



सत्यमेव जयते

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

**ON
STATE FINANCES**

FOR THE YEAR ENDED 31 MARCH 2011

No. 1

GOVERNMENT OF GUJARAT



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Preface

This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

Chapters 1 and 2 of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2011. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.



EXECUTIVE SUMMARY

Background

In response to the Twelfth Finance Commission's recommendations, the Gujarat Government enacted its Fiscal Responsibilities and Budget Management (FRBM) Act, entitled the Gujarat Fiscal Responsibility Act, 2005 with a view 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's commitment to carry forward these reforms is largely reflected in the policy initiatives announced in its subsequent budgets. Though the fiscal management targets on revenue deficit and fiscal deficit of FRBM legislation have been achieved by 2006-07, in the subsequent years such deficits increased substantially.

To maintain a stable and sustainable fiscal environment consistent with equitable growth, the 13th 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 by 2011-12, the fiscal deficit to not more than three *per cent* of the estimated GSDP for the year beginning 2011-12, to cap the total public debt of the State Government to 27.1 *per cent* of the estimated GSDP by end of 2014-15 and to cap the outstanding guarantees within the limit (₹20,000 crore) prescribed in the Gujarat State Guarantees Act, 1963.

The State Government has done well in establishing an institutional mechanism on fiscal transparency and accountability as evident from the year-on-year presentation of outcome budgets. These outcome indicators do not, however, give the big picture of the status of financial management including debt position, off-budget liabilities, cash management etc. for the benefit of the State Legislature and the other stakeholders. Thus the outcome indicators serve a limited purpose of measuring the department-wise performances against the targets.

The Report

Based on the audited accounts of the Government of Gujarat for the year ending March 2011, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter 1 is based on the Finance Accounts and makes an assessment of the Government's fiscal position as at 31 March 2011. It provides an insight into trends of committed expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to State implementing agencies through the off-budget route.

Chapter 2 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 3 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 discipline: The Government's early gains in achieving fiscal targets, suffered a setback in 2008-09, resulting in revenue deficit of ₹66 crore. The revenue deficit, however, increased to ₹6,966 crore in 2009-10 but came down to ₹5,076 crore in 2010-11. The fiscal deficit during 2008-09 was ₹10,438 crore which increased to ₹15,153 crore in 2009-10. It, however, reduced marginally (by ₹79 crore) and came down to ₹15,074 crore in 2010-11.

Review of Government investments: The average return on the Government's investments in statutory corporations, rural banks, joint stock companies and co-operatives was 0.25 *per cent* in the last three years while the Government paid an average 7.67 *per cent* as interest on its borrowings during 2008-09 to 2010-11.

Increasing fiscal liabilities accompanied by negligible rates of return on Government investments and inadequate interest cost recovery on loans and advances might lead to a situation of unsustainable debt in the medium to long run unless suitable measures are initiated to compress the Non-Plan revenue expenditure and mobilize additional resources, both through tax and non-tax sources. The Government should, therefore, hasten to seek better value for money in its investments. Otherwise, high-cost borrowed funds invested in projects with low financial returns will continue to strain the State's economy.

Delays in completion of projects: Inordinate delays in completion of projects, particularly irrigation projects in the State, resulted in blocking of capital. Therefore, adequate priority should be given for the project planning and implementation mechanism so as to overcoming inadequacies and avoid further time and cost overruns.

Financial management and budgetary control: During 2010-11, there were overall savings of ₹4,513.50 crore, which were a result of the total savings of ₹4,633.75 crore being offset by the excess of ₹120.25 crore. The excess expenditure requires regularization under Article 205 of the Constitution of India. In 19 cases, as against savings of ₹1,444.05 crore, the amount surrendered was ₹2,045.74 crore, resulting in excess surrender of ₹601.69 crore, indicating inadequate budgetary control. 10 grants/appropriations in which savings of ₹246.24 crore occurred but the amounts had not been surrendered by the concerned departments. Under 23 grants, out of the total provision of ₹1,543.06 crore in respect of 86 sub-heads, ₹1,168.88 crore (75.75 *per cent*) were surrendered. Budgetary controls should be strengthened to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders evidenced in the state and brought out in this report should be avoided.

Financial reporting: The State Government's compliance with various rules, procedures and directives was unsatisfactory, which was evident from the delays in furnishing utilization certificates against the loans and grants paid to various grantee institutions. Submission of Annual Accounts was delayed by

22 out of 25 autonomous bodies. There were delays in placement of Separate Audit Reports in the Legislature in respect of eight autonomous bodies which were required to do so. In respect of two autonomous bodies, the delay was of over four years. The Government reported 175 cases of misappropriation, defalcation, etc., involving Government money amounting to ₹8.54 crore up to March 2011, on which final action was pending. Departmental enquiries in respect of all misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the departments should be strengthened to prevent such cases in future.

MAIN REPORT

Profile of Gujarat

Gujarat comprising about six *per cent* of India's geographical mass, is its seventh largest State. It is situated on the west coast of India, bounded by the Arabian Sea in the west, Rajasthan in the north, Madhya Pradesh in the east and Maharashtra in the south. The State also shares an international border with Pakistan at the north western fringe. It has a coast line of about 1600 kilometres, which is one third of India's mainland coastline. It is one of the most prosperous states of the country owing to its booming economy and industry. As indicated in **Appendix 1.1 Part A**, in the last ten years, the density of population in Gujarat has increased from 258 persons per sq. km to 308 persons. However, Gujarat still has lower density of population as compared to All India. Gujarat State has shown a relatively high economic growth in the past decade as the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product (GSDP) for the period 2001-02 to 2010-11 has been 17.16 *per cent* as compared to 14.68 *per cent* in Other General Category States¹. During this period, its population has grown by 19.17 *per cent* against 17.56 *per cent* in General Category States.

Key socio-economic parameters of the State viz.-population below poverty line (16.8 *per cent*), infant mortality rate (48 per thousand live births) and life expectancy at birth (64.1 years) are better than the All India average. Also, inequality of income distribution, as reflected by the Gini-coefficient², was marginally lower in the State in rural areas than in the urban areas. Gujarat has lower levels of rural and urban inequalities as compared to the All India average (**Appendix 1.1 Part A**).

1.1 Introduction

This chapter provides a broad perspective of 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 Andhra Pradesh, Bihar, Chhatisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

² See glossary.

