

**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended 31 March 2016**

**GOVERNMENT OF GUJARAT
Report No. 5 of the year 2016**

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Preface

1. This Report has been prepared for submission to the Governor of Gujarat under Article 151 of the Constitution.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of the Finance Accounts and the Appropriation Accounts respectively, of the State Government for the year ended 31 March 2016. Information has also been obtained from the Government of Gujarat wherever necessary.
3. Chapter III on ‘Financial Reporting’ provides an overview and status of the State Government’s compliance with various rules, procedures and directives relating to financial reporting during the current year.
4. The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

Executive Summary

Background

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

To maintain a stable and sustainable fiscal environment consistent with equitable growth, the Thirteenth Finance Commission (ThFC) recommended a fiscal consolidation roadmap for the State by amending their Fiscal Responsibility Legislations. The State Legislature in March 2011 amended the Fiscal Responsibility Act in line with the recommendations.

Recognising that the fiscal environment should be conducive to equitable growth, the Fourteenth Finance Commission (FFC) recommended the State should target improving the quality of fiscal management encompassing receipts and expenditures while adhering to the roadmap outlined by FFC.

The Report

Based on the audited accounts of the Government of Gujarat for the year ending March 2016, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter I is based on the Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2016. It provides an insight into trends of different components of the Government's receipts, expenditure and borrowing pattern, besides giving a brief account of fiscal imbalances.

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

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

Audit findings and recommendations

Fiscal position

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as the State achieved a revenue surplus of ₹ 3,215 crore in that year. The revenue surplus stood at ₹ 1,704 crore in 2015-16 which was significantly lower than the projection in MTFPS of ₹ 7,308 crore. At the end of 2015-16, the fiscal deficit as percentage to GSDP was 2.34 *per cent*, which was within the limit of three *per cent* recommended by FFC, however stood higher than its own projections in MTFPS. In the Fiscal Consolidation Roadmap, FFC fixed the target of 25.91 *per cent* for the 'Total Outstanding Debt' as percentage of GSDP at the end of 2015-16. However, the State Government fixed the target for 'Total Public Debt' instead of 'Total Outstanding Debt' as percentage of GSDP in Budget and in MTFPS. This was not in consonance with the recommendations of FFC.

The fiscal deficit increased from ₹ 11,027 crore in 2011-12 to ₹ 23,015 crore in 2015-16. The significant increase in fiscal deficit during current year was mainly on account of substantial decline in revenue surplus compared to the previous year. An increase of ₹ 4,695 crore in fiscal deficit together with an increase of ₹ 1,354 crore in interest payment resulted in increase in primary deficit from ₹ 3,374 crore in 2014-15 to ₹ 6,715 crore in 2015-16. The fiscal deficit (2.34 *per cent*) still remained within the targeted level of three *per cent* of GSDP as set under the Gujarat Fiscal Responsibility Act.

The Expenditure on Grants-in-aid and subsidies should be booked under revenue expenditure in accounts. However, during 2015-16, the Government of Gujarat incorrectly budgeted and booked expenditure of ₹ 492.17 crore relating to Grants-in-aid and expenditure of ₹ 5.25 crore on account of subsidy under the capital section instead of revenue section. This has resulted in understatement of revenue expenditure and consequent overstatement of revenue surplus to the tune of ₹ 497.42 crore.

The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹ 12,402 crore and ₹ 8,946 crore at the end of 2014-15 and 2015-16 respectively. The high level of investment held in 'Cash Balance Investment Account' at the end of these financial years indicates that there is need for better cash management.

State's own resources

The tax revenue of the State in 2015-16 stood lower by a significant margin of ₹ 24,108 crore than the FFC projections of ₹ 86,757 crore. Also, it could not achieve the target of budget estimates or MTFPS projection. Actual non-tax revenue was also less than MTFPS projection, budget estimates as well as FFC projections.

Revenue expenditure

The share of revenue expenditure in total expenditure declined from 80.56 *per cent* in 2011-12 to 75.91 *per cent* in 2012-13 and continuously increased thereafter to 79.40 *per cent* in 2015-16.

Revenue expenditure continuously increased from ₹ 59,744 crore in 2011-12 to ₹ 95,779 crore in 2015-16. However, the growth rate fluctuated widely from 4.01 *per cent* in 2011-12 to 15.14 *per cent* in 2014-15. In 2015-16, it increased by 10.53 *per cent* over the previous year.

Quality of expenditure

Development expenditure of the State comprises revenue and capital expenditure including loans and advances on socio-economic services. The development expenditure increased from ₹ 51,855 crore in 2011-12 to ₹ 86,324 crore in 2015-16. As a percentage of the total expenditure, the development expenditure of the State increased from 69.92 *per cent* in 2011-12 to 71.57 *per cent* in 2015-16.

Investment and returns

As of 31 March 2016, Government had invested ₹ 70,730 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies, Co-operative Institutions and Local Bodies (**Table 1.23**). The average return on the investments was 0.25 *per cent* in the last five years while the Government paid an average 7.67 *per cent* as interest on its borrowings during 2011-12 to 2015-16. Forty nine PSUs earned a net profit of ₹ 3,726 crore in financial year 2014-15. However, the State Government received only ₹ 96.06 crore as dividend from these PSUs in financial year 2015-16.

Funds and other Liabilities

There were 15 Reserve Funds earmarked for specific purposes, out of which five funds were inoperative. The total accumulated balance as on 31 March 2016 in these funds was ₹ 14,263.74 crore (₹ 14,260.87 crore in operational funds and ₹ 2.87 crore in non-operational funds). However, the investment out of these funds was only ₹ 10,208.17 crore.

Debt sustainability

As per TwFC recommendations, the ratio of interest payments to revenue receipts should decline to 15 *per cent* by 2009-10. The interest payments on the total liabilities as a percentage of revenue receipts of the State for the period 2011-12 to 2015-16 ranged between 16.17 *per cent* and 17.37 *per cent* which was more than the recommended 15 *per cent*. In 2015-16, this percentage increased to 16.72 *per cent* due to higher growth rate of interest payment than that of revenue receipts.

Outstanding debt increased from ₹ 1,50,785 crore in 2011-12 to ₹ 2,21,090 crore in 2015-16. The outstanding debt at the end of year 2015-16 comprise of Internal debt (₹ 1,73,681 crore), Loans and advances from the Central Government (₹ 7,062 crore) and small savings, Provident Fund etc. (₹ 40,347 crore). The net debt available after providing for the interest and

repayment declined from ₹ 4,310 crore in 2014-15 to ₹ 2,477 crore in 2015-16. During the last five years, net debt available stood lowest in 2015-16.

Financial management and budgetary control

Overall savings of ₹ 17,391.24 crore were the result of savings of ₹ 17,690.33 crore in 92 grants and 21 appropriations under the Revenue Section and 52 grants and seven appropriations under the Capital Section offset by excess of ₹ 299.09 crore in one grant and two appropriations under the Revenue Section and one grant under the Capital Section.

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to ₹ 4,612.55 crore for the years 2007-08 to 2014-15 was yet to be regularised.

At the close of the year 2015-16, there were six grants/ appropriations under which savings exceeded 10 *per cent* of the total provision but the same had not been surrendered by the concerned Departments. The total amount involved in these cases was ₹ 19.07 crore.

Substantial surrenders (more than 50 *per cent* of the total provision or more than ₹ one crore) were made in respect of 899 sub-heads under 95 grants, mainly on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 53,041.05 crore in these sub-heads, ₹ 15,114.51 crore (28.50 *per cent*) were surrendered, which included cent *per cent* surrender in 254 cases (₹ 5,107.86 crore).

Financial reporting

It was observed that 7,164 UCs aggregating to ₹ 5,385.40 crore due in respect of grants released during the period 2001-02 to 2015-16 were outstanding as on 31 March 2016. In respect of autonomous bodies/ authorities, 572 annual accounts of 136 bodies/ authorities due up to 2015-16 were not received as on 31st July 2016 by the offices of Principal Accountant General (Economic and Revenue Sector Audit) and the Accountant General (General and Social Sector Audit). AC bills numbering 9,275 and amounting to ₹ 613.18 crore were drawn up to March 2016 for which Detailed Contingency (DC) bills were not furnished. The State Government reported 146 cases of misappropriation, defalcation, etc. involving Government money of ₹ 13.87 crore (up to March 2016) on which final action was pending.

During 2015-16, expenditure aggregating ₹ 13,071.38 crore, constituting 10.31 *per cent* of the total expenditure was classified under Minor Head '800-other expenditure' against 75 Major Heads under Revenue and Capital sections. Budgeting of large amounts under the omnibus Minor Head 800-Other Expenditure/Receipts affects the transparency in financial reporting, as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

MAIN REPORT

Profile of Gujarat

Gujarat is situated on the west coast of India, bound 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 kilometres, which is one third of India's mainland coastline. It is the seventh largest State in terms of geographical area (1,96,024 sq.km) and the ninth largest by population. As indicated in **Appendix 1.1** the State's population increased from 5.07 crore in 2001 to 6.04 crore in 2011 recording a decadal growth of 19.13 *per cent*. The percentage of population below the poverty line was 27.4 *per cent* as compared to the all-India average of 29.5 *per cent*. The State's Gross State Domestic Product (GSDP) in 2015-16 at current prices was ₹ 9,84,971 crore¹. The State's literacy rate increased from 69.14 *per cent* (as per 2001 census) to 78 *per cent* (as per 2011 census). General data relating to the State is given in **Appendix 1.1**.

Gross State Domestic Product (GSDP)

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

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

	2011-12	2012-13	2013-14	2014-15	2015-16
India's GDP (₹ in crore) (Base year 2011-12)	87,36,039	99,51,344	1,12,72,764	1,24,88,205	1,35,76,086
Growth rate of GDP (percentage)	N.A.	13.91	13.28	10.78	8.71
State's GSDP* (₹ in crore) (Base year 2011-12)	6,05,456(P)	7,12,123(P)	8,06,745(P)	8,95,202(Q)	9,84,971(A)
Growth rate of GSDP (percentage)	N.A.	17.62	13.29	10.96	10.03

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

Source: Ministry of Statistics and Programme Implementation, Central Statistical Organisation, Directorate of Economics and Statistics, Gandhinagar

*Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2016-17)

¹ Advance estimates by Directorate of Economics and Statistics, Gandhinagar

1.1 Introduction

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

1.1.1 Summary of Fiscal Transactions in 2015-16

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2015-16) *vis-à-vis* the previous year while **Appendix 1.3** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.2: Summary of Fiscal transactions

(₹ in crore)

Receipts			Disbursements				
	2014-15	2015-16		2014-15	2015-16		
					Non- Plan	Plan	Total
Section-A: Revenue							
Revenue receipts	91,977.78	97,482.58	Revenue expenditure	86,651.71	63,554.46	32,224.08	95,778.54
Tax revenue	61,339.81	62,649.41	General services	30,003.32	31,512.36	1,363.69	32,876.05
Non-tax revenue	9,542.61	10,193.52	Social services	36,714.15	21,620.77	20,499.13	42,119.90
Share of Union taxes/ duties	10,296.35	15,690.43	Economic services	19,398.68	9,862.60	10,361.26	20,223.86
Grants from Government of India	10,799.01	8,949.22	Grants-in-aid and Contributions	535.56	558.73	-	558.73
Section-B: Capital							
Misc. Capital receipts	241.00	0.00	Capital Outlay	24,157.76	76.43	24,093.01	24,169.44
Recoveries of Loans and Advances	621.38	125.46	Loans and Advances disbursed	349.90	56.19	619.00	675.19
Public Debt receipts*	19,453.94	23,486.19	Repayment of Public Debt*	5,509.20	-	-	6,194.26
Contingency Fund	0.11	14.16	Contingency Fund	14.16	-	-	3.75
Public Account receipts	62,387.52	65,131.92	Public Account disbursements	52,309.01	-	-	61,936.12
Opening Cash Balance	15,386.48	21,076.47	Closing Cash Balance	21,076.47	-	-	18,559.48
Total	1,90,068.21	2,07,316.78		1,90,068.21			2,07,316.78

Source: Finance Accounts of the respective years

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

The following are the significant changes during 2015-16 over the previous year:

- Revenue receipts grew only by ₹ 5,505 crore (5.99 *per cent*) over the previous year. The increase was mainly due to increase in State's share of Union taxes/duties by ₹ 5,394 crore (52.38 *per cent*) and increase in the non-tax revenue by ₹ 651 crore (6.82 *per cent*). The State's own tax revenue increased only by ₹ 1,310 crore (2.13 *per cent*) while the Grants from Government of India (GoI) decreased by ₹ 1,850 crore (17.13 *per cent*).
- Revenue expenditure increased by ₹ 9,127 crore (10.53 *per cent*) over the previous year mainly due to increase in expenditure on General Services by ₹ 2,873 crore (9.57 *per cent*), on Social Services by ₹ 5,406 crore (14.72 *per cent*) and on Economic Services by ₹ 825 crore (4.25 *per cent*).
- Capital outlay increased only by ₹ 12 crore (0.05 *per cent*) over the previous year whereas the disbursement of loans and advances increased by ₹ 325 crore (92.86 *per cent*).
- Public debt receipts increased significantly by ₹ 4,032 crore while repayment of public debt increased by ₹ 685 crore. The net availability of public debt receipt of ₹ 17,292 crore during 2015-16 was 24 *per cent* more than that of previous year of ₹ 13,945 crore.

1.1.2 Review of fiscal situation

As per the Gujarat Fiscal Responsibility Act, 2005 (GFRA 2005) enacted in line with the recommendations of the Twelfth Finance Commission (TwFC), the State Government had agreed for elimination of revenue deficit by the end of 2007-08 and reduction of fiscal deficit to not more than three *per cent* of the GSDP by 31 March 2009. Similarly, the target of the ratio of Public Debt to GSDP was 30 *per cent* by March 2008. Total outstanding guarantees were to be capped within the limit provided in the Gujarat State Guarantee Act, 1963. Though the State had achieved the above targets by 2006-07, the fiscal deficit targets for 2009-10 and 2010-11 were relaxed by one *per cent* and 0.5 *per cent* of GSDP respectively by GoI.

To maintain a stable and sustainable fiscal environment consistent with equitable growth, the Thirteenth Finance Commission (ThFC) has recommended a fiscal consolidation roadmap for the State by amending their Fiscal Responsibility Legislations. This requires the State to reduce the revenue deficit to zero from 2011-12 onwards, reduce the fiscal deficit to three *per cent* of the estimated GSDP of the year beginning 2011-12 and maintain it thereafter and to cap the total outstanding debt of the State Government from the level of 28.8 *per cent* in 2011-12 to 27.1 *per cent* at the end of 2014-15 of the estimated GSDP for the respective financial year. The State Legislature in March 2011 amended the Fiscal Responsibility Act after the recommendations of the ThFC.

The Fourteenth Finance Commission (FFC) has also recommended (December 2014) a revised fiscal roadmap to consolidate the finances of the State Government from the financial year 2015-16 onwards. Major fiscal variables provided in the recommendations of the FFC and the projections made in the Medium Term Fiscal Policy Statement (MTFPS) – 2015 by the State Government are depicted in **Table 1.3**.

Table 1.3: Major Fiscal variables

Fiscal variables	2015-16		Actual Achievement
	FFC targets for the State	Targets proposed in the Budget and Projections made in MTFPS	
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	(+)11,795	(+)7,308	(+)1,704
Fiscal Deficit/GSDP (in per cent)	3.00	2.24	2.34
Ratio of total outstanding debt of the Government to GSDP (in per cent)	25.91	-	22.45

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as the State achieved a revenue surplus of ₹ 3,215 crore in that year. The revenue surplus stood at ₹ 1,704 crore in 2015-16 which was significantly lower than the projection in MTFPS of ₹ 7,308 crore. At the end of 2015-16, the fiscal deficit as percentage of GSDP was 2.34 per cent, which was within the limit of three per cent recommended by FFC, however, it stood higher than its own projections in MTFPS. In the Fiscal Consolidation Roadmap, FFC fixed the target of 25.91 per cent for the ‘Total Outstanding Debt’² as percentage of GSDP at the end of 2015-16. However, the State Government fixed the target for ‘Total Public Debt’ instead of ‘Total Outstanding Debt’ as percentage of GSDP in Budget and in MTFPS. This was not in consonance with the recommendations of FFC. Total Public Debt constitutes 82 per cent of Total Outstanding Debt in 2015-16. However, the State’s total outstanding debt as percentage of GSDP was 22.45 per cent in 2015-16 which was within the target of 25.91 per cent fixed by the FFC.

Expenditure on Grants-in-aid and subsidies should be booked under revenue expenditure in accounts. However, during 2015-16, the Government of Gujarat incorrectly budgeted and booked expenditure of ₹ 492.17 crore relating to Grants-in-aid and expenditure of ₹ 5.25 crore on account of subsidy under the capital section instead of revenue section. This has resulted in understatement of revenue expenditure and consequent overstatement of revenue surplus to the tune of ₹ 497.42 crore.

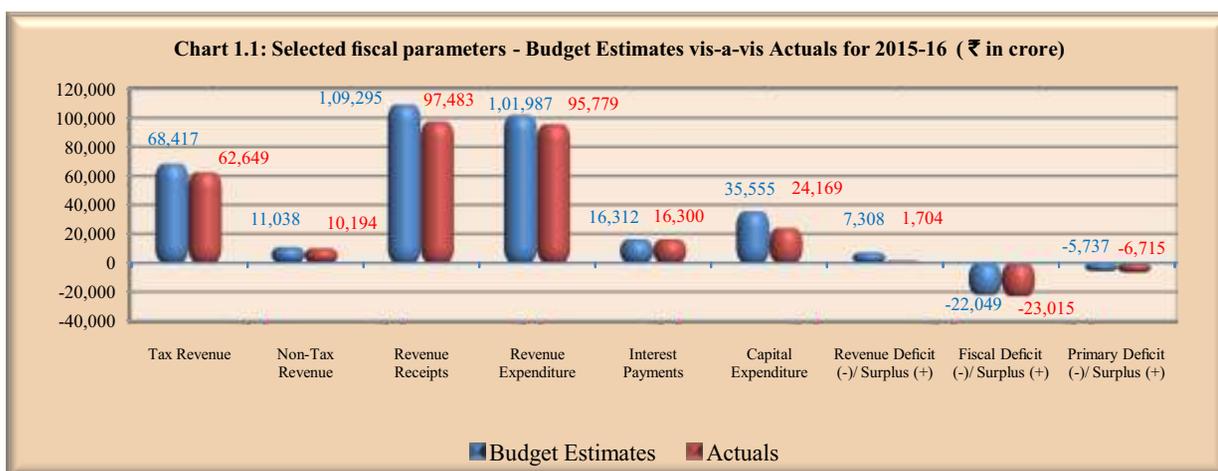
1.1.3 Budget Estimates and Actuals

Budget estimates presented by the State Government provide a description of the projections or estimations of revenue and expenditure for a particular

² Total Outstanding Debt includes Public Debt and Public Account Liabilities. Public Debt includes only Internal Debt and Loans from Government of India. Public Account Liability includes liabilities under small saving funds, GPF, Reserve funds etc.

fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of the fact that due care has not been taken during their estimation. Further, it also indicates non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government.

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



During 2015-16, compared to the budget estimates, the tax revenue and non-tax revenue were lower by ₹ 5,768 crore (8.43 per cent) and ₹ 844 crore (7.65 per cent) respectively. Further, the revenue receipts decreased over the budget estimates by ₹ 11,812 crore (10.81 per cent) mainly on account of lower realization of tax revenue against the budget estimates. Against an estimated revenue surplus of ₹ 7,308 crore, the financial year ended with a revenue surplus of only ₹ 1,704 crore.

The revenue expenditure stood lower than the budget estimates by ₹ 6,208 crore (6.09 per cent). The actual capital expenditure stood significantly lower than the budget estimate by ₹ 11,386 crore (32.02 per cent), indicating asset creation was not given as much priority as initially intended in the budget estimates. Non achievement of estimated revenue surplus was mainly on account of lower realisation of revenue receipts than estimated in the budget. Due to lower revenue realisation than budgeted, the actual fiscal deficit stood higher than the budget estimates and consequently resulted in higher primary deficit than the budget estimates.

The following tax proposals were made in the budget for the year 2015-16 with a net realisation of ₹ 60 crore.

- The budget proposals included reduction of the Value Added Tax (VAT) from five per cent to one per cent on Imitation Jewellery.

- The VAT on Oral Contraceptive Pills, Isabgul and Isabgul Husk was exempted fully.
- The Budget proposed to reduce the rate of tax on Aviation Turbine Fuel (ATF) from 30 per cent (for duty paid ATF) and 38 per cent (for Bonded ATF) to five per cent when sold from the cities other than Ahmedabad and Vadodara for scheduled Commercial airlines services flights.
- The budget proposal included refund of the tax paid on cotton roving purchased for manufacture of Khadi producers by the Khadi Gramodyog approved institutions.
- It was also proposed to levy VAT at the rate of five per cent including additional tax on Technical Textile .

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State’s share of Union taxes and duties and Grants-in-aid from the Government of India. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from the Public Account. **Table 1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts. **Chart 1.2** depicts the components and sub-components of resources during the year 2015-16.

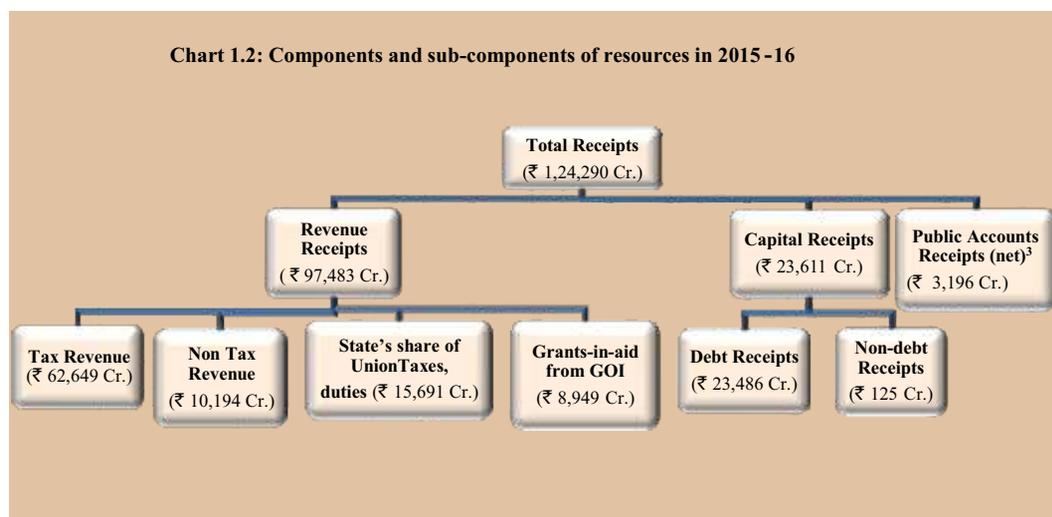
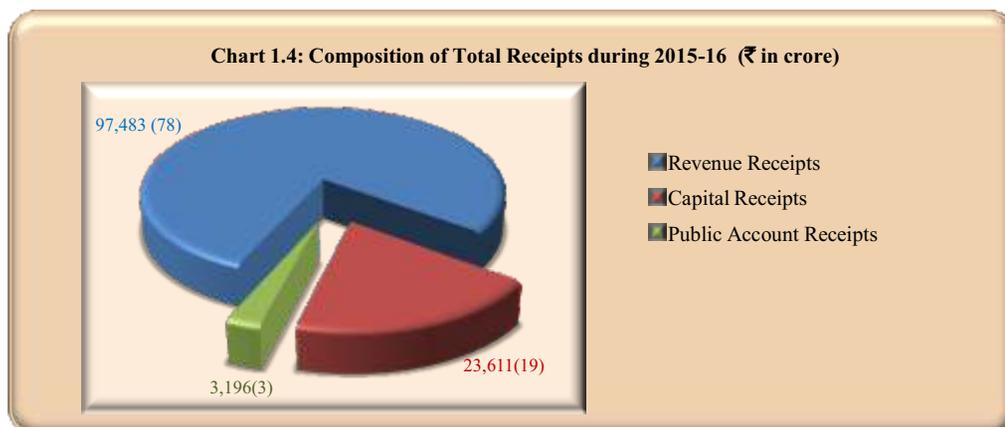
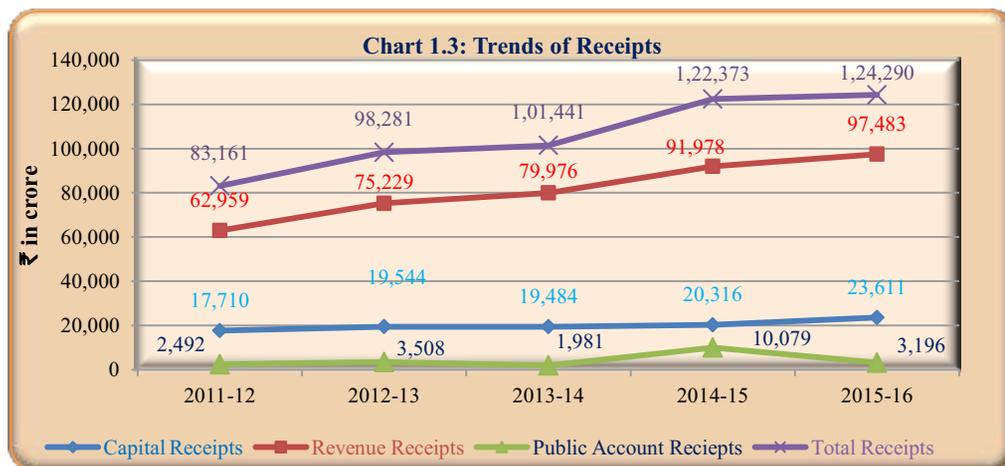


Chart 1.3 depicts the trends of various components of the State’s receipts during 2011-12 to 2015-16 and **Chart 1.4** depicts the composition of resources of the State during the current year 2015-16.

³ Public Account Receipts (Gross) is ₹ 65,132 crore

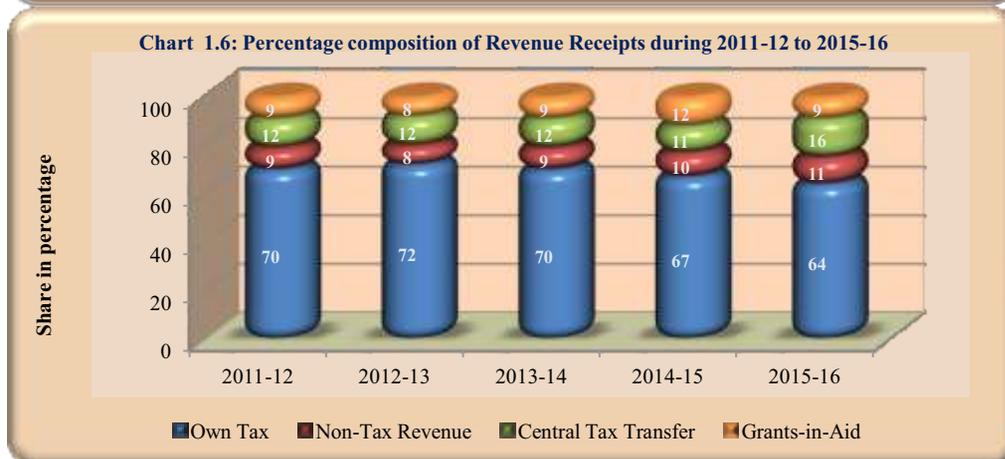
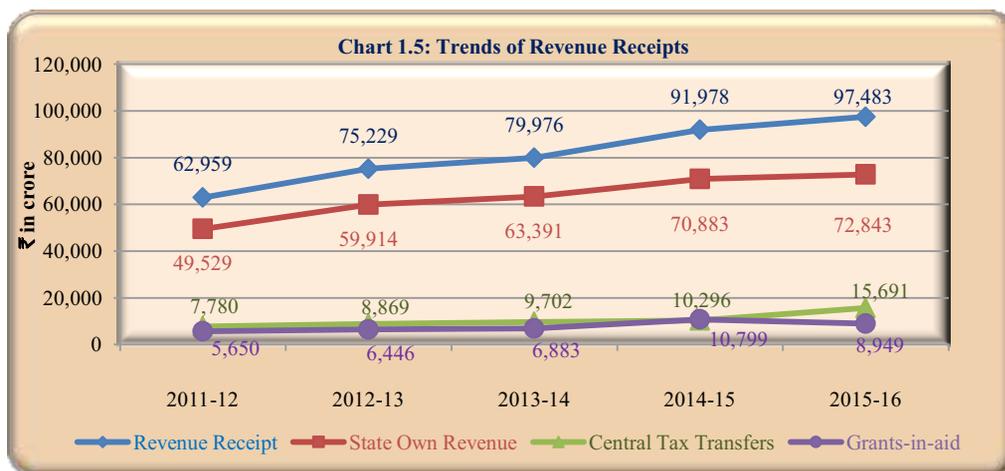


Figures in parenthesis indicate percentage share

The total resources of the State Government show a progressive increase steadily from ₹ 83,161 crore in 2011-12 to ₹ 1,24,290 crore in 2015-16. The increase in total resources during the period of 2011-12 to 2015-16 was 49.46 per cent. The relative share of Revenue receipts which stood at 75.71 per cent of the total resources in 2011-12 increased to 78.43 per cent in 2015-16, while that of Capital receipts and Public Account receipts to total resources, declined from 21.30 per cent and 3.00 per cent in 2011-12 to 19.00 per cent and 2.57 per cent in 2015-16 respectively.

1.3 Revenue Receipts

Statement-14 of the Finance Accounts details the revenue receipts of the Government. Revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and Grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2011-12 to 2015-16 are presented in the **Charts 1.5 and 1.6** and also depicted in **Appendix 1.4**.



The revenue receipts during the year 2015-16 grew by 5.99 per cent over the previous year mainly due to 52.39 per cent increase in Central Tax Transfer. The State’s own tax revenue grew only at 2.13 per cent over the previous year. The increase of non-tax revenue by 6.82 per cent during 2015-16 was also lower by a significant margin when compared with its percentage increase in 2014-15 over its previous year. The Grants-in-aid by GoI decreased by 17.13 per cent in 2015-16 over the previous year.

Chart 1.6 shows that 75 per cent of revenue came from State’s own resources during 2015-16 and the balance was from GoI in the form of State’s share of taxes and Grants-in-aid. The share of own tax revenue increased from 70 per cent in 2011-12 to 72 per cent in 2012-13 and then decreased continuously in subsequent years.

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As the GSDP grows, the State’s own tax revenue should increase. The trends of revenue receipts relative to GSDP are presented in **Table 1.4** below:

Table 1.4: Trends of Revenue Receipts relative to GSDP

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Receipts (RR) (₹ in crore)	62,959	75,229	79,976	91,978	97,483
Rate of growth of RR (<i>per cent</i>)	20.23	19.49	6.31	15.01	5.99
RR/GSDP (<i>per cent</i>)	10.40	10.56	9.91	10.27	9.90
Buoyancy Ratios					
Revenue Buoyancy w.r.t. GSDP ⁴	1.26	1.11	0.47	1.37	0.60
State's Own Tax Buoyancy w.r.t. GSDP ⁴	1.35	1.24	0.35	0.80	0.21
Revenue Buoyancy with reference to State's own taxes	0.93	0.89	1.37	1.70	2.81

Source: Finance Accounts of the respective years

The GSDP at current prices increased from ₹ 8,95,202 crore in 2014-15 to ₹ 9,84,971 crore in 2015-16 representing an increase of 10.03 *per cent*. The growth rate of revenue receipts fluctuated significantly during the period from 2011-12 to 2015-16 ranging between 20.23 *per cent* to 5.99 *per cent*. During 2015-16, revenue receipts grew only at 5.99 *per cent* despite higher tax transfer by the Central Government. It is evident from **Table 1.4** that the buoyancy of revenue receipts is more than one from the period 2011-12 to 2014-15 except during 2013-14, indicating that revenue receipts grew at higher rate than the growth of GSDP. The sharp decline in revenue buoyancy in 2015-16 was mainly on account of exceptionally low growth rate of own tax revenue receipts. Further, State's own tax revenue was more responsive to GSDP compared to revenue receipts of the state from 2011-12 and 2012-13 but the situation reversed from 2013-14 onwards. The state's own tax buoyancy stood lowest at 0.21 in 2015-16 indicating need to ensure better tax compliance.

1.3.1 State's Own Resources

As the State's share in Central taxes and grants-in-aid from GoI are determined on the basis of recommendations of the Central Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes etc., the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the components of non-tax receipts, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2011-12 to 2015-16 along with the respective all-India average are presented in **Appendix 1.5**.

The State's actual tax and non-tax receipts for the year 2015-16 *vis-à-vis* assessment made by FFC and MTFPS (February 2015) are presented in **Chart 1.7** and **Table 1.5** below:

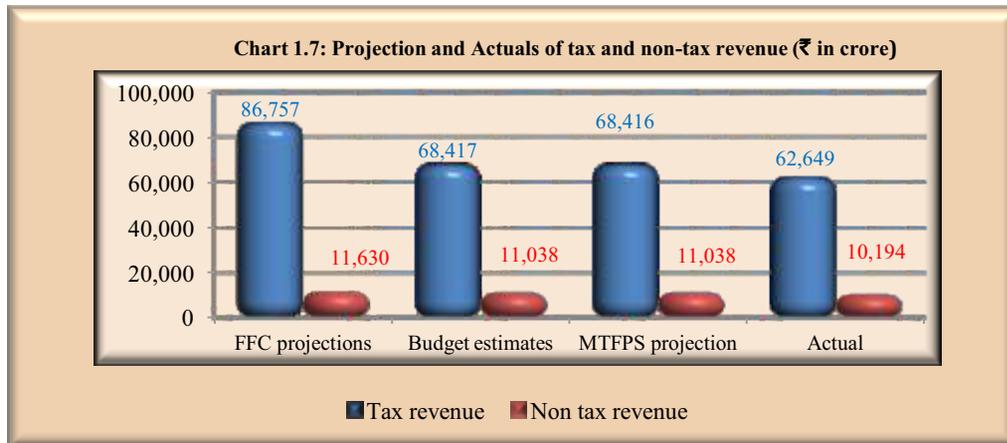
⁴ Figures differ from last year's report due to change in GSDP figures of 2011-12 to 2015-16

Table 1.5: Projections and Actuals of tax and non-tax revenues

(₹ in crore)

	FFC projections	Budget estimates	MTFPS projection	Actual
Tax revenue	86,757	68,417	68,417	62,649
Non tax revenue	11,630	11,038	11,038	10,194

Source: Finance Accounts of Gujarat State 2015-16 and Budget Publication No. 30 of GoG.



The tax revenue of the State in 2015-16 stood lower by a significant margin of ₹ 24,108 crore than the FFC projections of ₹ 86,757 crore. Also, it could not achieve the target of budget estimates or MTFPS projection. Actual non-tax revenue was also less than MTFPS projection, budget estimates as well as FFC projections.

1.3.1.1 Tax revenue

The main components of tax revenue raised in the State during 2011-12 to 2015-16 are given in **Table 1.6**.

