share of Union Taxes under Article 280(3) of the Constitution.

Includes interest receipts, dividend, profits, departmental receipts etc.



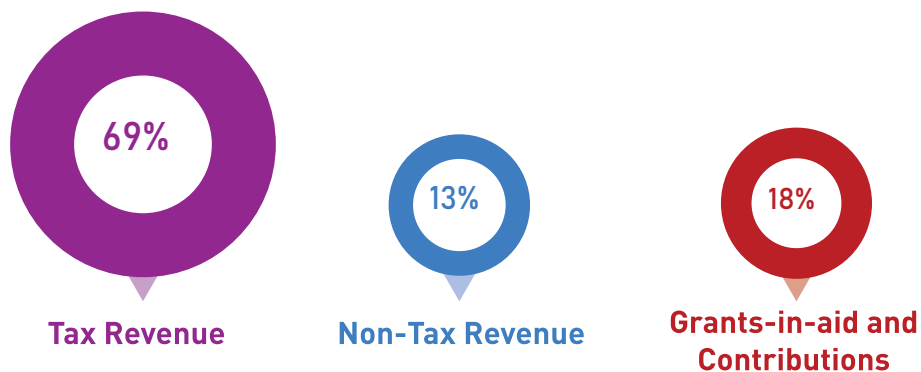
##### Non-Tax Revenue



##### Grants-in -aid

- Grants-in-aid represent central assistance to the State Government from the Union Government. It also includes “External Grant Assistance” received from Foreign Government and channelized through the Union Government. In turn, the State Government also give Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous bodies etc.

## Revenue receipts



### 2.2.1 Revenue Receipts Components (2019-20)

(₹in crore )

Components	Actuals
<b>A. Tax Revenue *</b>	<b>99,240</b>
Goods and Service Tax	39,848
Taxes on Income and Expenditure	12,563
Taxes on Property and Capital Transactions	10,389
Taxes on Commodities and Services	36,440
<b>Components</b>	<b>Actuals</b>
<b>B. Non -Tax Revenue</b>	<b>18,104</b>
Interest Receipts, Dividend and Profits	2,420
General Services	1,071
Social Services	5,681
Economic Services	8,932
<b>C. Grants-in-aid &amp; Contribution</b>	<b>25,500</b>
	<b>1,42,844</b>

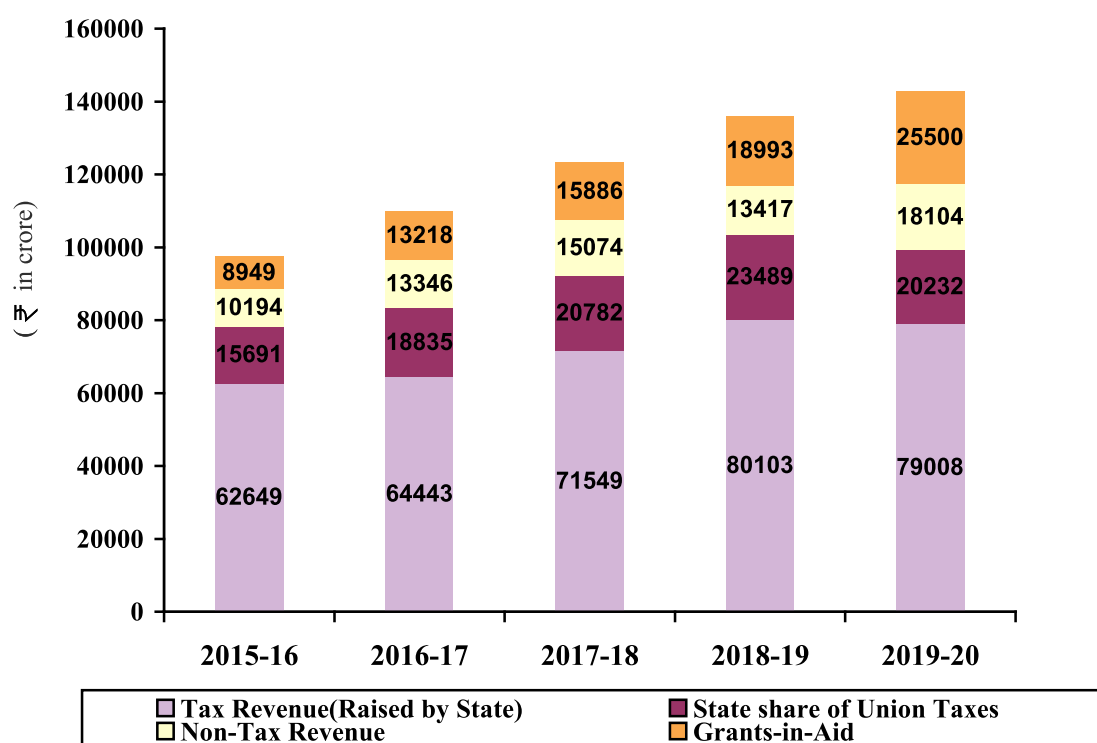
### 2.2.2 Trend of Revenue Receipts

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenue (Raised by the State)	62,649	64,443	71,549	80,103	79,008
State Share of Union Taxes/Duties	15,691	18,835	20,782	23,489	20,232
Non-Tax Revenues	10,194	13,346	15,074	13,417	18,104
Grants-in-aid	8,949	13,218	15,886	18,993	25,500
<b>Total Revenue Receipts</b>	<b>97,483</b>	<b>1,09,842</b>	<b>1,23,291</b>	<b>1,36,002</b>	<b>1,42,844</b>
<b>GSDP</b>	10,29,010	11,67,156	13,28,068	15,01,944	16,63,362

Though the GSDP increased by 11 *per cent* in 2019-20 compared to previous year, growth in revenue receipt was only 5 *per cent*. The tax revenue decreased by 1 *per cent*, the non-tax revenue increased by 35 *per cent* and the grants-in-aid increased by 34 *per cent* compared to previous year.

## Trend of components of Revenue Receipts



\* Includes share of net proceeds assigned to State (received from the Government of India)

### 2.3 Tax Revenue

(₹ in crore)