1.2 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2010-11) 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 1.1 Summary of Fiscal Operations

(₹ in crore)

Receipts			Disbursements				
2009-10		2010-11	2009-10		2010-11		
					Non- Plan	Plan	Total
Section-A: Revenue							
41,672.36	Revenue receipts	52,363.64	48,638.27	Revenue expenditure	39,886.70	17,553.32	57,440.02
26,740.23	Tax revenue	36,338.63	16,934.16	General services	19,184.84	655.62	19,840.46
5,451.71	Non-tax revenue	4,915.02	19,605.30	Social services	14,086.48	9,615.13	23,701.61
5,890.92	Share of Union taxes/ duties	6,679.44	11,992.84	Economic services	6,430.10	7,282.57	13,712.67
3,589.50	Grants from Government of India	4,430.55	105.97	Grants-in-aid and Contributions	185.28	-	185.28
Section-B: Capital							
136.30	Misc. Capital receipts	91.18	8,046.73	Capital Outlay	22.36	9,661.18	9,683.54
150.67	Recoveries of Loans and Advances	283.10	427.61	Loans and Advances disbursed	60.83	627.16	687.99
14,244.69	Public Debt receipts*	16,681.34	3,245.07	Repayment of Public Debt*	**	**	3,817.53
33.97	Contingency Fund	47.12	47.12	Contingency Fund	**	**	0.66
58,659.95	Public Account receipts	72,281.47	56,087.85	Public Account disbursements	**	**	66,655.62
13,119.02	Opening Cash Balance	11,524.31	11,524.31	Closing Cash Balance	**	**	14,986.80
1,28,016.96	Total	1,53,272.16	1,28,016.96	Total			1,53,272.16

Source: Finance Accounts for the years 2009-10 and 2010-11.

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

** Bifurcation of Plan and Non-Plan not available.

The following are the significant changes during 2010-11 over the previous year:

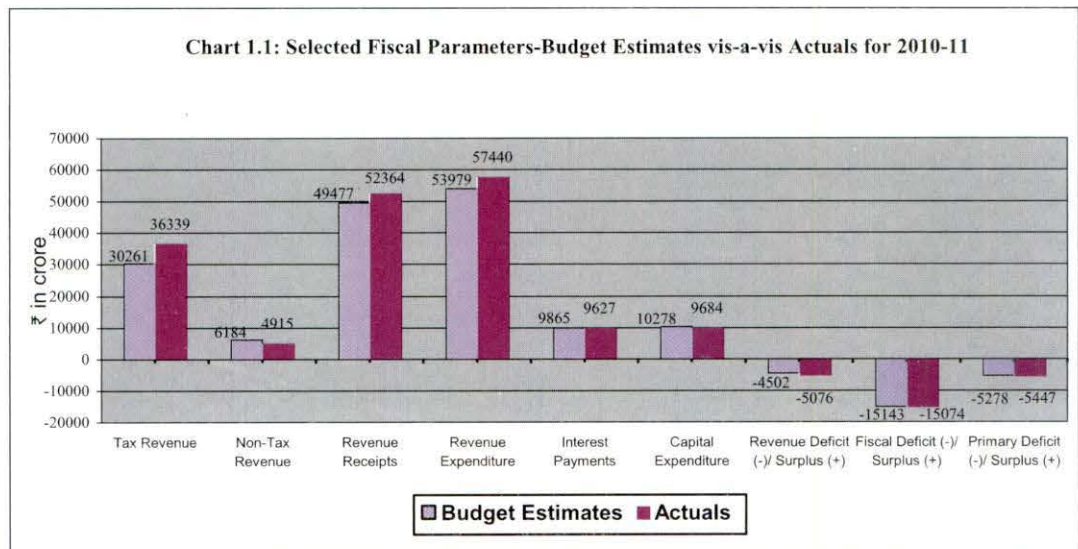
- Revenue receipts grew by 25.66 per cent (₹10,691 crore) over the previous year. The increase was due to increase in the State's own tax revenue (₹9,598 crore), increase in grants from the Government of India (GOI) (₹841 crore), increase in State's share of Union taxes and duties (₹789 crore), offset by a decrease in non-tax revenue (₹537 crore).
- Revenue expenditure increased by ₹8,802 crore (18.10 per cent) mainly due to increase in expenditure on Social Services by ₹4,096 crore and on General Services by ₹2,906 crore.
- Capital expenditure increased by ₹1,637 crore (20.34 per cent) whereas the disbursement of loans and advances increased by ₹260 crore (60.89 per cent).

- Receipts under Public Debt increased by ₹ 2,437 crore (17.11 *per cent*) against an increase of ₹ 572 crore in payments (17.64 *per cent*).
- Public Account receipts and payments increased by ₹13,622 crore (23.22 *per cent*) and ₹10,568 crore (18.84 *per cent*) respectively.
- The cash balance at the end of the year increased by ₹3,462 crore.

1.3 Budget Analysis

Budget papers presented by the State Government provide a description of the projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of non-attainment and non-optimization of the desired fiscal objectives, due to a variety of causes, some within the control of Government and some outside.

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



During 2010-11, compared to the budget estimates, the tax revenue increased by ₹6,078 crore. Against an estimated revenue deficit of ₹4,502 crore, the financial year ended with a revenue deficit of ₹5,076 crore. The primary deficit was ₹5,447 crore against the estimate of ₹5,278 crore.

The revenue expenditure reflected a variation of 6.41 *per cent* over the budget estimates due to increase in expenditure under General and Social Services. As a result, the revenue deficit increased to ₹5,076 crore against ₹4,502 crore projected in the budget estimates. Capital expenditure of ₹9,684 crore showed a decrease of ₹ 594 crore from the budget estimates.

1.4 Review of fiscal situation

As per the Gujarat Fiscal Responsibility Act, 2005 (FRBM Act), enacted in line with the recommendations of the Twelfth Finance Commission (TFC), 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 Gross State Domestic Product (GSDP) by 31 March 2009. Similarly, the target of the ratio of Public Debt to GSDP was 30 *per cent*. Total outstanding guarantees were to be capped at ₹16,000 crore by 2007-08. Though the State had achieved the above targets by 2006-07, in the wake of the global financial crisis, the fiscal deficit targets for 2008-09 and 2009-10 were relaxed by 0.5 *per cent* and one *per cent* of GSDP respectively. The requirement of maintaining revenue deficit at zero was also relaxed for 2008-09 and 2009-10. Thus during 2008-09 the State had a revenue deficit of ₹66 crore (0.02 *per cent* of the GSDP), which further increased to ₹6,966 crore (1.83 *per cent* of GSDP) in 2009-10, which reduced to ₹5,076 crore (0.99 *per cent* of GSDP) in 2010-11. The ratio of Public Debt to GSDP (25.72 *per cent*) during 2009-10 remained within the limit of 30 *per cent* prescribed under the Act. The fiscal deficit during 2009-10 at 3.98 *per cent* remained just within the relaxed limit of four *per cent*.