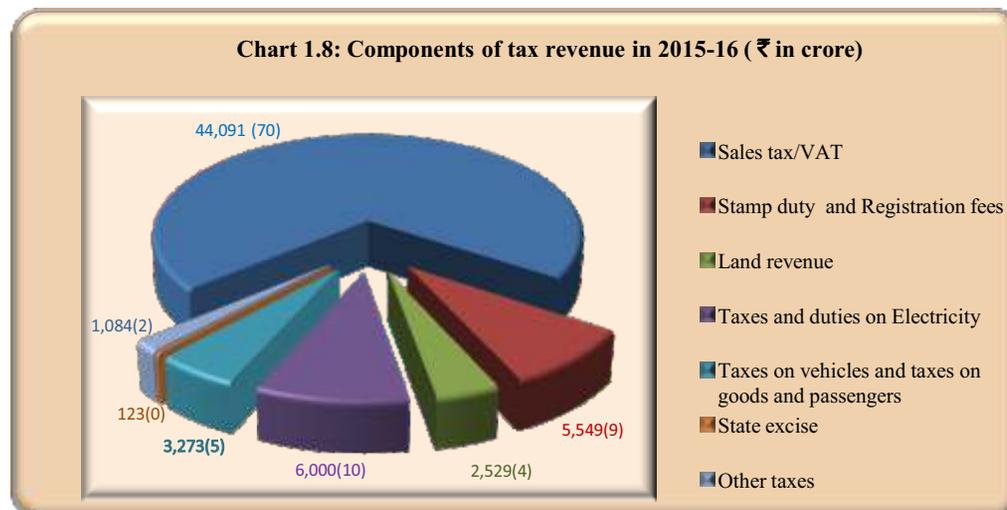
Table 1.6: Main components of State's tax revenue

(₹ in crore)

Revenue Head	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage increase over previous year
Sales tax/VAT	31,202.31	39,464.67	40,976.06	44,145.26	44,091.05	(-).12
Stamp duty and Registration fees	4,670.27	4,426.93	4,749.35	5,503.34	5,549.42	0.84
Land revenue	1,477.18	2,207.85	1,727.41	1,892.65	2,528.50	33.60
Taxes and duties on Electricity	3,654.56	4,406.60	4,692.77	5,877.65	5,999.66	2.08
Taxes on vehicles and taxes on goods and passengers	2,459.37	2,486.84	3,116.37	2,905.44	3,273.17	12.66
State excise	72.11	84.91	109.82	140.27	123.32	(-).12.08
Other taxes	716.49	818.89	1,000.59	875.20	1,084.29	23.89
Total	44,252.29	53,896.69	56,372.37	61,339.81	62,649.41	2.13

Source: Finance Accounts of the respective years

The components of tax revenue for the year 2015-16 are presented in **Chart 1.8**.



Figures in parenthesis indicate percentage share

The State's own tax revenue increased only by 2.13 *per cent* during 2015-16 over the previous year. Except Sales Tax/VAT and State Excise all the components of own tax revenue grew during 2015-16. During the period of 2011-12 to 2014-15 the growth rate of VAT receipts fluctuated widely but it registered negative growth for the first time in 2015-16.

Land revenue increased significantly by ₹ 636 crore registering 33.60 *per cent* increase during 2015-16 over the previous year. Taxes on vehicles and taxes on goods and passengers showed increase of ₹ 368 crore during the year and was 12.66 *per cent* more than previous year. The FFC projected the tax-GSDP ratio of 9.31 *per cent* for 2015-16. However, it actually stood lower at only 6.36 *per cent*.

The Finance Department (FD) attributed (December 2016) lower growth rate of VAT receipts to decrease in price of Petrol/Diesel, decrease in rate of tax credit deduction in interstate transactions, decrease in sales of bullion and jewellery and non-receipt of instalment of ₹ 677 crore Essar Oil Limited in the financial year 2015-16.

Thus, to achieve the target as projected by the FFC, the state government needs to take necessary and urgent steps to augment the tax revenue especially by better tax compliance.

1.3.1.2 Non-tax Revenue

The main components of non-tax revenue raised in the State during 2011-12 to 2015-16 are given in **Table 1.7**.

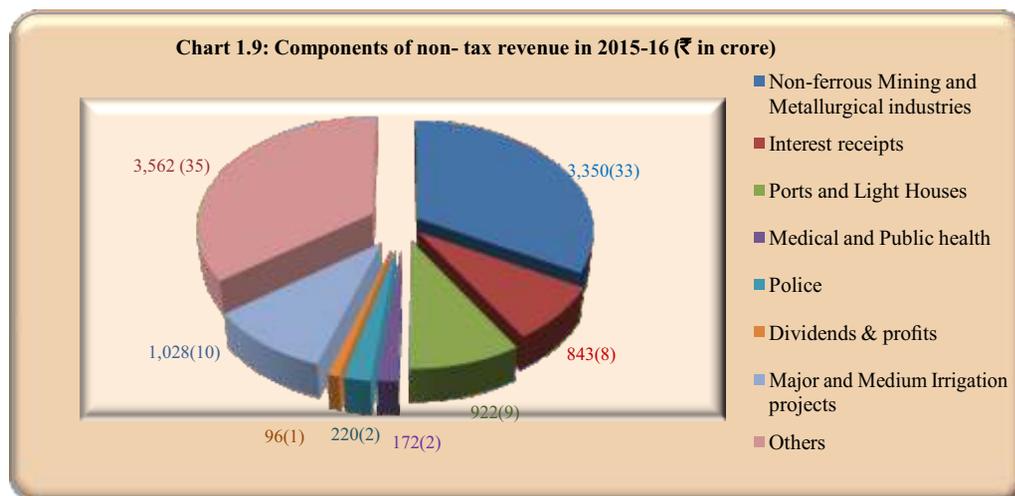
Table 1.7: Main components of State’s non-tax revenue

(₹ in crore)

Revenue Head	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage increase over previous year
Interest receipts	631.89	1,325.84	1,267.18	1,011.47	843.00	(-)16.66
Non-ferrous Mining and Metallurgical industries	1,819.64	1,847.16	1,578.34	4,285.85	3,350.19	(-)21.83
Major and Medium Irrigation projects	684.15	714.13	897.51	1,034.91	1,028.42	(-) 0.63
Ports and Light Houses	453.51	577.68	636.84	742.08	922.24	24.28
Medical and Public health	90.76	126.34	111.88	243.57	171.51	(-)29.58
Police	138.97	163.84	177.81	214.20	219.82	2.62
Dividends & profits	128.93	54.31	277.44	89.54	96.06	7.28
Others	1,328.67	1,207.69	2,071.31	1,920.99	3,562.27	85.44
Total	5,276.52	6,016.99	7,018.31	9,542.61	10,193.51	6.82

Source: Finance Accounts of the respective years

The components of non-tax revenue for the year 2015-16 are presented in **Chart 1.9** below.



Figures in parenthesis indicate percentage share

The non-tax revenue of the State during 2015-16 increased only by ₹ 651 crore (6.82 per cent) over the previous year due to negative growth in Non-ferrous Mining and Metallurgical Industries receipts. The interest receipts declined sharply by 17 per cent over the previous year mainly due to decrease in interest realised on investment of cash balances to ₹ 585 crore in 2015-16 from ₹ 637 crore in 2014-15. Due to negative growth of 22 per cent in 2015-16 over the previous year, the share of receipts from Non-ferrous mining and Metallurgical Industries in non-tax revenue significantly declined from 45 per cent in 2014-15 to 33 per cent in 2015-16.

The dividends and profits improved marginally by seven per cent during 2015-16 over the previous year. The Government received dividends mainly

from Gujarat Mineral Development Corporation Ltd. (₹ 70.60 crore), Gujarat State Petroleum Gas Company Ltd. (₹ 4.50 crore) and Gujarat State Financial Services Limited (₹ 8.63 crore). The receipts from major and medium irrigation projects during the period continuously increased from ₹ 684 crore in 2011-12 to ₹ 1,035 crore in 2014-15 and reduced to ₹ 1,028 crore in 2015-16.

As pointed out earlier in the **Chart 1.6**, the share of non-tax revenue in revenue receipt ranged between eight to eleven *per cent* during five years period from 2011-12 to 2015-16 indicating that non tax resources did not contribute a significant role in financing the state expenditure.

1.3.2 Central Tax transfers

The FFC had recommended the States' share of Central taxes to be increased to 42 *per cent* from 32 *per cent* as recommended by ThFC. FFC awarded 3.084 *per cent* of shareable taxes excluding service tax and 3.172 *per cent* of shareable service tax to Gujarat in its award period (2015-16 to 2019-20). The Central tax transfer stood at ₹ 15,691 crore in 2015-16 registering growth of 52.38 *per cent* over the previous year. Among all the constituents of revenue receipts, the growth of Central tax transfers was the highest due to increase in vertical allocation and higher share of Gujarat than that awarded by ThFC.

1.3.2.1 Comparison of devolution under ThFC and FFC

Tax devolution to the state of Gujarat in first year of FFC award i.e. 2015-16 against the last year of ThFC award i.e. 2014-15 increased to ₹ 15,691 crore in 2015-16 (16.10 *per cent* of revenue receipts) from ₹ 10,296 crore in 2014-15 (11.19 *per cent* of revenue receipts). Grants-in-aid from GoI which constituted 11.78 *per cent* of revenue receipts in 2014-15 reduced to 9.18 *per cent* in 2015-16.

Receipts under Finance Commissions

The funds received by the State Government under the recommendations of Finance Commissions were as follows in **Table 1.8**:

Table 1.8: Funds received by the State from the Finance Commission

Sl. No.	Transfers	Amount received		Net effect
		2014-15 (Last year of ThFC award period)	2015-16 (First year of FFC award period)	
1.	Local Bodies	744.68	1,536.31	(+)791.63
	Grants to PRIs	390.06	932.25	(+)542.19
	General performance grants to PRI	115.74	0.00	(-)115.74
	Grants to ULBs	217.64	604.06	(+)386.42
	General performance grants to ULBs	0.00	0.00	0.00
	Scheduled Area Grant	14.40	0.00	(-)14.40
	Scheduled Area Performance Grant	6.84	0.00	(-)6.84
2	Disaster Relief including capacity Building	463.75	528.75	(+)65.00
3	Improving Outcome grants	70.07	0.00	(-)70.07
4	Environment related grants	755.85	0.00	(-)755.85
5	Elementary education	115.00	0.00	(-)115.00
6	Roads and bridges	0.00	0.00	0.00
7	State Specific Grants	116.55	0.00	(-)116.55
8	Share of Union Taxes/Duties	10,296.35	15,690.43	(+)5,394.08
9	Other Grants from Central Government	8,533.11	6,884.16	(-)1,648.95
	Total	21,095.36	24,639.65	(+)3,544.29

Source: Finance Department of Government of Gujarat

The FFC has recommended devolution of funds under only three types of Grants-in-aid to states viz. Local Government, Disaster Management and Post-Devolution Revenue Deficit. The FFC has desisted from recommending specific purpose grants and has suggested a separate institutional arrangement for the purpose. As seen from the table above, the Grants-in-aid to the Local bodies has been increased twofold while there is a marginal increase in the GIA under Disaster Relief. Other GIA viz. State specific grants, environment related grants, Roads and Bridges etc. have not been recommended.

Fund of ₹ 24,639.65 crore has been received in the first year of the award of FFC which is an increase of ₹ 3,544.29 crore (16.80 *per cent*) over the last year of ThFC. The increase in devolution to States consequent to FFC recommendations is expected to be reflected in the States' expenditure programmes. The details of expenditure incurred during 2014-15 and 2015-16 are as shown in **Table 1.9**.

Table 1.9: Details of expenditure during 2014-15 and 2015-16

(₹ in crore)

	2014-15	2015-16
GSDP	8,95,202(Q)	9,84,971(A)
Section- A: As per type		
Revenue Expenditure	86,652 (9.68)	95,779 (9.72)
Capital Expenditure	24,158 (2.70)	24,169 (2.45)
Section – B : As per nature		
Development Expenditure	79,684 (8.90)	86,324 (8.76)
Non development Expenditure	31,476 (3.52)	34,299 (3.48)

Figures in parenthesis indicate percentage to GSDP

Source: Finance Accounts

(Q)Quick estimates of GSDP at current prices

(A)Advance estimate of GSDP at current prices

From the table above, it is observed that the revenue expenditure as percentage of GSDP, remained almost similar during the years 2014-15 and 2015-16. Though there was an increase of ₹ 6,640 crore (8.33 per cent) in monetary terms from 2014-15 to 2015-16 in development expenditure, there was a decrease in percentage terms from 8.90 per cent in 2014-15 to 8.76 per cent in 2015-16.

1.3.3 Grants-in-aid from Government of India

The components of grants-in-aid received from the GoI during 2011-12 to 2015-16 are given in Table 1.10.

Table 1.10: Main components of Grants-in-aid from GoI

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Plan Grants	1,467.13	1,230.30	2,079.21	2,668.94	2,179.28
Grants for State Plan Schemes	2,227.79	3,466.74	2,604.46	7,341.11	6,064.11
Grants for Central Plan Schemes	70.71	83.41	58.21	104.78	104.28
Grants for Centrally Sponsored Schemes	1,884.23	1,665.35	2,141.25	684.18	601.55
Total	5,649.86	6,445.80	6,883.13	10,799.01	8,949.22
Percentage of increase over previous year	27.52	14.09	6.78	56.89	(-)17.13
Total grants as a percentage of Revenue Receipts	8.97	8.57	8.61	11.74	9.18

Source: Finance Accounts of the respective years

The Grants-in-aid from GoI increased from ₹ 5,650 crore in 2011-12 to ₹ 10,799 crore in 2014-15. The high growth in receipts for State Plan Schemes in 2014-15 was due to changed classification of plan assistance to State Plan and its routing through Consolidated Fund of the State. In 2015-16,

the discontinuation of grants-in-aid by FFC except Post-Devolution revenue deficit, disaster relief and local bodies grants resulted in lower receipts than that of previous year.

1.3.4 Funds transferred by the Central Government to State Implementing Agencies

The Central Government had been transferring a sizeable quantum of funds directly to the State Implementing Agencies⁵ for the implementation of various schemes/programmes in the social and economic sector. As these funds were not routed through the State Budget/State Treasury System, the Annual Finance Accounts did not capture these fund flows and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them were not representing the whole picture.

The Government of India had decided that the plan assistance under all Centrally Sponsored Schemes (CSS) and block-grants would be classified as Central Assistance to State Plan. It was also decided to transfer the central assistance through the Consolidated Fund of the state in a phased manner from 2014-15 onwards.

1.3.5 Optimisation of the FFC grants

The recommendations of FFC for the award period 2015-16 include release of grants-in-aid to the State Governments. Consequently, Gujarat State had to receive two types of grants in conformity with the recommendations of the FFC.

The details of amounts awarded and received for the year 2015-16 are given below in **Table 1.11**

Table 1.11: Details of amounts awarded and received for the award period 2015-2016

(₹ in crore)				
Sl. No.	Transfers	Amount awarded	Amount received	Difference
1.	Local Bodies	1,547.16	1,536.31	10.85
	Grants to PRIs	932.25	932.25	0.00
	General performance grants to PRI	0.00	0.00	0.00
	Grants to ULBs	614.91	604.06	10.85
	General performance grants to ULBs	0.00	0.00	0.00
2	Disaster Relief including capacity Building	528.00	528.75	(-)0.75
	Total	2,075.16	2,065.06	10.10

Source: Finance Department of Government of Gujarat

As per the FFC award, during 2015-16, the State was entitled to receive ₹ 2,075.16 crore as grants-in-aid from GoI against which it had received ₹ 2,065.06 crore. On being pointed out (in case of general performance grants to ULBs) that there was a difference of ₹ 10.85 crore in amounts

⁵ See glossary

awarded and received, the Urban Development and Urban Housing Department intimated (June 2016) that due to incorrect reporting of ULBs as 167 instead of 170 the less grant was released from Government of India.

1.4 Capital Receipts

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

Table 1.12: Details of Capital Receipts

(₹ in crore)					
Sources of State's Receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Receipts (CR)	17,710	19,544	19,484	20,316	23,611
Miscellaneous Capital Receipts	10	0	0	241	0
Recovery of Loans and Advances	165	47	141	621	125
Public Debt Receipts	17,535	19,497	19,343	19,454	23,486
Rate of growth of debt capital receipts	5.11	11.19	(-0.79)	0.57	20.73
Rate of growth of non-debt capital receipts	(-53.21)	(-71.52)	200	340	(-79.87)
Rate of growth of GSDP	16.09	17.62	13.29	10.96	10.03
Rate of growth of CR (<i>per cent</i>)	3.83	10.36	(-0.30)	4.27	16.22

Source: Finance Accounts of the respective years

The capital receipts of the State increased from ₹ 17,710 crore in 2011-12 to ₹ 23,611 crore in 2015-16. The public debt receipts stood at almost 99.47 *per cent* of capital receipts. During 2015-16 the growth rate of capital receipt was 16.22 *per cent* mainly due to 21 *per cent* increase in debt capital receipts over the previous year. The trends in the Public Debt Receipts are given in **Table 1.13**.

Table 1.13: Public Debt Receipts

(₹ in crore)					
	2011-12	2012-13	2013-14	2014-15	2015-16
Market Borrowings	16,500	15,546	15,493	14,920	16,260
NSSF (National Small Saving Fund)	67	1,659	1,912	2,774	4,269
Loans from Other Financial Institutions	780	1,700	1,777	1,437	2,704
Total Internal Debt	17,347	18,905	19,182	19,131	23,233
Loans and Advances from GoI	188	592	161	323	253
Total Public Debt Receipts	17,535	19,497	19,343	19,454	23,486

Source: Finance Accounts of the respective years

During 2015-16, the internal debt receipt increased by ₹ 4,102 crore on account of increase in all constituents. The NSSF loans increased significantly by ₹ 1,495 crore in 2015-16 over the previous year. The total receipt of debt from internal sources increased continuously from 2011-12 to 2013-14 and after marginal decrease in 2014-15, again grew by 21 *per cent* during 2015-16.

The total public debt receipts also increased by 34 *per cent* from 2011-12 to 2015-16. In 2015-16 the loan and advances from GOI decreased by

22 per cent over 2014-15 on account of less receipts of loans for State Plan schemes.

1.5 Public Accounts Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use. The resources under various heads of Public Account Receipts are given in Table 1.14.

Table: 1.14: Public Accounts Receipts (Net)

	(₹ in crore)				
Resources under various heads	2011-12	2012-13	2013-14	2014-15	2015-16
Public Account Receipts					
a. Small Savings, Provident Fund etc.	558	589	507	502	478
b. Reserve Fund	680	488	84	5,568	(-)295
c. Deposits and Advances	1,358	1,844	2,242	3,107	2,476
d. Suspense and Miscellaneous	(-)57	656	(-)1,033	843	256
e. Remittances	(-)47	(-)69	181	59	281
Total	2,492	3,508	1,981	10,079	3,196

Source: Finance Accounts of the respective years

The net Public Account Receipts decreased from ₹ 10,079 crore in 2014-15 to ₹ 3,196 crore in 2015-16. During 2015-16, except Remittances, the receipts from other constituents decreased significantly over the previous year. In Reserve Fund, the decrease was mainly on account of Sinking Fund and Guarantee Redemption Fund. In Deposits and Advances, the decrease was on account of Deposits of Local Fund. In Suspense and Miscellaneous, the decrease was on account of Treasury cheques.

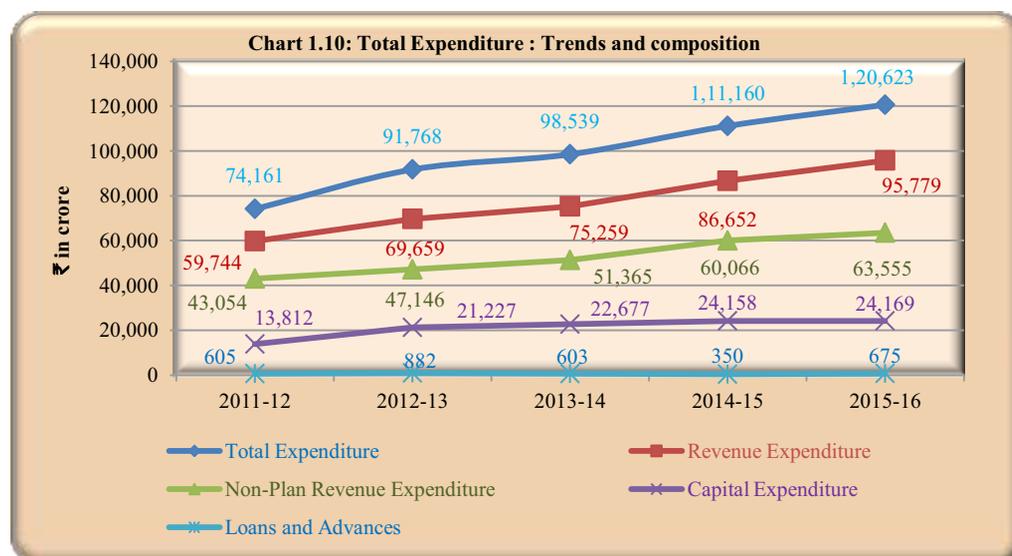
The net availability of funds under Small Savings, Provident Fund, Reserve Fund and Deposits and Advances are being consistently used in financing of fiscal deficit.

1.6 Application of Resources

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

1.6.1 Growth and Composition of Expenditure

Chart 1.10 presents the trends in total expenditure over a period of five years (2011-12 to 2015-16) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in Tables 1.15 and 1.16 respectively.



The total expenditure during 2015-16 increased by 8.51 per cent over the previous year, mainly due to 10.53 per cent increase in revenue expenditure. The revenue expenditure stood at 79 per cent of the total expenditure. The non-plan component was 66 per cent of revenue expenditure.

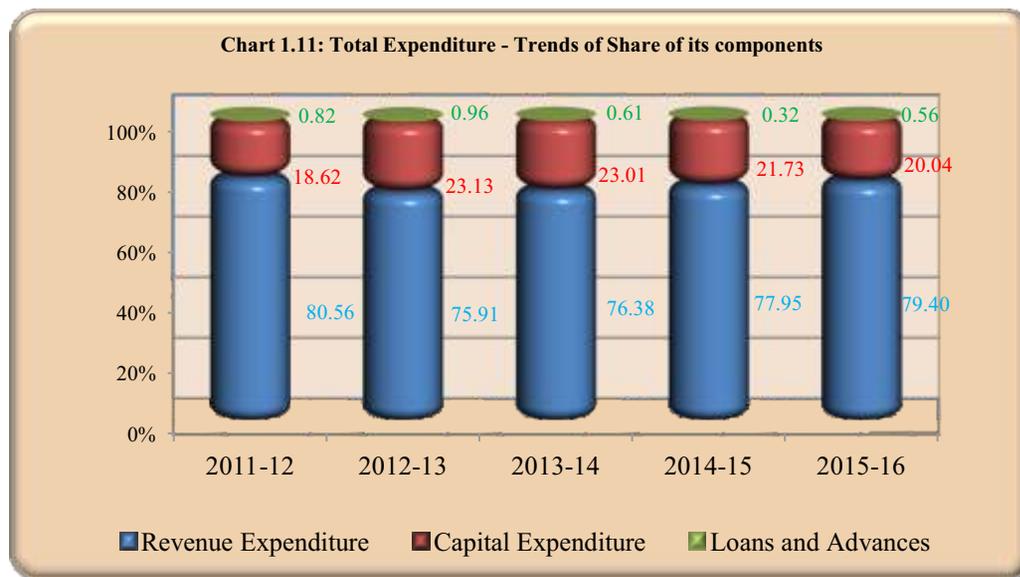
During 2015-16, the plan revenue expenditure grew at 21.21 per cent while the non-plan revenue expenditure grew at 5.81 per cent.

Table 1.15: Total Expenditure- Trends of Share of its components
(Figures in per cent)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Expenditure	80.56	75.91	76.38	77.95	79.40
Capital Expenditure	18.62	23.13	23.01	21.73	20.04
Loans and Advances	0.82	0.96	0.61	0.32	0.56

Source: Finance Accounts of the respective years

Chart 1.11 presents composition of total expenditure over a period of five years (2011-12 to 2015-16).



The share of revenue expenditure in total expenditure declined from 80.56 per cent in 2011-12 to 75.91 per cent in 2012-13 and continuously increased thereafter to 79.40 per cent in 2015-16.

Table: 1.16: Total Expenditure- Trends by activities

(Share in per cent)

	2011-12	2012-13	2013-14	2014-15	2015-16
General Services	29.72	27.07	28.05	27.79	27.93
Social Services	37.56	38.81	39.61	39.49	40.24
Economic Services	31.64	32.98	31.40	31.92	30.81
Loans and Advances	0.82	0.96	0.61	0.32	0.56
Grants-in-aid	0.26	0.18	0.33	0.48	0.46

Source: Finance Accounts of the respective years

The movement of relative share of these components exhibited relative stability during the period from 2011-12 to 2015-16 with marginal inter year variations. The share of Social services improved by 2.68 per cent in five year period and stood at 40.24 per cent. There was an increase in share of Social Services while it declined in General Services. The share of loans and advances indicated increasing trend from 2011-12 to 2012-13 and declined thereafter till 2014-15 but improved in 2015-16 by 24 basis points.

Chart 1.12 and **Chart 1.13** present components to total expenditure (in per cent) and activity wise allocation of total expenditure (in per cent) for the year 2015-16.

Chart 1.12: Components of Total expenditure (2015-16) (per cent)

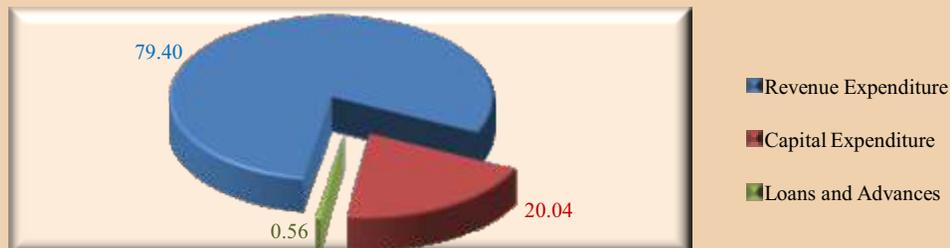
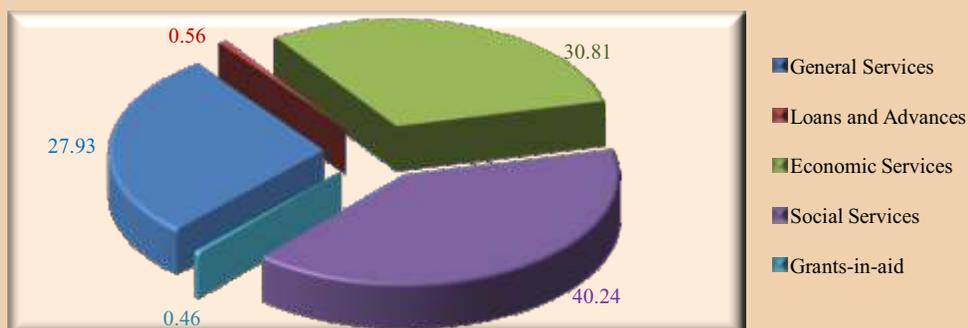


Chart 1.13: Activity wise allocation of Total expenditure (2015-16) (per cent)



1.6.2 Revenue Expenditure

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

Table 1.17: Trends of Revenue Expenditure relative to GSDP

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Receipts (RR) (₹ in crore)	62,959	75,229	79,976	91,978	97,483
Rate of growth of RR (per cent)	20.23	19.49	6.31	15.01	5.98
Revenue Expenditure (RE) (₹ in crore)	59,744	69,659	75,259	86,652	95,779
Rate of growth of RE (per cent)	4.01	16.60	8.04	15.14	10.53
RE/ GSDP Ratio (per cent)	9.87	9.78	9.33	9.68	9.72

Source: Finance Accounts of the respective years

Revenue expenditure continuously increased from ₹ 59,744 crore in 2011-12 to ₹ 95,779 crore in 2015-16. However, the growth rate fluctuated widely from 4.01 per cent in 2011-12 to 15.14 per cent in 2014-15. In 2015-16, it increased by 10.53 per cent over the previous year. The revenue expenditure grew at higher rate than that of revenue receipts from 2013-14 to 2015-16. The significant increase in gap of growth rates of revenue expenditure and revenue receipts resulted in lowering of revenue surplus in 2015-16. Revenue expenditure as a per cent of GSDP decreased from a high of 9.87 per cent in

2011-12 to lowest at 9.33 per cent in 2013-14 and increased to 9.72 per cent in 2015-16.

The increase in revenue expenditure during 2015-16 was mainly due to more expenditure on General Education (₹ 1,505 crore), Interest Payments (₹ 1,355 crore), Other Rural Development Programmes (₹ 1,192 crore) and Pension and Other Retirement Benefit (₹ 777 crore). Revenue expenditure during 2015-16 decreased for Power (₹ 895 crore), Road Transport (₹ 415 crore), Co-operation (₹ 374 crore) and Electricity (₹ 166 crore).

1.6.3 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.18** and **Chart 1.14** present the trends in the expenditure on these components during 2011-16.

Table 1.18: Components of Committed Expenditure (₹ in crore)

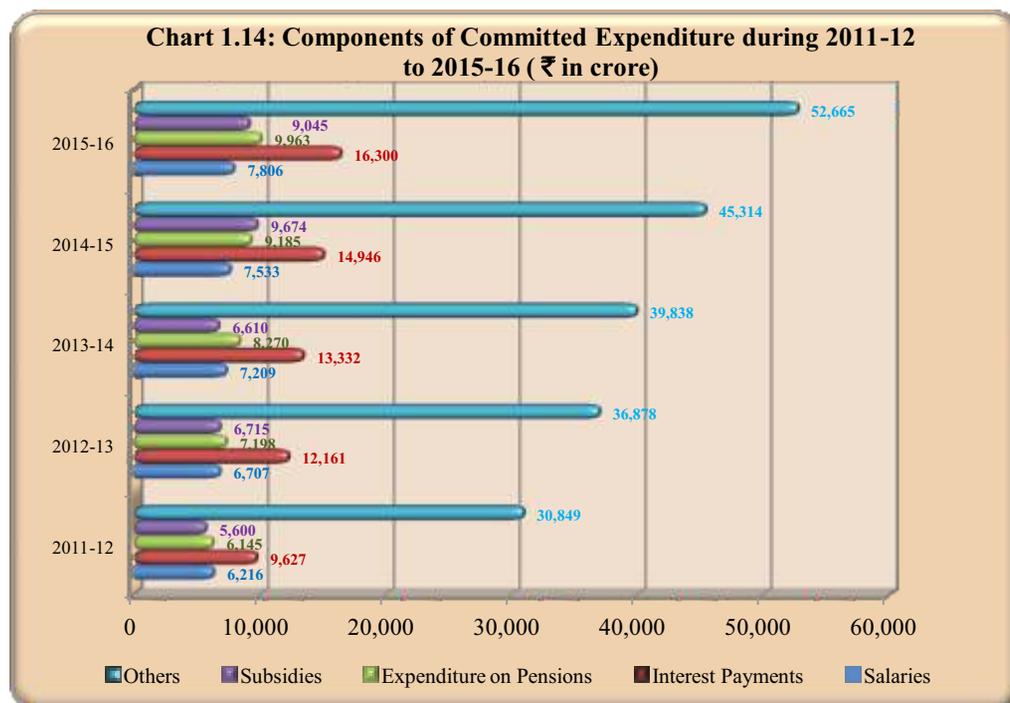
Components of Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	Actuals
Salaries, of which	6,216 (9.87)	6,707 (8.92)	7,209 (9.01)	7,533 (8.19)	8,177 (7.48)	7,806 (8.01)
Non-Plan Head	4,900	5,174	5,497	5,702	@	5,886 (6.03)
Plan Head*	1,316	1,533	1,712	1,831		1,920 (1.96)
Interest Payments	10,934 (17.37)	12,161 (16.17)	13,332 (16.67)	14,946 (16.25)	16,312 (14.92)	16,300 (16.72)
Expenditure on Pensions	6,145 (9.76)	7,198 (9.57)	8,270 (10.34)	9,185 (9.99)	8,533 (7.81)	9,963 (10.22)
Subsidies	5,600 (8.89)	6,715 (8.93)	6,610 (8.26)	9,674 (10.52)	5,129 (4.69)	9,045 (9.27)
Total expenditure on Salaries, Interest Payments, Pensions and Subsidies	28,895 (45.89)	32,781 (43.57)	35,421 (44.29)	41,338 (44.94)	38,151 (34.91)	43,114 (44.23)
Other components	30,849 (49.00)	36,878 (49.02)	39,838 (49.81)	45,314 (49.27)	63,836 (5.84)	52,665 (54.02)
Total Revenue Expenditure	59,744	69,659	75,259	86,652	1,01,987	95,779
Total Revenue Receipts	62,959	75,229	79,976	91,978	1,09,295	97,483

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

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

Figures in parenthesis indicate percentage of Revenue Receipts.

Source: Finance Accounts of the respective years



1.6.3.1 Expenditure on Salaries

In 2015-16, the expenditure on salaries increased by 3.62 per cent over the previous year. As a percentage of the revenue receipts, the expenditure on salaries decreased from 8.19 per cent in 2014-15 to 8.01 per cent in 2015-16.

1.6.3.2 Interest Payments

Interest payments increased steadily from ₹ 10,934 crore in 2011-12 to ₹ 16,300 crore in 2015-16. In percentage terms, it increased by 9.06 per cent over the previous year. The increase was mainly due to 15 per cent more payment of interest on market loans than that in the previous year. The share of interest payment on market borrowings and special securities issued to NSSF was 54 per cent and 29 per cent respectively. However, interest payments as a percentage of revenue receipts declined from 17.37 per cent to 16.72 per cent from 2011-12 to 2015-16 respectively.

1.6.3.3 Pension Payments

The actual expenditure on pension at ₹ 9,963 crore was 16.76 per cent higher than the budget estimates of the Government and it stood at 10 per cent of total revenue receipts of the State during the year. The estimated yearly pension liabilities were prepared on the basis of trend growth rates instead of actuarial basis. The expenditure on Pension during current year increased by ₹ 778 crore (8.47 per cent) over the previous year, mainly on account of increase in payment of superannuation and retirement allowances along with family pensions.

In its disclosure in compliance of Gujarat Fiscal Responsibility Act, 2005, the Government estimated the pension payment as percentage of Revenue Receipts to be 9.04 per cent, however, it stood higher at 10.22 per cent.

1.6.3.4 Migration to New Pension Scheme

The State Government has introduced the New Defined Contribution Pension Scheme (NPS) with effect from 1 April 2005. The State Government signed (January 2009) agreements with the NPS trust for the fund management of the Scheme and adopted (May 2009) the central architecture designed for this scheme. The Government contributed ₹ 315.77 crore as matching contribution in 2015-16 as compared to ₹ 249.66 crore in 2014-15. The funds kept in Public Account which were to be transferred to the Trustee stood at ₹ 16.08 crore at the end of the financial year 2015-16.

1.6.3.5 Expenditure on Subsidies

The expenditure on subsidies increased by 62 per cent from ₹ 5,600 crore in 2011-12 to ₹ 9,045 crore in 2015-16. The expenditure on subsidies decreased during the current year by 6.51 per cent over the previous year, however it stood much higher when compared to the Budget estimates for 2015-16. The subsidy in the Power Sector decreased to ₹ 4,452 crore in the current year compared to ₹ 5,347 crore in the previous year. The subsidy for the Power Sector against total subsidy was 49.22 per cent in the current year. For Agriculture and Allied Activities, the subsidy decreased from ₹ 945 crore in 2014-15 to ₹ 711 crore in 2015-16. The food and related subsidy during 2015-16 remained same as that of 2014-15 at ₹ 343 crore. Subsidy to GSRTC on account of uneconomic routes, student concessions etc. decreased from ₹ 714 crore in 2014-15 to ₹ 301 crore in 2015-16.

1.6.4 Financial Assistance by the State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.19**.

Table 1.19: Financial Assistance to Local Bodies etc.