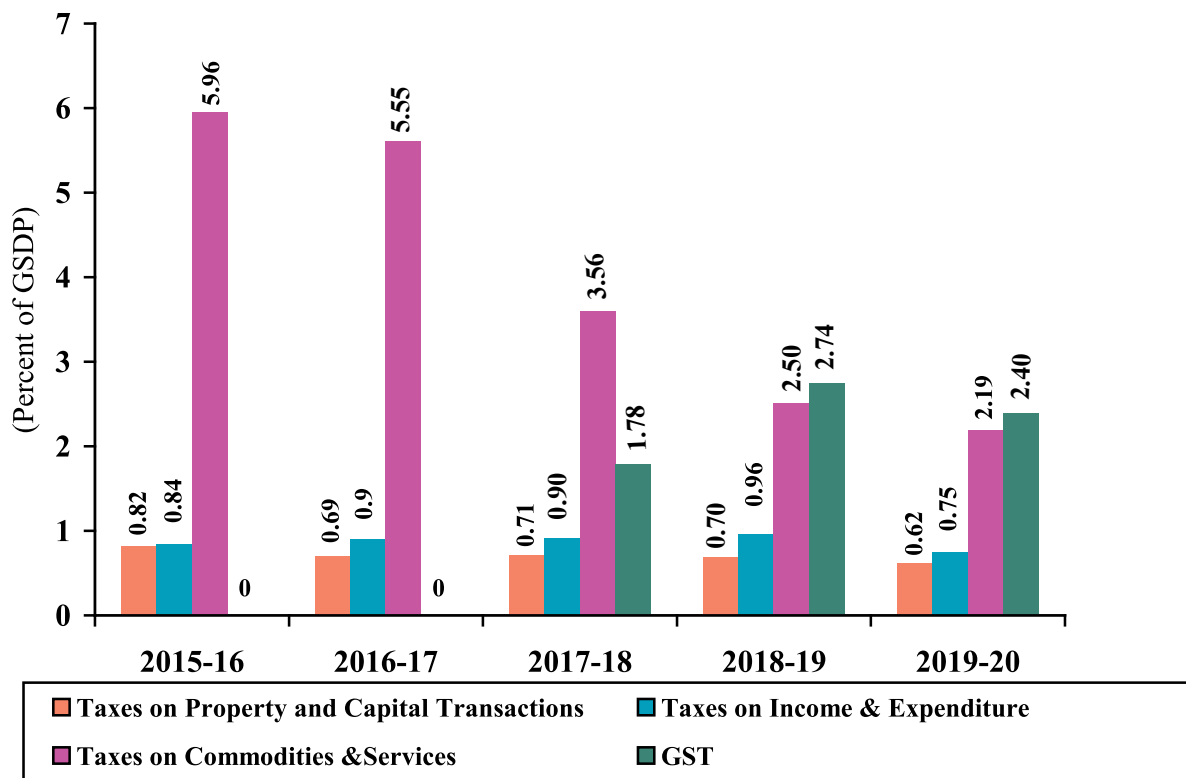
Sector-wise Tax Revenue					
	2015-16	2016-17	2017-18	2018-19	2019-20
a. Goods and Service Tax	NA *	NA *	23,640	41,148	39,848
b. Taxes on Income and Expenditure	8,593	10,465	11,992	14,486	12,563
c. Taxes on Property and Capital Transaction	8,421	8,055	9,400	10,451	10,389
d. Taxes on Commodities and Services	61,326	64,758	47,299	37,507	36,440
<b>Total Tax Revenue</b>	<b>78,340</b>	<b>83,278</b>	<b>92,331</b>	<b>1,03,592</b>	<b>99,240</b>
<b>GSDP</b>	<b>10,29,010</b>	<b>11,67,156</b>	<b>13,28,068</b>	<b>15,01,944</b>	<b>16,63,362</b>

\* Not Applicable.

The decrease in total tax revenue during 2019-20 was mainly attributable to less receipts under Corporation Tax (₹ 1,269 crore), Taxes on sales Trade (₹ 1,342 crore) and SGST (₹ 782 crore).



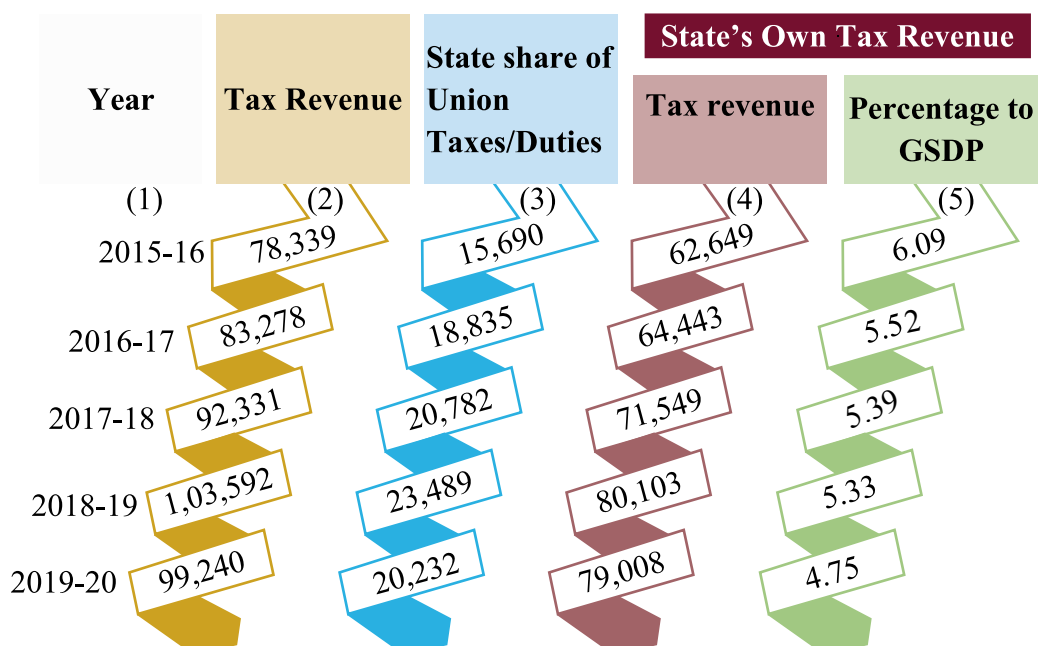
### Trend of Major Taxes in proportion to Gross State Domestic product (GSDP)



#### 2.3.1 State's own Tax and State's share of Union Taxes

Tax Revenue of the State Government comes from two sources viz. State's own tax collections and transfer of Union taxes.

(₹ in crore)



Following table depicts the comparative position amount tax revenue received from the two sources over a period of five years:

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
State's own Tax collection	62,649	64,443	71,549	80,103	79,008
Transfer of Union Taxes	15,690	18,835	20,782	23,489	20,232
<b>Total Tax Revenue</b>	<b>78,339</b>	<b>83,278</b>	<b>92,331</b>	<b>1,03,592</b>	<b>99,240</b>
Percentage of State's own tax to total tax revenue	80	77	77	77	80

The proportion of State's own tax collection in overall tax revenue was 80 per cent during the year 2015-16, decreased to 77 percent in 2016-17, 2017-18 and 2018-19 and increased to 80 per cent during the year 2019-20 .

### 2.3.2 Trend in State's own Tax collection over the past five years

(₹ in crore)

Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
State Goods and Service Tax	NA*	NA*	21,251	34,889	34,107
Taxes on Sales, Trade etc.	44,091	46,314	29,639	22,414	21,072
State Excise	123	152	85	131	138
Taxes on Immovable Property other than Agricultural Land	342	259	287	259	329
Taxes on Vehicles	3,008	3,213	3,885	4,119	3,847
Stamp and Registration fees	5,549	5,783	7,255	7,781	7,701
Taxes and Duties on electricity	6,000	5,833	6,484	7,348	8,774
Land Revenue	2,528	1,999	1,859	2,408	2,359
Taxes on Goods and Passengers	265	66	131	116	48
Other Taxes	743	824	673	638	633
<b>Total State's own Taxes</b>	<b>62,649</b>	<b>64,443</b>	<b>71,549</b>	<b>80,103</b>	<b>79,008</b>

\*Not applicable



## 2.4 Cost of Tax collection

(₹ in crore)

Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
1. Taxes on property and capital transactions					
Revenue collection	8,421	8,055	9,400	10,451	10,390
Expenditure on collection	224	227	263	276	229
Cost of tax collection	3%	3%	3%	3%	2%
2. Taxes on commodities and services					
Revenue collection	61,326	64,758	47,299	37,507	36,440
Expenditure on collection	388	414	460	463	458
Cost of tax collection	1%	1%	1%	1%	1%

## 2.5 Trend in state's share of Union Taxes over the past five years

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods & Service Tax (CGST)	NA*	NA*	292	5,797	5,741
Integrated Goods & Service Tax (IGST)	NA*	NA*	2,097	463	0
Corporation Tax	4,929	6,027	6,361	8,168	6,898
Taxes on Income other than Corporation Tax	3,424	4,189	5,371	6,015	5,405
Other taxes on Income and Expenditure	0.12	0	0	42	0
Taxes on Wealth	1	14	0	3	0.30
Customs	2,506	2,593	2,096	1,665	1,282
Union Excise Duties	2,087	2,960	2,191	1,106	892
Service Tax	2,732	3,052	2,373	218	0
Other Taxes and Duties on Commodities and Services	11	0.06	0	12	13
<b>State's share of Union Taxes/Duties</b>	<b>15,690</b>	<b>18,835</b>	<b>20,782</b>	<b>23,489</b>	<b>20,232</b>
<b>Total Tax Revenue</b>	<b>78,3340</b>	<b>83,278</b>	<b>92,331</b>	<b>1,03,592</b>	<b>99,240</b>
Percentage of Union Taxes to Total Tax Revenue	20	23	23	23	20