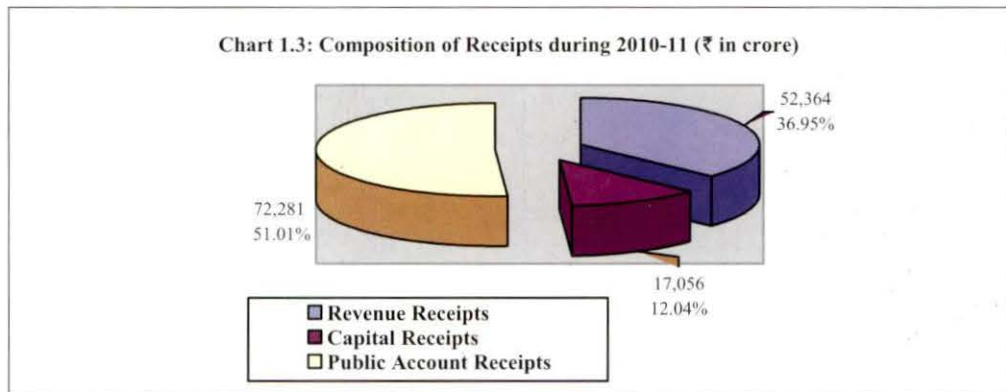
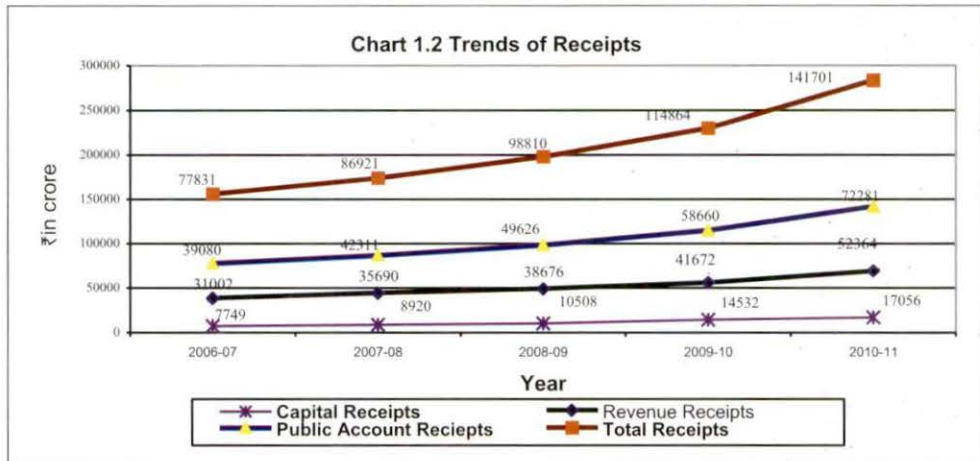
To maintain a stable and sustainable fiscal environment consistent with equitable growth, the 13th Finance Commission (ThFC) has recommended a fiscal consolidation roadmap for the State by amending their Fiscal Responsibility Legislations. This requires the State to reduce the revenue deficit to zero by 2011-12, reduce the fiscal deficit to not more than three *per cent* of the estimated GSDP of the year beginning 2011-12, to cap the total public debt of the State Government to 27.1 *per cent* by the end of 2014-15 of the estimated GSDP for the financial year beginning April 2011 and ending on 31 March 2015 and to cap the outstanding guarantees within the limit provided in the Gujarat State Guarantees Act, 1963. The State Legislature in March 2011 amended the Fiscal Responsibility Bill in line with the recommendations of the ThFC. At the end of 2010-11, the fiscal deficit as percentage to GSDP was 2.93, which was just within the limit of three *per cent*. The public debt as percentage of GSDP was 21.54 against the cap of 27.1 *per cent*.

1.5 Resources of the State

1.5.1 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 disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from the Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends of various components

of the receipts of the State during 2006-11. **Chart 1.3** depicts the composition of resources of the State during the current year.



The relative share of Public Account receipts and Capital receipts which stood at 50.21 per cent and 9.96 per cent of the total receipts in 2006-07 increased to 51.01 per cent and 12.04 per cent in 2010-11; while that of Revenue receipts, declined from 39.83 per cent in 2006-07 to 36.95 per cent in 2010-11. During the period, the State's tax revenue increased from ₹18,464 crore in 2006-07 to ₹36,339 crore in 2010-11. The percentage of tax receipts to revenue receipts increased from 59.56 per cent in 2006-07 to 69.40 per cent in 2010-11.

1.5.2 Funds transferred by the Central Government to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to State Implementing Agencies³ for the implementation of various schemes/programmes in social and economic sectors, which are recognized as critical. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture these fund flows and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them are unwholesome. During 2010-11, ₹4,451 crore was transferred to State Implementing Agencies; which was 25 per cent more than the previous year. The funds directly transferred to State Implementing Agencies are presented in **Table 1.2**

³ See glossary

Table 1.2: Funds transferred directly to State implementing agencies

(₹ in crore)