	(₹ in crore)				
Financial Assistance to Institutions	2011-12	2012-13	2013-14	2014-15	2015-16
Panchayati Raj Institutions (PRIs)	13,087.87	14,464.38	17,295.00	17,503.96	22,085.57
Urban Local Bodies	3,619.49	3,100.74	2,914.06	8,289.19	8,479.84
Public Sector Undertakings	119.69	4.05	27.55	59.60	54.93
Autonomous Bodies	1,626.18	644.45	650.77	2,912.78	3,090.62
Others	9,489.01	12,910.99	15,273.20	11,198.62	10,337.45
Total	27,942.24	31,124.61	36,160.58	39,964.15	44,048.41
Assistance as percentage of Revenue Expenditure	46.77	44.68	48.05	46.12	45.99

Source: Finance Accounts of the respective years

Financial assistance to local bodies and other institutions continuously increased from ₹ 27,942 crore in 2011-12 to ₹ 44,048 crore in 2015-16 which included payment of grants-in-aid to Municipal

Corporations/Municipalities on account of abolition of octroi in November 2006. As a percentage of the revenue expenditure, it ranged from 44.68 *per cent* to 48.05 *per cent*.

1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, *viz.* adequacy of the expenditure, efficiency of expenditure use and its effectiveness.

1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels require the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.20** analyses the fiscal priority of the State with regard to development expenditure, social expenditure and capital expenditure during 2015-16.

Table 1.20: Fiscal priority of the State in 2012-13 and 2015-16

Fiscal Priority by the State	AE /GSDP	DE [#] /AE	SSE /AE	ESE /AE	CE /AE	Education /AE	Health /AE
General Category State's Average (Ratio) 2012-13	14.14	70.03	38.47	29.70	13.70	17.72	4.72
Gujarat's Average(Ratio) 2012-13	12.89	72.69	38.83	33.86	23.13	15.28	5.04
General Category State's Average (Ratio) 2015-16	16.05	70.63	36.29	34.34	14.89	15.63	4.45
Gujarat's Average (Ratio) 2015-16	12.25	71.57	40.36	31.21	20.04	15.96	5.91

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

[#] Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed

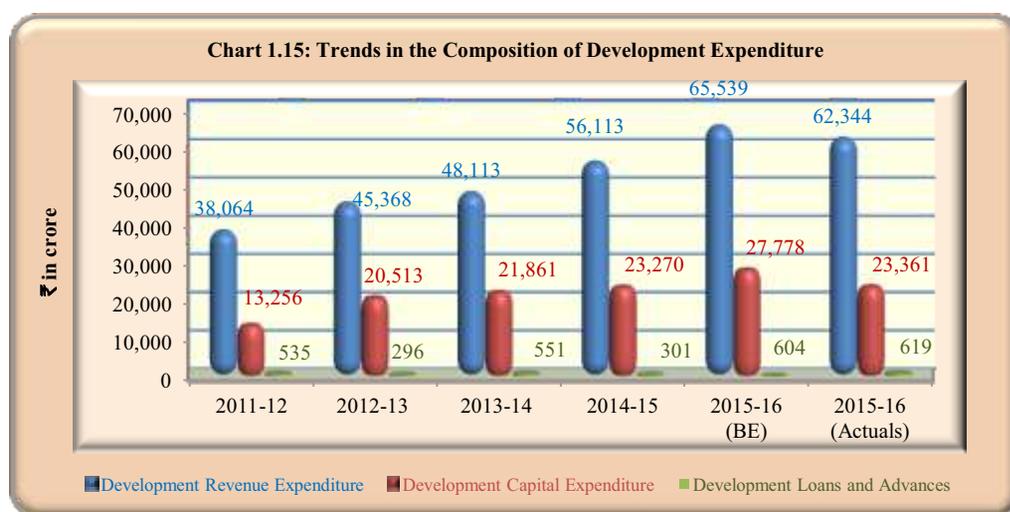
Table 1.20 indicates the following:

- 1) Gujarat spent a smaller proportion of its GSDP on aggregate expenditure in 2012-13 as well as in 2015-16 as compared to the General Category States (GCS). This clearly indicates that the State was spending less as a proportion of its GSDP as compared to GCS.
- 2) Development expenditure as a proportion of aggregate expenditure in Gujarat is higher than the GCS average during 2012-13 as well as in the current year. Developmental expenditure consists of both economic service expenditure and social sector expenditure. The expenditure on social sector as a proportion of aggregate expenditure in the State was higher than that of the GCS. The expenditure on economic sector as a proportion of aggregate expenditure in the State was higher in 2012-13 but lower in 2015-16 than that of GCS.

- 3) The ratio of Capital expenditure to aggregate expenditure indicates that the State Government adequately prioritised the capital expenditure in 2012-13 as well as in the current year as compared to GCS. However, CE as a percentage of AE was 23.13 *per cent* which declined to 20.04 *per cent* in the state.
- 4) Gujarat has spent less, as proportion of its aggregate expenditure on education sector as compared to other GCS in 2012-13 but improved marginally in 2015-16. Gujarat has given adequate priority to health sector in 2015-16 as compared to other GCS.

1.7.2 Efficiency of Expenditure

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁶. Apart from improving the allocation towards development expenditure⁷, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure on operation and maintenance of the existing social and economic services. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would be the quality of expenditure. **Chart 1.15** presents the trends in development expenditure relative to the aggregate expenditure *vis-à-vis* budget estimates during the current year i.e. 2015-16. **Table 1.21** provides the details of capital expenditure and the components of revenue expenditure under selected social and economic services.



Development expenditure of the State comprises revenue and capital expenditure including loans and advances on socio-economic services. The

⁶ See glossary

⁷ The aggregate expenditure data segregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the expenditure on social and economic services constitutes development expenditure, while expenditure on general services is treated as non-development expenditure.

development expenditure increased from ₹ 51,855 crore in 2011-12 to ₹ 86,324 crore in 2015-16. As a percentage of the total expenditure, the development expenditure of the State increased from 69.92 *per cent* in 2011-12 to 71.57 *per cent* in 2015-16. The capital expenditure component increased from ₹ 13,256 crore in 2011-12 to ₹ 23,361 crore in 2015-16. In the five year period from 2011-12 to 2015-16 the revenue expenditure on Socio-Economic services grew by 64 *per cent* while capital expenditure grew by 76 *per cent*. However, in 2015-16 the development revenue expenditure grew by 11 *per cent* but development capital expenditure grew only by 0.39 *per cent*. The disbursement of loans and advances for development purposes increased by 106 *per cent* in 2015-16 over the previous year.

Table 1.21: Efficiency of Expenditure under selected Social and Economic Services
(figures in *per cent*)

Social/Economic Infrastructure	2014-15		2015-16	
	Share of Capital Expenditure to Total Expenditure	In Revenue Expenditure, the share of Salaries	Share of Capital Expenditure to Total Expenditure	In Revenue Expenditure, the share of Salaries
Social Services (SS) (absolute figures- ₹ in crore)	7,186	-	6,417	-
Education	7.48	3.95	6.65	3.76
Health and Family Welfare	30.93	27.51	26.61	24.58
Water Supply, Sanitation, Housing and Urban Development	25.47	0.52	19.58	0.45
Total (SS)	16.37	6.79	13.18	6.13
Economic Services (ES) (absolute figures- ₹ in crore)	16,084	-	16,944	-
Agriculture & Allied Activities	15.98	12.71	17.98	12.11
Irrigation and Flood Control	88.06	26.36	89.24	27.55
Power & Energy	27.42	0.74	41.62	0.92
Transport	39.62	0.83	38.62	0.86
Total (ES)	45.33	5.36	45.02	5.09
Total (SS+ES)	29.31	6.30	27.06	5.79

Source: Finance Accounts of the respective years

Expenditure on Social Services

Capital expenditure on the Social Services decreased by 10.70 *per cent* in absolute terms from ₹ 7,186 crore in 2014-15 to ₹ 6,417 crore in 2015-16. The share of Capital expenditure to the total expenditure under Social Services decreased significantly from 16.37 *per cent* to 13.18 *per cent*.

In education, the capital expenditure decreased mainly due to less expenditure on projects related to elementary education. In Health and Family Welfare, the capital expenditure decreased mainly due to less expenditure on Primary and Community Health Centers. In Water Supply, Sanitation, Housing and Urban Development, the capital expenditure

decreased on account of lower expenditure on water supply and urban development compared to that of the previous year.

The share of salaries in revenue expenditure under Social Services decreased from 6.79 *per cent* in 2014-15 to 6.13 *per cent* in 2015-16.

Expenditure on Economic Services

Capital expenditure on Economic Services increased from ₹ 16,084 crore in 2014-15 to ₹ 16,944 crore in 2015-16, registering a growth of 5.35 *per cent*. The share of capital expenditure to total expenditure under Economic Services decreased from 45.33 *per cent* in 2014-15 to 45.02 *per cent* in 2015-16. In Agriculture and Allied activities, the capital expenditure during current year increased mainly due to increase in expenditure on Soil and Water Conservation. Capital expenditure on Irrigation and Flood Control increased mainly due to more expenditure on medium and minor irrigation projects. In power and energy, capital expenditure increased mainly due to higher investment in Gujarat Urja Vikas Nigam Limited and Sardar Sarovar Narmada Nigam.

The share of salaries in revenue expenditure under Economic Services decreased from 5.36 *per cent* to 5.09 *per cent*, mainly on account of decrease in the share of salaries under Agricultural and Allied activities (12.71 *per cent* to 12.11 *per cent*).

1.8 Financial Analysis of Government Expenditure and Investments

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

1.8.1 Financial Results of Irrigation Projects

At the end of March 2016, ₹ 2,346.79 crore was spent on 33 Major and Medium Irrigation Projects which were treated as completed. The revenue realized from these irrigation projects during the year was ₹ 234.49 crore, against which the maintenance expenditure was ₹ 136.25 crore, indicating a revenue surplus of ₹ 98.24 crore. When compared with the investment on these projects, the return was 4.19 *per cent*.

1.8.2 Incomplete projects

At the end of March 2016, there were 70 incomplete capital works involving ₹ 6,270 crore. The Department-wise details of incomplete works (each costing ₹ 10 crore or more) are given in **Table 1.22**.

Table 1.22: Department-wise Profile of Incomplete Works

Department	Number of incomplete works	Initial Budgeted Cost	Cumulative actual expenditure as on 31 March 2016
Road and Buildings	52	2,192	1,632
Narmada, Water Resources, Water Supply and Kalpsar	18	4,078	3,278
Total	70	6,270	4,910

(₹ in crore)

Source: Finance Accounts of the year 2015-16

It can be seen from the **Table 1.22** that Road and Buildings Department could incur expenditure to the extent of 74.45 *per cent* on the 52 incomplete projects when compared to the initial budgeted cost. In Narmada Water Resources, Water Supply and Kalpsar Department 18 projects remained incomplete incurring expenditure to the extent of 80.38 *per cent* of the initial budgeted cost.

In view of involvement of large financial cost, the Government should redirect its effort and resources to complete these incomplete projects so that intended benefit to users may be ensured.

1.8.3 Investment and returns

As of 31 March 2016, Government had invested ₹ 70,730 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies, Co-operative Institutions and Local Bodies (**Table 1.23**). The average return on the investments was 0.25 *per cent* in the last five years while the Government paid an average 7.67 *per cent* as interest on its borrowings during 2011-12 to 2015-16. Forty nine PSUs earned a net profit of ₹ 3,726 crore in financial year 2014-15. However, the State Government received only ₹ 96.06 crore as dividend from these PSUs in financial year 2015-16. In view of negligible return from PSUs, the State Government may consider formulation of a suitable dividend policy to be applicable to the State PSUs.

Continued use of borrowed funds to fund investments which do not have sufficient returns will lead to an unsustainable financial position. The Government may ensure proper justification for investment in high cost funds.

Table1.23: Return on Investment

Investment/Return/Cost of Borrowings	2011-12	2012-13	2013-14	2014-15	2015-16
Investment at the end of the year ⁸ (₹ in crore)	39,179	47,171	55,058	62,929	70,730
Return (₹ in crore)	128.93	54.31	277.44	89.54	96.06
Return (<i>per cent</i>)	0.33	0.12	0.50	0.14	0.14
Average rate of interest on Government borrowings (<i>per cent</i>)	7.63	7.66	7.62	7.76	7.69
Difference between average interest rate on Government borrowings and rate of return (<i>per cent</i>)	7.30	7.54	7.12	7.62	7.55

Source: Finance Accounts of the respective years

During the period of last five years, 2011-12 to 2015-16, the State Government's Investments had increased by ₹ 31,551 crore. During 2015-16, Government invested ₹ 387 crore in Statutory Corporations, ₹ 7,400 crore in Government Companies and ₹ 14 crore in Co-operative institutions etc. Out of ₹ 7,801 crore invested during 2015-16, 53 *per cent* (₹ 4,105 crore) was invested this year in the Sardar Sarovar Narmada Nigam Limited, a State -owned Company, which is executing the multi-purpose Narmada Project.

Investment in PPP projects

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

The status of Public Private Partnership (PPP) projects in infrastructure sector at various stages is presented in **Table 1.24**

**Table 1.24: Status of Public Private Partnership (PPP) projects in infrastructure sector
(As on 31 March, 2016)**

Sl. No.	Sector /Project Name	Projects completed		Projects under Implementation		Projects in Pipeline	
		No.	Estimated Cost	No.	Estimated Cost	No.	Estimated Cost
1	Road Sector	23	2,896.10	15	4,559	10	3,574.75
2	Urban Infrastructure	104	2,150.13	13	690.86	33	1,113.04
3	Water Sector	-	-	-	-	6	5,853
4	Power Sector	4	7,600	-	-	11	22,245
5	Ports	34	26,015	25	9,336	28	10,119
6	Logistic Parks	-	-	-	-	3	2,200
7	Aviation	-	-	-	-	6	2,500
8	IT & ITES Biotech	6	235	4	83	1	100
9	Railways	1	395	2	1,262	-	-
	Total	172	39,291.23	59	15,930.86	98	47,704.79

Source: Gujarat Industries Development Board

⁸ Includes all investments to Government companies, Statutory Corporations, Rural Banks, Joint Stock Companies, Co-operatives Institutions and Local Bodies

Table 1.24 shows that out of 329 PPP projects of ₹ 1,02,927 crore in infrastructure sector in Gujarat, 172 projects of ₹ 39,291 crore were completed at the end of 2015-16. The Ports sector involves maximum investment in completed projects and maximum number of projects under implementation while Urban Infrastructure sector has maximum number of completed projects and maximum number of projects in pipeline.

The FD stated (December 2016) that the motto behind the investment by government in statutory corporations and government companies was to achieve an overall development of the state and for upliftment of the society.

While acknowledging that investment by the Government is required for attaining socio-economic welfare, Audit intends to flag the aspect of poor returns from profit making PSUs.

1.8.4 Loans and Advances by State Government

In addition to investments in Co-operative institutions, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. **Table 1.25** presents the position of loans and advances and interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.25: Average Interest received on Loans and Advances given by the State Government

Quantum of Loans and Advances /Interest Receipts/ Cost of Borrowings	(₹ in crore)		
	2013-14	2014-15	2015-16
Opening Balance	6,585	7,048	6,777
Amount advanced during the year	603	350	675
Amount repaid during the year	141	621	125
Closing Balance	7,048	6,777	7,327
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	6,536	6,517	6,811
Net addition	463	(-)271	550
Interest Receipts	100	142	172
Interest receipts as percentage of outstanding Loans and Advances	1.42	2.10	2.35
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.28	7.39	7.37
Difference between interest receipts and interest payments (per cent)	(-)5.86	(-)5.29	(-)5.02

Source: Finance Accounts of the respective years

The total amount of outstanding loans and advances increased from ₹ 7,048 crore in 2013-14 to ₹ 7,327 crore in 2015-16. The loans advanced during the year increased by ₹ 325 crore over the previous year. Out of the loans advanced and disbursed during the year, ₹ 146 crore was under Social Services, ₹ 473 crore under Economic Services and ₹ 56 crore as personal advances to Government and local self-government employees. The 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 loan advanced for Economic Services went to road transport (54 per cent), power (30 per cent) and engineering industries (13 per cent).

1.8.5 Cash Balances and Investment of Cash Balances

Details of cash balances and investments made by the State Government during the year are shown in **Table 1.26**.

Table 1.26: Cash Balances and Investment of Cash Balances

(₹ in crore)

Cash Balances and Investment of Cash balances	Opening balance on 1/4/2015	Closing balance on 31/3/2016
(a) General Cash Balance -		
Cash in Treasuries	0.00	0.00
Deposits with Reserve Bank ⁹	(-)389.00	(-)598.63
Remittances in transit - Local	4.19	4.19
Investments held in Cash Balance investment account	12,401.93	8,945.52
Total (a)	12,017.12	8,351.08
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	25.02	(-)0.38
Permanent advances for contingent expenditure with departmental officers	0.27	0.27
Investment of earmarked funds	9,034.06	10,208.51
Total (b)	9,059.35	10,208.40
Grand total (a)+ (b)	21,076.47	18,559.48

Source: Finance Accounts of the respective years

Due to large surplus cash balance, during 2015-16, the State Government did not avail of any Ways and Means Advance from the RBI for maintenance of its minimum cash balance.

Outstanding balances under the head ‘Cheques and Bills’

The Major Head ‘8670 – Cheques and Bills’ is an intermediary account head for initial record of transactions which are to be cleared eventually. The outstanding balance under the Major Head ‘8670 – Cheques and Bills’ represents the amount of unencashed cheques. Cheques amounting to ₹ 3,321 crore remained unencashed as on 31 March, 2016.

Fresh borrowings despite availability of large cash balances

As per financial prudence, States with large cash balances, should direct their efforts towards utilising their existing cash balances before resorting to fresh borrowings. Further, States should consider utilising their surplus cash

⁹ The balance under the head ‘Deposits with Reserve Bank’ is arrived at after taking into account the Inter-Government monetary settlements pertaining to transactions of the Financial Year 2014-15 advised to the RBI till 15 April-2015.

balances for lump sum repayment of market borrowings raised during the period 2002-05, which would be due for repayment during the next few years. The Reserve Bank of India also reiterated the fact and advised the States to manage their cash balance more efficiently. The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹ 12,402 crore and ₹ 8,946 crore at the end of 2014-15 and 2015-16 respectively.

The persistence of large cash Surplus is a result of higher debt which increases the accompanying debt service burden along with lower return on investments. The high level of investment held in 'Cash Balance Investment Account' at the end of these financial years indicates that there is need for better cash management. In view of availability of resources under Public Accounts of the State, the Government could have curtailed the market borrowings to avoid interest burden for the coming years. The State Government should adopt the policy of need based borrowing and maintain minimum surplus cash balance.

1.9 Assets and Liabilities

1.9.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of the fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and the assets as on 31 March 2016 compared with the corresponding position on 31 March 2015. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

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

- (i) Special Securities issued to the National Small Savings Fund
- (ii) Loans and Advances from Central Government
- (iii) Market Loans
- (iv) Loans from Financial Institutions/Banks
- (v) Ways and Means Advances/Overdraft from RBI
- (vi) Small Savings, Provident Fund of Government Employees etc.
- (vii) Pension Liabilities
- (viii) Reserve Fund/Deposits & Provident Fund of other employees
- (ix) Other Liabilities.

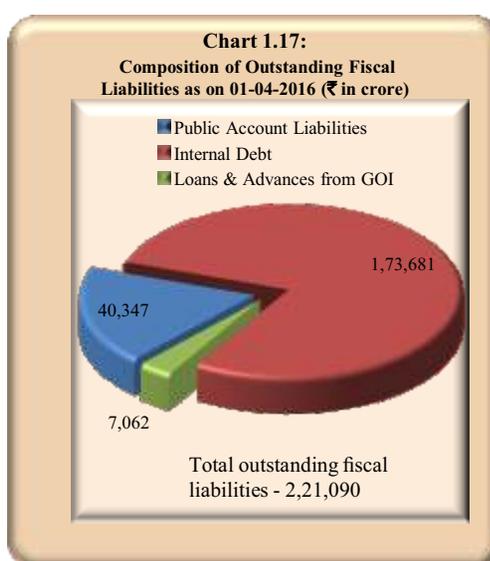
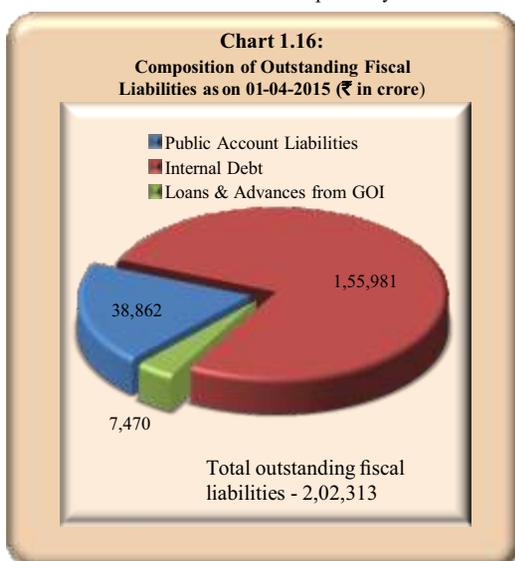
1.9.2 Fiscal Liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is as presented in the **Charts 1.16** and **1.17** below:

Table: 1.27: - Fiscal Liabilities – Basic Parameters

	2011-12	2012-13	2013-14	2014-15	2015-16
Fiscal Liabilities (₹ in crore)	1,50,785	1,66,667	1,83,057	2,02,313	2,21,090
Rate of Growth (<i>per cent</i>)	11.15	10.53	9.83	10.52	9.28
Ratio of Fiscal Liability to					
GSDP (<i>per cent</i>)	24.90	23.40	22.69	22.60	22.45
Revenue Receipts (<i>per cent</i>)	239	222	229	220	227
Own Resources (<i>per cent</i>)	304	278	289	285	304
Buoyancy of Fiscal Liabilities to					
GSDP (<i>Ratio</i>)	0.69	0.60	0.74	0.96	0.93
Revenue Receipts (<i>Ratio</i>)	0.55	0.54	1.56	0.70	1.55
Own Resources (<i>Ratio</i>)	0.56	0.50	1.69	0.89	3.35

Source: Finance Accounts of the respective years



Figures in parenthesis indicate percentage share

The outstanding fiscal liabilities have shown a steady increase over the years from ₹ 1,50,785 crore at the end of 2011-12 to ₹ 2,21,090 crore as at the end of 2015-16. The fiscal liabilities in the period from 2011-12 to 2015-16 increased by 47 *per cent* at annual average rate of 10.26 *per cent*. In 2015-16 the fiscal liabilities grew at 9.28 *per cent* against 10.52 *per cent* in 2014-15. The fiscal liabilities comprised internal debt of ₹ 1,73,681 crore (79 *per cent*), public account of ₹ 40,347 crore (18 *per cent*) and loans and advances from GoI of ₹ 7,062 crore (three *per cent*) as at the end of 2015-16. The internal debt comprised mainly of market loans (₹ 1,15,158 crore) and special securities issued to National Small Savings Fund (₹ 49,817 crore). The fiscal liabilities at the end of 2011-12 represented 239 *per cent* of the revenue receipts during the year 2011-12 which reduced to 220 *per cent* at the end of 2014-15 but again increased to 227 *per cent* at the end of 2015-16. The outstanding debt to GSDP ratio at 22.45 *per cent* in the current year was in line with the projected ratio of 25.91 *per cent* in the fiscal consolidation roadmap of FFC.

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

1.9.3 Transactions under Reserve fund

There were 15 Reserve Funds earmarked for specific purposes out of which five funds were inoperative. The total accumulated balance as on 31 March 2016 in these funds was ₹ 14,263.74 crore (₹ 14,260.87 crore in operational funds and ₹ 2.87 crore in non-operational funds). However, the investment out of these funds was only ₹ 10,208.17 crore.

1.9.4 Ujwal DISCOM Assurance Yojana (UDAY)

The Ujwal DISCOM Assurance Yojana (UDAY) was launched by the Government of India in November 2015 for operational and financial turnaround of State owned Power Distribution Companies (DISCOMs). The Scheme aims to reduce the interest burden, cost of power, power losses in Distribution sector and improve operational efficiency of DISCOMs.

An agreement between State Government, DISCOMs and Government of India has been envisaged under the scheme for stipulating the respective responsibilities for achieving operational and financial milestones described in the scheme after which State Governments shall take over 75 per cent of outstanding debt of DISCOMs as on 30 September 2015 over two years i.e. 50 per cent in 2015-16 and 25 per cent in 2016-17.

Gujarat Government has entered into a tripartite MOU with DISCOMs and Ministry of Power (GoI) in February 2016. Since all the four DISCOMs of Gujarat have already achieved financial turn-around, the Government of Gujarat has decided to participate in UDAY Scheme without the component of financial turn-around and financing of future losses and working capital. In view of this, no assistance has been provided by the Government of Gujarat to the state DISCOMs during 2015-16.

1.9.5 Contingent liabilities

Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of defaults by borrowers for whom the guarantees have been extended. As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years is given in **Table 1.28**.

Table 1.28: Guarantees given by the Government of Gujarat

Guarantees	2011-12	2012-13	2013-14	2014-15	2015-16
Ceiling limit on Government guarantees under Gujarat State Guarantees Act 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	10,387	10,525	11,175	11,235	11,333
Outstanding amount of guarantees	7,449	6,195	6,549	5,984	5,236
Percentage of outstanding amount of guarantees to total revenue receipts	11.83	8.23	8.19	6.51	5.37

Source: Finance Accounts of the respective years

The Gujarat Fiscal Responsibility Act, 2005 prescribed capping of outstanding guarantees within the limit (₹ 20,000 crore) as prescribed in the Gujarat State Guarantees Act, 1963. During the year, the State Government has not extended any guarantee to any institutions. Out of total outstanding guarantees of ₹ 5,236 crore, 31 per cent (₹ 1,625 crore) were towards Sardar Sarovar Narmada Nigam Limited and nearly 13 per cent (₹ 658 crore) were towards Gujarat Urja Vikas Nigam Limited. The outstanding guarantees (₹ 5,236 crore) accounted for 5.37 per cent of the revenue receipts (₹ 97,483 crore) of the State Government and were well within the limit prescribed under the Fiscal Responsibility Act. During the year, the Government paid ₹ 6.39 crore on account of invocation of guarantee given to National Co-operative Tobacco Growers Federation Limited.

The Gujarat State Guarantees Redemption Fund set up in February 2006 to take care of any contingent liabilities arising out of State Government Guarantees, had a balance of ₹ 623 crore at the end of 2015-16. During the year the Government did not contribute any amount towards the Guarantee Redemption Fund. However, the Government received ₹ 15 crore as guarantee fees against ₹ 21 crore received in the previous year.

1.10 Debt Management

Debt Sustainability

Debt sustainability implies State's ability to service the debt. Apart from the magnitude of debt of the State Government, it is important to analyse the various indicators that determine the debt sustainability¹⁰ of the State. The analysis of various debt sustainability indicators of the State for the period of five years beginning from 2011-12 is given by **Table 1.29**.

Table 1.29: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2011-12	2012-13	2013-14	2014-15	2015-16
Outstanding Debt (₹ in crore)	1,50,785	1,66,667	1,83,057	2,02,313	2,21,090
Rate of Growth of outstanding Debt	11.15	10.53	9.83	10.52	9.28
Rate of Growth of GSDP	16.09	17.62	13.29	10.96	10.03
Average interest rate of outstanding debt	7.63	7.66	7.62	7.76	7.69
Interest/Revenue Receipt (<i>per cent</i>)	17.37	16.17	16.67	16.25	16.72
Debt Repayment/Debt Receipts	0.68	0.70	0.71	0.70	0.73
Net Debt available to the State	3,921	3,722	3,058	4,310	2,477

Source: Finance Accounts of the respective years

Table 1.29 reveals that outstanding debt increased from ₹ 1,50,785 crore in 2011-12 to ₹ 2,21,090 crore in 2015-16. The outstanding debt at the end of year 2015-16 comprised of Internal debt (₹ 1,73,681 crore), Loans and advances from the Central Government (₹ 7,062 crore) and small savings, Provident Fund etc. (₹ 40,347 crore). The gap of GSDP growth rate and average interest rate has been going down and stood lowest in 2015-16. The

¹⁰ See Glossary, Appendix 4.1

net debt available after providing for the interest and repayment declined from ₹ 4,310 crore in 2014-15 to ₹ 2,477 crore in 2015-16. During the last five years, net debt available stood lowest in 2015-16.

Debt Maturity Profile

From the outstanding debt of ₹ 2,21,090 crore as at the close of 2015-16, ₹ 40,347 crore pertains to Other Liabilities. The maturity profile of the remaining Public Debt is shown in **Table 1.30**.

Table 1.30: Maturity profile of Public Debt

		(₹ in crore)	
Maturity Profile (in years)	Amount	Per cent	
0 – 1	6,592.94	3.65	
2 – 3	24,274.58	13.43	
4 – 5	28,190.39	15.60	
6 – 7	35,325.91	19.54	
8 and above	86,359.00	47.78	
Total	1,80,742.82	100.00	

Source: Finance Accounts 2015-16

The maturity profile of the Public debt indicates that the liability of the State to repay the debt during the periods 2019-21 and 2021-23 would be ₹ 28,190.39 crore and ₹ 35,325.91 crore respectively which may put a strain on the Government budget during that period. It is observed that ₹ 94,383.82 crore i.e. 52.22 *per cent* of the total Public debt is repayable within the next seven years.

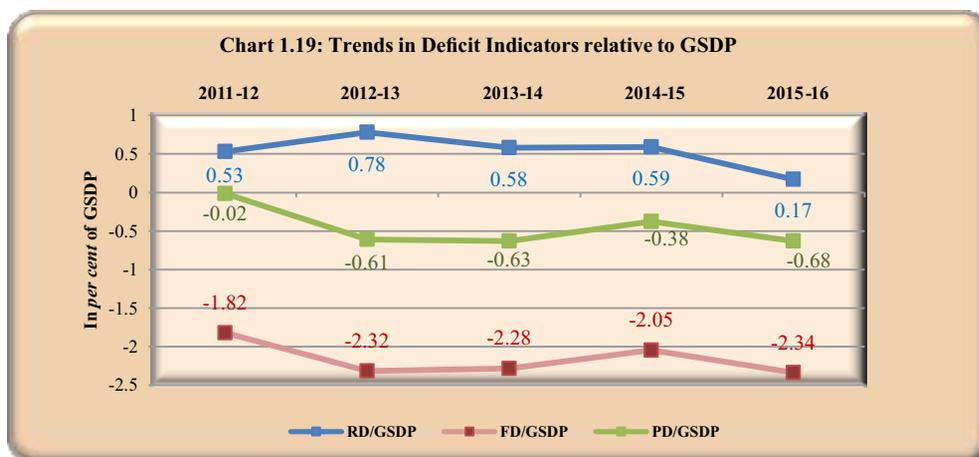
As per TwFC recommendations, the ratio of interest payments to revenue receipts should decline to 15 *per cent* by 2009-10. The interest payments on the total liabilities as a percentage of revenue receipts of the State for the period 2011-12 to 2015-16 ranged between 16.17 *per cent* and 17.37 *per cent* which was more than the recommended 15 *per cent*. In 2015-16, this percentage increased to 16.72 *per cent* due to higher growth rate of interest payment than that of revenue receipts.

1.11 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficits are financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* the targets set under the FRBM Act/Rules for the financial year 2015-16.

1.11.1 Trends in Deficits

Charts 1.18 and 1.19 present the trends in deficit indicators over the period 2011-12 to 2015-16.



The revenue surplus of ₹ 3,215 crore in 2011-12 reduced to revenue surplus of ₹ 1,704 crore in 2015-16. The decrease in the revenue surplus during the current year was on account of increase of only ₹ 5,505 crore (6 per cent) in revenue receipts against an increase of ₹ 9,127 crore (10.53 per cent) in revenue expenditure over the previous year.

The fiscal deficit increased from ₹ 11,027 crore in 2011-12 to ₹ 23,015 crore in 2015-16. The significant increase in fiscal deficit during current year was mainly on account of substantial decline in revenue surplus compared to the previous year. An increase of ₹ 4,695 crore in fiscal deficit together with an increase of ₹ 1,354 crore in interest payment resulted in increase in primary deficit from ₹ 3,374 crore in 2014-15 to ₹ 6,715 crore in 2015-16. The fiscal deficit (2.34 per cent) still remained within the targeted level of three per cent of GSDP as set under the Gujarat Fiscal Responsibility Act.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.31**.

Table 1.31: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
Particulars		2011-12	2012-13	2013-14	2014-15	2015-16
Decomposition of Fiscal Deficit		11,027	16,492	18,422	18,320	23,015
1	Revenue Deficit (-)/Surplus(+)	(+),3,215	(+), 5,570	(+),4,717	(+),5,326	(+),1,704
2	Net Capital Expenditure	13,802	21,227	22,677	23,917	24,169
3	Net Loans and Advances	440	835	462	(-)271	550
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	15,083	12,846	13,047	13,246	14,565
2	Loans from GOI	(-)932	(-) 150	(-)495	(-)337	(-)408
3	Special Securities issued to NSSF	(-)1,864	(-) 561	(-)353	475	1,501
4	Loans from Financial Institutions	(-)28	826	940	561	1,633
5	Small Savings, PF etc	558	589	507	502	478
6	Deposits and Advances	1,358	1,844	2,242	3,107	2,476
7	Suspense and Miscellaneous	(-)56	656	(-)1,033	843	256
8	Remittances	(-)47	(-) 69	181	59	281
9	Reserve Fund	680	488	84	5,568	(-)294
10	Contingency Fund	(-) 80	81	0	(-)14	10
Total		14,672	16,550	15,119	24,010	20,498
	Increase/Decrease (-) in Cash Balance	(+),3,645	(+), 58	(-),3,303	(+),5,690	(-),2,517

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

Table 1.31 reveals that during the last five years, market borrowings and net accretions in Small Savings, PF etc, Deposits and Advances along with Reserve Fund are main sources used by the State Government to finance the fiscal deficit. In 2015-16, the fiscal deficit of ₹ 23,015 crore was mainly met from net market borrowings of ₹ 14,565 crore. The contribution from NSSF loans and loans from financial institution improved significantly in current year as compared to the previous year. In view of availability of resources under Public Accounts of the State, this along with market borrowings resulted into large increase in Cash balance, after financing its deficit. In such situation, the Government could have curtailed the market borrowings to avoid interest burden for the coming years.

1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratios of revenue deficit to fiscal deficit indicate the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicate that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup. The bifurcation of the primary deficit (**Table 1.32**) would indicate the extent to which the deficit had been

on account of increase in capital expenditure which may have been desirable to improve the productive capacity of the State's economy.

Table 1.32: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)							
Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure ¹¹	Primary Revenue Deficit (-)/surplus (+)	Primary Deficit (-)/Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2011-12	63,134	48,810	13,812	605	63,227	(+)14,324	(-)93
2012-13	75,276	57,498	21,227	882	79,607	(+) 17,778	(-) 4,331
2013-14	80,117	61,927	22,677	603	85,207	(+)18,190	(-)5,090
2014-15	92,840	71,706	24,158	350	96,214	(+)21,134	(-)3,374
2015-16	97,608	79,479	24,169	675	1,04,323	(+)18,129	(-)6,715

Source: Finance Accounts of the respective years

During the period 2011-12 to 2015-16, primary expenditure increased by 65 per cent from ₹ 63,227 crore to ₹ 1,04,323 crore against the increase of non-debt receipt from ₹ 63,134 crore to ₹ 97,608 crore (55 per cent). During the period 2011-12 to 2015-16, the non-debt receipts did not cover the primary expenditure resulting in primary deficit in each year. In 2015-16, primary revenue expenditure and capital expenditure increased over the previous year. However, without commensurate increase in non-debt receipts vis-à-vis primary expenditure and increase in disbursement of loan and advances, there was increase in primary deficit from ₹ 3,374 crore to ₹ 6,715 crore.

1.12 Conclusion and Recommendations

The State achieved the target of reduction of revenue deficit to zero in 2011-12 as the State achieved a revenue surplus of ₹ 3,215 crore in that year. The revenue surplus stood at ₹ 1,704 crore in 2015-16 which was significantly lower than the projection in MTFPS of ₹ 7,308 crore. At the end of 2015-16, the fiscal deficit as percentage to GSDP was 2.34 per cent, which was within the limit of three per cent. The State's total outstanding debt as percentage of GSDP was 22.45 per cent in 2015-16 which was within the target of 25.91 per cent fixed by the FFC.