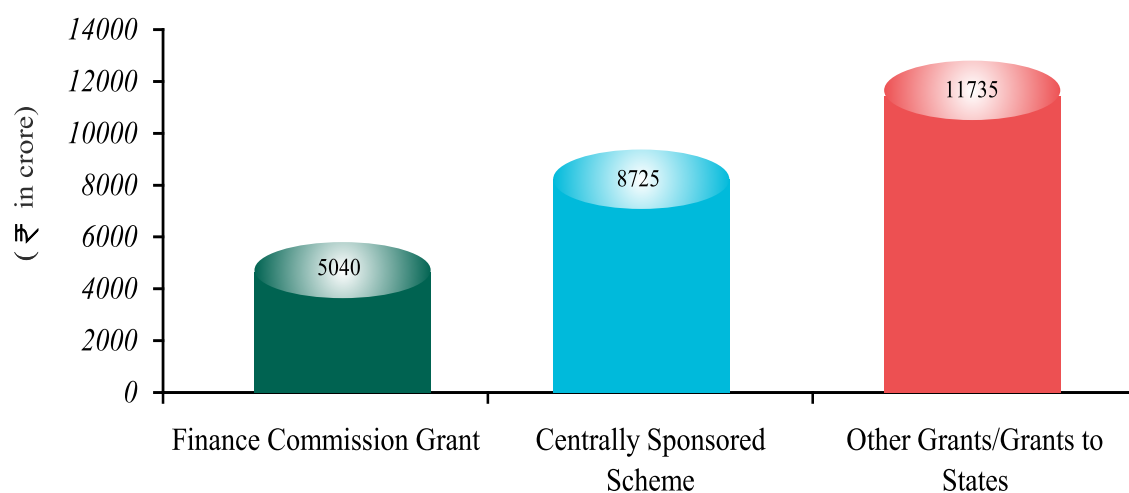
\*Not applicable

Government of Gujarat received ranging between 20 per cent to 23 per cent share of total Tax Revenue from the net proceeds of all shareable Union taxes during the period 2015-16 to 2019-20.

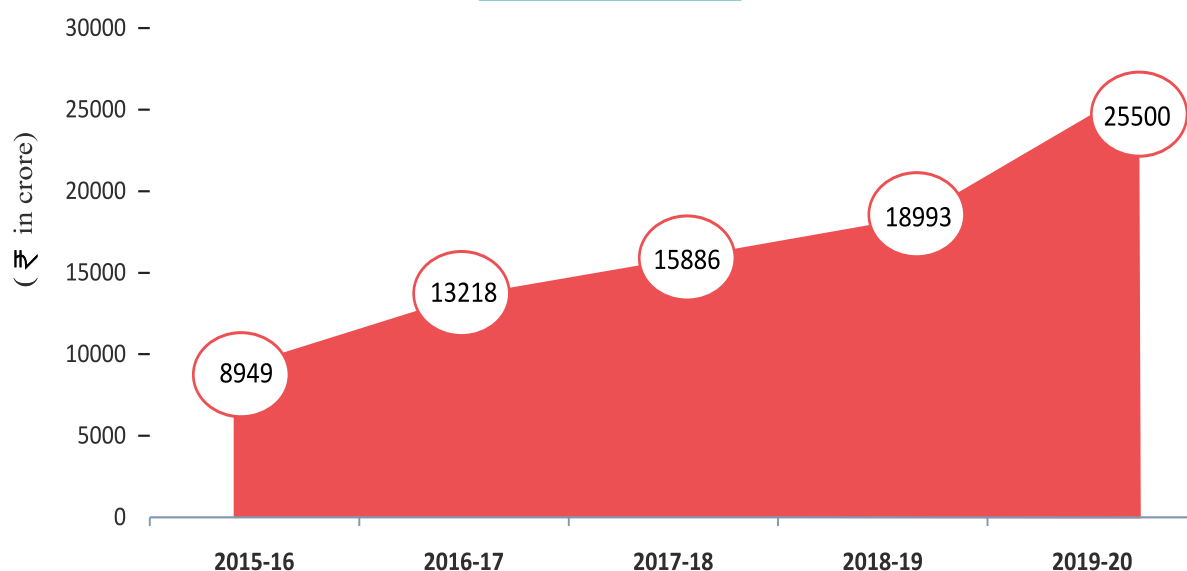
## 2.6 Grants -in-aid

Grants-in-aid represent assistance from the Government of India, and comprise Centrally Sponsored Schemes Finance Commission Grants and other grants. Total receipts during 2019-20 under Grants -in-aid were ₹25,500 crore as shown below:

### Grants-in-Aid



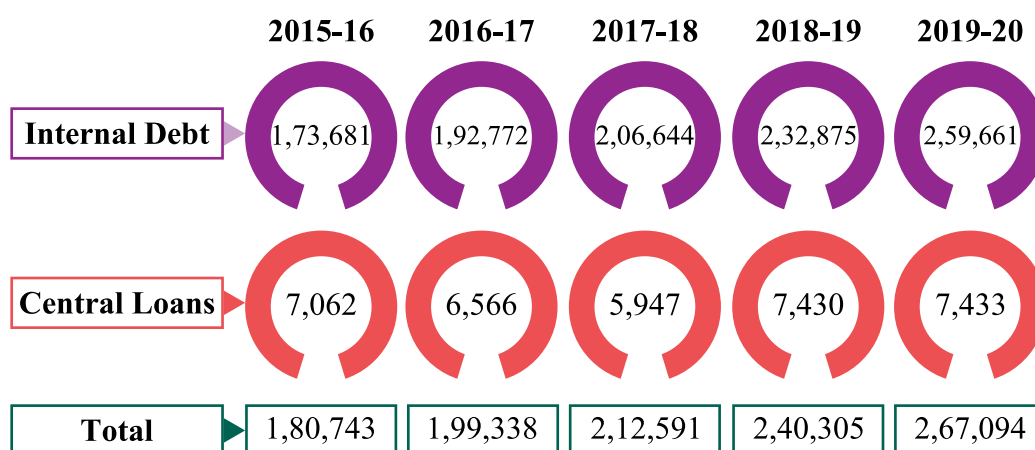
### Trend of Grants-in-aid



## 2.7 Public Debt

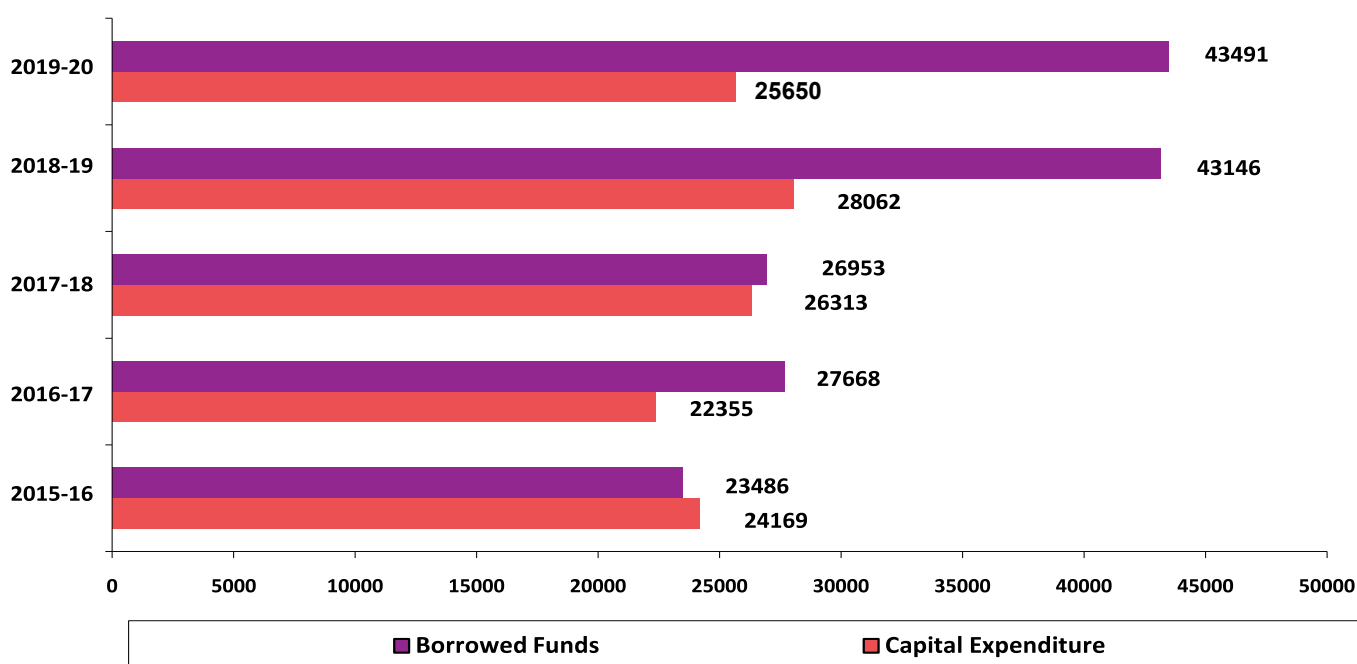
Trend of position of Public Debt over the past five years

(₹ in crore)



## Borrowed funds viz-a-viz Capital Expenditure

(₹ in crore)



## Chapter III

# Expenditure

### 3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organization. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified as State Fund Expenditure and Central Assistance (including CSS/CS).

In Government accounts, the expenditure is classified at top level into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the table given below:

#### ● General Service

- Includes Justice, Police, Jail, PWD,
- Interest, Pension etc.

Includes Education, Health & Family Welfare,  
Water Supply etc.

#### ● Social Service

#### ● Economic Service

- Includes Agriculture, Rural Development, Irrigation,
- Cooperation, Energy, Industries, Transport etc.

### 3.2 Revenue Expenditure

The Shortfall of revenue expenditure against budget estimates as per Appropriation Accounts during the past five years is given below:

(₹ in crore)

Year	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Budget Estimates</b>	1,08,198	1,16,493	1,35,638	1,48,123	1,51,858
<b>Actuals</b>	95,779	1,03,895	1,18,060	1,32,790	1,40,899
<b>Gap</b>	12,419	12,598	17,578	15,333	10,959
<b>Percentage of variation of Actuals against BE</b>	11.48	10.81	12.96	10.35	7.2

( Source: Appropriation Accounts of respective years)

Around 49 *per cent* of the total revenue expenditure was incurred on committed expenses viz. on Salaries (₹10,950 crore) Interest payment (₹22,449 crore) and Pensions (₹17,663 crore) and subsidies (₹18,420 crore) which is the committed liability of the State Government.

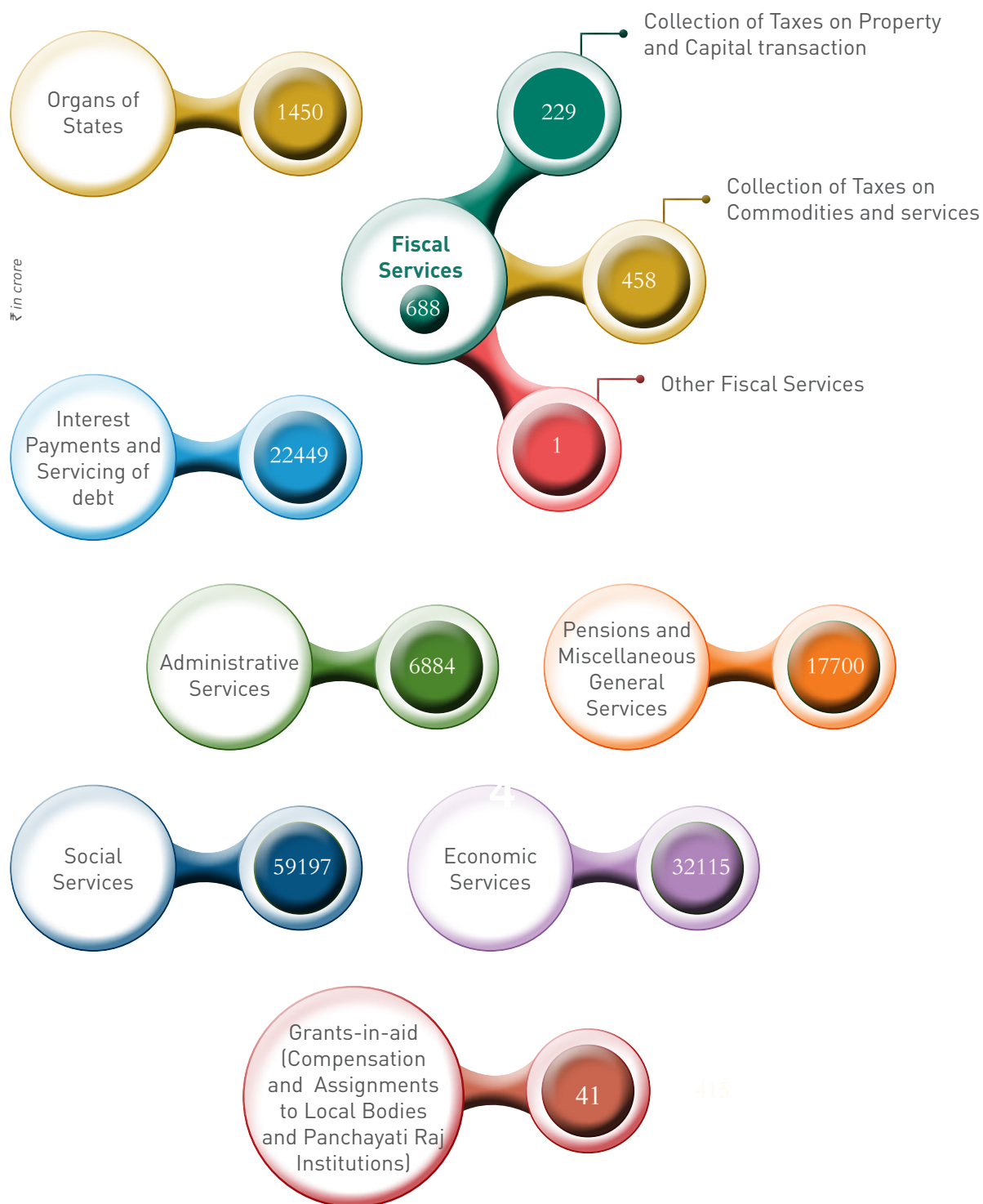
The position of committed and uncommitted revenue expenditure over the last five years is given below:

(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Total revenue expenditure	95,779	1,03,895	1,18,060	1,32,790	1,40,899
Committed revenue expenditure #	42,908	48,691	56,846	66,583	69,482
<i>Percentage of committed revenue expenditure to total revenue expenditure</i>	45	47	48	50	49
Uncommitted revenue expenditure	52,871	55,204	61,214	66,207	71,417

# Committed revenue expenditure includes expenditure on Salaries & Wages, Interest Payments, Pensions and Subsidies.

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 35.08 per cent from ₹ 52,871 crore in 2015-16 to ₹ 71,418 crore in 2019-20. The total revenue expenditure increased by 47.10 *per cent* from ₹ 95,779 crore in 2015-16 to ₹ 1,40,899 crore in 2019-20 and committed revenue expenditure increased by 61.93 *per cent* over the same period.