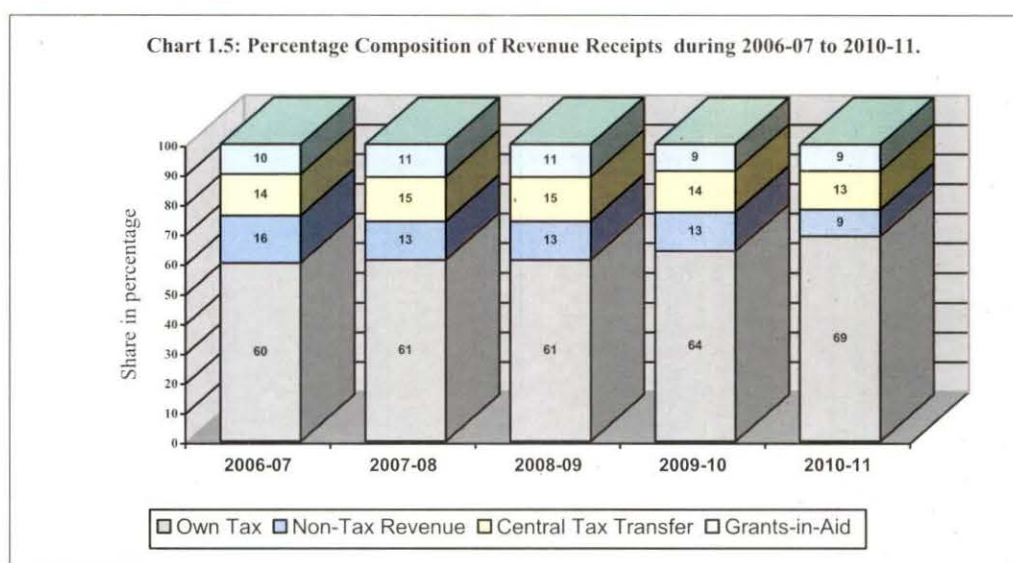
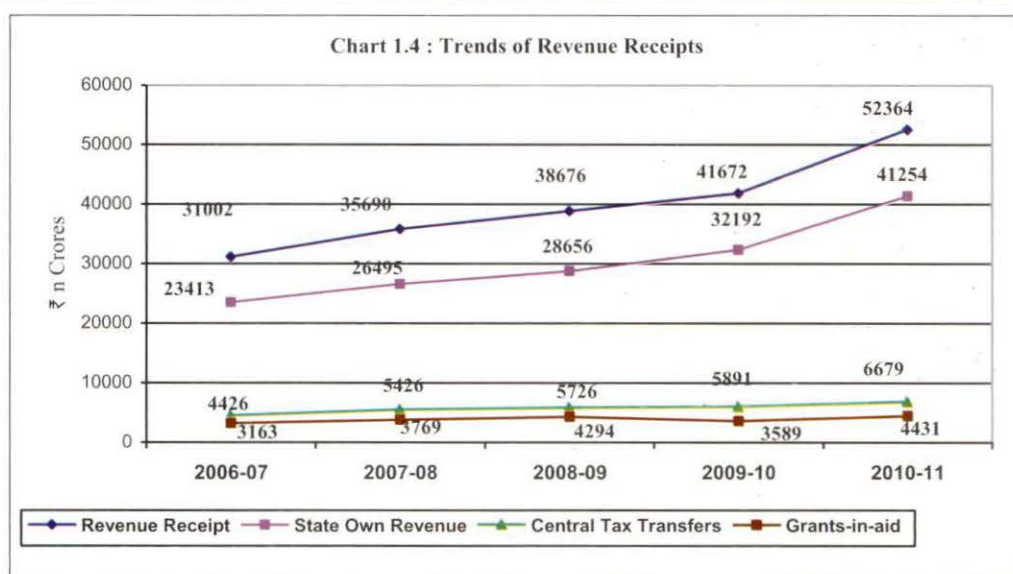
Sr. No.	Programme/Scheme	Implementing Agency in the State	2008-09	2009-10	2010-11
1	Integrated Watershed Management Program DPAP DDP IWDP DLR	DRDA	33.30	258.66	224.75
2	National Rural Employment Guarantee Scheme	DRDA	59.69	781.93	889.65
3	Swaranajayanti Gram Rozgar Yojana	DRDA	21.96	39.81	44.37
4	Accelerated Rural Water Supply Scheme	Gujarat Water Supply and Sewerage Board	223.28	488.91	609.10
5	Rural Housing (Indira Awas Yojana)	DRDA	124.26	372.41	527.81
6	Sarva Shiksha Abhiyan	Gujarat Council of Primary Education	254.32	200.32	440.65
7	National Rural Health Mission	State Health Society Gujarat	154.30	372.31	388.04
8	Pradhan Mantri Gram Sadak Yojana	Gujarat State Rural Roads Development Agency	112.01	117.80	160.02
9	MPs Local Area Development Scheme	District Collectors	68.00	74.00	78.00
10	Scheme for Integrated Textile Park	R.J.D. Integrated Textile Park	52.95	85.58	28.00
11	Upgradation of Government ITIs	IMC Society of ITIs	0.02	62.50	2.50
12	Micro Irrigation	Gujarat Green Revolution Company Limited	48.99	44.69	120.00
13	Adult Education and Skill Development Scheme	State Literary Mission Authority	0.65	23.99	-
14	National Aids Control Programme	Gujarat State Aids Control Society	29.77	36.95	505.06
15	Assistance to States for Developing Export Infrastructure and Allied Activities	Gujarat Industrial Development Corporation	38.93	35.57	-
16	Central Rural Sanitation Scheme	DRDA	0.27	30.37	46.92
17	Project Based Support to Autonomous Institutes	National Institute of Design	0.00	28.00	36.70
18	National Horticulture Mission	Gujarat Horticulture Mission	35.32	25.21	54.97
19	National Afforestation Programme	Forest Department	23.66	24.44	29.43
20	Rashtriya Swasthya Bima Yojana	State Health Society	8.77	22.57	34.31
21	Others (113 schemes)	NGOs and other institutions (each receiving less than ₹25 crore)	257.54	427.44	230.36
Total			1,547.99	3,553.46	4,450.64

(Source: Finance Accounts of the State)

Direct transfer of funds from the Union to the State implementing agencies ran the risk of insufficient control on the part of Union as well as State Government and consequentially improper utilization of funds by these agencies. Unless uniform accounting practices are followed by all these agencies with proper documentation and timely reporting of expenditure to the State/ Union Government, the end use of these direct transfers would remain unmonitored and cannot, therefore, be fully vouched in audit.

1.6 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2006-07 to 2010-11 are presented in **Appendix 1.4** and also depicted in **Charts 1.4** and **1.5** respectively.



During 2010-11, State's Own Tax Revenue (SOTR), Share of Central Tax Transfers and Grants-in-Aid from Government of India grew by 35.90, 13.38 and 23.46 per cent respectively over the previous year. However, Non Tax Revenue (NTR) decreased by 9.85 per cent over the previous year.

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As the GSDP grows, the ability of the State's own tax revenue should increase. The trends of revenue receipts relative to GSDP are presented in **Table 1.3** below:

Table 1.3: Trends of Revenue Receipts relative to GSDP

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Receipts (RR) (₹in crore)	31,002	35,690	38,676	41,672	52,364
Rate of growth of RR (per cent)	23.68	15.12	8.37	7.75	25.66
R R/GSDP (per cent [©])	10.93	10.84	10.53	9.71	10.17
Buoyancy Ratios					
Revenue Buoyancy w.r.t. GSDP [©]	1.49	0.94	0.72	0.46	1.29
State's Own Tax Buoyancy w.r.t. GSDP.	1.11	1.15	0.65	0.81	1.80

(Source: Finance Accounts for the years 2006-07 to 2010-11)

[©] Figures differ from last year's report due to change in GSDP figures of 2006-07 to 2009-10.

The GSDP at current prices was estimated to increase from ₹4,29,356 crore in 2009-10 to ₹5,14,750 crore in 2010-11, representing an increase of 19.89 per cent. The rate of growth of Revenue Receipts had shown a declining trend during the TFC period despite the increase in GSDP. Revenue Buoyancy during this period with reference to the growth rate of GSDP fluctuated widely. There was, however, a marked improvement in the growth rate of Revenue Receipts, Revenue Buoyancy and State's Own Tax Buoyancy with reference to GSDP during 2010-11.

1.6.1 State's Own Resources

As the State's share in Central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes etc., the State's performance in mobilization 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 2006-07 to 2010-11 along with the respective all-India average are presented in **Appendix 1.5**.

During 2009-10, in respect of the main components of taxes and duties, the collection charges were below the all-India average except for State excise and Taxes on Vehicles & Taxes on Goods and Passengers. The main components of revenue raised by the State during 2006-07 to 2010-11 are given in **Table 1.4**.