The revenue receipts of the State increased steadily from ₹ 62,959 crore in 2011-12 to ₹ 97,483 crore in 2015-16. The growth rate of revenue receipts fluctuated significantly during the period from 2011-12 to 2015-16 ranging between 20.23 per cent to 5.99 per cent. During 2015-16, revenue receipts grew only at 5.99 per cent despite higher tax transfer by the Central Government. State's own tax revenue was more responsive to GSDP compared to revenue receipts of the state from 2011-12 and 2012-13 but the situation reversed from 2013-14 onwards. The tax revenue of the State in

¹¹ Primary Expenditure is total expenditure except interest payments of the concerned year.

2015-16 could not achieve the target of budget estimates or MTFPS projection.

As per the FFC award, during 2015-16, the State was entitled to receive ₹ 2,075.16 crore as grants-in-aid from GoI against which it had received ₹ 2,065.06 crore due to incorrect reporting of ULBs.

The State Government may explore mobilising additional resources through tax and non-tax sources by ensuring better tax compliance and rationalising the user charges/fees respectively. The State Government may ensure compliance of conditions stipulated by the Finance Commission for receiving grants so that State does not suffer any financial losses on this account.

Revenue expenditure continuously increased from ₹ 59,744 crore in 2011-12 to ₹ 95,779 crore in 2015-16. However, the growth rate fluctuated widely from 4.01 per cent in 2011-12 to 15.14 per cent in 2014-15. In 2015-16, it increased by 10.53 per cent over the previous year. The revenue expenditure grew at higher rate than that of revenue receipts from 2013-14 to 2015-16. However, the Non Plan Revenue Expenditure (NPRE) has also shown consistent increase over the period from ₹ 43,054 crore in 2011-12 to ₹ 63,555 crore in 2015-16 and stood at 66.36 per cent of revenue expenditure. The expenditure on salaries, interest payments, pensions and subsidies increased from ₹ 28,895 crore in 2011-12 to ₹ 43,114 in 2015-16.

Whereas major chunk of the non-plan revenue expenditure is on salaries, pension and interest payments which is largely uncontrollable, the State Government may explore suitable measures for containing the other components of non-plan revenue expenditure so that revenue surplus could be maintained for allowing scope for assets creation and sustainable development of the State.

During 2015-16, Government invested ₹ 387 crore in Statutory Corporations, ₹ 7,400 crore in Government Companies and ₹ 14 crore in Co-operative institutions etc. The average return on the investments was 0.25 per cent in the last five years while the Government paid an average 7.67 per cent as interest on its borrowings during 2011-12 to 2015-16. Further, 49 PSUs earned a net profit of ₹ 3,726 crore in financial year 2014-15. However, the State Government received only ₹ 96.06 crore as dividend from these PSUs in financial year 2015-16.

The State Government may consider formulation of a dividend policy regarding payment of reasonable return from the profit earning PSUs on paid up share capital contributed by the State Government.

The investment held in 'Cash Balance Investment Account' by the State Government stood at ₹ 12,402 crore and ₹ 8,946 crore at the end of 2014-15 and 2015-16 respectively. The high level of investment held in 'Cash Balance Investment Account' at the end of these financial years indicates that there is need for better cash management.

The outstanding fiscal liabilities have shown a steady increase over the years, from ₹ 1,50,785 crore at the end of 2011-12 to ₹ 2,21,090 crore at the end of 2015-16, though it remained within the target of 25.91 *per cent* fixed by the FFC. In view of availability of resources under Public Accounts of the State, the Government could have curtailed the market borrowings to avoid interest burden for the coming years.

The State Government may consider need-based borrowings and utilise the existing cash balances before resorting to fresh borrowing.

2.1 Introduction

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

2.1.2 Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and 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.

2.1.3 As per the Gujarat Budget Manual, it is the responsibility of the Finance Department to prepare the annual statement of estimated receipts and expenditure and the supplementary estimates of expenditure for presentation to the Legislature. For the purpose of such preparation, the Finance Department shall obtain from the administrative department concerned the material on which to base the estimates. The heads of the departments, on the basis of material furnished by their subordinate officers, prepare the estimates for which they are concerned and forward to the appropriate administrative department of the Secretariat on prescribed dates. The Finance Department consolidates the estimates approved by Government. The exercise requires utmost foresight both in estimating revenue and anticipating expenditure. The estimation 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.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2015-16 against 108 grants/appropriations is as given in **Table 2.1**.

Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provisions
(₹ in crore)

Nature of expenditure		Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual Expenditure	Saving (-)/ Excess (+)	Amount of surrender	Amount surrendered on 31 st March	Per cent of savings surrendered by 31 st March
Voted	I Revenue	86,745.20	5,874.19	92,619.39	80,704.69	(-)11,914.70	9,879.22	25.40	99.74
	II Capital	29,257.38	410.00	29,667.38	24,379.66	(-)5,287.72	5,004.98	3.67	99.93
	III Loans and Advances	664.26	66.54	730.80	675.19	(-)55.61	46.16	0.00	100.00
Total Voted		1,16,666.84	6,350.73	1,23,017.57	1,05,759.54	(-)17,258.03	14,930.36	29.07	99.81
Charged	IV Revenue	16,485.12	336.87	16,821.99	16,442.79	(-)379.20	347.93	0.00	100.00
	V Capital	59.88	39.99	99.87	79.10	(-)20.77	4.32	0.00	100.00
	VI Public Debt- Repayment	5,927.50	0.00	5,927.50	6,194.26	(+)266.76	0.02	0.00	100.00
Total Charged		22,472.50	376.86	22,849.36	22,716.15	(-)133.21	352.27	0.00	0.00
Grand Total		1,39,139.34	6,727.59	1,45,866.93	1,28,475.69	(-)17,391.24	15,282.63	29.07	99.81

Source: Appropriation Accounts and Appropriation Act of the State Government

Overall savings of ₹ 17,391.24 crore were the result of savings of ₹ 17,690.33 crore in 92 grants and 21 appropriations under the Revenue Section and 52 grants and seven appropriations under the Capital Section offset by excess of ₹ 299.09 crore in one grant and two appropriations under the Revenue Section and one grant under the Capital Section.

It can be seen from the above table that against the original estimate of ₹ 1,39,139.34 crore, the actual expenditure incurred was of ₹ 1,28,475.69 crore.

2.3 Financial Accountability and Budget Management

2.3.1 Expenditure without Provision

Article 266 (3) of the Constitution of India prohibits withdrawal of money from the Consolidated Fund of the State unless relevant Appropriation Acts under Articles 204 and 205 of the Constitution of India are passed by the Legislature. As per Paragraph 125(5) of the Gujarat Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 1,608.24 crore was incurred during 2015-16 in 18 cases under nine grants without any provision in the original estimates/supplementary demand as detailed in **Appendix 2.1**.

2.3.1.1 Excess expenditure over provisions during 2015-16 requiring regularisation

Table 2.2 contains the summary of total excess over provision of funds in respect of four grants/appropriations amounting to ₹ 299.09 crore during 2015-16 requiring regularisation under Article 205 of the Constitution.

Table 2.2: Excess over provisions requiring regularisation during 2015-16

Sl. No.	Number and Title of Grants		Total grant	Expenditure	Excess
1	20	Repayment of debt pertaining to Finance Department and its servicing – Capital Charged	5,927.49	6,194.25	266.76
2	26	Forest – Revenue Charged	0.49	1.20	0.71
3	39	Medical and Public Health - Revenue Charged	1.76	1.85	0.09
4	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department – Revenue Voted	784.60	816.13	31.53
Total			6,714.34	7,013.43	299.09

Source : Appropriation Accounts of the State Government

Reasons for excess incurred in the grants/appropriations were not intimated in any of the above cases by the Departments.

In response to para 2.3.1.1, the FD stated (December 2016) that on receipt of the Report of Public Accounts Committee for regularisation of excess expenditure for the year 2015-16, the State Government will initiate action for its regularisation.

2.3.1.2 Excess expenditure relating to previous years not regularised

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to ₹ 4,612.55 crore for the years 2007-08 to 2014-15 was yet to be regularised, as detailed in **Appendix 2.2**.

2.3.2 Persistent Excesses

On test check of grant files, Audit observed that there was excess expenditure over provision of more than ₹ 10 crore consistently for the last three years in respect of six schemes under four different grants (**Appendix 2.3**) indicating that budgetary estimates were not reviewed properly as the provisions being insufficient. Some cases of excess expenditure under various schemes/purposes are discussed below:

- Against a provision of ₹ 4,734.50 crore towards superannuation and retirement allowances to primary panchayat teachers during the period 2013-16, ₹ 6,358.73 crore were expended by the Education Department resulting in excess of ₹ 1,624.23 crore. No reasons were attributed for the persistent excess.

- A sum of ₹ 2,198.54 crore was spent during 2013-16 against a provision of ₹ 1,898.40 crore for Family pension. The excess of ₹ 300.14 crore was attributed mainly to fluctuating nature and receipt of more family pension cases than anticipated.

2.3.3 Rush of expenditure

According to paragraph 109 of the Gujarat Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 22 Major Heads listed in **Table 2.3** in which expenditure exceeded ₹ 100 crore and more than 50 *per cent* expenditure was incurred either during the last quarter or during the last month of the financial year.

Table 2.3: Cases of Rush of Expenditure towards the end of the financial year 2015-16
(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of 2016		Expenditure during March 2016	
			Amount	Percentage of Total Expenditure	Amount	Percentage of Total Expenditure
1	2048	500.00	500.00	100.00	500.00	100.00
2	2215	411.87	224.33	54.47	199.31	48.39
3	2216	1,458.01	839.42	57.57	532.80	36.54
4	2236	2,643.63	1,328.36	50.25	880.13	33.29
5	2401	2,058.09	1,233.17	59.92	651.52	31.66
6	2425	291.67	159.46	54.67	116.80	40.05
7	2505	557.91	322.77	57.85	253.50	45.44
8	2852	823.21	434.34	52.76	256.09	31.11
9	3054	3,675.23	2,154.03	58.61	1,416.33	38.54
10	3604	558.16	284.05	50.89	263.87	47.27
11	4055	267.61	180.86	67.58	147.80	55.23
12	4216	445.77	248.94	55.85	90.67	20.34
13	4217	293.83	220.15	74.93	202.77	69.01
14	4225	318.36	159.44	50.08	95.38	29.96
15	4250	291.78	170.60	58.47	133.09	45.61
16	4700	3,917.77	2,150.83	54.90	1,550.72	39.58
17	4702	815.03	417.99	51.29	307.44	37.72
18	4856	100.00	100.00	100.00	100.00	100.00
19	5054	2,155.46	1,084.31	50.31	621.07	28.81
20	5055	358.95	299.12	83.33	299.12	83.33
21	6217	105.00	105.00	100.00	105.00	100.00
22	6801	143.12	143.12	100.00	143.12	100.00
Total		22,190.46	12,760.29	57.50	8,866.53	39.96

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

A test check of vouchers from monthly accounts of nine¹ Public Works Divisions and six offices² revealed that ₹ 176.09 crore were booked under 10 Major Heads³ in respect of advance payments of ₹ two crore and above made through Form 28 hand receipts during the month of March 2016 for Deposit Works. The details are in **Appendix 2.4**. The payments through hand receipts were made for testing and commissioning, construction of bridges, maintenance & repair, purchase of various equipment, IFMS project, GIS project etc. This shows that the offices were incurring huge expenditure through hand receipts at the end of the financial year.

2.3.4 Appropriation vis-à-vis Allocative Priorities

Audit of the Appropriation Accounts revealed that in 54 cases, savings exceeded ₹ 100 crore in each case or by more than 50 *per cent* of the total provision (**Appendix 2.5**). Summarised position of savings is indicated in **Table 2.4**.

Table 2.4: Summarised position of Savings

Sl. No.	Range of Saving	Number of Cases	Total Grant (₹ in crore)	Saving (₹ in crore)	Percentage
1	Up to ₹ 10 crore	16	18.97	12.80	67.47
2	More than ₹ 10 crore and up to ₹ 25 crore	2	29.84	24.81	83.14
3	More than ₹ 25 crore and up to ₹ 100 crore	1	105.00	80.00	76.19
4	Above ₹ 100 crore	35	1,18,428.96	16,176.25	13.66
Total		54	1,18,582.77	16,293.86	13.74

Source: Appropriation Accounts of the State Government

The departments that had major savings were Agriculture and Co-operation Department, Education Department, Energy and Petrochemicals Department, Finance Department, Health and Family Welfare Department and Narmada, Water resources, Water supply and Kalpsar Department. Reasons furnished by the departments for the major savings, as reported in the Appropriation Accounts are given below:

Agriculture and Co-operation Department

- Grant No. 2 (Agriculture) - Saving of ₹ 234.08 crore under major head '2401-AGR-43 Rashtriya krushi vikas yojana (100 *per cent* CSS) (Plan)' was due to non-release of funds by the Government of India.

¹ Watrak Project Canal Division; Drainage Division, Gandhinagar; Rajkot Irrigation Project Division; R&B Division, Valsad; Tapi (R&B) Division, Vyara; City R&B Division, Vadodara; Capital Project Division No.1, Gandhinagar; R&B Division No. 2, Surat; Project Construction Division 4, Rajkot;

² Director General & Chief Police Officer; Additional Director General of Police, Intelligence; Finance Department; Director of Employment & Training; Commissioner of Geology & Mining; Home Department

³ 2029; 2052; 2055; 2702; 2853; 4059; 4250; 4701; 5054; 8443

- Grant No. 2 (Agriculture) - Saving of ₹ 238.93 crore under major head '2401- National Mission For Sustainable Agriculture (Partially CSS) (Plan)' was due to less release of funds by the Government of India.
- Grant no 5 (Co-operation) - Saving of ₹ 195.16 crore under major head '2425-COP-34 Financial assistance to farmer for subvention of interest (Plan)' was due to receipt of fewer proposals by the Gujarat State Co-Operative Bank Limited.

Education Department

- Grant No. 9 (Education) – Saving of ₹ 227.93 crore under major head '4202 EDN-113 Sarva Shiksha Abhiyan (65-35 Centrally Sponsored Schemes) (Plan)' was due to non release of the grants by the Government of India under this scheme owing to change of funding pattern between Central and State from 100 *per cent* CSS to 65:35.

Energy and Petrochemical Department

- Grant No. 13 (Energy Projects) - Reasons for saving of entire budget provision of ₹ 2,906.75 crore under major head '2801 under two schemes viz. (i) Subsidy to Gujarat Urja Vikas Nigam Ltd. for Compensation in GERC Agricultural Tariff and (ii) Subsidy in Fuel Price and Power Purchase Adjustment Charges' have not been intimated.

Finance Department

- Grant No. 19 (Other Expenditure pertaining to Finance Department)- Savings of entire budget provision of ₹ 3,500 crore under major head '2075 -Liability on Account of increase in the rate of Dearness Allowance (DA)' was due to the decision of the Government to make provision for payment of dearness allowance for the respective departments under their various subheads.

Audit observed that large savings were mainly due to provision made by Finance Department for payment of DA in respect of other Departments. As per the paragraph 38 of the Gujarat Budget Manual, such provisions are required to be made by the respective Departments in their budget estimates.

The FD has stated (December 2016) that once the DA rates are actually notified and applied, the necessary payments are made from the relevant heads of account and final adjustment is made against this lump sum provision. The very nature of this exercise makes certain deviations from the budgetary estimates inevitable.

The reply is not acceptable as the provision in FD for DA in respect of other departments results in blockage of funds. The provision for DA is required to be made in the budget of respective departments only.

Health and Family Welfare Department

- Grant No. 39 (Medical and Public Health) – Under the major head ‘4210-Capital outlay on medical and public health’, savings of ₹ 49.69 crore out of ‘provision for various equipment and vehicles for hospitals’, savings of ₹ 93.00 crore out of ‘provision made for hospitals and dispensaries finance commission NABH/NABL’ and savings of ₹ 113.38 crore out of ‘provision made for Buildings’ were noticed due to cut imposed by finance department in revised estimates.

The persistent savings out of budgetary provisions were observed despite substantial requirement of funds in the healthcare infrastructure and manpower in Gujarat.

Narmada, Water Resources, Water Supply and Kalpsar Department

- Grant No. 65 (Narmada Development scheme) - Saving of ₹ 563.11 crore under major head ‘4700 IRG-1 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited (Plan)’ was due to the cut imposed by Finance Department.

2.3.5 Excess of provisions leading to persistent savings

In 11 cases during the last five years, there were persistent savings of more than ₹ 50 crore in each case. The details are given in **Table 2.5** below:

Table 2.5: List of grants indicating persistent savings during 2011-12 to 2015-16

(₹ in crore)

Sl. No.	No. and name of the grant	Amount of savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
Revenue- Voted						
1	19 – Other Expenditure pertaining to Finance Department	2,224.81	3,535.42	4,027.49	4,222.63	3,514.15
2	39 – Medical and Public Health	81.34	94.53	198.97	350.02	156.08
3	43 – Police	72.72	263.90	286.51	143.58	216.22
4	60 – Administration of Justice	160.50	175.16	315.72	136.68	295.66
5	71 – Rural Housing and Rural Development	116.08	191.81	460.29	1,102.04	255.68
6	78 – District Administration	95.58	67.53	162.60	90.93	76.27
7	79 – Relief on account of Natural Calamities	351.90	361.27	160.80	546.52	195.81
8	95 – Scheduled Castes Sub-Plan	50.72	143.72	286.06	481.91	367.76
9	96 – Tribal Area Sub-Plan	60.14	311.25	617.92	1,346.99	767.40
Capital- Voted						
1	84 – Non-Residential Buildings	501.70	294.39	677.53	706.08	544.60
2	95 – Special Component Plan for Scheduled Castes	266.60	153.07	108.36	232.46	264.95

Source: Appropriation Accounts of the State Government

Persistent savings during the last five years indicate a need to review the formulation of budget estimates and provisions in these grants. On test check

of grant files, Audit further observed that there were savings of more than ₹ 25 crore consistently for the last three years in respect of 31 schemes under 18 grants (**Appendix 2.6**) indicating that either the provisions were excessive or the executive was not successful in implementing the legislative aspirations. Some cases of the savings under different schemes/purposes are briefly discussed below:

- Under the provision for ‘Rashtriya krushi vikas yojana’ under Agriculture and Co-operation Department, against provision of ₹ 1,589.55 crore in the years 2013-14 to 2015-16, only ₹ 944.07 crore could be spent. The Department attributed the reasons for savings to non-release/ less release of funds by GoI.
- Under the provision for ‘Loans to be raised’ under Finance Department, against a provision of ₹ 12,752.68 crore in the years 2013-14 to 2015-16, only ₹ 11,185.10 crore could be spent. The Department attributed the reasons for savings to the unpredictable nature of rate of interest on market loans during 2015-16, re-appropriation of composite provision to newly opened subheads for new loans in accordance with the requirement during 2014-15 and did not attribute any reasons for savings during 2013-14.
- Under the provision for ‘Expenditure for Project work of GICCL’ under Industries and Mines Department, against provision of ₹ 866.44 crore in the years 2013-14 to 2015-16, no expenditure was incurred. The Department attributed the reasons for savings to non-finalization of the project.

2.3.6 Supplementary provision

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

Unnecessary supplementary provision

Supplementary provisions (₹ five crore or more in each case) aggregating to ₹ 1,976.49 crore were made and obtained in 10 cases during the year on the basis of eight months actual expenditure, which proved unnecessary. The expenditure incurred did not come up even to the levels of the original provision as detailed in **Appendix 2.7**. Some cases are briefly discussed below:

- Under Energy and Petro-chemicals Department, supplementary provision of ₹ 1,174.94 crore under Grant No-13–Energy Projects (Revenue Voted) was made. However, at the end of the year, the expenditure fell short of the original provision of ₹ 4,747.62 crore by ₹ 308.79 crore.
- Under Social Justice and Empowerment Department, supplementary provision of ₹ 127.14 crore under Grant No-96 – Tribal Area Sub Plan (Revenue Voted) was made. However, at the end of the year, there were savings of ₹ 640.26 crore from the original provision of ₹ 5,950.65 crore.

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

2.3.7 Insufficient/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation of funds proved injudicious in many cases in view of final excesses and savings over the grants. Instances of re-appropriation in each case proving excessive or insufficient by more than ₹ five crore are detailed in **Appendix 2.8**.

2.3.8 Surrender of unspent provisions

As per Paragraph 103 of the Gujarat Budget Manual, spending Departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Sums surrendered by Administrative Departments after 15th of March are not to be accepted except in the case of Supplementary grants obtained after 15th March.

2.3.8.1 Substantial surrenders

Substantial surrenders (more than 50 *per cent* of the total provision or more than ₹ one crore) were made in respect of 899 sub-heads under 95 grants, mainly on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 53,041.05 crore in these sub-heads, ₹ 15,114.51 crore (28.50 *per cent*) were surrendered, which included cent *per cent* surrender in 254 cases (₹ 5,107.86 crore). The details of top 15 cases, having cent *per cent* surrenders, are given in **Appendix 2.9**.

2.3.8.2 Surrender in excess of actual savings

In 27 cases, the amounts surrendered (₹ two crore or more in each case) were in excess of the actual savings, indicating inadequate budgetary control in these Departments. As against savings of ₹ 2,288.79 crore, the amount surrendered was ₹ 2,574.47 crore resulting in excess surrender of ₹ 285.68 crore. Details are given in **Appendix 2.10**. Some cases are briefly discussed below:

- In Grant No. 22 (Revenue-Voted), ₹ 50.75 crore were surrendered. However, savings of ₹ 1.48 crore only were effected resulting in excess surrender of ₹ 49.27 crore.
- In Grant No 40 (Revenue-Voted), ₹ 60.72 crore were surrendered. However, savings of ₹ 7.04 crore only were effected resulting in excess surrender of ₹ 53.68 crore.

- In Grant No 66 (Revenue-Voted), ₹ 178.29 crore were surrendered. However, savings of ₹ 159.92 crore only were effected resulting in excess surrender of ₹ 18.37 crore.
- In Grant No 96 (Capital-Voted), ₹ 634.69 crore were surrendered. However, savings of ₹ 501.00 crore only were effected resulting in excess surrender of ₹ 133.69 crore.

2.3.8.3 Savings not surrendered/partly surrendered

At the close of the year 2015-16, there were six grants/appropriations under which savings exceeded 10 *per cent* of the total provision but the same had not been surrendered by the concerned Departments. The total amount involved in these cases was ₹ 19.07 crore as shown in **Table 2.6**.

Table 2.6: Grants/Appropriations in which savings occurred but were not surrendered (More than 10 *per cent* of total provision)

(₹ in crore)					
Sl. No.	Grant No.	Name of Grant/Appropriation	Total provision	Saving	Percentage
1	4	Animal Husbandry and Dairy Development- Revenue Charged	1.02	0.35	34.31
2	36	State legislature- Revenue Charged	0.32	0.04	12.50
3	37	Loans and Advances to Government Servants in Gujarat Legislature Secretariat –Capital Voted	0.34	0.16	47.06
4	38	Health and Family Welfare Department- Revenue Voted	10.33	2.34	22.66
5	66	Irrigation and Soil Conservation- Capital Charged	85.00	15.86	18.65
6	84	Non Residential Buildings- Revenue Charged	2.09	0.32	15.18
TOTAL			99.10	19.07	19.24

Source: Appropriation Accounts of the State Government

In 25 grants/appropriations there were savings of more than ₹ five crore of which more than 10 *per cent* of the savings were not surrendered. In these grants/appropriations total savings of ₹ 4,378.11 crore were noticed, however, only ₹ 1,555.10 crore were surrendered leaving ₹ 2,823.01 crore un-surrendered as shown in **Appendix 2.11**.

2.4 Review of Budget Control Mechanism

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

With a view to ascertain how far the authorities were adhering to these instructions, Audit test checked records of the administrative department/

controlling officers relating to Grant No. 26 (Forest) and Grant No. 46 (Other expenditure pertaining to Home department). The observations thereof are as follows:

2.4.1 Review of Grant-26 Forest

According to Article 246 of the Constitution of India read with VIIth Schedule referred to therein, the subject “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 2013-16 is shown in **Table 2.7**.

Table 2.7: Budget and Expenditure

Year	Voted/ Charged	Budget Provision			Expenditure	Excess (+) Savings (-) (per cent)
		Original	Supplementary	Total		
Revenue						
2013-14	Voted	331.56	0.00	331.56	308.58	-22.98(-6.93)
2014-15	Voted	345.56	0.00	345.56	321.63	-23.93(-6.92)
2015-16	Voted	393.77	0.00	393.77	334.28	-59.49(-15.11)
2013-14	Charged	0.16	0.08	0.24	0.49	+0.25(104.17)
2014-15	Charged	0.17	122.23	122.40	122.01	-0.39(-0.32)
2015-16	Charged	0.19	0.30	0.49	1.20	+0.71(144.90)
Capital						
2013-14	Voted	297.55	4.33	301.88	403.06	+101.18 (33.52)
2014-15	Voted	340.29	0.00	340.29	425.12	+84.83 (24.93)
2015-16	Voted	387.75	0.00	387.75	365.24	-22.51 (-5.81)

Source: Appropriation Accounts of the State Government

The savings under Revenue Voted has increased from approximately seven *per cent* in 2013-14 and 2014-15 to approximately 15 *per cent* in 2015-16.

On this being pointed out, the department attributed the same to non utilisation of budget due to vacant posts, deduction in budget provision by Finance Department, less sanction from GoI in respect of CSS etc.

In case of Capital (voted) the excess expenditure of 33.52 *per cent* during 2013-14 decreased to 24.93 *per cent* during 2014-15 and turned into savings of 5.81 *per cent* during 2015-16.

In this regard, the department stated that the excess expenditure during 2013-14 and 2014-15 was due to good progress of work. Savings during

2015-16 were due to posts remaining vacant and less sanction from GoI in respect of CSS.

Rush of Expenditure

According to paragraph 109 of the Gujarat Budget Manual, rush of expenditure in the closing month of the financial year should be avoided.

However, it was noticed that this was not followed by the department. The cases where the total expenditure during the year was more than ₹ one crore and percentage of expenditure was more than 50 per cent during the last quarter of 2015-16 are as detailed in **Table 2.8**.

Table 2.8: Rush of Expenditure in year 2015-16

(₹ in crore)

Head of Account	Total Expenditure during the year	Expenditure during last quarter		Expenditure during March		
		Amount	Per cent	Amount	Per cent	
2406 : 02 : 110 : 23	Gujarat Biodiversity Board	5.00	2.75	55.00	2.17	43.40
2406 : 02 : 110 : 22	FST-16 Integrated Development of Wildlife Habitats	6.73	5.07	75.33	3.85	57.21
2406 : 02 : 800 : 01	FST-26 Grant-in-Aid to Gujarat Ecological Education and Research Foundation	8.20	4.52	55.12	2.13	25.98
4406 : 01 : 070 : 01	FST-3 Communications (Roads and Buildings)	12.09	9.31	77.01	6.66	55.09
4406 : 01 : 101 : 16	FST-28- Compensatory Afforestation against Regularisation of Unauthorised cultivation	10.08	7.95	78.87	7.37	73.12
4406 : 01 : 101 : 18	FST-42 Integrated Forest Protection Scheme	3.26	2.43	74.54	1.65	50.61
4406 : 01 : 101 : 24	FST-44 Grass Development Project	42.98	27.73	64.52	15.45	35.95
4406 : 02 : 110 : 06	Asiatic Lion Landscape Management	3.99	2.25	56.39	1.48	37.09
4406 : 02 : 110 : 08	Management of Great Indian Bustard Landscape in Gujarat	1.00	1.00	100.00	0.27	27.00
4406 : 01 : 101 : 32	Bamboo Mission	7.04	3.97	56.39	3.47	49.29

Source: Appropriation Accounts of the State Government and information furnished by Environment and Forest department

Rush of expenditure in the last quarter of the financial year is not a prudent fiscal management practice and is against the provision of Manual for control of expenditure.

Blocking of funds

As per Paragraph 103 of the Gujarat Budget Manual, spending departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated.

Gujarat Ecological Education and Research (GEER) Foundation is the institution meant for Environmental Education and Research across Gujarat.

Administrative approval was given for ₹ 1.65 crore Grant-in-Aid to GEER Foundation for existing budget items and new budget items to be implemented by GEER Foundation. It was noticed that ₹ 0.45 crore were surrendered to Government on 15 March 2016 as technical or scientific expert posts could not be filled due to non finalisation of recruitment rules. The remaining ₹ 1.20 crore were meant for construction of cages, enclosures for animals, store rooms, installation of CCTV cameras etc. for which tender process was not initiated (July 2016).

Parking of Funds

To avoid lapse of grants at the end of the financial year, the Forest and Environment Department parked funds through Gujarat State Lions Conservation Society (GSLCS) and Gujarat Research Forestry Foundation (GRFF) in Gujarat State Financial Services (GSFS) during the year 2008-09 to 2015-16. Funds for the duration of 2008-09 to 2015-16 amounting ₹ 13.64 crore remained parked till date (March 2016) as mentioned in **Table 2.9**.

Table 2.9: Statement showing details of Parking of funds

(₹ in crore)

Sl. No.	Grant Year	Scheme name	Parked Amount	Amount still parked as on date (March 2016)	Remarks
1	2008-09	Management and Development of National Park and Sanctuary-Modern Technology for conservation of Asiatic Lion	4.40	3.90	Amount still parked with GSFS but interest earned on the amount credited to Government account.
2	2013-14	Training Orientation and Publicity	0.37	0.29	Balance and interest thereon is still with GSFS.
3	2009-10	Integrated Forest Protection 12th Finance Commission (Purchase of Boat)	0.57	0.10	Balance and interest thereon is still with GSFS. The boat was purchased in 2012-13 for ₹ 0.47 crore and balance not yet refunded to Government
4	2010-11	13th Finance commission Working Plan	0.51	0.05	Balance still with GSFS
5	2012-13	Long term conservation of Asiatic Lion under 13th Finance Commission	4.84	4.84	Balance still with GSFS

Sl. No.	Grant Year	Scheme name	Parked Amount	Amount still parked as on date (March 2016)	Remarks
6	2013-14	Long term conservation of Asiatic Lion under 13th Finance Commission	1.25	1.25	Balance still with GSFS. Entire amount for GPS based tracking, automated censor grid shown as expended in UC submitted to GoI but no purchase has been done.
7	2015-16	Management and Development of National Park and Sanctuary-Fencing work at Surendranagar-Pipavav Railway line	2.87	2.87	Balance still with GSFS
8	2015-16	Grass Development (Banni Project)	0.19	0.19	Balance still with GSFS
9	2015-16	Management and Development of National Park and Sanctuary (Building construction)	0.15	0.15	Balance still with GSFS
Total			15.15	13.64	

Source: Appropriation Accounts of the State Government and information furnished by Environment and Forest depart

In case of Sl. No. 3, 4, 5 & 6, the schemes were 100 *per cent* funded by GoI. By parking the unutilised funds, the department reported incorrect expenditure figures to the Grant releasing authority.

On this being pointed out it was replied that in case of funds received under different schemes for conservation of Asiatic lions, detailed plan has been submitted by GSLCS. In respect of Sl. No. 7, 8, and 9 it was stated that interest would be deposited in government account.

Non surrender of Grants at the end of the year resulting in accumulation of unutilised funds

- While releasing the funds to Gujarat Bio-diversity Board, Gandhinagar there is a condition in administrative approval of the scheme that the expenditure was to be made on the items for which grants were sanctioned and savings at the end of the financial year were to be surrendered.

The details of funds released, interest earned and expenditure incurred during 2013-16 is shown in **Table 2.10**.

Table 2.10: Funds released, interest earned and expenditure incurred

(₹ in crore)

Year	Opening balance	Funds released by State Govt.	Interest Earned	Other income	Total Available funds	Expenditure	Closing balance
2013-14	1.92	2.91	0.08	0.00	4.91	3.50	1.41
2014-15	1.41	3.23	0.09	0.00	4.73	2.74	1.99
2015-16	1.99	5.00	0.09	0.07	7.15	4.95	2.20

Source: Information furnished by Environment and Forest department

On this being pointed out it was replied that the Board could not utilise the Grant-in-aid due to administrative problems and payments of the previous year works are made in the next year from the accumulations.

- Similarly, in case of GEER Foundation the administrative approval had the same condition of depositing the savings to the government account, however, the procedure was not followed and the Foundation is having balance of ₹ 3.68 crore at the end of 2015-16 and ₹ 5.14 crore is parked with GSFS. The funds position of GEER Foundation during the period 2013-16 is shown in **Table 2.11**.

Table 2.11: Funds position of GEER Foundation

(₹ in crore)

Year	Opening balance	Funds released by State Govt.	Expenditure	Closing balance
2013-14	1.06	3.97	3.77	1.26
2014-15	1.26	4.40	4.40	1.26
2015-16	1.26	8.20	5.78	3.68

Source: Information furnished by Environment and Forest department

On this being pointed out the department stated that the funds were released at the end of the year and would be utilised in the next year. Also the shortage of staff hampered completion of targeted work.

Thus, in spite of huge balance of the unutilised grants with Foundation, the Government is releasing Grants continuously without ensuring the progress of intended work.

2.4.2 Review of Grant-46 other expenditure pertaining to Home department

Home is an important department of the secretariat of Gujarat. The main functions of the Home Department include maintenance of law and order, Maintenance of internal security, Crime investigation and Prosecution, Internal security of the State etc.

The Department is headed by an Additional Chief Secretary.

Budget Trends

The Details of the Budget and Expenditure of Grant 46 for year 2013-14 to 2015-16 were as shown in **Table 2.12**.

Table 2.12: Budget and Expenditure of Grant 46

(₹ in crore)

Year	Voted/ Charged	Budget Provision			Expendi ture	Excess (+) Savings (-) (percentage)
		Original	Supplementary	Total		
Revenue						
2013-14	Voted	64.01	113.62	177.63	172.57	-5.06(-2.85)
2014-15	Voted	167.11	22.75	189.86	186.96	-2.90(-1.53)
2015-16	Voted	171.76	44.08	215.84	211.07	-4.77(-2.21)
2013-14	Charged	0.50	0.01	0.51	0.44	-0.07(-13.73)
2014-15	Charged	0.60	0.00	0.60	0.34	-0.26(-43.33)
2015-16	Charged	0.60	9.82	10.42	10.31	-0.11(-1.06)
Capital						
2013-14	Voted	505.51	2.06	507.57	434.44	-73.13(-14.41)
2014-15	Voted	684.82	0.00	684.82	564.35	-120.47(-17.59)
2015-16	Voted	591.55	2.09	593.64	479.96	-113.68(-19.15)
2013-14	Charged	--	--	--	--	--
2014-15	Charged	--	--	--	--	--
2015-16	Charged	0.00	4.25	4.25	4.25	0.00

Source: Appropriation Accounts of the State Government

In case of Capital Voted, the percentage of savings continuously increased from 14.41 *per cent* in 2013-14 to 19.15 *per cent* in 2015-16.

Substantial surrenders

In case of Scheme for construction of Police Buildings, it was observed that the entire provision of ₹ 66 crore was surrendered. Similarly, in case of Construction of FSL Buildings entire provision of ₹ one crore was surrendered. The department replied that the Central Government had not sanctioned the projects and hence the provisions made were surrendered. The reasons for non-sanction of projects by GoI were not furnished.

Rush of expenditure

According to paragraph 109 of the Gujarat Budget Manual, rush of expenditure in the closing month of the financial year should be avoided.

However, it was noticed that in the following cases where the expenditure during the year was more than ₹ one crore and percentage of expenditure was more than 50 *per cent* during the last quarter of 2015-16 there was rush of expenditure as detailed in **Table 2.13**.