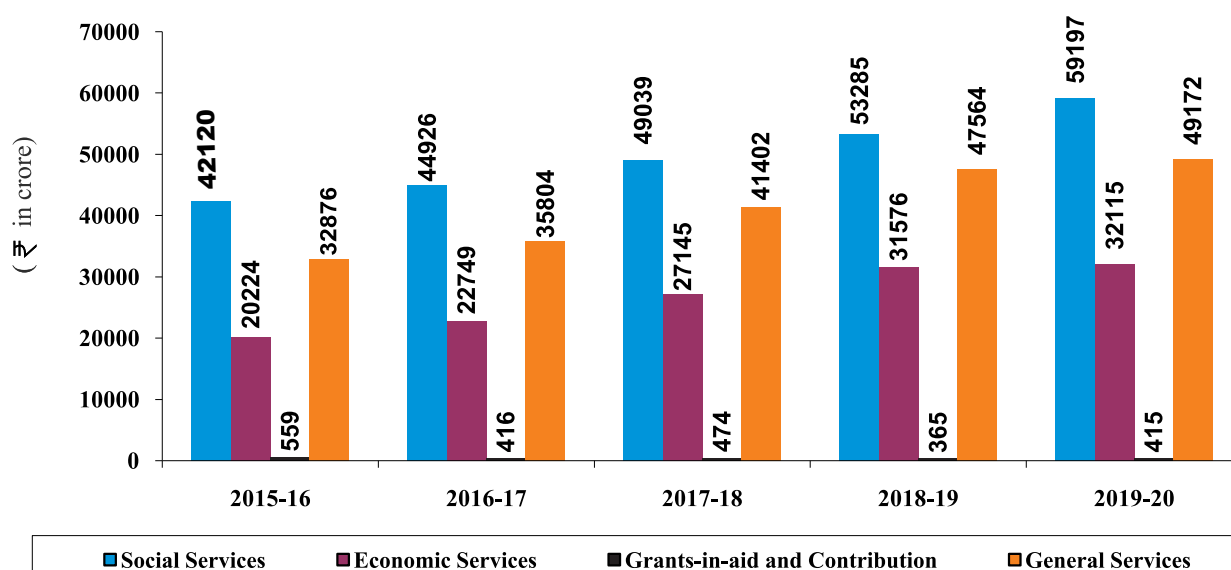




### 3.2.2 Major Components of Revenue Expenditure 2015-16 to 2019-20

(₹ in crore)

Sector	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	32,876	35,804	41,402	47,564	49,172
Social Services	42,120	44,926	49,039	53,285	59,197
Economic Services	20,224	22,749	27,145	31,576	32,115
Grants-in-aid and Contribution	559	416	474	365	415



### 3.3 Capital Expenditure

Capital disbursements for 2019-20 were 1.54 per cent of GSDP. It was less than the Budget Estimates by ₹7,512 crore.

(₹ in crore)

S. No	Components	2015-16	2016-17	2017-18	2018-19	2019-20
1	Budget (B.E.)	18,864	27,602	29,370	33,247	32,807
2	Actual Expenditure (#)	24,169	22,355	26,313	28,062	25,650
3	Percentage of Actual Exp. to B.E.	128.12	80.99	89.59	84.40	78.18
4	Yearly growth in Capital Expenditure	0.05%	(-)7.51%	17.71%	6.65%	(-)8.59%
5	GSDP	10,29,010	11,67,156	13,28,068	15,01,944	16,63,362
6	Yearly growth in GSDP	11.63%	13.43%	13.79%	13.09%	10.75%

#### 3.3.1 Sectoral distribution of Capital Expenditure

During 2019-20, the Government spent ₹8,544 crore on Irrigation and Flood Control (₹3,424 crore on Major Irrigation and ₹3,603 crore on Medium Irrigation). Apart from above, the Government spent ₹3,329 crore on construction of roads and bridges.

#### 3.3.2 Sectoral distribution of Capital Expenditure over the past five years

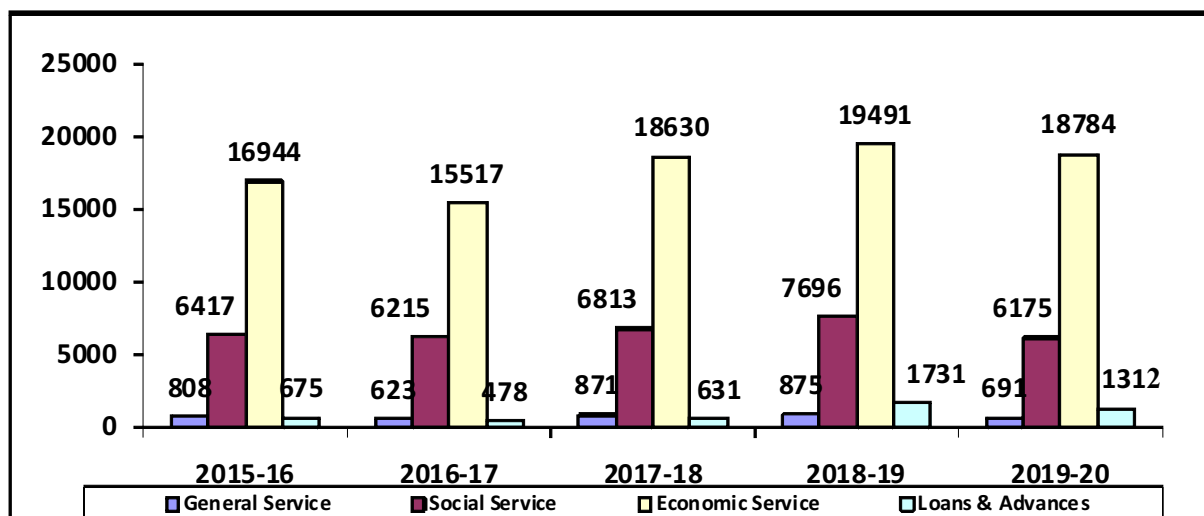
(₹ in crore)

Sector	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	808	623	871	875	691
Social Services	6,417	6,215	6,813	7,696	6,175
Economic Service	16,944	15,517	18,630	19,491	18,784
Loans and Advances	675	478	631	1,731	1,312



### Trend of Sectoral Distribution of Capital Expenditure

(₹ in crore)



### 3.3.3. Sectoral distribution of Capital and Revenue Expenditure

The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

(₹ in crore)

S.No.	Sector		2015-16	2016-17	2017-18	2018-19	2019-20
(A)	General Services	Capital	808	623	871	875	691
		Revenue	32,876	35,804	41,402	47,564	49,172
(B)	Social Services	Capital	6,417	6,215	6,813	7,696	6,175
		Revenue	42,120	44,926	49,039	53,285	59,197
(C)	Economic Service	Capital	16,944	15,517	18,630	19,491	18,784
		Revenue	20,224	22,749	27,145	31,576	32,115
(D)	Grants-in-aid and Contribution	Revenue	559	416	474	365	415

## Chapter IV

### Appropriation Accounts

#### 4.1 Summary of Appropriation Accounts for 2019-20

(₹ in crore)

	Nature of expenditure	Original grant / Appropriation	Supplementary grant/ Appropriation	Total	Actual Expenditure	Saving(-) / Excess(+)
	I- Revenue	1,31,833.48	7,952.08	1,39,785.56	1,21,144.08	(-)18,641.48
	II- Capital	32,964.01	248.67	33,212.68	26,298.95	(-)6,913.73
	III- Loans and Advances	1,606.34	2.71	1,609.05	1,311.73	(-)297.32
<b>Total Voted</b>		<b>1,66,403.83</b>	<b>8,203.46</b>	<b>1,74,607.29</b>	<b>1,48,754.76</b>	<b>(-)25,852.53</b>
	IV- Revenue	21,743.04	1,081.24	22,824.28	22,664.90	(-)159.38
	V- Capital	77.18	107.77	184.95	157.55	(-)27.40
	VI- Public Debt- Repayment	16,590.95	63.75	16,654.70	16,701.76	(+)47.06
	VII- Loans and Advances	0.00	0.00	0.00	0.00	0.00
<b>Total Charged</b>		<b>38,411.17</b>	<b>1,252.76</b>	<b>39,663.93</b>	<b>39,524.21</b>	<b>(-)139.72</b>
<b>Grand Total</b>		<b>2,04,815.00</b>	<b>9,456.22</b>	<b>2,14,271.22</b>	<b>1,88,278.97</b>	<b>(-)25,992.25</b>