Table 1.4: Main components of revenue

(₹ in crore)

Sr. No.	Head of revenue	2006-07	2007-08	2008-09	2009-10	2010-11		Percentage of increase(+) or decrease(-) with reference to BE
						Budget Estimates (BE)	Actuals	
Tax Revenue								
1	Sales tax/VAT	12,817.46	15,104.54	16,810.65	18,199.79	21,000.00	24,893.45	(+)18.54
2	State excise	41.94	47.20	48.71	65.94	58.00	62.97	(+)8.57
3	Stamp duty and Registration fees	1,425.03	2,018.43	1,728.50	2,556.72	2,750.00	3,666.24	(+)33.32
4	Taxes and duties on Electricity	2,087.77	2,046.52	2,369.91	2,643.65	2,753.50	3,262.64	(+)18.49
5	Taxes on vehicles and taxes on goods and passengers	1,197.11	1,461.29	1,551.01	1,549.55	1,950.00	2,010.07	(+)3.08
6	Others	895.32	1,207.17	1,048.25	1,724.58	1,749.40	2,443.26	(+)39.66
Total		18,464.63	21,885.15	23,557.03	26,740.23	30,260.90	36,338.63	(+)20.08
Non-Tax Revenue								
1	Interest Receipts	283.07	329.88	567.81	419.44	594.00	403.89	(-)32.01
2	Non-ferrous Mining and Metallurgical Industries	2,173.76	2,082.14	1,559.82	2,138.98	2,425.18	2,019.31	(-)16.74
3	Major and Medium Irrigation Projects	330.61	452.82	455.77	504.61	540.00	618.14	(+)14.47
4	Medical and Public Health	66.68	66.25	126.50	62.40	140.72	118.11	(-)16.07
5	Police	90.66	86.24	77.44	101.45	86.14	149.08	(+)73.07
6	Others	2,004	1,591.98	2,311.98	2,224.83	2,397.70	1,606.49	(-)33.00
Total		4,948.78	4,609.31	5,099.32	5,451.71	6,183.74	4,915.02	(-)20.52
Grand Total		23,413.41	26,494.46	28,656.35	32,191.94	36,444.64	41,253.65	(+)13.20

(Source: Finance Accounts and Annual Financial Statement (Budget) of the State Government)

The sales tax revenue during the year increased by ₹6,693.66 crore (36.78 per cent) over the previous year and was 18.54 per cent more than the budget estimates. Taxes and duties on electricity showed an increase of ₹618.99 crore during the year and was 18.49 per cent more than the budget estimates. Similarly, stamp duty and registration fees showed an increase of ₹1,109.52 crore, which was 33.32 per cent over the budget estimates. In Medical and Public Health, there was an increase in revenue receipts by ₹55.71 crore, but a decrease of 16.07 per cent with reference to the budget estimates. However, revenue from non-ferrous mining and metallurgical industries decreased by ₹119.67 crore.

1.6.2 Evasion of Taxes

Details of cases of evasion of tax detected by the departments and the additional demands raised by them are given in **Table 1.5**.

Table 1.5: Cases of evasion of tax detected and additional demands raised

Sr. No.	Nature of duty	No. of cases pending as on 31 March 2010	No. of cases detected during 2010-11	No. of cases in which assessments completed and additional demands raised		No. of cases pending finalization as on 31 March 2011
				No. of cases	Amount (₹ in crore)	
1	Sales tax/VAT	850	475	470	398.82	855
2	Motor Vehicles Tax	67,370	26,648	20,257	18.15	73,761

(Source: Office of the Principal Accountant General (C&RA), Ahmedabad)

Effective steps need to be taken to clear the backlog in assessments so as to avoid delay in realization of revenue.

1.6.3 Revenue Arrears

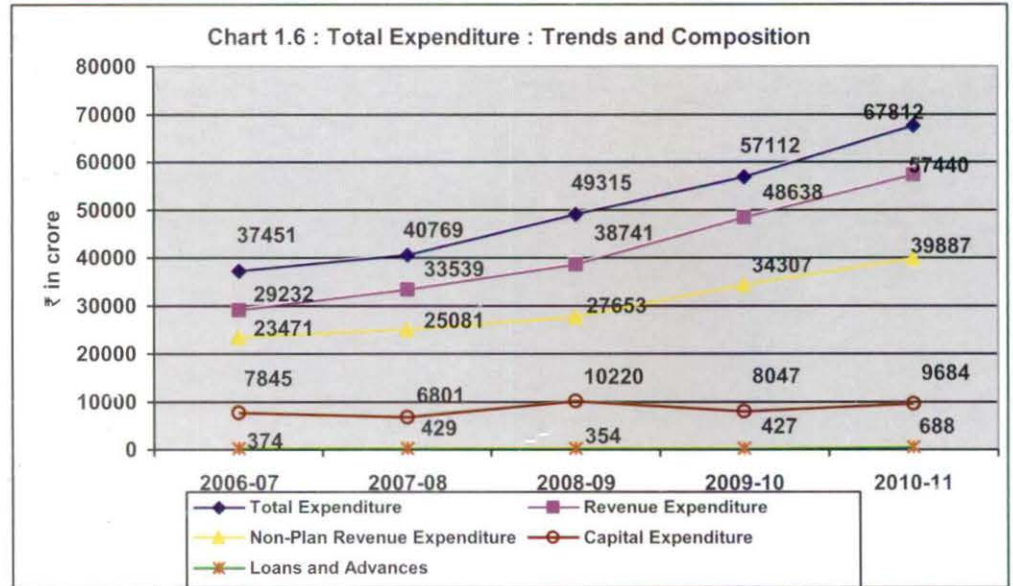
As on 31 March 2011 revenue arrears amounted to ₹15,265.08 crore (sales tax/VAT: ₹14,506.08 crore of which ₹4,047.82 crore was outstanding for more than five years; motor vehicle tax: ₹759.00 crore of which 49.36 crore was outstanding for more than five years). Recovery proceedings for ₹5,943.81 crore (sales tax: ₹5,937.09 crore; motor vehicles tax: ₹6.72 crore) were stayed by judicial and executive authorities.

1.7 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are 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 development of social sector.

1.7.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure over a period of five years (2006-07 to 2010-11) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in Tables 1.6 and 1.7 respectively.



The total expenditure during 2010-11 increased by 18.74 per cent over the previous year. The increase in revenue expenditure was by 18.10 per cent and that of capital expenditure by 20.34 per cent. The capital expenditure included ₹2,192 crore invested in Sardar Sarovar Narmada Nigam Limited. The revenue expenditure was 84.70 per cent of the total expenditure, of which 69.44 per cent was the Non-Plan component. The Non-Plan expenditure (including loans and advances) increased by 16.82 per cent over the previous year. The relative share of expenditure under General Services and Economic Services declined from 32.53 per cent and 33.56 per cent in 2006-07 to 29.62 per cent and 30.19 per cent in 2010-11 respectively. The expenditure under Social Services increased from 32.32 per cent to 38.91 per cent.

Table 1.6: Total Expenditure- Trends of Share of its components

	(Figures in per cent)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Expenditure	78.05	82.27	78.56	85.16	84.70
Capital Expenditure	20.95	16.68	20.72	14.09	14.28
Loans and Advances	1.00	1.05	0.72	0.75	1.01

Though, the revenue expenditure during 2010-11 increased by ₹8,802 crore over the previous year, its share in total expenditure declined marginally from 85.16 to 84.70 per cent. There was significant increase under revenue expenditure under (i) General education (₹2,923.16 crore), (ii) Pensions and other retirement benefits (₹1,266.42 crore) and Interest payments (₹1,037.24 crore).