Table: 2.13 Rush of expenditure during last quarter

(₹ in crore)

Head wise details	Expenditure during 2015-16	Expenditure during last quarter	Percentage of Expenditure	Exp. during March	Percentage of Expenditure
4055:00:800:06 : MEP-36 Up Gradation of Communication System in State Police	75.00	75.00	100.00	75.00	100.00
4055:00:800:05 : Information Technology	29.86	27.78	93.02	27.27	91.33
2235:02:105:01 : SCW-30 Prohibition activities and intensive Prohibition Drive in the State.	2.93	2.50	85.32	2.30	78.50
4216:01:700:08 : HSG-26 Jails-Buildings	22.70	12.30	54.19	0.00	0.00
4216:01:700:09 : Construction of new residential buildings for Police	150.00	88.00	58.67	8.00	5.33
4216:01:700:11 : Up-gradation and strengthening of Jail buildings	4.35	2.20	50.57	0.98	22.53

Source: Appropriation Accounts of the State Government and information furnished by Home department

Rush of expenditure in the last quarter of the financial year is not a prudent fiscal management practice and is against the manual provision for control of expenditure.

Parking of funds

Gujarat Budget Manual warrants that the grant placed at the disposal is expended only on the objects for which it has been provided keeping in view the rule of financial propriety.

Scrutiny of records revealed that there was a demand in Budget estimate of ₹ 75 crore for the purpose of Up-gradation of Communication System (New Item). As per the order of Home Department (March 2016), the Gujarat State Police Housing Corporation Ltd. was directed to park the said grant with the GSFS.

When reasons for parking of the funds were called for it was replied that the tenders were invited by the Gujarat Informatics Limited for operationalisation of Digital Trunking Radio System (DTRS) project for the modernisation of communication system. However, due to technical reasons the tenders were cancelled. As it was not possible to utilize the said amount in the year 2015-16, it was decided to park the funds with GSFS through Gujarat Police Housing Corporation Limited.

The reply is not convincing as there is no progress of work and the amount is still parked with the GSFS (June 2016).

Non fulfilment of Budget Commitment

During the budget speech for the year 2015-16, total provision of ₹ 4,305.91 crore was made for Home Department. Some schemes under grant 46 remained unfulfilled at the end of the year despite being mentioned in budget speech are as detailed in **Table 2.14**.

Table: 2.14: Non fulfilment of Budget Commitment

						(₹ in crore)
Budget Commitment	Fund to be provided	Head	Budget (2015-16)	Re-appropriation /Surrender	Final Grant	Expenditure
Police force and FSL Modernization (Partially CSS)	140.00	4055:00:211:10: MPF scheme for construction of Police building	66.00	66.00	0.00	0.00
		4055:00:211:05: Construction of FSL building	1.00	1.00	0.00	0.00
Communication system in Police Commissionerates	85.00	4055:00:800:06: MEP-36 Up-gradation of communication system	75.00	0.00	75.00	75.00

Source: Appropriation Accounts of the State Government and information furnished by Home department

On this being pointed out it was replied that the sanction order for construction of buildings was not received. Hence the amounts were re-appropriated.

The reply is not acceptable as to avoid lapse of fund the entire provision of ₹ 75 crore was parked by GPHC Ltd in GSFS. The reason for non issuance of sanction order by the Government for construction of buildings was not furnished.

2.5 Advances from Contingency Fund

The Contingency Fund of the State had been constituted under the Gujarat Contingency Fund Act, 1960 in terms of the provisions of Articles 267(2) and 283(2) of the Constitution of India. The fund is in the nature of an imprest and its corpus is ₹ 200 crore. During the year 2015-16, an amount of ₹ 39.15 crore was spent out of contingency fund for meeting unforeseen expenditure. Out of this an advance of ₹ 3.75 crore under Grant No. 5 in Agriculture and Co-operation Department (Major Head-4425) was not recouped during the year.

2.6 Misclassification treating 'Grants-in-aid' and 'Subsidies' as Capital Expenditure

Indian Government Accounting Standard (IGAS)-2 regarding Accounting and Classification of Grants-in-aid prescribes that the Grants-in-aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. Only in cases specifically authorised by the President of India on the advice of the Comptroller and Auditor General of India, can these

be debited to a capital head of account in the Financial Statements of the Government. Further, Rule 30(1) of Government Accounting Rule, 1990 states that the expenditure of a capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character. Also the assumptions underlying the Fiscal Indicators for the Gujarat Fiscal Responsibility Rules, 2006 stipulate inclusion of “Major Subsidies” as expenditure on revenue account.

During the year 2015-16, amounts of ₹ 492.17 crore and ₹ 5.25 crore were disbursed as Grants-in-aid and subsidy respectively under the following capital major heads of expenditure against approved budgetary provision in violation of IGAS-2 as detailed in **Table 2.15**.

Table 2.15: Misclassification of grants-in-aid and subsidy under capital Major Heads

(₹ in crore)

Sl. No.	Classification-Major Head	Grants-in-aid	Subsidy
1	4059- Capital Outlay on Public Works	19.90	-
2	4202- Capital Outlay on Education, Sports, Art and Culture	298.52	-
3	4210- Capital Outlay on Medical and Public Health	15.00	-
4	4401- Capital Outlay on Crop Husbandry	25.00	-
5	4402- Capital Outlay on Soil and Water Conservation	109.90	-
6	4408- Capital Outlay on Food Storage and Warehousing	22.60	-
7	4435- Capital Outlay on other Agriculture Programmes	-	5.25
8	4515- Capital Outlay on other Rural Development Programmes	1.25	-
Total		492.17	5.25

Source: Finance Accounts of the State Government

Booking of expenditure of ₹ 497.42 crore in respect of ‘Grants-in-aid’ and ‘Subsidies’ in Capital Section resulted in understatement of revenue expenditure and also consequential overstatement of the revenue surplus to that extent.

The FD replied (December 2016) that all the administrative departments of GoG have been instructed to follow IGAS-2 while preparing Budget Estimates for expenditure incurred on Grants-in-aid projects and schemes and to avoid misclassification while issuing the grant at the sub-head level to the controlling officer/DDOs.

The FD may take effective measures to scrutinise the issue of misclassification at the time of finalisation of budget estimates.

2.7 Conclusion and Recommendations

During 2015-16, expenditure of ₹ 1,28,475.69 crore was incurred against total grants and appropriations of ₹ 1,45,866.93 crore resulting in overall savings of ₹ 17,391.24 crore. The overall savings of ₹ 17,391.24 crore were the result of savings of ₹ 17,690.33 crore, offset by excess of ₹ 299.09 crore.

This excess of ₹ 299.09 crore requires regularisation under Article 205 of the Constitution of India.

In 11 cases, there were persistent saving of more than ₹ 50 crore in each case during the last five years in respect of grants pertaining mainly to Finance Department, Social Justice and Empowerment Department, Roads and Buildings Department etc. indicating that either the provisions were excessive or the executive was not successful in implementing the legislative aspirations.

There was also excess expenditure over provision of more than ₹ 10 crore consistently for the last three years in respect of six schemes under four different grants.

The Controlling/Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to avoid saving/excess especially in departments where persistent savings/excess were noticed. They may also specifically strengthen monthly expenditure control and monitoring mechanism.

Indian Government Accounting Standard (IGAS)-2 regarding Accounting and Classification of Grants-in-aid prescribes that the Grants-in-aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. However, during the year 2015-16, amounts of ₹ 492.17 crore and ₹ 5.25 crore were disbursed as Grants-in-aid and subsidy respectively under the capital major heads of expenditure in violation of IGAS-2.

The Government may ensure compliance to IGAS in budget formulation so that the expenditure under Grants-in-aid and subsidy is accounted for as revenue expenditure in the Government Accounts.

Sound financial reporting with relevant, reliable and timely information contributes to efficient and effective governance by the State Government and is important for the Government in meeting its basic stewardship responsibilities, strategic planning and appropriate decision making. It also forms the basis of sound internal controls. This Chapter provides an overview of the State Government's compliance with various financial rules, procedures and directives during the year 2015-16.

3.1 Delay in furnishing Utilisation Certificates

The Gujarat Financial Rules 1971¹ read with General Financial Rules 2005² provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be submitted within 12 months of the closure of the financial year by the institution or organisation concerned to the Head of Department concerned and after verification, these should be forwarded to the Accountant General. However, 7,164 UCs aggregating to ₹ 5,385.40 crore due in respect of grants released during the period 2001-02 to 2015-16 were outstanding as on 31 March 2016. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise position of delays in submission of UCs is summarised in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilisation Certificates

(₹ in crore)

Sl. No.	Range of Delay in Number of Years	Utilisation Certificates Outstanding	
		Number	Amount
1	Upto one year*	1,049	1,699.33
2	1-3	1,798	2,777.83
3	3-5	243	91.79
4	5-7	410	475.36
5	7-9	218	65.84
6	9 and above	3,446	275.25
	Total	7,164	5,385.40

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

* For the Grants released during 2015-16, the Utilisation Certificates will become due only during 2016-17.

Of the total outstanding UCs, almost 20 *per cent* amounting to ₹ 1,079.82 crore pertained to the Social Justice and Empowerment Department while almost 19 *per cent* i.e. ₹ 1,040.92 crore pertained to Urban Development

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

² Rule 212 of General Financial Rules 2005

and Urban Housing department. Education Department accounted for almost 12 per cent i.e. ₹ 672.19 crore of the outstanding UCs.

The FD (December 2016) stated that all concerned administrative departments have been instructed to take requisite action for submission of pending UCs.

The pendency of UCs is of recurring nature and hence FD needs to ensure strict compliance and monitoring.

3.1.1 Review of utilisation certificates in selected departments

As per the Gujarat Financial Rules, 1971³ (GFR), administrative departments may sanction grants-in-aid (GIA) to an institution or body, subject to the condition that the sanction is in accordance with the Rules or principles prescribed in these Rules or prescribed with the previous consent of the Finance Department (FD). As per Note (ii) below Rule 155 of the GFR “Utilisation Certificate of grant-in-Aid should be furnished in every case of grant paid for specific purpose even if no conditions are specifically attached to the grant”.

With a view to ascertain whether the Rules relating to GIA and submission of UCs were adhered to, Audit test checked the records of the Health and Family Welfare Department (H&FWD) and six Controlling Officers, viz. Additional Director of Public Health, Additional Director of Family Welfare, Additional Director of Medical Services, Additional Director of Medical Education and Research, Commissioner of Food and Drugs Control Authority and Director of Indian System of Medicine and Homeopathy for the period 2013-14 to 2015-16.

Audit observed that head-wise grant including GIA is being released online without any conditions for utilisation of the grants.

The systems in place for release of funds and follow-up actions taken by the various controlling officers are as under:

Additional Director of Public Health

Additional Director of Public Health released total GIA of ₹ 1,165.16 crore during 2013-14 to 2015-16 under various Public Health related programmes. However, information in respect of grants-in-aid given to Panchayat and National Health Mission were not furnished. The nature and conditions of the grant was not mentioned in the grant release order. The details of UCs furnished and outstanding as on 31 March 2016 are given in **Table 3.2**.

³ Rule 153 of Gujarat Financial Rules 1971

Table 3.2: Details of outstanding utilization certificates:

Year	Total Grant In Aid Released		Utilisation Certificates (UCs)				Percentage of amount of outstanding UCs
			Received		Outstanding		
	Number	Amount	Number	Amount	Number	Amount	
2013-14	67	428.57	9	80.22	58	348.35	81
2014-15	84	397.82	13	85.96	71	311.86	78
2015-16	62	338.77	11	70.94	51	267.83	79
Total	213	1,165.16	33	237.12	180	928.04	80

Source: Information provided by the Additional Director of Public Health, Government of Gujarat

Further scrutiny⁴ revealed that the majority of outstanding UCs was from Project Implementation Unit (PIU) and Gujarat Medical Services Corporation Limited (GMSCL). UCs amounting to ₹ 768.53 crore were not submitted by PIU and ₹ 157.81 crore by GMSCL during 2013-14 to 2015-16.

On this being pointed out, the Additional Director of Public Health assured that henceforth the nature and conditions related to GIA would be mentioned.

Additional Director of Family Welfare

Additional Director of Family Welfare (FW) released total GIA of ₹ 1,945.35 crore during 2013-14 to 2015-16 to institutions⁵ for various purposes. It was noticed that there was no mention about the nature and conditions attached to the grant in the GIA releasing order. In response to this observation, the department stated that henceforth the nature and condition would be mentioned in the grant release order.

Further, the Utilisation Certificates ranging from 51 per cent to 100 per cent were outstanding in the directorate as mentioned in **Table 3.3**.

Table 3.3: Details of UCs outstanding

Year	Total Grant In Aid Released		Utilisation Certificates (UCs)				Percentage of amount of outstanding UCs
			Received		Outstanding		
	Number	Amount	Number	Amount	Number	Amount	
2013-14	54	616.03	6	282.93	48	333.10	54
2014-15	49	629.20	6	307.35	43	321.85	51
2015-16	56	700.12	0	0.00	56	700.12	100
Total	159	1,945.35	12	590.28	147	1,355.07	70

Source: Information provided by the Additional Director of Family Welfare, Government of Gujarat

⁴ As the Department gets its different activities of construction, purchase of medicines/equipments, educational infrastructure done through institutions/bodies/corporations under it, the payments to them are drawn in GIA bill Form 62-C. The watch over expenditure can be done only through UC in such cases

⁵ State Health Society [in respect of Bal Sakha Yojana, Chiranjivi Yojana, Nutrition Programme MaaAmrutam (States Schemes) and National Urban Health Mission & Rashtriya Swasthya Bima Yojana (CSS)], Gujarat Medical Services Corporation Limited and District Panchayats

Out of the total UCs outstanding, UCs amounting to ₹ 946.54 crore pertained to the District Panchayats which were submitting only expenditure statement in lieu of UCs. The details in expenditure statement and UCs are different. In the absence of UCs, it could not be ascertained whether the expenditure incurred was utilised for the purpose for which grants were released.

Non submission of Utilisation Certificates:

Out of total outstanding UC, UCs amounting to ₹ 28.13 crore were not submitted by the GMSCL. On this being pointed out, the Additional Director (FW) stated that GMSCL is not required to submit UCs as it is only doing purchase, distribution and storage of medicines and equipment and not implementing any programme.

The reply is not tenable as GFR, 1971 does not provide for any exemption from furnishing UCs. Further, it was observed that there was no system in place to correlate work done with respect to funds granted to GMSCL.

Slow utilisation of funds by GMSCL

As per the annual accounts of GMSCL, out of grants of ₹ 28.13 crore released during the period 2013-14 to 2015-16, an amount of ₹ 13.48 crore remained unutilised at the end of March 2016. Thus, about 48 per cent of the grants released up to 2015-16 remained unutilised.

On this being pointed out, the Directorate stated (June 2016) that the procurement process of equipment takes substantial time for approval of tender and in case of non approval for any reason it takes upto six months time for retendering.

The above reply is not tenable as the UCs for the GIA were required to be submitted within the stipulated time.

Additional Director of Medical Services

Additional Director of Medical Services released total GIA of ₹ 672.81 crore during 2013-14 to 2015-16 to institutions⁶ for various purposes. The details of UCs furnished and outstanding are given in **Table 3.4**.

Table 3.4: Details of UCs furnished by the institutes

(₹ in crore)

Year	Total Grant In Aid Released		Utilisation Certificates (UCs)				Percentage of amount of outstanding UCs
			Received		Outstanding		
	Number	Amount	Number	Amount	Number	Amount	
2013-14	53	190.26	08	12.21	45	178.05	94
2014-15	69	224.57	21	47.39	48	177.18	79
2015-16	48	257.98	26	34.84	22	223.14	86
Total	170	672.81	55	94.44	115	578.37	86

Source: Information provided by the Additional Director of Medical Services, Government of Gujarat

⁶ (1) PIU and (2) GMSCL

It was noticed that out of total outstanding UCs amounting to ₹ 578.37 crore, UCs amounting to ₹ 363.27 crore pertained to PIU and ₹ 215.10 crore to GMSCL.

Further scrutiny revealed that an amount of ₹ 43.61 crore in respect of 21 projects was transferred to PIU during 2013-14 to 2015-16. However, till date (June 2016) expenditure of only ₹ 0.06 crore was incurred. It was observed that these projects were in initial stages as administrative approval, draft tender papers and land acquisition issues were yet to be completed. Thus, the intended benefits visualised while making provision in budget during that particular year could not be achieved.

Additional Director of Medical Education and Research

Incorrect Utilisation Certificate

Additional Director of Medical Education and Research released GIA of ₹ 4,441.95 crore during 2013-14 to 2015-16 to seven institutions⁷ for various purposes, out of which UCs amounting to ₹ 182.19 crore only (four *per cent*) were outstanding as on 31st March 2016. Out of these, UCs amounting to ₹ 175.01 crore were not submitted by GMSCL stating that they were not required to submit the UC.

Further scrutiny revealed that grant of ₹ 704 crore was released to Gujarat Medical Education and Research Society (GMERS) for construction of medical college, hospital, hostel and quarters at different places during 2014-15 out of which GMERS released an amount of ₹ 496.35 crore to PIU. However, GMERS submitted the UCs to the tune of ₹ 699.50 crore in respect of construction activity. Further, out of ₹ 104.07 crore received for procurement of equipment, furniture and books, an amount of only ₹ 38.16 crore was utilised and UC for entire amount of ₹ 104.07 crore were submitted by GMERS. Thus, UCs submitted by the GMERS were incorrect.

On this being pointed out, the department stated (July 2016) that clarification had been called from GMERS.

Slow utilisation of grants

As per UCs furnished by the Society for Gujarat Dental Health Education and Research (SGDHER) for the year 2013-14, out of available grant of ₹ 53.17 crore (unutilised balance of 2012-13, ₹ 21.28 crore and ₹ 31.89 crore released during the year 2013-14) only ₹ 17.45 crore was utilised leaving unutilised balance of ₹ 35.72 crore. UCs for the succeeding years 2014-15 and 2015-16 were not submitted by the SGDHER.

On this being pointed out, the department stated (June 2016) that clarification has been called from SGDHER.

⁷ (1) PIU (2) GMSCL (3), Gujarat Cancer and Research Institute (4) U N Mehta Institute of Cardiology and Research (5) Institute of Kidney Diseases and Research Centre (6) Gujarat Medical Education and Research Society and (7) Society for Gujarat Dental Health Education and Research

Interest not credited to project

As per condition of the grant release order, the interest earned on the fund released to PIU for a particular project was to be utilised on that project and balance, if any, was to be credited to Government account, on completion of the project.

In the UCs furnished by the PIU, audit observed that there was no indication about the interest portion utilised on the project.

On this being pointed out, the PIU stated that interest earned is credited in the accounts and work-wise credit was not given. Thus, Audit is of the view that the UCs furnished by PIU for ₹ 1,311.57 crore for the period 2013-14 to 2015-16 were incorrect.

The above irregularity in respect of the same organisation had been brought to the notice of the Department during audit of Grant No. 39⁸, Chapter II of State Finances Report for the year ended 31 March, 2013.

Commissioner of Food and Drugs Control Authority

Commissioner of Food and Drug Control Authority released grant of ₹ 41.90 crore to B V Patel Pharmaceutical Education and Research Development (PERD) Centre and PIU during the years 2013-14 to 2015-16. Details of outstanding UCs in respect of the above institutes are given in **Table 3.5**.

Table 3.5: Details of UCs furnished by the institutes

(₹ in crore)

Year	Total Grant In Aid Released		Utilisation Certificates (UCs)				Percentage of amount of outstanding UCs
			Received		Outstanding		
	Number	Amount	Number	Amount	Number	Amount	
2013-14	4	15.11	3	14.33	1	0.78	5
2014-15	11	21.79	6	14.25	5	7.54	35
2015-16	5	5.00	0	0.00	5	5.00	100
Total	20	41.90	9	28.58	11	13.32	32

Source: Information provided by the Commissioner of Food and Drugs Control Authority, Government of Gujarat

It was observed that the grants were being released to the institutions/body without mentioning conditions for utilisation of grants in aid.

Further, as per provision of Rule 154 (1) (a) of Gujarat Financial Rules, 1971, before grants-in-aid sanctioned by the competent authority are paid to public body/institution⁹ etc., the grantee shall be required to execute a surety bond in favour of Government of Gujarat with two sureties to the effect that he shall abide by the conditions of grant and adhere to the target dates for the fulfillment of the conditions. It was observed that no such bond was obtained from the PERD which is a private institution.

⁸ Para on 'Receipt not credited to Government Account'

⁹ This condition is not applicable to quasi-Government or Government aided institution.

On this being pointed out, it was stated (June 2016) that henceforth the condition of grants would be mentioned in the release order and the surety bond would be obtained from the grantee institution.

Director of Indian System of Medicine and Homeopathy

Director of Indian System of Medicine and Homeopathy (ISMH) released GIA to four institutes¹⁰ during the years 2013-14 to 2015-16. Details of outstanding UCs in respect of the above are given in **Table 3.6**.

Table 3.6: Details of UCs furnished by the institutes

Year	Total Grant In Aid Released		Utilisation Certificates (UCs)				Percentage of amount of outstanding UCs
			Received		Outstanding		
	Number	Amount	Number	Amount	Number	Amount	
2013-14	127	181.81	1	5.79	126	176.02	97
2014-15	128	192.31	1	12.29	127	180.02	94
2015-16	136	124.17	2	26.68	134	97.49	79
Total	391	498.29	4	44.76	387	453.53	91

Source: Information provided by the Director of Indian System of Medicines and Homeopathy, Government of Gujarat

It was further observed that the grants were being released to the implementing agency without mentioning nature of grant and conditions for utilisation of grants-in-aid.

It was also observed that the District Panchayats have not submitted the UCs and only monthly expenditure statements were furnished. As per expenditure statements of last three years, an amount of ₹ 52.05 crore was utilised out of ₹ 61.65 crore, leaving unutilised balance of ₹ 9.60 crore with District Panchayats.

In this regard the Director ISMH stated that the nature and condition of grant would be mentioned in the release order hereafter and UCs would be collected and unutilised balance would be adjusted before releasing future GIA.

UCs under Thirteenth Finance Commission

Funds to the tune of ₹ 177.75 were released under ThFC to the four directorates during the years 2011-12 to 2013-14 as detailed in **Table 3.7**.

¹⁰ Gujarat Ayurveda University, State Medicinal Plantation Board, Gujarat Ayush Society (State Project Implementing unit of National AYUSH Mission) and Project Implementation Unit

Table 3.7: Details of release of grants to controlling officers

(₹ in crore)

Year	Family Welfare	Public Health	Medical Education and Research	Medical Services	Total
2011-12	--	18.00	39.25	02.00	59.25
2012-13	05.25	02.29	16.64	35.07	59.25
2013-14	05.25	02.29	16.64	35.07	59.25
Total	10.50	22.58	72.53	72.14	177.75

Source: Information provided by the Health and Family welfare Department, Government of Gujarat

The UCs for the entire ₹ 177.75 crore were submitted by the respective Directorates. However, it was noticed that the Additional Directors of Medical Services and Family Welfare had furnished UCs amounting to ₹ 72.14 crore and ₹ 10.50 crore respectively without receiving the UCs from the concerned institutions/body. The record relating to grant released by other two Directorates were not made available to audit, hence audit could not verify the completeness of UCs furnished by them.

Additional Director of Family Welfare

Incentive grant of ₹ 27.48 crore (₹ 15.36 crore in December 2012 and ₹ 12.12 crore in September 2013) was released by Government of India for 'Reduction in the Infant Mortality Rate (IMR)'. However, Government of Gujarat released the same in March 2014 to 26 District Panchayats and Utilisation Certificate for the period up to March 2014 was submitted showing the full amount as unutilised. No further progress was observed.

No reply was furnished by the department (July 2016).

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

Under Section 14 of the C&AG's (Duties, Powers and Conditions of Service) (DPC) Act 1971, where anybody or authority is substantially financed by grants or loans from the Consolidated Fund of India or of any State, the Comptroller & Auditor General of India shall, subject to the provisions of any law for the time being in force applicable to the body or authority, as the case may be, audit all receipts and expenditure of that body or authority and to report on the receipts and expenditure audited by him.

Under Section 15 of the C&AG's DPC Act, 1971 where any grant or loan is given for any specific purpose from the Consolidated Fund of India or of any State to any authority or body, the C&AG shall scrutinise the procedures by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which grants or loans were given.

In order to identify institutions which attract Audit under Sections 14 and 15 of the C&AG's DPC Act, the Government/Heads of Department (HoDs) are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purposes for which

assistance was given, and the total expenditure of the institutions. The Regulations on Audit and Accounts 2007 provide that the Governments and HoDs which sanction grants and/or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were released during the preceding year indicating (a) the purpose for which the assistance was sanctioned and (b) the total expenditure of the body or authority.

On taking up the issue various Departments (August 2016), only seven out of 26 Departments furnished the details of grants in aid given to various bodies and authorities during 2015-16. Based on this, 10 new bodies/authorities under seven¹¹ departments have been identified for Audit. In the absence of complete information on the financial assistance given, reasonable assurance to that extent could not be provided to the Legislature/Government about the manner in which the grants sanctioned/released by them had been utilised. This dilutes the legislative control over the Government expenditure system.

The FD stated (December 2016) that it has instructed all concerned administrative departments to take required action for submission of information.

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

There are 219 autonomous bodies/authorities covered by Section 14 of the C&AG's (DPC) Act, 1971. These are audited with regard to their transactions, operational activities and accounts, review of systems/procedures, internal controls, etc.

A total of 185 accounts (including accounts of earlier years) relating to 68 bodies/authorities were audited during the year 2015-16. However, 572 annual accounts of 136 autonomous bodies/authorities due up to 2015-16 were not received as on 31st July 2016 by the offices of Principal Accountant General (Economic and Revenue Sector Audit) and the Accountant General (General and Social Sector Audit).

The details of such accounts are given in **Appendix 3.2** and their age wise pendency is presented in **Table 3.8**.

¹¹ Industries and Mines Department; Narmada, Water Resources, Water Supply and Kalpsar Department; Science and Technology Department; Social Justice and Empowerment Department; Rural Development and Rural Housing Department; Home Department and Education Department

Table 3.8: Age-wise arrears of Annual Accounts due from Government Bodies

Sl. No.	Pendency in number of years	No. of the Bodies/Authorities
1	Less than one year	19
2	1-3	65
3	3-5	20
4	5-10	25
5	Above 10	07
Total		136

Source: Information compiled by O/o Pr. Accountant General (E&RS Audit) and Accountant General (G&SS Audit), Gujarat

It can be seen from the above table that in respect of 32 autonomous bodies/authorities, accounts were in arrears for more than five years. Of these, the accounts were in arrears in respect of Gujarat University, Ahmedabad since 1999-2000, Akshar Purushottam Arogya Mandir (Muni Seva Ashram), Vaghodia, Goraj-Vadodara and Institute of Kidney Diseases & Research Centre (IKDRC), Ahmedabad since 2004-05 and K J Mehta TB Hospital, Songadh, Amargadh, Bhavnagar; Sheth Vadilal Sarabhai General Hospital and Sheth Chinai Maternity Hospital, Ahmedabad; Self Employed Women's Association (SEWA), Ahmedabad and Electronic Quality Development Centre, Ahmedabad since 2005-06. In the absence of annual accounts, the accounting/utilisation of the grants and loans disbursed to these bodies/authorities could not be verified by Audit.

The FD in its reply (December 2016) stated that it has instructed all concerned administrative departments (November 2016) to take required action for timely submission of pending annual accounts of bodies/authorities receiving financial assistance from the government.

3.4 Delay in submission of Accounts and placement of Separate Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the fields of development, housing etc. These autonomous bodies attract audit under Section 19(2), 19(3) and 20(1) of the C&AG's (DPC) Act, 1971. These are audited with regard to their transactions, operational activities and accounts, review of systems and procedures, internal management and financial controls etc. The Separate Audit Report (SAR) in relation to each autonomous body is submitted to the Government. The accounts of 42 such autonomous bodies in the State are audited by the C&AG of India. However, none of the bodies has rendered accounts in time. The periods of delay in respect of all autonomous bodies are given in **Appendix 3.3**.

The details of delay in submission of accounts of autonomous bodies to Audit and the delay in placement of SARs in the Legislature in respect of these autonomous bodies after audit are provided in **Table 3.9**.

Table 3.9: Delay in Submission of Accounts and tabling of Separate Audit Reports

Delay in submission of Accounts to Audit (in Years)	Number of Autonomous Bodies	Delay in placement of SARs in Legislature (in Years)	Number of Autonomous Bodies
Up to 1 year	16	Up to 1 year	5
1 – 2 years	9	1 – 2 years	8
More than 2 years	17	More than 2 years	3
Total	42	Total	16

Source: Information compiled by O/o Pr. Accountant General (E&RS Audit) and Accountant General (G&SS Audit), Gujarat

The FD in its reply (December 2016) stated that it has instructed all concerned administrative departments to take required action for timely submission of pending annual accounts of bodies/authorities receiving financial assistance from the government.

3.5 Failure to furnish DC Bills for amount drawn on AC Bills

As per Rule 211 of the Gujarat Treasury Rule (GTR), 2000, the drawing officers are required to furnish the Detailed Contingent Bills in respect of all Abstract Contingent Bills within three months from the date of drawal of Abstract Contingent (AC) Bills to the Accountant General (A&E).

However, 9,275 AC bills amounting to ₹ 613.18 crore were drawn up to March 2016 for which Detailed Contingency (DC) bills were not furnished. Year-wise details of outstanding DC bills are given in **Table 3.10**.

Table 3.10: Pendency in submission of Detailed Contingent Bills

(₹ in crore)

Year	Outstanding DC bills (In number)	Outstanding amount drawn on AC bills
Upto March 2014	2,915	117.79
2014-15	743	188.61
2015-16	5,617	306.78
Total	9,275	613.18

Source: Information compiled by Accountant General (A&E), Gujarat, RAO/PAO, Ahmedabad and RAO/PAO, Gandhinagar

As evident from the **Table 3.10**, DC bills amounting to ₹ 117.79 crore (19 *per cent* of total amount) were pending for more than two years.

The FD in its reply stated (December 2016) that it has instructed all administrative departments to clear the pending Abstract Bills.

3.6 Personal Deposit Accounts

A Personal Deposit/Ledger Account (PD/PL Account) is a device intended to facilitate the administrator thereof to credit receipts into and effect withdrawals directly from the treasury account for a specific purpose. The administrators thereof shall only be Government officers acting in their official or any other capacity. Every Personal Deposit account so authorised to

be opened will form part of the Government Account and be located in the Public Account portion thereof.

There were 489 PD/PL Accounts in operation in District Treasuries as on 31 March 2016 having an amount of ₹ 410.84 crore. During 2015-16, ₹ 1,595.60 crore was credited to PD Accounts from Consolidated Fund of the State and expenditure of ₹ 1,546.52 crore was incurred there from. Out of 33 treasuries in the state, 24 treasuries informed the Accountant General that all PD Accounts were reconciled by the Administrators with the treasuries while in the remaining nine treasuries it was done partially.

Audit test checked (June/July 2016) the operation of the Personal Ledger Account of the Accounts Officer, Commissioner of Higher Education (University and College), Gandhinagar for a period of three years from 2013-14 to 2015-16 in order to examine the compliance with the relevant rules.

The post of Accounts officer has been upgraded to Deputy Director (DD) in October 2015. Hence, the PLA is now maintained under the control of DD, Commissioner of Higher Education (University and College), Gandhinagar.

The PD account was opened for direct payment of salary to the staff of non-Government Colleges. On the introduction of the scheme, the colleges receiving grant-in-aid are required to credit the full amount of tuition and term fees to the Government and grant-in-aid rules would stand modified for payment of salaries to teaching and non-teaching staff. DD was authorized to open PLA for the direct payment scheme. Further, the accounts under grants-in-aid rules were to be settled with every non-Government college by the end of the financial year and DD was to release quarterly instalment for admissible expenditure other than the salaries of staff. With the passage of time, teacher training institutes, research institutes were included in the scope of scheme. At present grants-in-aid of 356 aided colleges, 15 *gram vidyapith* and 13 teacher training-cum-research institutes are being released through the PLA.

The main objectives of the Audit of the operation of the PLA were to ascertain:

- Whether all the conditions were complied by the Administrator while operating the PLA.
- Whether the surplus funds were credited to current/saving/term deposit accounts. Unspent balances in the PLA were credited to concerned budget head at the close of financial year.
- Whether reconciliation of balances of PLA was carried out by the DDO and the treasury.
- Whether there were instances of diversion of funds deposited in the PLA from one scheme to another.
- Whether the accounts were maintained by the DDO as per rules.

The major Audit findings in this regard are discussed below:

3.6.1 Non closure of PLA cash book at the end of financial year

As per Rule 377 of the Gujarat Treasury Rules (GTR), 2000, “Balance in the Personal Deposit Accounts do not lapse to Government under Rule 386 even if outstanding for more than three complete accounting years. However, in cases where the 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 in the Consolidated Fund. The Personal Deposit Account may be opened again in the next year, if necessary in the usual manner”.

During scrutiny of the PLA cash book for the year 2013-14 to 2015-16, it was noticed that DD had not transferred the credit balance to the respective service heads at the end of the financial year. Therefore, huge unutilized credit balance was lying at the end of the financial year.

Table 3.11: Details of unutilized closing balance at the end of financial year

(₹ in crore)			
Year	2013-14	2014-15	2015-16
Closing balance of PD/PLA cash book	8.53	3.84	38.17

Source: Information provided by the Dy. Director, Commissioner of Higher Education (University & College), Government of Gujarat

On this being pointed out in audit, Deputy Director replied that the recruitment process for 553 vacancies of teachers during 2015 could not be completed. Further, due to non-availability of the adequate staff, payment of adjustment grant, fifth instalment of sixth pay commission arrears and leave encashment bills could not be made in time. Hence, there was credit balance in the account.

The reply is not convincing as credit balance should be surrendered as per Government rules and fresh provision should be made in next year's budget.

3.6.2 Non reconciliation of balance as per cash book and treasury.

Rule 398 of the Gujarat Treasury Rules stipulates that the Administrator of the PLA should carry out the reconciliation of their balances for the preceding financial year with the Treasury office concerned by 30th June of the following financial year.

During scrutiny of the PLA cash book, it was noticed that the differences in the closing balance of PLA cash book and that as per treasury for the years 2013-14, 2014-15 and 2015-16 were not reconciled. As a result, there was a difference between the balances at the PLA cash book and treasury of ₹ 14.51 crore, ₹ 11.83 crore and ₹ 12.99 crore as on 31st March 2014, 31st March 2015 and 31st March 2016 respectively.

On this being pointed out in audit, DD replied that out of the above closing balances, cheques of ₹ 6.10 crore and ₹ 7.25 crore for 2014-15 and 2015-16

were encashed in first quarter of next financial year. It was further replied that on verification of records, differences of prior period would be reconciled. However, Audit observed that an amount of ₹ 5.74 crore still remained unreconciled in respect of cheques issued but not presented. When this was pointed out, the department could trace details to an extent of ₹ 27.98 lakh in respect of cheques issued from 2008-09 onwards. The DD assured to trace and furnish the details of remaining cheques amounting to ₹ 5.46 crore for the prior period. In respect of un-encashed cheques of ₹ 27.98 lakh, it was noticed that the cheques were issued to various colleges for payment of adjustment grant, ad-hoc grant or personal claims of staff.

The reply is not convincing as the provisions of time barred cheque were not followed and differences in closing balance as per cash book and treasury was allowed to continue without timely reconciliation.

The DD may undertake a review of the un-encashed cheques to re-assess the needs of the institutes/individuals for the funds and decide on the continuation of such grants. Had the reconciliation with the treasury been carried out properly, the difference could have been removed.

3.6.3 Non submission of audited expenditure statements (Research institutes)

3.6.3.1 As per Government Resolution (July 1989), in case of research institutes, the third instalment of grants should be released only after taking into account the previous two instalments and audited accounts of previous year.