#### 4.2 Trend of Saving / Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2010-11	(-) 3,204	(-) 1,219	(-) 20	(-) 70	(-) 4,513
2011-12	(-) 4,500	(-) 1,347	(+) 471	(-) 144	(-) 5,520
2012-13	(-) 7,048	(-) 989	(-) 1	(-) 251	(-) 8,289
2013-14	(-) 8,942	(-) 3,469	(-) 14	(-) 318	(-) 12,743
2014-15	(-) 15,336	(-) 5882	(-) 3	(-) 393	(-) 21,614
2015-16	(-) 1,22,94	(-) 5,308	(+) 267	(-) 56	(-) 17,391
2016-17	(-) 13,315	(-) 5,281	(-) 4,361	(-) 629	(-) 23,586
2017-18	(-)16,634	(-) 2,989	(-)2,100	(-)185	(-)21,908
2018-19	(-)14,976	(-)4,800	(-)8	(-)313	(-)20,097
2019-20	(-)18,801	(-)6,941	(+)47	(-)297	(-)25,992

#### 4.3 Significant savings

Substantial Savings under a grant indicate either non-implementation or slow implementation of certain schemes/ programs. This also indicates weak budgetary control. Some grants with persistent and significant savings are given below:

(Per cent)

GR	Grant description	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
0019	Other Expenditure Pertaining to Finance Department	98.52	86.33	99.11	99.17	99.31	99.14
0076	Revenue Department	43.49	35.41	32.99	33.67	27.04	36.20
0077	Tax Collection Charges (Revenue Department)	45.33	30.76	22.57	16.61	7.04	27.85
0078	District Administration	22.95	19.40	12.96	11.29	12.71	17.96
0084	Non-Residential Buildings	33.76	29.01	44.63	32.79	31.76	39.57
0085	Residential Buildings	22.03	25.49	17.42	15.03	34.33	46.91



During 2019-20, Supplementary Grants totaling ₹9,456.22 crore (5.02 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. Few instances are given below:

(₹ in crore)

GR	NOMENCLATURE	SECTION	ORIGINAL	SUPPLEME NTARY	ACTUAL EXPENDITURE
01	Agriculture and Co operation Department	Revenue	17.38	1.20	14.33
04	Animal Husbandry	Revenue	796.70	0.24	534.12
13	Power Project	Revenue	9,032.41	453.94	8,856.23
18	Pension and Other Retirement Benefits	Revenue	11,731.07	2.00	10,573.41
26	Forests	Revenue	599.40	0.35	516.62
27	Environment	Revenue	36.96	4.37	27.66
36	State Legislature	Revenue	46.95	1.69	43.64
39	Medical and Public Health	Revenue	5,788.79	139.97	5,670.57
40	Family Welfare	Revenue	2,052.45	67.86	2,032.69
43	Police	Revenue	4,977.65	0.50	4,746.67
46	Other Expenditure pertaining to Home Department	Revenue	485.57	0.08	465.84
66	Irrigation and Soil Conservation	Revenue	1,269.69	3.26	1,163.70
74	Transport	Revenue	528.33	0.13	491.05
75	Other Expenditure Pertaining to ports and Transport Department	Revenue	60.32	11.60	39.63
81	Compensation and Assignment	Revenue	301.13	0.08	288.33
82	Other Expenditure pertaining to Revenue Department	Revenue	1.86	1.24	1.42
84	Non-Residential Buildings	Capital	1,268.71	0.01	540.62
101	Urban Housing	Revenue	1,180.46	7.99	671.16

## 5.1 Assets

The existing forms of accounts do not clearly depict valuation of Government assets like land, building etc., except the year of acquisition/ purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations.

Total investment as share capital in non-financial public sector undertakings (PSUs) stood at ₹99,919 crore at the end of the year of 2019-20. However, dividends received during the year were ₹88.99 crore (i.e. 0.09 *per cent*) on total investment (₹99,919 crore). At the end of the year 2019-20, investments increased by ₹7,115 crore and dividend income decreased by ₹31 crore.

## 5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. .

Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

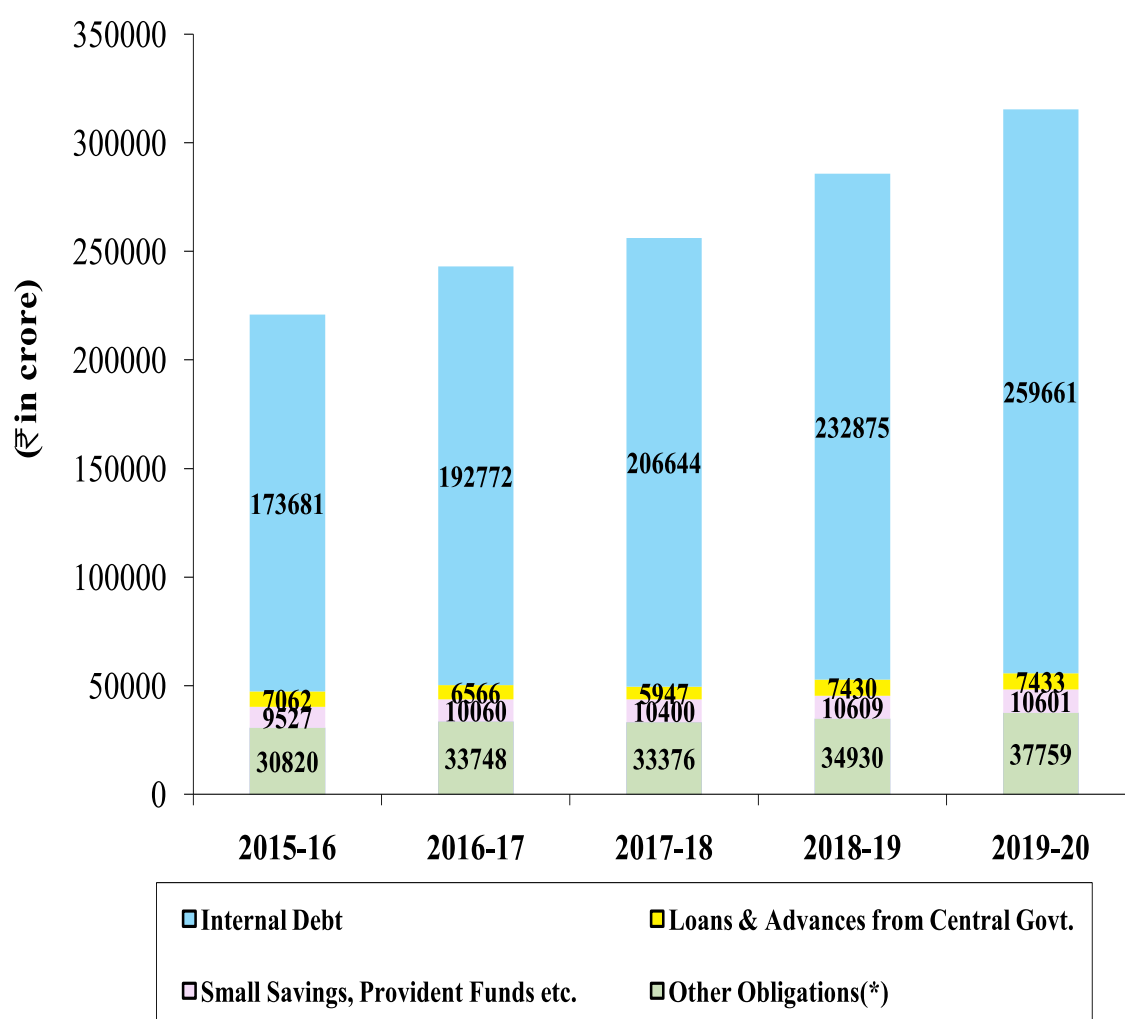
Year	Public Debt	Per cent of GSDP	Public Account*	Per cent of GSDP	Total Liabilities	Per cent of GSDP
2015-16	1,80,743	18	40,347	4	2,21,090	21
2016-17	1,99,338	17	43,807	4	2,43,145	21
2017-18	2,12,590	16	43,776	3	2,56,366	19
2018-19	2,40,305	16	45,539	3	2,85,844	19
2019-20	2,67,094	16	48,360	3	3,15,454	19

\* Excludes suspense and remittance balance.