The capital expenditure during 2010-11 increased by ₹1,637 over the previous year, its share in total expenditure increased from 14.09 to 14.28 per cent. The increase was mainly under (i) investment in Gujarat State Petrochemicals

Company Limited (₹ 471.58 crore), (ii) Water Supply and Sanitation (₹377.25 crore), (iii) investment in PSUs relating to transmission and distribution of power (₹293.29 crore)

The loans and advances disbursed during 2010-11 increased by ₹261 crore over the previous year, its share in total expenditure increased from 0.75 to 1.01 *per cent*.

Table 1.7: Total Expenditure- Trends by activities

	(Share in <i>per cent</i>)				
	2006-07	2007-08	2008-09	2009-10	2010-11
General Services	32.53	33.63	27.30	29.98	29.62
Social Services	32.32	33.67	34.37	37.90	38.91
Economic Services	33.80	31.29	37.27	31.19	30.19
Loans and Advances	1.00	1.05	0.72	0.75	1.01
Grants-in-aid	0.35	0.36	0.34	0.18	0.27

The relative share of Social Services, Loans and Advances and Grants-in-aid in total expenditure increased from 37.90, 0.75 and 0.18 *per cent* to 38.91, 1.01 and 0.27 *per cent* respectively as compared to the previous year.

1.7.2 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 1.8 present the trends in the expenditure on these components during 2006-07 to 2010-11.

Table 1.8: Components of Committed Expenditure

	(₹ in crore)				
Components of Committed Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11
Salaries, Of which	2,669 (8.61)	3,119 (8.74)	3,189 (8.24)	4,760 (11.42)	5,555 (10.61)
Non-Plan Head	2,448	2,761	2,764	4,014	4,563
Plan Head*	221	358	425	746	992
Interest Payments	6,932 (22.36)	7,484 (20.97)	7,884 (20.38)	8,590 (20.61)	9,627 (18.38)
Expenditure on Pensions	2,396 (7.73)	2,979 (8.35)	2,963 (7.66)	4,513 (10.83)	5,779 (11.04)
Subsidies	2,814 (9.08)	2,914 (8.16)	3,983 (10.30)	4,653 (11.17)	4,975 (9.50)
Total committed expenditure	14,811 (47.77)	16,496 (46.22)	18,019 (46.59)	22,516 (54.03)	25,936 (49.53)
Other components, i.e. other than committed expenditure	14,421 (46.52)	17,043 (47.75)	20,722 (53.58)	26,122 (62.68)	31,504 (60.16)
Total Revenue Expenditure	29,232	33,539	38,741	48,638	57,440
Total Revenue Receipts	31,002	35,690	38,676	41,672	52,364

*Plan head includes Salaries and Wages under Centrally Sponsored Schemes.
Figures in parentheses indicate percentage of Revenue Receipts.

(Source: Finance Accounts for the years 2006-07 to 2010-11 of the State)

The expenditure on salaries under the Non-Plan head increased from ₹2,448 crore in 2006-07 to ₹4,563 crore in 2010-11, mainly due to implementation of the recommendations of the Sixth Pay Commission. As a percentage of the revenue receipts, the expenditure on salaries marginally decreased from 11.42 per cent in 2009-10 to 10.61 in 2010-11. It was also 13.22 per cent of the revenue expenditure (net of pensions and interest payments). The amount spent on subsidies increased from ₹2,814 crore in 2006-07 to ₹4,975 crore in 2010-11. Compared with 2009-10, the subsidies during the current year increased by ₹501 crore in Road Transport, ₹210 crore in Crop Husbandry and decreased by ₹476 crore in Power sector. Expenditure on pensions increased from ₹4,513 crore in 2009-10 to ₹5,779 crore in 2010-11. The State implemented a new Pension Scheme for its employees, to contain its revenue expenditure. As a percentage of revenue receipts, the expenditure on pensions which was 7.73 per cent in 2006-07 came down to 7.66 per cent in 2008-09, but increased to 11.04 per cent in 2010-11.

Interest payments as a percentage of revenue receipts as well as revenue expenditure declined from 22.36 per cent and 23.71 per cent in 2006-07 to 18.38 per cent and 16.76 per cent in 2010-11 respectively. The interest payments, however, increased by 12.07 per cent over the previous year. The increase was mainly due to more payment of interest on market loans (₹626 crore) and on special securities issued to National Small Savings Fund (₹255 crore) than that of the previous year. The State had been availing of loans from NABARD under the Rural Infrastructure Development Fund (RIDF) to contain the interest payments on borrowings. The average rate of interest on borrowings progressively declined from 8.19 per cent in 2006-07 to 7.56 per cent in 2010-11. The percentage of interest payments to revenue receipts declined from 20.61 during 2009-10 to 18.38 during 2010-11.

1.7.3 Financial Assistance by 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 1.9**.

Table 1.9: Financial Assistance to Local Bodies etc.

Financial Assistance to Institutions	(₹ in crore)					
	2006-07	2007-08	2008-09	2009-10	2010-11	
Educational Institutions (Aided Schools, Colleges, Universities, etc.)	367	4,793	5,028	4,195	1,604	
Municipal Corporations and Municipalities	621	1,094	334	1,127	1,021	
Zilla Parishads and Other Panchayati Raj Institutions	2,668	518	528	532	1,637	
Other Institutions	2,112	1,025	2,574	6,425	9,893	
Total	5,768	7,430	8,464	12,279	14,155	
Assistance as per percentage of RE	19.73	20.38	21.85	25.25	24.64	

(Source: Office of the Accountant General (A&E), Rajkot)

Financial assistance to local bodies and other institutions increased from ₹5,768 crore in 2006-07 to ₹14,155 crore in 2010-11 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, the increase was from 19.73 to 24.64. Assistance to educational institutions showed a quantum jump from ₹367 crore in 2006-07 to ₹5,028 crore in 2008-09, but significantly reduced to ₹1,604 crore in 2010-11. Financial assistance to Zilla Panchayats and Other Panchayati Raj Institutions decreased from ₹2,668 crore in 2006-07 to ₹ 518 crore in 2007-08, but increased from ₹532 crore in 2009-10 to ₹1,637 crore in 2010-11. Similarly, assistance to Other Institutions increased from ₹2,112 crore in 2006-07 to ₹9,893 crore in 2010-11, showing an increase of ₹3,468 crore over the previous year.

1.8 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 (i.e. adequate provisions for providing public services); efficiency of expenditure use and its effectiveness.

1.8.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.10** analyses the fiscal priority of the State with regard to development expenditure, social expenditure and capital expenditure during 2010-11. **Appendix 1.1 Part D** presents the comparison of fiscal priority of the State with respect to Other General Category States.