Audit noticed that even though the audited expenditure statements were not submitted by some institutes, the third instalment of the grants was released. The details of such institutes are shown in the **Table 3.12**.

Table 3.12: Non-submission of audited expenditure statements by institutes

(Amount in ₹)

Sl. No.	Name of research institute	Years for which audited expenditure statement not submitted	Payment of ad-hoc grant (During 2008-09 to 2015-16)
1	Shri Dwarkadhish Sanskrit Academy and Endological research institute, Dwarka	2008-09 to 2015-16	2,11,000
2	Maharishi Ved Vigyan Academy, Ahmedabad	2002-03 to 2015-16	6,14,441
3	Sheth Bholabhai Jaisingbhai Adayapan and Sansodhan Vidyabhavan, Ahmedabad	1999-2000 to 2015-16	17,08,750
4	Kala Swadhyay Mandir, Ahmedabad	2005-06 to 2015-16	6,01,182
	Total		31,35,373

Source: Information provided by the Deputy Director, Commissioner of Higher Education (University & College), Government of Gujarat

In this regard, the DD stated that the ad-hoc grants have been released to these institutes for the said periods. On receipt of audited accounts, the actual grant to be released would be worked out by adjusting the ad-hoc grant released. These institutes have already been instructed to submit audited accounts.

The reply is not tenable since the instructions contained in GR have not been followed and grants were released to the institutes without obtaining audited accounts.

3.6.3.2 As per Education Department Resolution (November 1989), all grants-in-aided colleges have to submit their annual audited expenditure statement for assessment to the DD every year under the direct payment scheme for claiming their adjustment grant relating to claims other than salary expenditure.

It was noticed in 13 cases that adjustment grant was released on the basis of receipt of audited accounts for one year even though the audited accounts for prior period (ranging from 1 to 7 years) were not submitted as shown in **Table 3.13**.

Table 3.13: Adjustment grant released without audited accounts

Sl. No.	Name of institutes	Latest audited account submitted	Pending audited accounts for the year
1	B. D. Arts College, Sankri Sheri, Ahmedabad	2012-13	2011-12
2	C. C. Sheth College of Commerce, Ashram road, Ahmedabad	2012-13	2010-11
3	S. V. Arts and Commerce College, Mandvi, District Kachchh	2012-13	2011-12
4	C. and A. A Desai L. K. Doshi Commerce College, Balasinor	2010-11	2003-04 to 2009-10
5	N. S. Patel Arts College, Anand	2011-12	2005-06 to 2009-10
6	V. P. and R. P. T. C Science College, Vallabh Vidhayanagar	2012-13	2011-12
7	Mahila Mahavidhayalay, Juna Padra road, Vadodara	2012-13	2011-12
8	Shri V. M. Maheta Municipal Arts and Commerce College, Jamnagar	2011-12	2002-03 to 2004-05 and 2006-07 to 2007-08
9	Shri B.K. Majumdar Science College, Valsad	2011-12	2010-11
10	Smt. V.P. Kapadia Mahila Arts College, Bhavnagar	2000-01 (2011-12 assessment done audit pending)	2001-02 to 2010-11 and 2012-13
11	Smt. J. J. Kundalia Graduate Teachers College, Rajkot	2011-12	2008-09
12	Smt. S. B. Arts and R. N. Amin Commerce College, Vaso	2012-13	2009-10 to 2011-12
13	Smt. H. D. Arts and C. M. Patel Commerce College, Anklav, Anand	2012-13	2010-11

On this being pointed out, the DD stated that audited accounts of necessary period would be collected to regularize the payments.

The reply is not tenable as the instructions contained in GR have to be followed.

Deficiencies in Control Mechanism

Audit noticed that there was no mechanism to trace receipt of audited accounts. Only details of assessment done were maintained. Thus, there was no watch over non receipt as well as pendency of assessment. On the basis of available records, it was noticed that 1,166 audited accounts in respect of 344 institutes for the period 1998-2015 were pending for assessment.

On this being pointed out, the DD informed that the details will be updated from the year 2014-15 and step would be taken for clearance of the pendency in assessment.

3.6.4 Submission of UCs

As per Gujarat Financial Rules, 1971 (GFR), administrative departments may sanction grants-in-aid (GIA) to an institution or body, subject to the condition that the sanction is in accordance with the Rules or principles prescribed in these Rules or prescribed with the previous consent of the Finance Department (FD). As per Note (ii) below Rule 155 of the GFR "Utilisation Certificate (UC) of grant-in-Aid should be furnished in every case of grant paid for specific purpose even if no conditions are specifically attached to the grant". The funds being transferred to the PLA are grants-in-aid to be distributed to various eligible institutes. When the details of UCs submitted by DD were called for, it was replied that details of pending UCs would be consolidated from the records and pending UCs submitted to appropriate authorities.

3.6.5 Irregularities noticed in maintenance of PD/PLA cash book.

The following irregularities were noticed during audit of PLA cash book for the year 2013-14 to 2015-16.

1. In contravention of Rule 28 (v) of GTR, Head of office had not compared the treasury statement and PLA cash book at the end of each month.
2. Details of expenditure, Cheque no. and payee had not been written in the columns prescribed in the cash book.

On this being pointed out in audit, DD replied that necessary action will be taken henceforth.

3.7 Misappropriations, losses, defalcations, etc.

The State Government reported 146 cases of misappropriation, defalcation etc. involving Government money of ₹ 13.87 crore (up to March 2016) on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.4** and nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the

number of cases pending under categories of theft and misappropriation/loss as emerged from these appendices is summarised in **Table 3.14**.

Table 3.14: Age-Profile of Misappropriations, losses, defalcations, etc.

(₹ in crore)

Age-Profile of the Pending Cases		
Range in Years	Number of Cases	Amount Involved
Up to 5	32	5.80
5 – 10	11	0.31
10 – 15	18	6.67
15 – 20	15	0.19
20 – 25	16	0.51
25 and above	54	0.39
Total	146	13.87

Source: Information compiled by O/o Pr. Accountant General (E&RS Audit) and Accountant General (G&SS Audit), Gujarat

Reasons for which these cases are outstanding are given in **Table 3.15**.

Table 3.15: Reasons for pendency of Misappropriations, losses, defalcations cases

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount (₹ in crore)
i)	Awaiting departmental and criminal investigation	35	3.74
ii)	Departmental action initiated but not finalised	41	0.82
iii)	Criminal proceedings finalised but execution of certificate for the recovery of the amount pending	3	0.02
iv)	Awaiting orders for recovery or write off	24	0.13
v)	Pending in the courts of law	41	9.11
vi)	Others	2	0.05
Total		146	13.87

Source: Information compiled by O/o Pr. Accountant General (E&RS Audit) and Accountant General (G&SS Audit), Gujarat

Out of the total 146 outstanding cases involving ₹ 13.87 crore, 35 cases involving ₹ 3.74 crore were awaiting departmental action/criminal investigation which need to be speeded up. Narmada, Water Resources, Water Supply and Kalpsar Department had 20 cases and Land Revenue Department had 16 cases which are pending for more than 25 years and need to be resolved at the earliest.

3.8 Operation of omnibus Minor Head 800

The omnibus Minor Head 800 accommodates the expenditure which could not be classified under the available programme minor heads.

During 2015-16, expenditure aggregating ₹ 13,071.38 crore, constituting 10.31 *per cent* of the total expenditure was classified under Minor Head 800 – other expenditure against 75 Major Heads under Revenue and Capital sections. Entire expenditure on Miscellaneous General Services (Major Head 2075), Capital Outlay on other General Economic Services (Major Head

5475), Capital Outlay on Miscellaneous General Services (Major Head 4075), Capital Outlay on Iron and Steel Industries (Major Head 4852), Capital Outlay on Crop Husbandry (Major Head 4401), Capital Outlay on Nutrition (Major Head 4236), Loans for Urban Development (Major Head 6217) and Loans for Engineering Industries (Major Head 6858) were classified under omnibus Minor Head – 800. Also, 96.57 *per cent* Capital Outlay on Medium Irrigation (Major Head 4701) was classified under Minor Head 800.

Similarly, revenue receipts aggregating ₹ 10,836.96 crore, constituting 11.12 *per cent* of total receipts were classified under omnibus Minor Head ‘800 – Other Receipts’ under 55 Major Heads under Revenue and Capital Sections. Entire receipts of Other Special Areas Programmes (Major Head 0575), Food Storage and Warehousing (Major Head 0408), Power (Major Head 0801), Tourism (Major Head 1452), Family Welfare (Major Head 0211), 85.18 *per cent* receipt of Grant-in-Aid from Central Government (Major Head 1601) were classified under omnibus Minor Head – 800.

Budgeting of large amounts under the omnibus Minor Head 800 – Other Expenditure/Receipts affects the transparency in financial reporting as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

The FD while accepting the fact replied (December 2016) that the matter has been brought to the notice of all the administrative departments of GoG.

It is observed that the expenditure under the Minor Head 800 has slightly decreased from ₹ 14,702.53 crore in 2014-15 to ₹ 13,071 crore in 2015-16 while the revenue receipts under the same minor head have increased during the same period from ₹ 9,109.61 crore to ₹ 10,836.96 crore. More efforts are required on the part of FD to classify the expenditure/receipts under correct respective minor heads instead of minor head 800.

3.9 Comments on Accounts

3.9.1 Transparency in accounts

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

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

3.9.2 Important factors affecting accuracy of accounts

The accounts of the Government are kept on cash basis. Certain transactions that arise in Government Account, the receipts and payments of which cannot at once be taken to a final head of receipt or expenditure owing to lack of information as to the nature or for any other reasons, are to be booked temporarily under the 'Suspense Head'. On the receipt of relevant details/information, these heads of accounts are finally cleared by minus debit or minus credit when the amounts under them are booked to their respective final heads of accounts. If these amounts remain uncleared, the balances under the suspense heads would accumulate and would not reflect Government's receipts and expenditure accurately. Debt, Deposit and Remittances heads account for such transactions where the Government, as a custodian of public money, receives and holds such money in trust.

The accuracy of the Finance Accounts 2015-16 of the state has been adversely affected by large number of transactions under suspense heads awaiting final classification. A general review of the transactions showed the following:

Outstanding balances under major suspense accounts

The balances under certain major suspense heads of accounts, as recorded in the ledger maintained by Accountant General (Accounts and Entitlement), are indicated in Table 3.16.

Table 3.16: Suspense Head (8658 – Suspense Accounts)

Name of Minor Head	₹ in crore)					
	2013-14		2014-15		2015-16	
	Dr	Cr	Dr	Cr	Dr	Cr
101- Pay and Accounts office Suspense	117.27	0.87	119.18	(-) 5.94	147.20	0.00
	Net Dr. 116.40		Net Dr. 125.12		Net Dr. 147.20	
102- Suspense Accounts (Civil)	109.49	50.35	121.45	50.38	67.26	0.05
	Net Dr. 59.14		Net Dr. 71.07		Net Dr. 67.21	
110- Reserve Bank suspense Central Accounts Office	152.85	(-) 91.44	152.11	(-) 91.44	243.56	0.00
	Net Dr. 244.29		Net Dr. 243.55		Net Dr. 243.56	

Source: Finance Accounts

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

Pay and Accounts Office (PAO) Suspense

This minor head is operated for the settlement of inter-departmental and inter-governmental transactions arising in the books of PAOs and the Accountant General. Transactions under this minor head represent either recoveries effected or payments made by an Accounts Officer on behalf of another Accounts Officer, against whom the minor head 'PAO Suspense' has been 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 this head would mean that payments have been made by the Accountant General on behalf of a PAO which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the Accountant General on behalf of a PAO, which are yet to be repaid/adjusted. The net debit balance under this head has increased continuously during 2013-14 to 2015-16. On clearance/settlement of this, the cash balance of the State Government will increase.

Suspense Account (Civil)

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

Outstanding debit balance under this head would mean payments were made which could not be debited to final expenditure head for want of details like vouchers etc. Outstanding credit balance would mean amounts were received which could not be credited to the final receipt head for want of details. The net debit balance under this head is ₹ 67.21 crore, indicating that necessary details for classification of final expenditure head were not available. Steps need to be taken for obtaining the requisite details.

3.10 Conclusion and Recommendations

The Personal Deposit (PD) Account of Deputy Director, Commissionerate of Higher Education was opened for direct payment of salary to the staff of non-Government Colleges. During test check in audit, it was found that there were instances of non closure of Personal Ledger (PL) Account cash book at the end of financial year, non reconciliation of balances as per cash book and treasury, cheques issued but not presented and non submission of audited expenditure statements.

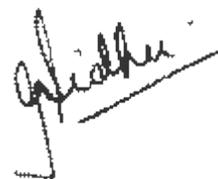
The concerned department may evolve a mechanism to ensure adherence with provisions of PD/PL accounts.

Non-submission of utilisation certificates of ₹ 5,385.40 crore indicated lack of adequate monitoring by the Departments in utilisation of grants given for specific purposes. We noticed instances of non-submission/incomplete submission of utilisation certificates in our detailed scrutiny of records of Health and Family Welfare Department.

The sanctioning authority/concerned department may evolve a mechanism to gather UCs promptly, verify their genuineness, including by way of sample inspection, and look into the delays in submission to identify the bottlenecks and address them for sound internal control and financial reporting.

There has been non-submission/delay in submission of accounts of autonomous bodies/authorities. In respect of 32 autonomous bodies/authorities auditable under section 14 of C&AG's (DPC) Act, 1971, accounts were in arrears for more than five years. None of the 42 autonomous bodies auditable under Section 19(2), 19(3) and 20(1) submitted its accounts in time.

The Controlling Departments may identify the reasons for delay in finalisation of pending accounts of autonomous bodies/authorities for suitable remedial measures so that backlog of arrears in accounts is cleared in a time bound manner.



(GURVEEN SIDHU)
Accountant General

(Economic & Revenue Sector Audit), Gujarat

Ahmedabad
The

Countersigned



(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

New Delhi
The

APPENDICES

APPENDIX 1.1
PART-A State Profile
(Reference: Paragraphs- Profile of Gujarat and 1.1, Page 1 and 2)

A. General Data						
				Particulars		Figures
Area						1,96,024 sq. km.
Population						
a.	As per 2001 Census					5.07 crore
b.	As per 2011 Census					6.04 crore
a.	Density of population (as per 2001 census) (All India Density = 325 persons per sq. km)					258 persons per sq. km.
b.	Density of population ¹ (as per 2011 census) (All India Density = 382 persons per sq. km)					308 persons per sq. km.
* Population Below Poverty Line (BPL) (All India Average = 29.5 per cent)						27.4 per cent
a	Literacy rate (as per 2001 census) (All India Average = 64.8 per cent)					69.14 per cent
b	Literacy rate ¹ (as per 2011 census) (All India Average = 73.00 per cent)					78.03 per cent
Life Expectancy at birth** (All India Average = 67.5 years)						67.7 years
Infant Mortality Rate*** (per 1000 live births) (All India Average = 39 per 1000 live births)						35
Gini –Coefficient****						
a.	Rural (All India = 0.29)					0.25
b.	Urban (All India = 0.38)					0.33
Gross State Domestic Product (GSDP) 2015-16 at current prices						₹ 9,84,971crore (A)
Per capita GSDP CAGR (2006-07 to 2015-16)				Gujarat		13.32 per cent
				General Category States		14.27 per cent
GSDP CAGR (2006-07 to 2015-16)				Gujarat		14.83 per cent
				General Category States*****		15.75 per cent
Population Growth***** Rate (2005-06 to 2014-15)				Gujarat		12.71 per cent
				General Category States		12.24 per cent
B. Financial Data						
				CAGR		Growth during 2015-16 over 2014-15
				2006-2007 to 2014-15		
				GCS[@]	Gujarat	GCS[@]
						Gujarat
Sr. No.	Particulars			(in per cent)		
a.	Revenue Receipts			14.74	14.56	15.00
b.	Own Tax Revenue			15.08	16.19	13.28
c.	Non Tax Revenue			10.20	8.55	6.00
d.	Total Expenditure			16.71	14.57	16.42
e.	Capital Expenditure			13.21	15.10	25.80
f.	Revenue Expenditure on Education			17.08	16.84	12.17
g.	Revenue Expenditure on Health			18.70	19.04	13.44
h.	Salary and Wages [§]			15.49	14.35	9.95
i.	Pension [§]			18.59	18.29	11.79

Census Info India 2011 Final Population Totals

*Report of the Expert Group (Rangarajan) to review the methodology for measurement of poverty, Planning Commission (June 2014),** Economic Survey ,Table 9.8, Page A, 162-163*** Infant Mortality Rate (SRS Bulletin September 2014) **** Gini-coefficient (Planning Commission data)*****Economic Survey 2015-16, Table 9.1, Page A 129*****Population Projections for India and States 2001-2026 - National Commission on Population.@ Based on 18 General Category States-Financial data is based on Finance Accounts of the State Government.§Exclude Delhi

Part B: Structure and Form of Government Accounts

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

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

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

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

PART C: Layout of Finance Accounts

Statement	Layout
Statement No.1	Statement of Financial Position: Cumulative figures of Assets and Liabilities of the Government as they stand at the end of the year.
Statement No.2	Statement of Receipts and Disbursements: Contains the summarized Statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government Accounts are kept.
Statement No.3	Statement of Receipts (Consolidated Fund): Contains revenue and capital receipts and receipts from borrowings of the Government consisting of loans from GOI, Market loans etc.
Statement No.4	Statement of Expenditure (Consolidated Fund) - By function and nature: Gives expenditure by function and summarized expenditure by nature of activity.
Statement No. 5	Statement of Progressive Capital Expenditure
Statement No.6	Statement of Borrowings and other Liabilities: Contains borrowings of the Government comprising Market Loans raised by it and loans and advances received from GOI along with other liabilities which are the balances under various sectors in the Public Account.
Statement No.7	Statement of Loans and Advances given by the Government.
Statement No.8	Statement of Investments of the Government.
Statement No.9	Statement of Guarantees given by the Government: Guarantees given by the State Government for repayment of loans etc. raised by Statutory Corporations, Government Companies, Local Bodies etc.
Statement No.10	Statement of Grants-in-aid given by the Government
Statement No.11	Statement of Voted and Charged Expenditure
Statement No.12	Statement on Sources and Application of funds for expenditure other than revenue account
Statement No.13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
Statement No.14	Detailed Statement of Revenue and Capital Receipts by Minor heads
Statement No.15	Detailed Statement of Revenue Expenditure by Minor heads.
Statement No.16	Detailed Statement of Capital Expenditure by Minor heads and Sub heads
Statement No.17	Detailed Statement of Borrowings and Other Liabilities
Statement No.18	Detailed Statement of Loans and Advances given by the Government
Statement No.19	Detailed Statement of Investments of the Government
Statement No. 20	Detailed Statement of Guarantees given by the Government
Statement No. 21	Detailed Statement on Contingency Fund and Other Public Account Transactions
Statement No. 22	Detailed Statement on Investments of Earmarked Funds

APPENDIX 1.2

(Reference: Paragraph 1.1; Page 2)

Part A: Methodology adopted for the assessment of Fiscal Position

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

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

Trends in Gross State Domestic Product (GSDP)

	2011-12	2012-13	2013-14	2014-15	2015-16
Gross State Domestic Product at current prices (₹ in crore)	6,05,456(P)	7,12,123(P)	8,06,745(P)	8,95,202(Q)	9,84,971(A)
Growth rate of GSDP (<i>per cent</i>)	16.1	17.6	13.3	11.0	10.0

Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2016-17)

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

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

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

PART B: Fiscal Responsibility Act

The Gujarat Fiscal Responsibility Act, 2005

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

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

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

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

Keeping in view the fiscal targets laid down in the Fiscal Responsibility Act and/or the rules made thereunder and the anticipated annual rate of reduction of fiscal deficit of the States worked out by the Government of India for the ThFC award period following its recommendation, the State Government has developed its own Fiscal Correction Path indicating the milestones of outcome indicators with target dates of implementation during the period from 2012-13 to 2015-16 as given below.

Fiscal indicators of Medium Term Fiscal Policy Statement

(₹ in crore)

Sr. No.	Item	Previous year		Current Year		Ensuing Year	Targets for next two years	
		2012-13	2013-14	2014-15(BE)	2014-15(RE)	2015-16(BE)	2016-17	2017-18
1	2	3	4	5	6	7	8	9
1	Revenue Deficit (-)/ Surplus (+)	+5,570	+4,717	+6,837	+6,387	+7,308	+9,000	+10,000
2	Fiscal Deficit(-) / Surplus(+)	-16,492	-18,423	-21,715	-18,347	-22,049	-28,128	-32,206
3	Public Debt	1,36,367	1,49,506	1,69,538	1,65,742	1,84,667	2,04,667	2,24,667
4	GSDP**	6,58,540	7,65,638	8,86,219	8,58,189	9,82,626	11,25,107	12,88,248
5	Fiscal Deficit as percentage of GSDP	2.50	2.41	2.45	2.14	2.24	2.50	2.50
6	Public Debt as percentage of GSDP	20.71	19.53	19.13	19.31	18.79	18.19	17.44
7	Government guarantees outstanding	6,388	6,583	16,000	16,000 [#]	16,000	16,000	16,000

Source: Finance Accounts & Budgets of the relevant years

[#] Outstanding guarantees as on 31st January, 2015.

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

**The GSDP estimates for 2013-14 are based on quick estimates and for 2014-15(RE) are based on advanced estimates while those for 2015-16 onwards are based on growth projections of the Thirteenth Finance Commission on advance estimates of GSDP for 2014-15 subject to changes as recommended by 14th Finance Commission.

APPENDIX 1.3
(Reference: Paragraphs 1.1.1 and 1.9.1; Pages 2 and 33)

(₹ in crore)

Part I: Abstract of Receipts and Disbursements for the year 2015-16										
Section-A: Revenue										
Receipts					Disbursements					
2014-15			2015-16	2014-15			Non-Plan	Plan	Total	2015-16
91,977.78	I	Revenue Receipts	97482.58	86,651.71	I	Revenue Expenditure	63,554.46	32,224.08	95,778.54	95,778.54
61,339.81		Tax Revenue	62,649.41	30,003.32		General Services	31,512.36	1,363.69	32,876.05	
				36,714.15		Social Services	21,620.77	20,499.13	42,119.90	
9,542.61		Non-Tax Revenue	10,193.52	16,421.10		Education, Sports, Art and Culture	14,747.75	3,228.27	17,976.02	
				4,397.73		Health and Family Welfare	1,621.39	3,607.70	5,229.09	
10,296.35		State's share of Union Taxes	15,690.43	8,723.11		Water Supply, Sanitation, Housing and Urban Development	3,398.74	7,005.48	10,404.22	
				119.85		Information and Broadcasting	28.58	78.10	106.68	
2,668.94		Non-Plan grants	2,179.28	2,359.95		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	228.65	2,553.81	2,782.46	
7,341.11		Grants for State Plan Schemes	6,064.11	885.50		Labour and Labour Welfare	250.79	710.17	960.96	
				3,748.71		Social Welfare and Nutrition	1,294.25	3,305.48	4,599.73	
788.96		Grants for Central and Centrally sponsored Plan Schemes	705.83	58.20		Others	50.62	10.12	60.74	
				19,398.68		Economic Services	9,862.60	10,361.26	20,223.86	
				4,068.78		Agriculture and Allied Activities	1,136.74	3,176.27	4,313.01	
				2,039.46		Rural Development	1,576.24	1,790.83	3,367.07	
				70.89		Special Areas Programmes	49.62	17.92	67.54	
				1,037.15		Irrigation and Flood Control	621.12	360.60	981.72	
				5,378.82		Energy	4,167.78	314.00	4,481.78	
				1,503.84		Industry and Minerals	255.48	1,710.44	1,965.92	
				4,490.76		Transport	1,676.08	2,427.54	4,103.62	
				163.64		Science, Technology and Environment	1.50	227.81	229.31	
				645.34		General Economic Services	378.04	335.85	713.89	
				535.56		Grants-in-aid and Contributions	558.73	-	558.73	
-	II	Revenue Deficit carried over to Section B	-	5,326.07	II	Revenue Surplus carried over to Section B		-	1,704.04	1,704.04
91,977.78		Total	97,482.58	91,977.78		Total				97,482.58

Receipts				Disbursements								
2014-15				2015-16	2014-15				Non-plan	Plan	Total	2015-16
Section B : Others												
15,386.48	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		21,076.47	0.00	III	Opening Overdraft from Reserve Bank of India	0.00	0.00	0.00	0.00	0.00
241.00	IV	Miscellaneous Capital receipts		0.00	24,157.76	IV	Capital Outlay	76.43	24,093.01	24,169.44	24,169.44	
					888.02		General Services	57.93	750.28	808.21		
					7,185.70		Social Services	18.50	6,398.64	6,417.14		
					1,328.30		Education, Sports, Art and Culture	-	1,280.66	1,280.66		
					1,969.17		Health and Family Welfare	-	1,896.01	1,896.01		
					2,981.06		Water Supply, Sanitation, Housing and Urban Development	18.50	2,539.92	2,558.42		
					4.05		Information and Broadcasting	-	1.01	1.01		
					366.17		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	318.36	318.36		
					105.12		Social Welfare and Nutrition	-	70.90	70.90		
					431.83		Others	-	291.78	291.78		
					16,084.04		Economic Services	-	16,944.08	16,944.08		
					773.57		Agriculture and Allied Activities	0.00	945.78	945.78		
					1,165.37		Rural Development	0.00	1,204.49	12,04.49		
					34.65		Special Areas Programmes	0.00	23.60	23.60		
					7,646.93		Irrigation and Flood Control	0.00	8,141.85	8,141.85		
					2,031.72		Energy	0.00	3,297.11	3,297.11		
					887.97		Industry and Minerals	0.00	128.65	128.65		
					3,078.10		Transport	0.00	2,743.59	2,743.59		
					1.00		Science, Technology and Environment	0.00	0.00	0.00		
					0.00		Communication	0.00	0.00	0.00		
					464.73		General Economic Services	0.00	459.02	459.02		
621.38	V	Recoveries of Loans and Advances		125.46	349.90	V	Loans and Advances disbursed	56.19	619.00	675.19	675.19	
344.28		From Power Projects	53.70		0.36		For Power Projects	0.00	143.12	143.12		
40.44		From Government Servants	34.92		7.08		To Government Servants	12.58	0.00	12.58		
236.66		From Others	36.84		342.46		To Others	43.61	475.88	519.49		
5,326.07	VI	Revenue Surplus brought down		1,704.04	0.00	VI	Revenue Deficit brought down	0.00	0.00	0.00	0.00	
19,453.94	VII	Public debt receipts		23,486.19	5,509.20	VII	Repayment of Public debt			6,194.26	6,194.26	
19,130.55		Internal debt other than Ways and Means Advances and overdrafts	23,233.63		4,849.01		Internal debt other than Ways and Means Advances and overdrafts		5,534.06			

Receipts				Disbursements								
2014-15				2015-16	2014-15				Non-plan	Plan	Total	2015-16
0.00		Net transactions under Ways and Means Advances		0.00	0.00		Net transactions under Ways and Means Advances		-	-	-	
323.39		Loans and Advances from Central Government		252.56	660.19		Repayment of Loans and Advances to Central Government		-	660.20	660.20	
-	VIII	Appropriation to Contingency Fund		0.00	0.00	VIII	Appropriation to Contingency Fund		0.00	0.00	0.00	0.00
0.11	IX	Amount transferred to Contingency Fund		14.16	14.16	IX	Expenditure from Contingency Fund		-	-	3.75	3.75
62,387.52	X	Public Account receipts		65,131.92	52,309.01	X	Public Account disbursements				61,936.12	61,936.12
2,195.36		Small Savings and Provident Funds		2,255.08	1,694.02		Small Savings and Provident Funds		1,777.39			
5,747.93		Reserve Funds		2,025.60	179.89		Reserve Funds		2,320.28			
1,066.93		Suspense and Miscellaneous		452.65	224.17		Suspense and Miscellaneous		196.79			
17,364.42		Remittance		17,684.77	17,305.15		Remittances		17,404.02			
36,012.88		Deposits and Advances		42,713.82	32,905.78		Deposits and Advances		40,237.64			
0.00	XI	Closing Overdraft from Reserve Bank of India			21,076.47	XI	Cash Balance at end				18,559.48	18,559.48
					4.19		Cash in Treasuries and Local Remittances		4.19			
					(-389.00)		Deposits with Reserve Bank		(-598.63)			
					9,059.35		Departmental Cash Balance and investment including permanent Advances		10,208.40			
					12,401.93		Cash Balance Investment		8,945.52			
1,03,416.50		Total		1,11,538.24	1,03,416.50		Total					1,11,538.24

(₹ in crore)

Part II: Summarised financial position of the Government of Gujarat as on 31 March 2016			
As on 31.03.2015	Liabilities		As on 31.03.2016
1,55,981.11	Internal Debt -		1,73,680.67
1,00,591.97	Market Loans bearing interest	1,15,157.07	
0.60	Market Loans not bearing interest	0.55	
-	Loans from Life Insurance Corporation of India	0.00	
55,388.54	Loans from Other Institutions	58,523.05	
-	Ways and Means Advances	-	
-	Overdrafts from Reserve Bank of India	-	
7,469.79	Loans and Advances from Central Government -		7,062.15
2.53	Pre 1984-85 Loans, 6004	2.53	
43.24	Non-Plan Loans	39.69	
7,423.84	Loans for State Plan Schemes	7,019.75	
-	Loans for Central Plan Schemes	-	
0.18	Loans for Centrally Sponsored Plan Schemes	0.18	
185.84	Contingency Fund		196.25
9,049.62	Small Savings, Provident Funds, etc.		9,527.31
24,288.22	Deposits		26,764.43
14,558.41	Reserve Funds		14,263.74
1,349.03	Suspense and Miscellaneous Balances		1,604.89
548.38	Remittance Balances		829.13
2,13,430.40	Total		2,33,928.57
	Assets		
1,64,220.67	Gross Capital Outlay on Fixed Assets -		1,88,390.11
62,929.27	Investments in shares of Companies, Corporations, etc.	70,729.67	
1,01,291.40	Other Capital Outlay	1,17,660.44	
6,776.67	Loans and Advances -		7,326.40
519.46	Loans for Power Projects	608.89	
6,012.18	Other Development Loans	6,480.14	
245.03	Loans to Government servants and Miscellaneous loans	237.37	
9,033.72	Reserve Fund Investments		10,208.17
0.77	Advances		0.80
-	Suspense and Miscellaneous Balances		0.00
12,042.41	Cash -		8,350.97
4.19	Cash in Treasuries and Local Remittances	4.19	
(-)389.00	Deposits with Reserve Bank	-598.63	
25.29	Departmental Cash Balance including Permanent Advances	-0.11	
12,401.93	Cash Balance Investments	8,945.52	
21,356.16	Deficit on Government Account -		19,652.12
	Less		
5,326.07	(i) Revenue Surplus /Add Revenue deficit of the current year	1,704.04	
241.00	(ii) Miscellaneous Deficit	0.00	
-	(iii) Other adjustment	0.00	
26,923.23	Accumulated deficit at the beginning of the year	21,356.16	
2,13,430.40	Total		2,33,928.57

APPENDIX 1.4
Time series data on the State Government finances
(Reference: Paragraph 1.3 and 1.9.2; Page 7 and 33)

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
PART A-Receipts					
1. Revenue Receipts	62,959	75,229	79,976	91,978	97,483
(i) Tax Revenue	44,252	53,897	56,373	61,340	62,649
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc	31,202	39,465	40,976	44,145	44,091
State Excise	72	85	110	140	123
Taxes on Vehicles	2,251	2,276	2,283	2,695	3,008
Stamps and Registration fees	4,670	4,427	4,749	5,503	5,549
Land Revenue	1,477	2,208	1,727	1,893	2,529
Taxes on Goods and Passengers	208	211	834	211	265
Other Taxes	4,370	5,225	5,694	6,753	7,084
(ii) Non Tax Revenue	5,277	6,017	7,018	9,543	10,194
(iii) State's share of Union taxes and duties	7,780	8,869	9,702	10,296	15,691
(iv) Grants in aid from Government of India	5,650	6,446	6,883	10,799	8,949
2. Miscellaneous Capital Receipts	10	-	-	241	0.00
3. Recoveries of Loans and Advances	165	47	141	621	125
4. Total Revenue and Non debt capital receipts (1+2+3)	63,134	75,276	80,117	92,840	97,608
5. Public Debt Receipts	17,535	19,497	19,343	19,454	23,486
Internal Debt (excluding Ways and Means Advances and Overdrafts)	17,347	18,905	19,182	19,131	23,234
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	188	592	161	323	253
6. Total Receipts in the Consolidated Fund (4+5)	80,669	94,773	99,460	1,12,294	1,21,094
7. Contingency Fund Receipts	1	81	0	0	14
8. Public Account Receipts (Gross)	79,653	50,046	52,020	62,388	65,132
9. Total Receipts of the State (6+7+8)	1,60,323	1,44,900	1,51,480	1,74,682	1,86,240
PART B-Expenditure/Disbursement					
10. Revenue Expenditure	59,744	69,659	75,259	86,652	95,779
Plan	16,690	22,513	23,894	26,586	32,224
Non Plan	43,054	47,146	51,365	60,066	63,555
General Services (including interest payments)	21,481	24,128	26,820	30,003	32,876
Social Services	24,546	29,529	32,382	36,714	42,120
Economic Services	13,518	15,839	15,731	19,399	20,224
Grants-in-aid and contributions	200	163	326	536	559
11. Capital Expenditure	13,812	21,227	22,677	24,158	24,169
Plan	13,608	21,151	22,511	24,074	24,093
Non Plan	204	76	166	84	76
General Services	556	714	816	888	808
Social Services	3,306	6,083	6,650	7,186	6,417
Economic Services	9,950	14,430	15,211	16,084	16,944
12. Disbursement of Loans and Advances	605	882	603	350	675

Appendices

	2011-12	2012-13	2013-14	2014-15	2015-16
13. Total Expenditure (10+11+12)	74,161	91,768	98,539	1,11,160	1,20,623
14. Repayments of Public Debt	5,275	6,536	6,204	5,509	6,194
Internal Debt (excluding Ways and Means Advances and Overdrafts)	4,156	5,794	5,548	4,849	5,534
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	1,119	742	656	660	660
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	79,436	98,304	1,04,743	1,16,669	1,26,817
17. Contingency Fund disbursements	81	-	-	14	4
18. Public Account disbursements	77,161	46,538	50,039	52,309	61,936
19. Total disbursement by the State (16+17+18)	1,56,678	1,44,842	1,54,782	1,68,992	1,88,757
Part C- Deficits					
20. Revenue Deficit(-) / Revenue Surplus (+) (1-10)	(+)3,215	(+)5,570	(+)4,717	(+)5,326	(+)1,704
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)11,027	(-)16,492	(-)18,422	(-)18,320	(-)23,015
22. Primary Deficit(-)/Primary Surplus(+)(21+23)	(-)93	(-)4,331	(-)5,090	(-)3,374	(-)6,715
Part D- Other data					
23. Interest Payments (included in revenue expenditure)	10,934	12,161	13,332	14,946	16,300
24. Financial Assistance to local bodies etc.	27,942	31,125	36,161	39,964	44,048
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP)F	6,05,456(P)	7,12,123(P)	8,06,745(P)	8,95,202(Q)	9,84,971(A)
28. Outstanding Fiscal liabilities (year end)	1,50,785	1,66,667	1,83,057	2,02,313	2,21,090
29. Outstanding guarantees (year end)	7,449	6,195	6,549	5,984	5,236
30. Maximum amount guaranteed (during the year)	10,387	10,525	11,175	11,235	11,333
Part E- Fiscal Health Indicators					
Own Tax revenue/GSDP (<i>per cent</i>)	7.31	7.57	6.99	6.85	6.36
Own Non-Tax Revenue/GSDP (<i>per cent</i>)	0.87	0.84	0.87	1.07	1.03
Central Transfers/GSDP (<i>per cent</i>)	2.22	2.15	2.06	2.36	2.50
II. Expenditure Management					
Total Expenditure/GSDP (<i>per cent</i>)	12.25	12.89	12.21	12.42	12.25
Total Expenditure/Revenue Receipts	1.18	1.22	1.23	1.21	1.24
Revenue Expenditure/Total Expenditure	0.81	0.76	0.76	0.78	0.79
Expenditure on Social Services/Total Expenditure	0.38	0.39	0.40	0.39	0.40
Expenditure on Economic Services/Total Expenditure	0.32	0.33	0.31	0.32	0.31
Capital Expenditure/Total Expenditure	0.19	0.23	0.23	0.22	0.20
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.18	0.22	0.22	0.21	0.19
III. Management of Fiscal Imbalances					
Revenue deficit or surplus/GSDP (<i>per cent</i>)	0.53	0.78	0.58	0.59	0.17
Fiscal deficit/GSDP (<i>per cent</i>)	1.82	2.32	2.28	2.05	2.34

	2011-12	2012-13	2013-14	2014-15	2015-16
Primary Deficit or Surplus/GSDP (<i>per cent</i>)	0.02	0.61	0.63	0.38	0.68
Revenue Deficit/Fiscal Deficit	(+)0.29	(+)0.34	(+)0.26	(+)0.29	(+)0.07
Primary Revenue Balance/GSDP (<i>per cent</i>)	2.34	2.49	2.24	2.26	1.83
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.25	0.23	0.23	0.23	0.22
Fiscal Liabilities/RR (<i>per cent</i>)	240	222	229	220	227
Primary deficit vis-à-vis quantum spread (<i>per cent</i>)	(-)0.81	(-)28.84	(-)53.86	(-)57.60	(-)142.45
Debt Redemption (Principal +Interest) / Total Debt Receipts	0.94	0.93	0.95	0.93	0.96
V. Other Fiscal Health Indicators					
Return on Investment	0.33	0.12	0.50	0.14	0.14
Balance from Current Revenue (₹ in crore)	16,022	22,867	23,807	23,782	27,658
Financial Assets/Liabilities	0.76	0.82	0.86	0.90	0.92

F Source: Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No.30 of 2016-17)

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

APPENDIX 1.5
Comparison of main components of Tax Revenue during 2011-12 to 2015-16
(Reference Paragraph 1.3.1, page 9)

(₹ in crore)

Heads of Revenue	Year	Revenue collected	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage of cost of collection
Sales Tax/ Commercial Tax	2011-12	31,202.31	163.28	0.52	0.83
	2012-13	39,464.67	164.13	0.42	N.A.
	2013-14	40,976.06	227.22	0.55	N.A.
	2014-15	44,145.26	212.25	0.48	0.91
	2015-16	44,091.05	204.99	0.46	N.A.
Taxes on vehicles and Taxes on goods and passengers	2011-12	2,459.37	66.02	2.68	2.96
	2012-13	2,486.84	83.44	3.36	N.A.
	2013-14	3,116.37	94.98	3.05	N.A.
	2014-15	2,905.44	124.07	4.27	6.08
	2015-16	3,273.17	138.53	4.23	N.A.
Stamp duty and Registration fees	2011-12	4,670.28	70.68	1.51	1.89
	2012-13	4,426.93	70.13	1.58	N.A.
	2013-14	4,749.35	79.61	1.67	N.A.
	2014-15	5,503.34	81.75	1.49	3.59
	2015-16	5,549.42	84.76	1.53	N.A.
State Excise	2011-12	72.11	10.73	14.88	2.98
	2012-13	84.91	11.38	13.40	N.A.
	2013-14	109.82	12.44	11.33	N.A.
	2014-15	140.27	13.43	9.57	2.09
	2015-16	123.32	14.49	11.75	N.A.