Note: Figures are progressive balance to end of the year.

Public Debt and other liabilities showed a net increase of ₹29,611 crore (10.36 *per cent*) over the previous year.

### Trend in Government Liabilities



(\*) Interest & Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

### 5.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Government companies and corporation from the market and financial institution for implementation of various plan schemes and programmes. These guarantees are projected outside the State Budget. The position of guarantees by the State Government for the re-payment of loans (payment of principal and interest thereon) raised by statutory corporation, government companies, corporations, cooperative societies etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year
2015-16	11,333	5,236
2016-17	11,333	4,804
2017-18	11,796	4,834
2018-19	11,796	4,699
2019-20	11,747	4,462

#### **6.1 Adverse Balances under Internal Debt**

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes which are projected outside the State Budget.

#### **6.2 Loans and Advances by the State Government**

Total Loans and Advances given by the State Government outstanding at the end of 2019-20 was ₹10,485 crore. During the year 2019-20 the State Government disbursed loans and advances amounting to ₹1,312 crore and recovered outstanding loans amounting to ₹330 crore.

#### **6.3 Financial assistances to local bodies and others**

During the past five years, Grants-in-aid to local bodies etc increased from 44,048 crore in the year 2015-16 to 64,262 in 2019-20, Grants given to Zilla Parishads, Municipal Corporation and Gram Panchayats and Panchayat Samitis amounting ₹27,886 crore represented 43.39 per cent of total grants given during the year. Details of Grants-in-aid for the past 5 years are as under:



(₹ in crore)

S. No	Name of Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
1	Zilla Parishads	14,499	2,554	2,655	2,875	5,067
2	Municipal Corporations & Municipalities	6,350	6,70	7,020	7,482	8,100
3	Gram Panchayats and Panchayat Samities	7,586	13,570	17,032	16,770	16,967
4	Other Institute	15,613	25,361	28,100	32,484	34,128
	<b>Total</b>	<b>44,048</b>	<b>48,055</b>	<b>54,807</b>	<b>59,611</b>	<b>64,262</b>

**Details of Grant-in-aid given for Creation of Assets for the past 5 years are as under:**

						(₹ in crore)
	Name of Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
1	Zilla Parishads	8,78.54	26.26	91.73	27.14	38.22
2	Panchayat Samities	1.45	...	79.83	95.35	96.80
3	Gram Panchayats	23.80	0.01	...	5.50	1.48
4	Municipal Corporations	56.50	64.49	4,09.00	2,28.00	6,51.98
5	Municipalities/Municipal Councils	14,16.05	8,33.34	10,15.41	13,18.23	9,38.57
6	Universities	1.50	1,02.93	89.85	2,34.39	2,43.41
7	Development Authorities	2.59	...	...	77.09	48.95
8	Co-Operative Institutions	...	1,46.42	1.01	1.00	1.50
9	Non-Governmental Organisations	...	9.00	7.00	6.00	4.00
10	Others	3,49.59	3,13.30	2,98.63	2,12.43	6,82.45
	<b>Total</b>	<b>27,30.02</b>	<b>14,95.75</b>	<b>19,92.56</b>	<b>22,05.13</b>	<b>27,07.36</b>

**6.4 Cash Balance and Investment of Cash Balance**

(₹ in crore)

Component	As on 1 April 2019	As on 31 March 2020	Net increase(+)/ decrease (-)
Cash Balances	0.12	15.29	+ 15.17
Investment from cash balance (GoI treasury bills)	6,896	10,348	+ 3452
Investment from earmarked fund balances	12,704	13,673	+ 969
(a) Sinking Fund	12,265	13,196	+ 931
(b) other Funds	439	477	+ 38
Interest realized during the year	234	211	- 23



### **6.5 Reconciliation of Accounts**

In terms of the Gujarat Budget Manual, Controlling Officers are required to reconcile the Receipts and Expenditure of the Government with the figures accounted for by the Office of the Pr. Accountant General (A&E). Such reconciliation has been completed in 2019-20 in respect of 77 out of 80 Controlling Officers for receipts of ₹1,69,904.16 crore (90.97.% of total receipts of ₹ 1,86,771.11 crore) and for expenditure in respect of the 518 out of 527 Controlling Officers for an expenditure of ₹1,69,442.23 crore (91.81% of total expenditure of ₹1,84,563 crore ).

### **6.6 Submission of Accounts by Accounts rendering units**

The accounts of receipts and expenditure of the Government of Gujarat have been compiled based on the initial accounts rendered by 33 District Treasuries, 158 Public Works Divisions and 70 Forest Divisions compiled accounts of Pay and Accounts Offices at Gandhinagar and Ahmedabad and Advices of the Reserve Bank of India. No accounts remained excluded at the end of the Financial Year.

### **6.7 Advance payments**

As per the provisions of Gujarat Treasury Rules 2000, Drawing and Disbursing Officers/Controlling Officers are authorized to draw money in advance for emergent purposes by preparing Abstract Contingent (AC) bills by debiting Service Heads. They are required to submit Detailed Contingent (DC) bills containing supporting vouchers of final expenditure to the Office of the Pr. Accountant General (A&E) within three months from the drawal of the AC bills. As of 31 March 2020, **4567** DC bills for ₹ **366.03** crore were not received by the Office of the Pr. Accountant General (A&E).



## 6.8 Status of Suspense Balances and Remittances Balances

Significant suspense items shown as gross debit and credit balances under Major Head-8658-Suspense Account and 8782-Remittances for the last five years, are as under: -

(₹ in crore)

Name of Minor Head	2015-16		2016-17		2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Accounts										
101-Pay and Accounts Office-Suspense	147	0	166	30	189	4	221	9	167	(-)5
Net	147 Dr.		136 Dr.		186 Dr.		212 Dr.		172 Dr.	
102-Suspense Account (Civil)	67	0	91	0	74	0	98	8	246	312
Net	67 Dr.		91 Dr.		74 Dr.		90 Dr.		66 Cr.	
110-Reserve Bank Suspense -Central Account Office	244	0	353	111	242	0	242	0	206	0
Net	244 Dr.		242 Dr.		242 Dr.		242 Dr.		206 Dr.	
8782-Cash Remittances and adjustments										
102-Public Works Remittances	16,559	17,371	14,920	1,5655	17,666	18,642	20,045	20,711	18,396	19,137
Net	812 Cr.		735 Cr.		976 Cr.		666 Cr.		741 Cr.	
103-Forest Remittances	676	768	807	906	892	961	942	988	945	1012
Net	91 Cr.		99 Cr.		70 Cr.		46 Cr.		67 Cr.	
108-Othe Remittance	167	181	112	127	118	127	113	124	87	103
Net	14 Cr.		15 Cr.		9 Cr.		11 Cr.		16 Cr.	