Table 1.10: Fiscal priority of the State in 2007-08 and 2010-11

Fiscal Priority by the State*	AE /GSDP	DE [#] /AE	SSE /AE	CE /AE	Educati on/AE	Health /AE
General Category State's Average (Ratio) 2007-08	16.85	64.28	32.54	16.14	14.64	3.98
Gujarat's Average(Ratio) 2007-08	12.38	65.90	33.71	16.68	14.04	3.37
General Category State's Average (Ratio) 2010-11	16.65	64.42	36.75	13.27	17.42	4.35
Gujarat's Average (Ratio) 2010-11	13.17	70.02	38.94	14.28	16.83	4.44
*As per cent to GSDP AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure # Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed. Source of GSDP—Budget publication No.30 of 2010-11.						

Table 1.10 indicates the following:

- 1) Gujarat has been spending a less proportion of its GSDP on aggregate expenditure as compared to General Category States.

- 2) Development expenditure as a proportion of aggregate expenditure in Gujarat is higher than the General Category States' average during 2007-08 as well as in the current year. Developmental expenditure consists of both economic service expenditure and social sector expenditure.
- 3) Capital expenditure as a corresponding ratio to aggregate expenditure ratio has also been given adequate priority in the current year as well as in 2007-08. Increased priority to physical capital formation which will further increase the prospects of the State by creating durable assets.
- 4) Gujarat has been spending less proportion of its aggregate expenditure on education sector as compared to other General Category States. Gujarat has also spent less proportion of its aggregate expenditure on health sector in 2007-08 but Gujarat has given adequate priority to health sector in 2010-11.

1.8.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁴. Apart from improving the allocation towards development expenditure⁵, 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. While **Table 1.11** and **Chart 1.7** present the trends in development expenditure relative to the aggregate expenditure vis-à-vis budget estimates during the current year i.e. 2010-11, **Table 1.12** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.11: Development Expenditure

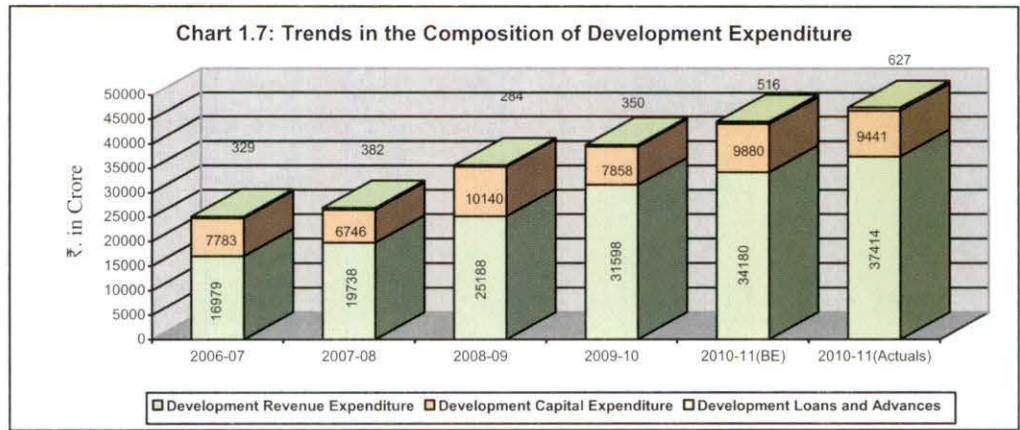
(₹ in crore)

Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actuals
Development Expenditure (a to c)	25,091 (67.00)	26,866 (65.90)	35,612 (72.21)	39,806 (69.70)	44,576 (68.72)	47,482 (70.02)
a. Development Revenue Expenditure	16,979 (45.34)	19,738 (48.41)	25,188 (51.08)	31,598 (55.33)	34,180 (52.69)	37,414 (55.17)
b. Development Capital Expenditure	7,783 (20.78)	6,746 (16.55)	10,140 (20.56)	7,858 (13.76)	9,880 (15.27)	9,441 (13.92)
c. Development Loans and Advances	329 (0.88)	382 (0.94)	284 (0.57)	350 (0.61)	516 (0.80)	627 (0.93)

Figures in parentheses indicate percentage of aggregate expenditure.
(Source : Finance Accounts and Annual Financial Statement (Budget) of the State Government)

⁴ See glossary

⁵ The aggregate expenditure data segregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the expenditure on social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.



Development expenditure of the State comprised revenue and capital expenditure including loans and advances on socio-economic services. The development expenditure increased from ₹25,091 crore in 2006-07 to ₹47,482 crore in 2010-11. As a percentage of the total expenditure, the total development expenditure of the State increased from 67 in 2006-07 to 70.02 in 2010-11. The capital expenditure component increased from ₹7,783 crore in 2006-07 to ₹9,441 crore in 2010-11. The percentage of development capital expenditure to the aggregate expenditure during the current year, i.e. 2010-11 was 13.92 per cent whereas it accounted for 55.17 per cent under the revenue expenditure component.

Table 1.12: Efficiency of Expenditure under selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2009-10		2010-11	
	Share of CE to TE	In RE, the share of Salaries	Share of CE to TE	In RE, the share of Salaries
Social Services (SS) (absolute figures- ₹ in crore)	2,038.21	-	2,681.81	-
General Education	4.35	4.59	3.72	4.21
Health and Family Welfare	12.67	38.36	16.98	35.84
Water Supply, Sanitation, & Housing and Urban Development	13.25	0.57	18.60	0.68
Total (SS)	9.41	7.85	10.16	7.67
Economic Services (ES) (absolute figures- ₹ in crore)	5,819.94	-	6,758.74	-
Agriculture & Allied Activities	11.06	16.99	11.53	15.89
Irrigation and Flood Control	80.64	31.47	79.83	30.61
Power & Energy	11.87	-	17.76	-
Transport	30.57	1.55	30.52	1.39
Total (ES)	32.08	7.44	32.07	7.04
Total (SS+ES)	19.74	7.69	19.88	7.44

TE: Total Expenditure in the concerned subsector; CE: Capital Expenditure; RE: Revenue Expenditure; Salaries.
(Source : Finance Accounts of the State)

The percentage of capital expenditure to the total expenditure for Social and Economic Services increased from 19.74 in 2009-10 to 19.88 in 2010-11, indicating moderate improvement in the efficiency of expenditure. In the Social Service sector, due to lower priority to capital expenditure, there was decrease in the share of capital expenditure as a percentage of total expenditure under General Education.

Expenditure on Social Services

Capital expenditure on Social Services increased in absolute terms from ₹2,038.21 crore in 2009-10 to ₹2,681.81 crore in 2010-11 (31.58 *per cent*). The share of capital expenditure to the total expenditure under Social Services increased from 9.41 *per cent* to 10.16 *per cent*.

It was observed that lower priority to capital expenditure was mainly under General Education where capital expenditure as a percentage of the total expenditure reduced from 4.35 *per cent* to 3.72 *per cent*.

The share of salaries in revenue expenditure under Social Services marginally decreased from 7.85 *per cent* in 2009-10 to 7.67 *per cent* in 2010-11, mainly on account of decrease in the share of salaries under Health & Family Welfare from 38.36 *per cent* to 35.84 *per cent*.