APPENDIX 2.1
Statement of Expenditure without Provision
(Reference: Paragraph 2.3.1; Page 44)

(₹ in crore)

Sl. No.	Grant No.	Major Head and details of the Grant/ Appropriation	Expenditure	Reasons
1	2	2401.00.119P 53 Scheme on Micro Irrigation under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)	138.37	Bifurcation of the Scheme from 2401-800-00-21 as per the Finance Departments Instruction
2	26	2406.01.502 01 Expenditure awaiting transfer to other head/ Department(RAT)	0.05	No reasons intimated
3	51	5452.80.104 02 TRS-37 Gujarat Pavitra Yatradham Vikas Board	0.41	No reasons intimated
4	67	4215.01.102P 24 Rural Water Supply Programme (Plan)	457.90	To make available fund for new Programme created in Revised budget
5	71	2215.02.105P 01 Rural Sanitation Programme (SBM)	547.94	Change of Minor Head "800" to "105"
6	71	2216.03.105P 01 Indira Awas Yojana	84.96	Change of Minor Head "800" to "105"
7	71	2501.05.101P 01 Integrated Watershed Management Programme	172.18	Change of Minor Head "800" to "101"
8	75	5051.02.200 01 Capital Contribution to Gujarat Maritime Board for Infrastructure and Development of Ports	0.42	No reasons intimated
9	95	2202.04.200P 03 EDN-135 Sakshar Bharat	5.20	Grants received from Project Approval Board (PAB)
10	95	2215.02.105P 04 WSS-33 Rural Sanitation Programme	56.70	Change of minor head from "800" to "105"
11	95	2216.03.105 01 HSG-49 Indira Awas Yojana	0.25	No reasons intimated
12	95	221603105P 01 HSG-49 Indira Awas Yojana	22.56	No reasons intimated
13	95	2401.00.119P 03 Scheme on Micro Irrigation under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)	17.08	Introducing the Scheme in August 2015
14	95	2501.05.101P 01 RDD- Integrated Watershed Management Programme	33.44	Change of Minor Head "800" to "101"
15	95	4406.01.101C 02 Bamboo Mission Scheme for Fruits Plantation	0.30	As per grant released by GoI
16	101	2216.02.103 01 HSG Waste Water management under New Project of Gujarat Housing Board	7.94	Original Budget provision transferred from Major Head 2216-02-190-16
17	101	2216.02.103 02 HSG-Acquisition of land for Mukhya Mantri Gruh Yojana	20.00	Original Budget provision transferred from Major Head

Appendices

Sl. No.	Grant No.	Major Head and details of the Grant/ Appropriation	Expenditure	Reasons
				2216-02-190-18
18	102	2217.03.191C 65 UDP - Grant in aid Municipal Corporations	42.54	To meet fund requirements under "AMRUT" Scheme due to late declaration of the Scheme byGoI.
Total			1,608.24	

Source: Appropriation Accounts and Appropriation Act of the State Government

APPENDIX 2.2
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.1.2; Page 45)

(₹ in crore)

Year	Grant/ Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2007-08	3,5,8,9,11,12,13,15,18,21,22,23,25,26,31,32,38,39,40,41,44,50,51,53,55,57,61,62,64,66,73,74,75,78,80,81,82,84 (Revenue voted and charge), 86,87,88, 95	1,055.38	Not regularised
2008-09	5,8,9,13,21,22,23,26,38,39,41,43,44,55,58,62,66, 73, 79, 80, 81, 86 (Revenue and Capital), 87,104,106.	347.05	-do-
2009-10	1, 3, 5, 9, 10, 12, 17, 18, 21, 23, 26, 32, 39, 41, 43, 45, 46, 48, 55, 57, 61, 62, 64, 66, 69, 73, 75, 80, 84, 86, 87, 88, 96, 97, 101, 102 (Revenue Voted); 20, 32, 43, 68, 84 (Revenue Charged);65, 93 (Capital Voted); 86 (Capital Charged).	1,010.86	-do-
2010-11	10, 41, 51, 62, 66, 72, 73, 82, 86, 87, 88, 105 (Revenue Voted); 13 (Capital Voted); 71 (Revenue Charged); 81 (Capital Charged)	120.25	-do-
2011-12	10, 18, 51, 82, 86 (Revenue Voted); 87 (Capital Voted); 26, 96 (Revenue Charged); 20, 81, 96 (Capital Charged)	660.62	-do-
2012-13	9,12,18,73,88 (Revenue Voted); 26 (Capital Voted); 26, 86,88 (Revenue Charged); 81, (Capital Charged)	247.59	-do-
2013-14	9,73,88 (Revenue Voted); 26, 87 (Capital Voted); 26, 68, (Revenue Charged); 66 (Capital Charged)	1,026.35	-do-
2014-15	73,85,88 (Revenue Voted); 26 (Capital Voted); 19 ,43, 81 (Revenue Charged)	144.45	-do-
Total		4,612.55	

APPENDIX 2.3
Cases where persistent excess were noticed during 2013-16
(Reference: Paragraph 2.3.2; Page 45)

(₹ in crore)

Grant No.	Year	Provision	Expenditure	Excess	Reasons
2071-01-101-01 Superannuation and retirement allowances to primary panchayat teachers					
9	2013-14	742.50	1,906.90	1,164.40	No reasons intimated.
9	2014-15	1,940.00	2,156.38	216.38	No reasons intimated.
9	2015-16	2,052.00	2,295.45	243.45	No reasons intimated.
2071-01-104-01 Gratuities to Primary Panchayats Teachers					
9	2013-14	151.25	347.85	196.60	No reasons intimated.
9	2014-15	280.00	369.44	89.44	No reasons intimated.
9	2015-16	370.00	397.85	27.85	No reasons intimated.
2071-01-105 - 01 Family Pension to Primary Panchayats Teachers					
9	2013-14	159.50	280.92	121.42	No reasons intimated.
9	2014-15	300.00	322.30	22.30	No reasons intimated.
9	2015-16	275.00	337.91	62.91	No reasons intimated.
2071-01-105-01 Family Pension					
18	2013-14	520.00	653.58	133.58	Fluctuating nature of expenditure, based on actual finalisation of cases.
18	2014-15	625.00	735.55	110.55	Due to receipt of more family pension cases than anticipated
18	2015-16	753.40	809.41	56.01	Based on actual expenditure, no reasons intimated
4700-11-800-43 Canals and Branches					
66	2013-14	29.00	69.59	40.59	More progress of canal and branches work than anticipated
66	2014-15	106.55	123.46	16.91	Not initiated
66	2015-16	83.75	95.83	12.08	More progress at field by agencies
3054-80-796- 02 RBD-10 Special Provision for Roads and Bridges under Tribal Area Sub Plan					
96	2013-14	29.20	40.15	10.95	More demand from district offices for Road and Building works under the scheme
96	2014-15	29.20	54.93	25.73	More planning by the state level committee
96	2015-16	29.20	56.65	27.45	More Planning in this Head at State Level

APPENDIX 2.4
Rush of Expenditure through Hand receipts (Reference: Paragraph 2.3.3; Page 46)

Sl. no.	Division/ office which made advance payment through hand receipts	Major head	Description	Paid to whom	Amount
1	Watrak Project Canal Division	8443	Deposit testing & commissioning package – I	NCC Limited Ahmedabad	10.33
2	Drainage Division, Gandhinagar	2702	Maintenance & Repairs	The M.D, G.W.R.D.C. Ltd. Gandhinagar	10.00
3	Drainage Division, Gandhinagar	2702	Maintenance & Repairs	The M.D, G.W.R.D.C. Ltd. Gandhinagar	8.17
4	Drainage Division, Gandhinagar	4701	Other expenditure to Dharoi various line	The M.D, G.W.R.D.C. Ltd. Gandhinagar	2.35
5	Rajkot Irrigation Project Division	4701	Estimate charges for new EHT connection at Link-4, Package-3 pumping station	Paschim Gujarat Vij Co. Ltd.	7.70
6	R&B Division, Valsad	5054	Widening of canal crossings	Ambica Division, Navsari	2.00
7	Tapi (R&B) Division, Vyara	5054	Construction of bridge at ch-465 mt of Songadh Shenitta Mandvi	Ukai left bank canal irrigation Dn 2, Valod	3.50
8	Tapi (R&B) Division, Vyara	5054	Construction of bridge at ch-1165 at Songadh Mandvi new	Ukai left bank canal irrigation Dn 2, Valod	3.27
9	City R&B Division, Vadodara	4059	Providing Judges lift & passenger lift at High Court building, Vadodara	Electric Division, R&B Department, Vadodara	4.27
10	Capital Project Division No.1, Gandhinagar	2029	Electrical work of Din dayal, sector-14, Gandhinagar	Capital project Electrical Division-22, Gandhinagar	2.68
11	R&B Division No. 2, Surat	5054	Deposit of the three canal structure	Surat Canal Division, Surat	2.50
12	Project Construction Division 4, Rajkot	4701	Estimate for revision in contract demand 9500 KVA a new power supply on 66Kv at Lokdhirpur	Paschim Gujarat Vij Co. Ltd.	4.89
13	Project Construction Division 4, Rajkot	4701	Sauni Yojana Link – 4, P-2 Pumping Station Deposit	Paschim Gujarat Vij Co. Ltd.	11.92
14	Director General & Chief Police Officer	2055	Purchase of Bulletproof Helmets	Gujarat State Police Housing Corporation Limited.	10.00
15	Director General & Chief Police Officer	2055	Purchase of various equipment for BDDS team for newly created seven districts	Gujarat State Police Housing Corporation Limited.	3.15
16	Additional Director General of Police, Intelligence	2055	Creation of Social Media Intelligence Lab	Gujarat State Police Housing Corporation Limited.	3.00
17	Finance Department	2052	Integrated financial Management System (IFMS)	Gujarat Informatics Limited, Gandhinagar.	12.00

(₹ in crore)

Appendices

Sl. no.	Division/ office which made advance payment through hand receipts	Major head	Description	Paid to whom	Amount
18	Director of Employment & Training	4250	Project) purchase of equipments for Government Industrial Training Institutes	Gujarat Council of vocational Training (GCVT), Gandhinagar.	3.60
19	Director of Employment & Training	4250	purchase of equipments for Government Industrial Training Institutes	Gujarat Council of Vocational Training (GCVT), Gandhinagar.	8.99
20	Director of Employment & Training	4250	Purchase of equipments for Government Industrial Training Institutes	Gujarat Council of Vocational Training (GCVT), Gandhinagar.	38.78
21	Commissioner of Geology & Mining	2853	Implementation of GIS project	Gujarat Mineral Research and Development Society (GMRDS).	20.00
22	Home Department	2052	Implementation of CSITMS project and for implementation of CCTV project in Police Stations	Gujarat Informatics Limited, Gandhinagar.	2.99
					176.09

APPENDIX 2.5
Statement of various grants/appropriations where savings were more than ₹ 100 crore each or more than 50 per cent of the total provision
(Reference: Paragraph 2.3.4; Page 47)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
1	2	Agriculture - Revenue Voted	2,709.58	271.57	10.02
2	2	Agriculture - Capital Voted	105.00	80.00	76.19
3	4	Animal Husbandry and Dairy Development - Revenue Voted	497.61	118.13	23.74
4	5	Co-operation - Revenue Voted	478.34	194.49	40.66
5	7	Other Expenditure pertaining to Agriculture and Co-operation Department - Capital Voted	0.41	0.36	87.80
6	9	Education - Capital Voted	1,091.67	484.19	44.35
7	9	Education - Revenue Voted	20,836.53	443.16	2.13
8	13	Energy Projects - Revenue Voted	5,922.56	1,483.73	25.05
9	18	Pensions and Other Retirement Benefits - Revenue Voted	6,420.97	304.47	4.74
10	19	Other Expenditure pertaining to Finance Department - Revenue Voted	4,070.64	3,514.15	86.33
11	19	Other Expenditure pertaining to Finance Department - Capital Charged	0.01	0.01	100.00
12	19	Other Expenditure pertaining to Finance Department - Capital Voted	0.99	0.84	84.85
13	20	Repayment of debt pertaining of Finance Department and its Servicing- Revenue Charged	15,605.85	332.76	2.13
14	24	Other Expenditure pertaining to Food Civil Supplies and Consumer Affair Department-Capital Voted	0.01	0.01	100.00
15	39	Medical and Public Health - Capital Voted	1,666.43	265.53	15.93
16	39	Medical and Public Health- Revenue Voted	3,908.61	156.08	3.99
17	43	Police - Revenue Voted	3,378.22	216.22	6.40
18	46	Other Expenditure pertaining to Home Department - Capital Voted	593.64	113.68	19.15
19	49	Industries-Revenue Voted	1,955.18	350.01	17.90
20	49	Industries - Capital Voted	237.47	164.00	69.06
21	58	Other Expenditure pertaining to Labour and Employment Department - Capital Voted	0.33	0.31	93.94
22	60	Administration of Justice - Revenue Voted	867.88	295.66	34.07
23	61	Other Expenditure Pertaining to Legal Department - Capital Voted	1.77	1.38	77.97
24	63	Other expenditure pertaining to	0.09	0.08	88.89

Appendices

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
		Legislative and Parliamentary Affairs Development - Capital Voted			
25	65	Narmada Development Scheme - Capital Voted	4,772.00	966.87	20.26
26	66	Irrigation and Soil Conservation - Revenue Voted	1,019.14	159.92	15.69
27	66	Irrigation and Soil Conservation - Revenue Charged	0.40	0.35	87.50
28	67	Water Supply - Capital Voted	1,676.32	363.89	21.71
29	68	Other Expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department - Capital Voted	1.10	0.79	71.82
30	70	Community Development - Revenue Voted	2,098.30	159.17	7.59
31	71	Rural Housing and Rural Development - Revenue Voted	1,872.25	255.68	13.66
32	75	Other Expenditure pertaining to Ports and Transport Department - Capital Voted	15.84	14.77	93.24
33	77	Tax Collections Charges (Revenue Department) - Revenue Voted	331.78	102.07	30.76
34	79	Relief On Account of Natural Calamities - Revenue Voted	2,315.46	195.81	8.46
35	81	Compensations and Assignments - Capital Voted	0.11	0.11	100.00
36	82	Other Expenditure pertaining to Revenue Department - Revenue Voted	3.14	2.18	69.43
37	82	Other Expenditure pertaining to Revenue Department - Capital Voted	0.26	0.17	65.38
38	84	Non-Residential Buildings - Capital Voted	1,325.69	544.60	41.08
39	86	Roads and Bridges- Capital Voted	2,377.68	537.84	22.62
40	86	Roads and Bridges - Revenue Voted	3,626.38	528.53	14.57
41	86	Roads and Bridges - Revenue Charged	4.12	2.73	66.26
42	90	Other Expenditure pertaining to Science and Technology Department - Capital Voted	14.00	10.04	71.71
43	92	Social Security and Welfare - Revenue Voted	1,351.99	163.31	12.08
44	95	Special Component Plan For Scheduled Castes- Revenue Voted	2,856.75	367.76	12.87
45	95	Special Component Plan For Scheduled Castes - Capital Voted	1,147.25	264.95	23.09
46	96	Tribal Area Sub-Plan - Revenue Voted	6,077.79	767.40	12.63

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
47	96	Tribal Area Sub-Plan - Capital Voted	3,961.58	501.00	12.65
48	96	Tribal Area Sub-Plan - Capital Charged	6.00	3.31	55.17
49	99	Other Expenditure pertaining to Sports, Youth and Cultural Activities Department - Capital Voted	0.12	0.06	50.00
50	101	Urban Housing - Revenue Voted	929.83	417.61	44.91
51	102	Urban Development - capital Voted	791.00	524.00	66.25
52	102	Urban Development - Revenue Voted	7,871.80	412.48	5.24
53	104	Other Expenditure pertaining to Urban Development and Urban Housing Department – Capital Voted	0.11	0.11	100.00
54	106	Other Expenditure pertaining to Women and Child Development Department - Revenue Voted	1,784.79	235.53	13.20
			1,18,582.77	16,293.86	13.74

APPENDIX 2.6
Cases where persistent savings were noticed during 2013-16
(Reference: Paragraph 2.3.5; Page 49)

(₹ in crore)

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2401-00-114P 01 AGR-6 Oil seeds (ISOPOM) Development (75 per cent CSS)					
2	2013-14	44.87	16.43	28.44	Less release by GOI.
2	2014-15	44.55	17.33	27.22	Slow progress of work owing to less monsoon, less supply of seeds by GSSC implementation of the scheme through e-governance i.e. ikhedut.
2	2015-16	42.67	9.66	33.01	Late onset and early withdraw of monsoon, non-availability of sufficient seed, non-availing benefit of subsidy in seed storage bean by the farmers and non-implementation of sprinkler set by GGRC.
2401-00-800C 18 AGR-43 Rashtriya krushi vikas yojana (CSS)					
2	2013-14	550.00	417.82	132.18	Less release by GOI.
2	2014-15	539.55	261.57	277.98	Less release by GOI.
2	2015-16	500.00	264.68	235.32	Non-release of fund by the Government of India
2202-03-102 09 EDM-30, Development and Expansion of University					
9	2013-14	69.81	30.73	39.08	Non receipt of administrative approval of new items
9	2014-15	147.13	98.35	48.78	Due to availability of previous years unspent balance under scheme of knowledge consortium of Gujarat
9	2015-16	134.01	89.98	44.03	No Reasons has been assigned
2236-02-102P 01 MDM-1, Mid Day Meal Scheme in for Children in Public Primary School					
9	2013-14	695.11	566.15	128.96	Less beneficiaries under Mid Day Meal Scheme for children in Public Primary Schools than anticipated
9	2014-15	897.63	717.12	180.51	Non-filling up of the vacant posts, less demand from the districts on account of less beneficiaries, non-increase in the honorarium for cook-cum-helper and late start of Mid Day Meal in Model School
9	2015-16	647.67	574.11	73.56	Due to vacant post, non filling up of post, less number of demand from districts
2075-00-800 01 Liability on account of increase in rate of DA					
19	2013-14	3,000.00	0.00	3,000.00	Due to liability of DA payment was transferred to respective departments
19	2014-15	3,500.00	0.00	3,500.00	Due to revised estimate of DA allowance
19	2015-16	3,500.00	0.00	3,500.00	Due to revised estimate of DA allowance
2049-01-101 99 Loans to be raised					
20	2013-14	3,014.86	2,310.91	703.95	Reasons not intimated.
20	2014-15	4,333.41	3,808.78	524.63	The composite provision has been re-appropriated to newly opened sub heads for new loans in accordance with the requirement.
20	2015-16	5,404.41	5,065.41	339.00	Rate of interest on market loan cannot be predicted in advance

Grant No.	Year	Provision	Expenditure	Savings	Reasons
2210-01-001 02 HLT-11 Directorate of medical education and research finance commission - NABH/ NABL					
39	2013-14	326.97	270.06	56.91	Due to compulsory cut imposed by the FD in revised estimates and non filling up of vacant posts
39	2014-15	335.56	269.53	66.03	Due to compulsory cut imposed by the FD in revised estimates
39	2015-16	482.37	421.91	60.46	Due to compulsory cut by the FD in revised estimates.
2210-01-110 01 HLT-2 Civil Hospital Administration (Medical)					
39	2013-14	263.99	220.09	43.90	Due to compulsory cut imposed by the FD in revised estimates
39	2014-15	284.21	243.45	40.76	Due to compulsory cut imposed by the FD in revised estimates
39	2015-16	353.50	259.24	94.26	Due to compulsory cut by the FD in revised estimates.
4210-01-110 42 HLT-72 Hospitals and Dispensaries Finance Commission-NABH/NABL					
39	2013-14	471.82	411.40	60.42	Less expenditure on Medical Education and (ii) expenditure on new items of Diagnostic Service Centre was not incurred
39	2014-15	537.36	491.42	45.94	Reasons not intimated.
39	2015-16	733.28	636.78	96.50	Cut-imposed by the Finance Department in Revised Estimates
2055-00-109 01 MEP-6 District Police Proper					
43	2013-14	1,484.27	1,341.34	142.93	Due to vacant posts and less expenditure for the ad-hoc financial assistance
43	2014-15	1,574.18	1,510.81	63.37	Reasons not furnished
43	2015-16	1,750.54	1,637.72	112.82	Non-filling up of the vacant posts
2852-80-800 30 Scheme to meet expenses of Regional Development authority for the development of Dholera special investment region					
49	2013-14	45.00	0.00	45.00	Entire budget provision of ₹ 45.00 lakh pertaining to Dholera Project was surrendered due to road demarcation process was not finalized and decision for payment of compensation for land acquisition was not taken.
49	2014-15	45.00	0.00	45.00	Entire Budget provision of ₹ 45.00 lakh was anticipated for surrender due to non-finalisation of Dholera project owing to non receipt of the clearance certificate from Ministry of Environment and Forest Department.
49	2015-16	30.00	5.00	25.00	The work was transferred to new Scheme SPV-Dholera Industrial City Development Limited
4852-02-800 02 Expenditure for Project work of GICCL					
49	2013-14	500.00	0.00	500.00	Non-receipt of proposals under the Scheme for project work of Gujarat Industrial Corridor Corporation Limited and Environment Clearance for Rail Project.
49	2014-15	266.44	0.00	266.44	Non commencement of the work under the Scheme, reasons for the same have not been

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Grant No.	Year	Provision	Expenditure	Savings	Reasons
					intimated
49	2015-16	100.00	0.00	100.00	Due to non-finalisation of the project
6858-04-800 01 Loan to Mega Project to Implement - State Support Agreement					
49	2013-14	425.00	252.34	172.66	Reduced amount of loan was payable to Institutes under the Terms and Conditions of the Agreement
49	2014-15	300.00	59.96	240.04	Non-payment of loan to the institute owing to non-fulfilling of terms and conditions
49	2015-16	100.00	62.01	37.99	Due to less claim under the Scheme.
2230-03-101 01 EMP-1 Craftsman Training Scheme in Government Industrial Training Institutes					
57	2013-14	273.40	247.93	25.47	Due to compulsory cut imposed by the FD in the revised estimates
57	2014-15	337.80	295.04	42.76	Due to cut imposed by the FD in the revised estimates.
57	2015-16	321.42	285.36	36.06	Non-filling up of the vacant posts and higher pay scale for Supervisor Instructor not paid, less expenditure under loan subsidy, expenditure not incurred under soft skill training.
4250-00-800 01 EMP-1 Craftsman Training Scheme in Government Industrial Training Institutes					
57	2013-14	106.11	69.13	36.98	Reasons not given.
57	2014-15	118.49	77.34	41.15	Less demand for machinery owing to less enrollment in new KVK course, and non-receipt of administrative approval for purchase of furniture.
57	2015-16	124.13	83.22	40.91	Receipt of lower price tender for purchase of Machinery and Equipment and delay at State Level Committee
2700-80-005 11 IRG-47 Survey and Investigation					
66	2013-14	37.12	3.24	33.88	Due to various reasons like delay in approval, design clearance from authorities
66	2014-15	39.00	5.43	33.57	Delay in approval of project, designing work and late receipt of clearance and approval from various authorities.
66	2015-16	46.00	20.11	25.89	Due to delay in approval of projects, designing works and late receipt of clearance and approval from various authorities
4702-00-101 03 Construction of Barrage on River Narmada Near village Bhadbhut (Plan)					
66	2013-14	50.00	0.00	50.00	Non-commencement of works mainly on account of late receipt of approval for the work.
66	2014-15	52.50	0.00	52.50	Non-commencement of the work under the Scheme owing to delay in approval, clearance and design by various authorities
66	2015-16	52.50	0.00	52.50	Delay in approval, design and clearance from various authorities and certain site specific reasons.
2501-06-800C 08 Backward Region Grant Fund (BRGF) (100 per cent CSS)					
71	2013-14	78.95	24.93	54.02	Non release of second instalment of BRGF by Government of India,
71	2014-15	77.63	43.88	33.75	Non-release of 1 st installment of grant for 2

Grant No.	Year	Provision	Expenditure	Savings	Reasons
					districts out of 6 districts by the Government of India.
71	2015-16	77.63	15.20	62.43	The scheme was closed from April 2015
2041-00-102 01 Inspection of Motor Vehicles					
74	2013-14	153.44	95.01	58.43	After approval of revised estimates, the department has surrendered the excess amount to the Finance Department
74	2014-15	197.78	124.13	73.65	Non-filling of the vacant posts, system integrated project not started, non completion of work of check posts and automated driving test track
74	2015-16	202.25	138.61	63.64	Non-filling of the vacant posts, Regional Transport Office could not be started at Surat, Vadodara and Bavla, non-completion of work of check post up gradation and automated driving test track by agencies and non-completion of installation of weigh-in bridges etc.
2053-00-094 01 Sub-Divisional Establishment (including Talatis and Kotwals, Circles Inspectors) Prant Officer, Mamlatdars and Circle Officers					
78	2013-14	194.33	158.67	35.66	Non-filling up of newly created 1800 posts of Talatis for some administrative reasons.
78	2014-15	180.57	144.90	35.67	Non-filling up of newly created 1800 vacant posts on account of administrative reasons and (ii) vacant posts of Talatis due to leaving of the job by many Talatis. Non-filling up of vacant posts owing to non-completion of recruitment process and (ii) non-completion of probation period of employees having fixed pay due to administrative reasons.
78	2015-16	174.98	147.93	27.05	Non filling up of newly sanctioned posts owing to Administrative reasons.
2245-02-113 03 Assistance for repair/restoration of damaged houses					
79	2013-14	40.00	4.19	35.81	Less demand from collectorate
79	2014-15	40.00	0.78	39.22	Reasons not intimated
79	2015-16	174.00	134.47	39.53	No reasons intimated
4202-01-202 42 EDN-21 Buildings					
84	2013-14	74.04	33.08	40.96	Reasons not intimated.
84	2014-15	81.90	39.66	42.24	Excessive original provision made for new work and also due to time consuming procedure like land allotment, drawings, Administrative Approval, Technical, Sanction, tender process etc.
84	2015-16	87.25	41.34	45.91	Excessive original provision made for new work and also due to time consuming procedure like land allotment, drawings, Administrative Approval, Technical, Sanction, tender process etc.
4202-02-105 42 TED-23 Buildings (Plan)					

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Grant No.	Year	Provision	Expenditure	Savings	Reasons
84	2013-14	128.82	82.35	46.47	Reasons not intimated.
84	2014-15	125.33	54.88	70.45	Excessive original provision made for new work and also due to time consuming procedure like land allotment, drawings, Administrative Approval, Technical, Sanction, tender process etc.
84	2015-16	117.81	55.31	62.50	Excessive original provision made for new work and also due to time consuming procedure like land allotment, drawings, Administrative Approval, Technical, Sanction, tender process etc.
4250-00-203 42 EMP-1 Buildings					
84	2013-14	353.16	235.93	117.23	Excess original provision was made for new works due to time consuming procedure like land allotment, drawing, administrative approval, technical sanction, tender process etc.
84	2014-15	216.33	125.61	90.72	No machinery could be purchased
84	2015-16	142.16	34.88	107.28	Excessive original provision made for new works and also due to more time taken for completing procedure like Land Allotment, Drawings, Administrative Approval, technical Sanction and Tender process etc.
4216-01-106P 05 Construction of Residential Building for Legal Department					
85	2013-14	78.85	19.95	58.90	High provision in new works and non-receipt of Administrative Approval from the concerned department for works entrusted to Roads and Buildings Department.
85	2014-15	116.10	25.17	90.93	Excessive provision in new works and non-receipt of grant from Government of India under Centrally
85	2015-16	78.82	41.91	36.91	Receipt of less grant from the Government of India
3054-80-001 05 Expenditure transferred on pro-rata basis to Major Head "3054"					
86	2013-14	104.03	11.09	92.94	Reasons not furnished
86	2014-15	108.31	7.78	100.53	Reasons not furnished
86	2015-16	107.71	71.93	35.78	Actual Pro-rata Transfer
5054-03-337 14 World Bank					
86	2013-14	108.00	63.07	44.93	The tender process could not be finalised in the stipulated time
86	2014-15	340.00	223.33	116.67	Tender process could not be completed in stipulated time
86	2015-16	407.00	247.44	159.56	Excessive original provision made for new works and also due to more time taken for completing procedure like land Allotment, drawings, Administrative Approval, Technical Sanction and tender process etc.
5054-03-337C 15 Central Road Fund					
86	2013-14	103.00	36.34	66.66	Tender process could not be completed in the stipulated time

Grant No.	Year	Provision	Expenditure	Savings	Reasons
86	2014-15	92.25	40.29	51.96	Tender process could not be completed in the stipulated time
86	2015-16	93.00	53.30	39.70	Excessive original provision, time consuming procedure like administrative approval, technical sanction, tender process etc.
2501-06-796C 08 RDD-20 Backward Region Grant Fund (BRGF) (100 per cent CSS)					
96	2013-14	72.35	29.33	43.02	Due to non-release of 2 nd instalment for Backward Region Fund by GoI.
96	2014-15	60.61	16.36	44.25	Due to release of less amount of fund by GoI
96	2015-16	60.61	1.20	59.41	The scheme was closed from April 2015
4202-01-796 42 EDN-21 Building					
96	2013-14	77.56	24.51	53.05	Excessive original provision made for new works and also due to more time taken for completing procedures like and allotment, drawings, Administrative Approval, Technical, Sanction, Tender process etc.
96	2014-15	171.46	82.94	88.52	Excessive original provision made for new works and also due to more time taken for completing procedures like and allotment, drawings, Administrative Approval, Technical, Sanction, Tender process etc.
96	2015-16	88.45	46.67	41.78	Excessive original provision made for new works and also due to more time taken for completing procedures like and allotment, drawings, Administrative Approval, Technical, Sanction, Tender process etc.
223602800P 01 NTR-18 Integrated Child Development Scheme (Plan)					
106	2013-14	529.66	444.28	85.38	Reasons not intimated.
106	2014-15	568.35	487.88	80.47	Non-receipt of approval by Government of India for implementation of new scheme viz. Nutrition Counseling Volunteers and also due to vacant posts.
106	2015-16	526.00	485.12	40.88	Due to vacant posts of CVN, NCV, Urban Program Officer under urban unit, ICDS, mission, saving available under crech component at district.