## 6.9 Status of Outstanding Utilization Certificate

In terms of the Gujarat Financial Rules, 1971 and Finance Department notification dated 12 April 1985, Controlling Officers who draw Grants-in-aid bills are required to submit Utilization Certificates (UCs) to the Pr.Accountant General (A&E) within 12 months after the end of the financial year in which the grant is released. At the end of 2019-20, **6663** UCs for an amount of ₹ **17,674.15** crore were outstanding.

### 6.10 Incomplete Capital Projects/Works aged five years or more

Only one work namely “Construction Flood Protection Work from Coopers Bungalows to Nehru Bridge on the left bank of river Tapi, Surat” aged five years and more is shown in Appendix IX. The work is still incomplete and liability of ₹13.20 crore is pending, However, no escalation in estimated cost due to incompleteness is involved.

### 6.11 New Pension Scheme

The State Government incurred an expenditure of ₹16,848.06 crore (11.93 *per cent* of the total revenue expenditure) on “Pension and other Retirement Benefits” of employees who were recruited on or before 31 March 2005. The details are given in Statement No. 15. The State Government employees recruited on or after 1 April 2005 are covered under the New Pension Scheme which is a Defined Contributory Pension Scheme. In terms of this Scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance, which is matched by the State Government and the entire amount is transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

During the year 2019-20, the State Government collected ₹820.54 crore from the employees as contribution towards New Pension Scheme and also contributed ₹814.53 crore as its share towards the scheme. Further, against the total collected funds of ₹1,650.81 crore (including previous years’ balance of ₹15.74 crore), the State Government transferred only ₹1,630.18 crore to NSDL for further investment as per provisions of the scheme. Thus, there was a short-transfer of ₹20.63 crore to NSDL during 2019-20. Of the current liability ₹20.63 crore for 2019-20, ₹17.22 crore

### 6.12 Personal Deposit Accounts

A Personal Deposit Account is intended to facilitate the administrator to credit receipts into and effect withdrawals directly from the treasury account for a specific purpose. As per Rule 377 of the Gujarat Treasury Rules, 2000 balances in the Personal Deposit Accounts would not lapse to Government under Rule 386 if outstanding for more than three complete account years. However, in cases in which Personal Deposit Accounts are credited by debit to the Consolidated Fund, the same should be closed at the end of the financial year by minus debit of balance to the relevant service heads.

The status of PD accounts as of 31 March 2020 is given below:

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
484	581.01	17	1,808.37	36	1,593.97	465	795.41

### 6.13 Investment

The State Government invests in the equity and share capital of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions etc. As on 31 March 2020, the Government invested ₹99,919.42 crore in 2108 PSUs and other entities of which ₹7,115.52 crore was invested during 2019-20 in 14 entities.

### 6.14 Status of Reserve Funds

**Reserve Funds:** There were **17 Reserve Funds** earmarked for specific purpose during 2019-20 out of which 4 Reserve Funds bearing interest were having a balance of ₹1,818.03 crore, and 13 Funds are not interest bearing having balance of ₹15,014.72 crore.

**Inoperative Reserve Funds:** Out of the 17 Reserve Funds, 05 Reserve Funds with a balance of ₹2.11 crore were inoperative, of which 04 Reserve Funds have remained inoperative since 1999-2000 while 01 is inoperative since 2014-15.

#### 6.14.1 Consolidated Sinking Fund

The CSF was created in 2003-04 for redemption of open market loans. Based on the recommendations of the Twelfth Finance Commission, the RBI issued guidelines enlarging the scope of the CSF for including all liabilities (Internal Debt + Public Account liabilities) of the Government from the financial year 2007-08. Latest Guidelines for Consolidated Sinking Fund Scheme issued by the State Government the minimum corpus of the fund should be 5 per cent of State's liabilities from the year 2019-20 and thereafter to maintain it on a rolling basis. Details of CSF for the year 2019-20 are given below.

(₹in crore)

Opening Balance As on 01/04/2019	Accrued Interest Credited during 2019-20	Closing Balance as on 31/03/2020	Minimum Corpus of the Fund	Short fall in Contribution
₹ 12,594.82	₹ 931.34	₹ 13,526.15	₹ 14,292.20	₹ 766.05

#### 6.14.2 Guarantee Redemption Fund

The Twelfth Finance Commission recommended setting up 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 5 per cent of outstanding guarantees. Details of GRF for the year 2019-20 are given below:

(₹ in crore)

Opening Balance As on 01/04/2019	Accrued Interest Credited during 2019-20	Closing Balance as on 31/03/2020	Minimum Corpus of the Fund	Short fall in Contribution
₹ 699.63	₹ 36.63	₹ 736.26	₹ 223.11	Nil

#### 6.14.3 State Disaster Response Fund/National Disaster Response Fund

The State Government had been operating the SDRF with effect from 2011-12 as recommended by the Thirteenth Finance Commission. The aggregate size of the SDRF is as per the recommendations of Fourteenth Finance Commission. In terms of GoI guidelines, of the total size of the Fund the Central and State Governments are required to contribute in the ratio of 75:25. Accordingly, the State Government transferred ₹ 1,264 crore (₹ 886.80 crore Central share and ₹ 377.20 crore State share) to the Fund in 2019-20.

In terms of the guidelines, balances lying in the Fund are required to be invested, which was not done. The interest payable on the uninvested balances of earlier years has also not been estimated. Details of SDRF for the year 2019-20 are given below:

(₹ in crore)

Opening Balance As on 01/04/2019	Amount transferred to the Fund during 2019-20	Expenditure incurred on natural calamities during 2019-20	Closing Balance as on 31/03/2020	Short fall in transfer
₹ 1,504.53	₹ 1,264	₹ 2,435.15	₹ 333.38	Nil



### 6.15 Accounting of Building and Other Construction Workers Welfare Cess

The Government of India enacted the Building and Other Construction workers ( Regulation of Employment and Conditions of Services) Act, 1996 which provides for constitution of the ‘State Building and Other Construction Workers Welfare Board’ for formulation and implementing various welfare schemes for construction workers. To augment the resources of the Board, the Central Government enacted the Building and Other Construction Workers Welfare Cess Act, 1996 and Building and Other Construction Workers Welfare Cess Rules, 1998. Section 3 of the Cess Act provides for levy of cess at a rate not exceeding two *per cent* but not less than one *per cent* of total cost of construction of projects. This cess would be applicable on all establishments whether Central Government or State Government Departments/ Organisation or Semi Government or Private Organisations. As per Rule 5 of the Building and Other Construction Workers’ Welfare Cess Rules, 1998, the amount collected from cess shall be transferred to the Board within 30 days of its collection.

In terms of the Building and Other Construction Workers’ Welfare Cess Act, 1996, the State Government levied and collected Cess amounting to ₹3,013.95 crore during the period 2006-07 to 2019-20. Out of this amount ₹2,013.85 crore was transferred to the Gujarat Housing and Other Construction Workers Welfare Board as Grants-in-aid, leaving a balance of ₹1,000.10 crore which had not been transferred as of 31 March 2020. During the year 2019-20 cess of ₹507.82 crore was collected, whereas ₹165.28 crore was transferred to the Board leaving a untransferred balance of ₹342.54 crore pertaining to 2019-20. The Bank account of the Gujarat Building and other construction Workers welfare Board is being maintained by the Chairman of the Board. Non-transferred amount of ₹1,000.10 crore represents the liabilities of the State Government under the scheme.

### 6.16 Compliance with Accounting Standards

Three Indian Government Accounting Standards (IGAS) have been notified by Government of India. Compliance to above IGASs are partly complied with and steps for compliance are being pursued with Finance Department. They are mainly:

- (i) Guarantees given by Governments: Disclosure Requirements (IGAS-1)
- (ii) Accounting Classification of Grants-in-Aid (IGAS-2)
- (iii) Loans and Advances made by the Governments (IGAS-3)







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