APPENDIX 2.7
Cases where supplementary provision (₹ five crore or more in each case)
proved unnecessary
(Reference: Paragraph 2.3.6; Page 50)

(₹ in crore)

Sl. No.	Number and Name of the Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
1	6-Fisheries –Revenue Voted	158.40	154.05	4.35	13.03
2	13-Energy Projects - Revenue Voted	4,747.62	4,438.83	308.79	1,174.94
3	39-Medical and Public Health - Revenue Voted	3,770.58	3,752.53	18.05	138.03
4	43-Police - Revenue Voted	3,364.55	3,162.00	202.55	13.67
5	67-Water Supply –Capital Voted	1,653.30	1,312.43	340.87	23.02
6	75-Other Expenditure Pertaining to Ports and Transport Department - Revenue Voted	82.39	81.94	0.45	69.59
7	86-Roads and Bridges -Revenue Voted	3,422.85	3,097.85	325.00	203.53
8	92-Social Security and Welfare - Revenue Voted	1,195.28	1,188.69	6.59	156.71
9	95-Special Component Plan for Scheduled Castes -Revenue Voted	2,799.92	2,489.00	310.92	56.83
10	96-Tribal Area Sub Plan -Revenue Voted	5,950.65	5,310.39	640.26	127.14
TOTAL		27,145.54	24,987.71	2,157.83	1,976.49

APPENDIX 2.8
**Excess/Saving (more than ₹ five crore) in respect of Unnecessary/
 Insufficient Re-appropriation of Funds**
(Reference: Paragraph 2.3.7; Page 51)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation (+/-)	Final excess (+)	Final saving (-)
1	9	EDN-113 Sarva Shiksha Abhiyan (including support from 13th Finance Commission) (Plan)	4202	-5.67	0.00	441.53
2	67	Rural Water Supply (MNP)	4215	-457.9	0.00	302.53
3	9	EDN-68 Sarva Shiksha Abhiyan	2202	198.13	0.00	271.66
4	20	Loans to be raised on or after November-2011	2049	-73.30	0.00	265.69
5	5	COP-34 Financial assistance to farmer for subvention of interest	2425	-17.67	0.00	177.49
6	71	Rural Sanitation Programme (Plan)	2501	-547.94	0.00	91.26
7	101	HSG-75 Slum Free City Planning Scheme Under Rajiv Awas Yojana for Municipal Corporations	2216	-200.43	0.00	88.97
8	102	UDP- Urban Development Mission-Smart cities	2217	-259.1	0.00	72.4
9	70	CDP-19 Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) (Plan)	2515	-13.61	0.00	64.39
10	70	CDP-3 Strengthening of the Block Level Agencies	2515	-8.46	0.00	42.04
11	49	Assistance to Large Industries (Plan)	2852	-78.34	0.00	41.66
12	93	VKY-156 Post SSC, State Scholarship for girl students	2225	28.6	0.00	39.14
13	18	Commuted Value of pensions	2071	-119.83	0.00	37.07
14	96	HSG-49 Indira Awas Yojna (75-25 Centrally Sponsored Scheme)	2216	6.36	0.00	35.06
15	9	Provision of Educational facilities-Maintenance Grant	2202	-125.64	0.00	34.57
16	2	AGR-43 Rashtriya krushi vikas yojna	2401	-201.57	0.00	33.75
17	9	Rashtriya Uchchatar Shiksha Abhiyan	2202	-98.04	0.00	27.29
18	39	HLT-31 Community Health Centers	2210	-12.02	0.00	26.81
19	20	Interest on General Provident Fund (Other than Class-IV employees)	2049	12	0.00	26.09
20	71	Integrated Watershed Management Programme	2501	-172.18	0.00	25.32
21	96	Implementation of Rashtriya Madhyamik Shiksha Abhiyan	4202	-58.62	0.00	23.72
22	71	HSG-49- Indira Awas Yojana	2216	-84.96	0.00	22.84
23	87	UDP-27 Non Residential Buildings (Plan)	4217	-8.30	0.00	22.71
24	96	RDD-Integrated Watershed Management Programme (90-10)	2501	-9.09	0.00	21.92

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Sl. No.	Grant No.	Description	Head of Account	Re-appropriation (+/-)	Final excess (+)	Final saving (-)
		Centrally Sponsored Schemes) (Plan)				
25	95	BCK-60 Nagrik Cell	2202	29.11	0.00	20.01
26	86	RBD 2(b) Original works	5054	-27.03	0.00	19.53
27	96	HLT-31-Conservation of hospital unit into referral and strengthening hospital	4215	-18.62	0.00	19.38
28	20	Block Loans	2049	-11.64	0.00	18.86
29	84	Mamlatdar Office Buildings for Revenue Department (Plan)	4059	-6.4	0.00	17.93
30	95	BCK-4 Scheduled Castes Sub-Plan Muni Metraj State Scholarship for Pre S.S.C. Children whose parents are engaged in unclean occupation (Centrally Sponsored Scheme (50-50)) (Plan)	4225	-8.7	0.00	16.93
31	95	HSG-49 Indira Awas Yojana	2216	14.95	0.00	14.70
32	84	Administration of Justice Buildings for Legal Department	4059	-61.46	0.00	14.67
33	96	EDN-28 Development of Government Colleges (Plan)	2202	-8.69	0.00	11.86
34	86	RBD-4 Roads and Bridges (Plan)	3054	-31.00	0.00	11.38
35	84	Administration	2059	-44.23	0.00	10.14
36	70	CDP-19 Rajiv Gandhi Panchayat Sashaktikaran Abhiyan(RGPSA)	2515	13.61	0.00	10.00
37	26	National Afforestation Programme (100 % Centrally Sponsored Schemes) (Plan)	4406	-5.24	0.00	9.29
38	96	VKY-153 State scholarship for Pre.S.S.C. Student (Plan)	2225	-12.47	0.00	8.99
39	96	MDM-1- Mid day meal scheme for children in public Schools(75-25 Centrally Sponsored Scheme) (Plan)	2236	-11.3	0.00	8.78
40	96	Cash assistance to infirm and aged persons (Antyoday) (NFBS)	2235	8.72	0.00	8.55
41	49	IND-7 Infrastructure facility and development of salt industry (Plan)	2851	8.31	0.00	8.31
42	9	MDM-1 Mid-Day Meal Scheme for Children in Public Primary schools. (Plan)	2236	-65.48	0.00	8.08
43	6	FSH-16 Sales tax subsidy on High Speed Diesel to Mechanized Fishing vessels below 20 meters length	2405	7.67	0.00	7.67
44	72	Payment of Local Cess of land revenue of Panchayats under Section 198 of Gujarat Panchayat Act, 1993 Assignment of Local Cess revenue to District Panchayats	3604	-7.65	0.00	7.35
45	84	Other maintenance expenditure (material and others) (repairs to non-	2059	18.25	0.00	7.18

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation (+/-)	Final excess (+)	Final saving (-)
		residential buildings)				
46	9	EDN-16-L Gujarat State Council of Educational Research and Training (Plan)	2202	-16.61	0.00	6.23
47	96	Works (Education Department)(65-35 Centrally Sponsored Scheme)	4202	-82.9	0.00	6.09
48	96	EMP- 1 Craftman Training Scheme in Government I.T.I. (75-25 Centrally Sponsored Scheme)	2202	-15.41	0.00	5.55
49	9	TED-5 Development Government Engineering Colleges	2203	-13.98	0.00	5.45
50	20	Interest on balance of Insurance Fund	2049	5.14	0.00	5.14
51	9	Implementation of Rashtriya Madhyamik Shikshan Abhiyan Scheme (Plan)	2202	-34.69	0.00	5.01
52	66	Administration	4701	-13.29	5.17	0.00
53	52	C_L-3 Maintenance of Aircraft	2070	-5.75	5.75	0.00
54	66	Other Expenditure	4701	471.66	15.4	0.00
55	86	Rural Roads	3054	-53.48	43.1	0.00
56	20	Repayment of Loans received from National Small Savings Fund	6003	10.64	266.76	0.00
		Total		- 2,275.54	336.18	2,528.97

APPENDIX 2.9

Substantial surrenders of more than ₹ one crore or more than 50 per cent
(Reference: Paragraph 2.3.8.1; Page 51 selected top 15 cases)

(₹ in crore)

Sl. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
1	19	2075.00.800 01 Liability on account of increase in the rate of DA	3,500.00	3,500.00	100	Due to decision of Government to make provision for the payment of dearness allowance from the head of respective department.
2	86	3054.80.800P 02 Finance Commission	346.00	346.00	100	Due to non-receipt of grant under the Scheme from the Government of India
3	101	2216.02.192P 01 HSG-76 Slum Free City Planning Scheme Under Rajiv Awas Yojana for Municipalities	114.15	114.15	100	Non-release of grant by the Government of India owing to restriction on submission of projects under the Scheme
4	49	4852.02.800 02 Expenditure for Project work of GICCL	100.00	100.00	100	Due to non-finalization of project.
5	102	4217.60.190 03 UDP-Share Capital for Diamond Research and Mercantile City Company Limited (Dream CCL)	75.00	75.00	100	Non-acceptance of the bills by Treasury Office owing to release of the grant on 30/03/2016
6	102	2215.02.105P 03 UDP-Grant in Aid to Urban/Area Development Authorities under Mahatma Gandhi Swachhata Mission	74.44	74.44	100	Due to less release of grant by the Government of India
7	46	4055.00.211P 10 MPF Scheme for Construction of Police Buildings	66.00	66.00	100	Due to non-receipt of the sanction order for the Scheme by the Government of India
8	49	2852.80.800C 33 Assistance from Government of India for industrial Development	60.00	60.00	100	Due to de-linking of the Scheme by the Government of India
9	66	2700.04.101C 03 Operation and Maintenance of Major and Medium Irrigation Schemes (Finance Commission)	59.00	59.00	100	Due to non receipt of the Central Share from the Government Of India
10	96	2225.02.796C 45 VKY-323 Finance	50.00	50.00	100	Due to non-filling up of the vacant posts and

Sl. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
		Commission Grant				non-availability of beneficiaries under the Scheme
11	95	2216.02.191P 03 HSG-75 Slum Free City Planning Scheme Under Rajiv Awas Yojana for Muncipal Corporations	44.75	44.75	100	Due to less release of central assistant from Government of India
12	101	2216.02.193P 03 HSG-77 Slum Free City Planning Scheme Under Rajiv Awas Yojana for Urben/Area Development Authorities	41.05	41.05	100	Due to no release of grant by the Government of India owing to restrictions on submission of projects under the Scheme
13	22	3456.00.190 13 Distribution of Sugar to Below Poverty Line(BPL) and Antyodaya (AAY) family	36.27	36.27	100	Due to reduction in cost price of Sugar
14	98	4202.03.800P 02 Rajiv Gandhi Khel Abhiyan (RGKA)	28.00	28.00	100	Due to non-release of grant by the Government of India
15	2	2401.00.103P 20 Strengthening of seed testing laboratory	26.00	26.00	100	Due to non-receipt of the Central Share from the Government of India

APPENDIX 2.10

Amount surrendered (₹ two crore or more) in excess of actual savings
(Reference: Paragraph 2.3.8.2; Page 51)

(₹ in crore)

Sl. No.	Grant no.	Number and Name of the Grant or Appropriation	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	1	Agriculture and Co-operation Department - Revenue Voted	18.11	5.19	5.70	0.51
2	5	Co-operation - Revenue Voted	478.34	194.49	194.57	0.08
3	18	Pension and other retirement benefits - Revenue Voted	6,420.97	304.47	308.61	4.14
4	21	Food Civil Supplies and Consumer Affairs - Revenue Voted	29.66	7.06	7.12	0.06
5	22	Civil Supplies - Revenue Voted	377.27	1.48	50.75	49.27
6	23	Food - Revenue Voted	90.35	15.01	15.60	0.59
7	27	Environment - Revenue Voted	30.00	3.49	12.18	8.69
8	40	Family Welfare - Revenue Voted	730.16	7.04	60.72	53.68
9	44	Jails- Revenue Voted	101.59	7.59	7.60	0.01
10	46	Other Expenditure pertaining to Home Department - Capital Voted	593.64	113.68	113.68	0.00 ¹
11	48	Stationary and printing - Revenue Voted	61.63	2.93	3.00	0.07
12	54	Information and publicity - Revenue Voted	91.61	3.56	3.64	0.08
13	56	Labour and Employment Department - Revenue Voted	12.74	3.11	3.11	0.00 ²
14	57	Labour and Employment - Revenue Voted	911.27	67.62	67.83	0.21
15	57	Labour and Employment - Capital Voted	134.13	50.91	50.91	0.00 ³
16	59	Legal Department - Revenue Voted	10.69	2.94	2.94	0.00 ⁴
17	60	Administration of Justice -Revenue Charged	113.61	27.99	32.90	4.91
18	60	Administration of Justice - Revenue Voted	867.88	295.66	296.70	1.04

¹ ₹ 59,000² ₹ 64,000³ ₹ 220⁴ ₹10,297

Sl. No.	Grant no.	Number and Name of the Grant or Appropriation	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
19	61	Other Expenditures pertaining to Legal Department - Revenue Voted	65.71	24.90	24.99	0.09
20	62	Legislative and Parliamentary Affairs Department - Revenue Voted	7.89	2.72	2.83	0.11
21	66	Irrigation and Soil Conservation - Revenue Voted	1,019.14	159.92	178.29	18.37
22	89	Science and technology Department - Revenue Voted	191.68	11.16	12.09	0.93
23	93	Welfare of Schedule Tribes- Capital Voted	40.53	9.82	14.59	4.77
24	93	Welfare of Schedule Tribes - Revenue Voted	293.06	0.84	2.49	1.65
25	96	Tribal Area Sub Plan - Capital Voted	3,961.58	501.00	634.69	133.69
26	98	Youth Services and Cultural Activities - Revenue Voted	299.12	51.73	53.53	1.80
27	102	Urban Development - Revenue Voted	7,871.80	412.48	413.41	0.93
		Total	24,824.16	2,288.79	2,574.47	285.68

APPENDIX 2.11
Savings of more than ₹ five crore and more than 10 per cent not surrendered
(Reference: Paragraph 2.3.8.3; Page 52)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Savings	Surrender	Savings which remained to be surrendered	Percentage of savings not surrendered
1	4	Animal Husbandry and Dairy Development - Revenue Voted	118.13	94.42	23.71	20.07
2	9	Education - Revenue Voted	443.16	120.14	323.02	72.89
3	9	Education - Capital Voted	484.19	244.56	239.63	49.49
4	13	Energy Projects - Capital Voted	16.73	0.00	16.73	100.00
5	13	Energy Projects - Revenue Voted	1,483.73	7.10	1,476.63	99.52
6	16	Tax Collection Charges (Finance Department) - Revenue Voted	30.75	21.55	9.20	29.92
7	20	Repayment of Debt Pertaining to Finance Department and its servicing - Revenue Charged	332.76	299.47	33.29	10.00
8	26	Forest - Capital Voted	22.51	8.87	13.64	60.60
9	26	Forest - Revenue Voted	59.49	52.39	7.10	11.93
10	31	Elections - Revenue Voted	9.32	8.27	1.05	11.27
11	39	Medical and Public Health - Revenue Voted	156.08	3.17	152.91	97.97
12	66	Irrigation and Soil Conservation - Capital Voted	22.45	0.00	22.45	100.00
13	66	Irrigation and Soil Conservation - Capital Charged	15.86	0.00	15.86	100.00
14	68	Other expenditure pertaining to Narmada, Water Resources Water Supply and Kalpsar Department - Revenue Charged	7.32	4.76	2.56	34.97
15	74	Transport - Capital Voted	35.17	0.00	35.17	100.00
16	74	Transport - Revenue Voted	64.04	51.98	12.06	18.83
17	75	Other Expenditure Pertaining to Ports and Transport Department - Revenue Voted	70.04	0.41	69.63	99.41
18	76	Revenue Department - Revenue Voted	10.52	8.70	1.82	17.30
19	77	Tax collection charges (Revenue Department) - Revenue Voted	102.07	75.01	27.06	26.51
20	79	Relief on Account of Natural Calamity - Revenue Voted	195.81	0.00	195.81	100.00
21	81	Compensations and Assignments - Revenue Voted	43.17	0.00	43.17	100.00
22	84	Non-Residential Buildings - Revenue Voted	24.23	11.58	12.65	52.21
23	85	Residential Buildings - Revenue Voted	33.65	6.60	27.05	80.39
24	85	Residential Buildings - Capital Voted	68.40	60.92	7.48	10.94
25	86	Roads and Bridges - Revenue Voted	528.53	475.20	53.33	10.09
Total			4,378.11	1,555.10	2,823.01	64.48

APPENDIX 3.1
Utilisation certificates outstanding as on 31 March 2016
(Reference: Paragraph 3.1, Page 63)

(₹ in crore)

Sl. No.	Department	Period of Payment of grant	Total grants paid		Utilisation Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Agriculture & Co-operation	2001-16	2,802	2,771.60	2,632	2,447.75	170	323.85
2	Climate change	2010-16	84	372.65	77	343.89	7	28.76
3	Women & Child development	2002-16	788	398.14	456	34.06	332	364.08
4	Education	2001-16	4,178	1,376.27	3,869	704.08	309	672.19
5	Energy & Petrochemicals	2008-16	37	1,753.83	37	1,753.83	0	0.00
6	Food, Civil Supplies & Consumer affairs	2001-16	102	179.37	63	178.25	39	1.12
7	Finance	2012	3	0.33	1	0.05	2	0.28
8	Forest & Environment	2001-16	145	52.44	125	32.93	20	19.51
9	General Administration	2001-16	536	658.50	499	624.15	37	34.35
10	Gujarat Legislature Secretariat	2006-08	13	2.50	13	2.50	0	0.00
11	Health & Family Welfare	2001-16	2,464	1,365.91	2,304	930.26	160	435.65
12	Home	2001-16	157	574.80	139	399.06	18	175.74
13	Industries & Mines	2001-16	2,735	2,380.29	2,519	1,901.67	216	478.62
14	Information, Broadcasting & Tourism	2002-10	5	0.63	5	0.63	0	0.00
15	Labour & Employment	2001-16	245	29.10	164	8.31	81	20.79
16	Legal	2001-16	55	10.77	42	6.41	13	4.36
17	Narmada, Water Resources, Water Supply and Kalpsar	2001-16	1,131	5,048.28	1,110	5,035.49	21	12.79
18	Ports & Transport	2001-16	743	1,935.17	738	1,855.01	5	80.16
19	Panchayats, Rural Housing and Rural Development	2001-16	2,172	1,787.02	1,929	1,196.82	243	590.20
20	Roads & Buildings	2003-16	15	2.01	14	1.81	1	0.20
21	Revenue	2001-16	132	227.75	117	221.85	15	5.90
22	Social Justice & Empowerment	2001-16	30,046	5,491.63	25,271	4,411.81	4,775	1,079.82
23	Science and Technology	2003-16	114	90.53	114	90.53	0	0.00
24	Sports, Youth & Cultural Activities	2001-16	1,735	38.66	1,129	22.55	606	16.11
25	Urban Development & Urban Housing	2001-16	284	4,088.63	190	3,047.71	94	1,040.92
Total			50,721	30,636.81	43,557	25,251.41	7,164	5,385.40

APPENDIX 3.2
Statement showing names of bodies and authorities,
the accounts of which had not been received for audit
(Refer paragraph 3.3; Page 71)

Sl. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
1	Gujarat University, Ahmedabad	1999-2000 onwards	1
2	Akshar Purushottam Arogya Mandir (Muni Seva Ashram), Vaghodia, Goraj-Vadodara; Institute of Kidney Diseases & Research Centre (IKDRC), Ahmedabad	2004-05 onwards	2
3	K J Mehta TB Hospital, Songadh, Amargadh, Bhavnagar; Sheth Vadilal Sarabhai General Hospital and Sheth Chinai Maternity Hospital, Ahmedabad; Self Employed Women's Association (SEWA), Ahmedabad; Electronic Quality Development Centre, Ahmedabad	2005-06 onwards	4
4	Arya Kanya Shuddha Ayurvedic Mahavidyalaya, KareliBaug, Vadodara; Gujarat Backward Classes Development Corporation, Gandhinagar; Gujarat Sahitya Academy, Gandhinagar; G.K. General Hospital, Bhuj, Kutchh; Gujarat State Lalit Kala Academy, Ahmedabad; Forest Development Agency, Junagadh; Forest Development Agency, Surendernagar; Forest Development Agency S.K. Himmatnagar (North); Forest Development Agency, Valsad (North); Forest Development Agency, Bhavnagar	2006-07 onwards	10
5	Narayan Eye Hospital (Arogya Dham Sanchalit) Halol Panchmahal; Ravishankar Maharaja Eye Hospital, Chikhodra, Anand; State Literacy Mission Authority, Gandhinagar; Smt. A.J. Savla Homeopathic Medical College, Mehsana; Forest Development Agency, Jamnagar; Forest Development Agency, Rajkot; Forest Development Agency, Dahod; Forest Development Agency, S.K. Himmatnagar (South); Forest Development Agency, Ahwa Dang (South)	2008-09 onwards	9
6	C U Shah T B Hospital, Dudhrej Road, Suredranagar; Mandvi Taluka Kshaya Nivaran Sangh (T. B. Association), Kutch	2009-10 onwards	2
7	Bhavan's Shri C T Sutaria ITI, Dakor, Kheda; Gujarat State Social Welfare Advisory Board, Ahmedabad; Gujarat Rural Workers Welfare Board, Gandhinagar, Gujarat; Gujarat Tribal Development Corporation, Gandhinagar	2010-11 onwards	4
8	U.N. Mehta Institute of Cardiology and Research Centre, Ahmedabad	2011-12 onwards	1
9	Bhavan's Shri Swaminarayan Technical institute, Dakor, Taluka-Thasra, Kheda; Dr. V. H. Dave Homoeopathic Medical College & Hospital Heineman House, Amul Dairy Road, Anand; Sabarmati Ashram Preservation & Memorial Trust,	2012-13 onwards	19

Sl. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
	Ahmedabad; Vithalbhai Patel & Rajratna PT Patel Science College, Anand; Centre for Entrepreneurship Development; Electrical Research and Development Association; Forest Development Agency, Vyara; Forest Development Agency, Dang (North); Forest Development Agency, Banaskantha; Forest Development Agency, Gandhinagar; Forest Development Agency, Patan; Forest Development Agency, Kheda; Forest Development Agency, Gir (East); Forest Development Agency, Gir (West); Forest Development Agency, Valsad South ; Gandhidham Development Authority, Adipur Kutch; Gujarat Urban Development Mission (GUDM), Gandhinagar; Unorganised Labour Welfare Board, Gandhinagar; State Health Society, Commissionerate of Health, Medical Services and Medical Education, Gandhinagar		
10	Bhagwat Vidyapith Ashok ITI krishnadham, Sola, Ahmedabad; Bala Hanuman Ayurved Mahavidalaya, Taluka-Mansa, Gandhinagar; GIA (Grant in Aid) Industrial Training Centre Morva-Rena (Panchmahal); Gujarat State Non-Resident Gujarati's Foundation, Udyog Bhavan, Gandhinagar; Gujarat State Lion Conservation Society, Junagadh; Children University, Subhash Chandra Bose Shikshan Sankul, Gandhinagar; Gujarat Council of Secondary Education, Gandhinagar; Gujarat Medicinal Plants Board, Gandhinagar; Gujarat Press Academy, Gandhinagar; Gujarat State Council for Blood Transfusion, Ahmedabad; Indian Institute of Teacher Education, Gandhinagar; ITI College (Swaminarayan Sanchalit) At & Post Vardhari Taluka Lunawara, Panchmahal; Jan ShikshanSansthan, Surat; Mahatma Gandhi Labour Institute, Drive in Road, Memnagar, Ahmedabad; Medical College Development Committee, Govt Medical College, Surat; Medical College Development Society, Vadodara; Methodist Technical Institute, Sama Road, Vadodara ; Rogi Kalyan Samiti, Sir T. General Hospital, Bhavnagar; Rogi Kalyan Samiti, D-2 Civil Hospital Asarwa Ahmedabad; Rogi Kalyan Samiti, Civil Hospital Ahmedabad; Rogi Kalyan Samiti, Pt. Deen Dayal Upadhyay College Rajkot; Rogi Kalyan Samiti, Surat; Sentinel Surveillance Unit, New Civil Hospital, Majura Gate Surat; SurakshaSetu Society (State Level), Gandhinagar; Bhailalbhai & Bhikhabhai Institute of Technology,	2013-14 onwards	45

Appendices

Sl. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
	<p>Vidyanagar; School of Architecture, CEPT University, Ahmedabad; School of Planning, CEPT University, Ahmedabad; School of Building Science & Technology, CEPT University, Ahmedabad; School of Interior Design, CEPT University, Ahmedabad; Centre for Social Studies, Veer Narmad South Gujarat University Campus, Surat; Chimanlal Nagindas Technical Centre, Ahmedabad; Dr. Dayaram Patel Pharmacy College, Ahmedabad; Gujarat State AIDS Control Society, Ahmedabad; Gujarat National Law University, Gandhinagar; K.V. Patel I.T.I Chansama, Patan; Maniben Pithawala I.T.I Navyug College, Surat; Rogi Kalyan Samiti Guru Gobindsinh, Government Hospital, Jamnagar; Rajesh Mehta Technical School for Blind, C/o Blind People's Association, Ahmedabad; Tolani Foundation Gandhidham Polytechnic, Adipur Kutch; Trimurti hospital, Bavla, Ahmedabad; Sanjivani Hospital At & Post chaithan, Surat; Sardar Vallabhbhai Patel Memorial Society Gandhi Sardar Smruti Chowk, Shahibaug, Ahmedabad; Veer Narmad South Gujarat University, University Campus, Surat; Veraval People's Cooperative Bank Silver Jubilee Industrial Training centre Bhalka Road, Veraval; Xavier Technical Institute, Sevasi, Vadodara</p>		
11	<p>Bhagubhai Mafatlal Hospital (Seva Shram), Bharuch; Forest Development Agency, Chhota Udepur; Forest Development Agency, Kutch (East); Forest Development Agency, Kutch (West); Gujarat Environment Management Institute; Junagadh Agriculture University; Anand Agriculture University; Gujarat State Tribal Development Residential Educational Institutions Society, Birsa Munda Bhavan, Gandhinagar; Gujarat Industrial Development Board; Gujarat Infrastructure Development Board; Gujarat Pollution Control Board, Gandhinagar; Gujarat State Biotechnology Mission; Shrimant Fatehsinh Rao Gaekwad General Hospital Vatrak Taluka Bayad, Sabarkantha; Shivanand Mission, Sourashtra Central Hospital Virnagar, Rajkot; Smt. B.H. Shah Karjanwala Industrial Training Institute, Kamrej Char Rasta, Surat; Sardar Patel Institute of Economic & Social Research, Thaltej Road, Ahmedabad; School for Deaf - Mutes Soceity Ashram road, Ahmedabad; Seth J.B. Upadhyay Deaf – Mute School Talod, Taluka, Sabarkantha; Water and Land Management Institute, (Gujarat Irrigation Management Society), Anand;</p>	2014-15 onwards	20

Sl. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
	Gujarat Council of Science & Technology		
12	Gujarat Industrial Research & Development Agency; Gujarat Pavitra Yatradham Vikas Board; Gujarat Energy Development Agency, Gandhinagar; iNDEXTb; Gujarat Institute of Seismological Research; Gujarat Matikam Kalakari & Rural Technology Institute; Sardar Krushinagar Dantiwada Agriculture University, Dantiwada; Gujarat Horticulture Mission; Navsari Agriculture University; Gau Seva and Gaucher Development Board; Gujarat Mineral & Research Development Society; Gujarat Rajya Khadi Gramodyog Board; Gujarat Ecology Commission, Gandhinagar; Forest Development Agency, Godhra; Gujarat Ecology Education & Research (GEER) Foundation, Gandhinagar; Forest Development Agency, Surat; Gujarat State Biodiversity Board; Gujarat Council of Science City; Sardar Vallabhbhai Patel Rashtriya Ekta Trust (SVPRET), Gandhinagar	2015-16	19

APPENDIX 3.3

Statement showing performance of autonomous bodies

(Reference: Paragraph 3.4; Page 72)

Sl. No.	Name of body	Period of entrustment (up to)	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature required Date of issue of SAR Date of placement of SAR	Delay in submission of accounts	Period of delay in submission of accounts (as on 31 st July 2016)
Under Section 19(2)							
1	Gujarat State Legal Service Authority, Ahmedabad	Not required	2013-14	2013-14	Yes 27-04-2015 Not placed	Yes	1 year 1 month
2	District Legal Services Authority, Navsari	Not required	2013-14	2013-14	Yes 27-04-2015 Not placed	Yes	1 year 1 month
3	District Legal Services Authority, Valsad	Not required	2013-14	2011-12	Yes 31-10-2012 Not placed	Yes	1 year 1 month
4	District Legal Services Authority, Rajkot	Not required	2011-12	2011-12	Yes 16-09-2014 Not placed	Yes	3 years 1 month
5	District Legal Services Authority, Patan	Not required	2013-14	2012-13	Yes 23-04-2015 Not placed	Yes	1 year 1 month
6.	District Legal Services Authority, Jamnagar	Not required	2012-13	2012-13	Yes 24-06-2015 Not placed	Yes	2 years 1 month
7	District Legal Services Authority, Mehsana	Not required	2012-13	2011-12	Yes 21-05-2015 Not placed	Yes	2 years 1 month
8	District Legal Services Authority, Palanpur	Not required	2014-15	2011-12	Yes 05-05-2015 Not placed	Yes	1 month
9	Gujarat State Human Rights Commission, Gandhinagar	Not required	2006-07	2006-07	Yes 10-02-2010 Not placed	Yes	8 years 1 month
10	Gujarat Building and other Construction Workers' Welfare Board, Ahmedabad	Not required	2012-13	2010-11	Yes 10-05-2013 Not placed	yes	2 years 1 month
11	Gujarat Electricity Regulatory Commission	Not required	2014-15	2014-15	Yes 17.02.2016 Not placed	Yes	1 month
Under Section 19(3)							
1	Gujarat Rural Housing Board, Gandhinagar	2017-18	2014-15	2014-15	Yes 24-02-2016 Not placed	Yes	1 month
2	Gujarat Housing Board Ahmedabad	2016-17	2013-14	2012-13	Yes 24-02-2016 Not placed	Yes	1 year 1 month
3	Slum Clearance	2016-17	2010-11	2009-10	Yes	Yes	4 years

Sl. No.	Name of body	Period of entrustment (up to)	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature required Date of issue of SAR Date of placement of SAR	Delay in submission of accounts	Period of delay in submission of accounts (as on 31 st July 2016)
	Board, Ahmedabad				15.09.2014 Not placed		1 month
Under Section 20(1)							
1	Gujarat Maritime Board	2016-17	2014-15	2014-15	Yes 08.02.2016 Not placed	Yes	1 month
2	Gujarat Municipal Finance Board, Gandhinagar	2018-19	2014-15	2014-15	Yes 23-03-2016 Not placed	Yes	1 month
3	Water and Sanitation Management Organisation, Gandhinagar	2015-16	2013-14	2012-13	No 28-10-2015 Not required	Yes	1 year 1 month
4	Ahmedabad Urban Development Authority	2016-17	2014-15	2014-15	No 11-03-2016 Not required	Yes	1 month
5	Vadodara Urban Development Authority	2016-17	2014-15	2014-15	No 18-03-2016 Not required	Yes	1 month
6	Rajkot Urban Development Authority	2016-17	2014-15	2013-14	No 02-12-2015 Not Required	Yes	1 month
7	Surat Urban Development Authority	2016-17	2011-12	2011-12	No 19-03-2014 Not required	Yes	3 years 1 month
8	Jamnagar Area Development Authority	2016-17	2013-14	2013-14	No 27-11-2015 Not required	Yes	1 year 1 month
9	Bhavnagar Area Development Authority	2016-17	2014-15	2013-14	No 20-01-2016 Not required	Yes	1 month
10	Bhuj Area Development Authority	2016-17	2008-09	2008-09	No 23-08-2010 Not required	Yes	6 years 1 month
11	Rapar Area Development Authority	2016-17	2014-15	2014-15	No 23-03-2016 Not required	Yes	1 month
12	Gandhinagar Urban Development Authority	2016-17	2013-14	2013-14	No 28-01-2016 Not required	Yes	1 year 1 month
13	Anjar Area Development Authority	2016-17	2008-09	2008-09	No 19-08-2010 Not required	Yes	6 year 1 month
14	Bhachau Area Development Authority	2016-17	2013-14	2013-14	No 27-11-2015 Not required	Yes	1 year 1 month
15	Vadinar Area	2016-17	2010-11	2010-11	No	Yes	4 years

Appendices

Sl. No.	Name of body	Period of entrustment (up to)	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature <u>required</u> Date of issue of SAR Date of placement of SAR	Delay in submission of accounts	Period of delay in submission of accounts (as on 31 st July 2016)
	Development Authority				27-02-2015 Not required		1 month
16	Junagadh Area Development Authority	2016-17	2014-15	2013-14	No 02-12-2015 Not required	Yes	1 month
17	Ambaji Area Development Authority	2016-17	2008-09	2008-09	No --- Not required	Yes	Accounts not received since beginning
18	Alang Area Development Authority	2016-17	2014-15	2008-09	No --- Not required	Yes	1 month
19	Kevadia Area Development Authority	2011-12	2008-09	2008-09	No --- Not required	Yes	6 years 1 month
20	Bharuch/ Ankleshwar Urban Area Development Authority.	2016-17	NA	NA	No --- Not required	Yes	Accounts not received since beginning in 2012-13
21	Morvi/Vankaner Urban Area Development Authority	2016-17	2014-15	2013-14	No 02-05-16 Not required	Yes	1 month
22	Anand/Vallabh Vidyanagar / Karamsad Urban Area Development Authority.	2016-17	NA	NA	No --- Not required	Yes	Accounts not received since beginning in 2012-13
23	Surendranagar / Dudhrej / Wadhavan Urban Area Development Authority.	2016-17	2014-15	NA	No --- Not required	Yes	1 month
24	Himmatnagar Urban Area Development Authority	2016-17	2011-12	NA	No --- Not required	Yes	3 years 1 month
25	G.I.F.T. Urban Area Development Authority	2016-17	2014-15	2014-15	No 02-05-16 Not required	Yes	1 month
26	Shamlaji Urban Area Development Authority	2016-17	NA	NA	No --- Not required	Yes	Accounts not received since beginning in 2012-13

Sl. No.	Name of body	Period of entrustment (up to)	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature <u>required</u> Date of issue of <u>SAR</u> Date of placement of SAR	Delay in submission of accounts	Period of delay in submission of accounts (as on 31 st July 2016)
27	Khambhalia Urban Area Development Authority	2016-17	2014-15	2014-15	No 26-11-2015 Not required	No	1 month
28	Gujarat State CAMPA	2010-11	2010-11	2010-11	No 02.02.2016 Not required	Yes	4 years 1 month

APPENDIX 3.4
Department-wise/Duration-wise break-up of pending cases of
misappropriation, defalcation, etc.
(Reference: Paragraph 3.7; Page 78)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to More	Total No. of Cases
1	Ports, Transport & Fisheries	0	0	0	1	0	1	2
2	Agriculture, Co-op. & R.D.D.	0	0	0	1	1	0	2
3	Legal (A.J)	1	0	1	2	0	1	5
5	Education	2	4	4	3	0	0	13
6	Industries, Mines & Power	0	0	2	1	0	0	3
7	Health & Family Welfare	2	1	1	2	0	3	9
8	Home	2	0	4	1	4	0	11
9	Social Justice	1	0	0	0	0	0	1
10	Forests & Environment	20	5	2	0	1	2	30
11	Food & Civil Supply	1	0	0	0	0	0	1
12	Revenue	0	0	0	0	2	6	8
13	Irrigation	0	0	0	0	0	1	1
14	Tribal Development	0	0	1	0	0	0	1
15	Gujarat Maritime Board	0	1	0	0	0	0	1
16	Narmada Water Resources, Water Supply and Kalpsar	2	0	2	1	3	20	28
17	Roads and Buildings	0	0	1	0	4	4	9
18	Land Revenue	0	0	0	3	1	16	20
19	Science & Technology	1	0	0	0	0	0	1
Total		32	11	18	15	16	54	146

APPENDIX 3.5
Department/category-wise details in respect of cases of loss to
Government due to theft, misappropriation/loss of Government material
(Reference: Paragraph 3.7; Page 78)

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Fire/Accident cases		Total	
	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
Ports, Transport and Fisheries	1	3.21	1	2.56	0	0	2	5.77
Agriculture, Co-operation and Rural Development	0	0	2	30.42	0	0	2	30.42
Legal (A.J.)	1	11.68	4	3.51	0	0	5	15.19
Education	6	3.63	7	385.75	0	0	13	389.38
Industries, Mines and Power	1	0.46	2	77.62	0	0	3	78.08
Health and Family Welfare	3	2.81	5	13.60	1	4.56	9	20.97
Home	0	0	11	123.52	0	0	11	123.52
Social Justice	0	0	1	14.87	0	0	1	14.87
Forests and Environment	8	3.57	7	8.69	15	58.49	30	70.75
Food and Civil Supply	0	0	1	61.65	0	0	1	61.65
Irrigation	0	0	1	3.67	0	0	1	3.67
Revenue	1	5.86	7	5.04	0	0	8	10.9
Tribal Development	0	0	1	147.19	0	0	1	147.19
Gujarat Maritime Board	0	0	1	3.23	0	0	1	3.23
Roads and Buildings	3	1.57	6	351.87	0	0	9	353.44
Narmada, Water Resources and Water Supply	13	7.14	15	34.12	0	0	28	41.26
Land Revenue	0	0	20	3.67	0	0	20	3.67
Science & Technology Department	0	0	1	12.68	0	0	1	12.68
Total	37	39.93	93	1,283.66	16	63.05	146	1,386.64

APPENDIX 4.1

Glossary

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