Expenditure on Economic Services

Capital expenditure on Economic Services increased from ₹5,819.94 crore in 2009-10 to ₹ 6,758.74 crore in 2010-11, registering a growth of 16.13 *per cent*. The percentage of capital expenditure to total expenditure under economic services slightly decreased from 32.08 to 32.07.

The share of salaries in revenue expenditure under Economic Services marginally decreased from 7.44 *per cent* to 7.04 *per cent*, mainly on account of decrease in the share of salaries under irrigation and flood control from 31.47 *per cent* to 30.61 *per cent*.

1.9 Financial Analysis of Government Expenditure and Investments

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

1.9.1 Financial Results of Irrigation Works

At the end of March 2011, ₹1,667.82 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 ₹146.39 crore, against which the maintenance expenditure was ₹94.55 crore, indicating a revenue surplus of ₹51.84 crore. When compared with the investment, the return was 3.11 *per cent*.

1.9.2 Incomplete projects

At the end of March 2011, there were 43 incomplete capital works involving ₹948.57 crore. The department-wise details of incomplete works, each costing ₹ 10 crore or more, are given in **Table 1.13**.

Table 1.13: Department-wise Profile of Incomplete Works

(₹ in Crore)			
Department	No. of Incomplete Works	Initial Budgeted Cost	Cumulative Actual expenditure as on 31.3.2011
Roads & Buildings	31	614.67	293.07
Narmada Water Resources, Water Supply and Kalpsar	12	333.90	218.63
Total	43	948.57	511.70

(Source: Finance Accounts of the State)

The main reasons for the delays in completing the works were (i) changes/revisions in design, (ii) non-availability of land, (iii) contractors abandoning the works and (iv) non-receipt of approval for extra items of work.

1.9.3 Investment and returns

As of 31 March 2011, Government had invested ₹34,495.92 crore in Statutory Corporations, Government Companies, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.14**). The average return on the investments was 0.58 *per cent* in the last five years while the Government paid an average 7.86 *per cent* as interest on its borrowings during 2006-07 to 2010-11. 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 of high cost funds.

Table 1.14: Return on Investment

Investment/Return/Cost of Borrowings	2006-07	2007-08	2008-09	2009-10	2010-11
Investment at the end of the year [□] (₹ in crore)	18,515	21,117	26,542	31,051	34,496
Return (₹ in crore)	354.79	47.57	49.40	76.72	114.43
Return (<i>per cent</i>)	1.92	0.23	0.19	0.25	0.33
Average rate of interest on Government borrowings (<i>per cent</i>)	8.19	8.12	7.80	7.64	7.56
Difference between interest rate and rate of return (<i>per cent</i>)	6.27	7.89	7.61	7.39	7.23

(Source: Finance Accounts of the State)

Out of ₹3,445 crore invested during 2010-11, ₹2,192 crore was invested in the Sardar Sarovar Narmada Nigam Limited, a State-owned Company, executing the multi-purpose Narmada Project.

[□] Includes all allotments to Government companies, Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives.

The State Government have equity participation of ₹34,369.10 crore in 61 Government Companies and Statutory Corporations. (Working Companies/Corporations: ₹34,321.34 crore; Non-working Companies/Corporations: ₹47.76 crore). During the current year, the State Government paid ₹1,797.54 crore as subsidy to the companies/ corporations (₹1,784.02 crore to *Gujarat Urja Vikas Nigam Limited* for horse power based tariff on agriculturalists, free electricity to water works of village panchayats, compensation in GERC agricultural tariffs, *Sagar Khedu Sarvangi Vikas Yojana*). The State Government also advanced ₹451.93 crore as loans to the working Companies/Corporations. At the end of 2010-11, total loans advanced to the Companies/Corporations amounted to ₹2,803.48 crore.

1.9.4 Loans and Advances by State Government

In addition to investments in co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/ organizations. **Table 1.15** presents the position of loans and advances as on 31 March 2011 and interest receipts vis-à-vis interest payments during the last three years.

Table 1.15: Average Interest Received on Loans Advanced by the State Government

	(₹ in crore)		
Quantum of Loans/Interest Receipts/ Cost of Borrowings	2008-09	2009-10	2010-11
Opening Balance	4,456	4,629	4,905
Amount advanced during the year	354	427	688
Amount repaid during the year	181	151	283
Closing Balance	4,629	4,905	5,310
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	4,319	4,595	5,000
Net addition	173	276	405
Interest Receipts	180	98	92
Interest receipts as percentage of outstanding Loans and Advances	3.89	2.00	1.73
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.46	7.21	7.10
Difference between interest receipts and interest payments (per cent)	(-3.57)	(-) 5.21	(-)5.37

(Source: Finance Accounts of the State)

a) The quantum of loans advanced had increased from ₹354 crore in 2008-09 to ₹688 crore in 2010-11. Repayments increased from ₹181 crore in 2009-10 to ₹283 crore in 2010-11, but the outstanding balance increased from ₹4,629 crore in 2008-09 to ₹5,310 crore in 2010-11. The difference between interest payments and interest receipts increased from 3.57 per cent in 2008-09 to 5.37 per cent in 2010-11. The major recipients of loans and advances were (i) Social Sector–Welfare of Scheduled Castes/Scheduled Tribes/Other Backward Classes (₹20.40 crore), (ii) Economic Sector- Power Projects (₹259.25 crore); Industry and Minerals (₹48.52 crore) and Transport Sector (₹296.00 crore).

b) Terms and conditions of the loans were not yet finalized in respect of ₹309.96 crore granted to financial institutions between 2001-02 and 2006-07.

c) As on 31 March 2011, overdue loans amounting to ₹777.52 crore were recoverable from the loanees. The interest recoverable thereon was ₹131.96 crore. Details are given in **Table 1.16**

Table 1.16: Details of Outstanding Loans

(₹ in crore)

Sr. No.	Major Head	Particulars	Principal Amount	Interest	Period from which outstanding
1.	6216	Housing Board, Co-operative Societies	142.54	17.79	1996
2.	6217	Municipalities	213.96	23.73	1997
3.	6245	Nagarpalikas	11.05	2.02	1995
4.	6250	Welfare Board	0.27	0.04	1992
5.	6404	Dairy Development	1.98	1.32	2008-09
6.	6408	Co-operative Societies	2.96	0.18	1998
7.	6425	Co-operative Societies	27.19	2.44	2002
8.	6851	Village and Cottage Industries	0.47	0.14	2004-05
9.	6885	Industries and Mines	376.87	84.09	2004-05
10.	7075	Municipalities	0.23	0.21	1960
Total			777.52	131.96	

(Source: Finance accounts of the State and information furnished by Accountant General (A&E), Gujarat, Rajkot)

1.9.5 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 1.17**.

Table 1.17: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	As on 1 st April 2010	As on 31 st March 2011	Increase/Decrease
Cash Balances	11,524.31	14,986.80	(+)3,462.49
Investments from Cash Balances (a to b)			
a. GOI Treasury bills	6,597.83	9,245.94	(+)2,648.11
b. GOI Securities	5,027.49	5,587.49	(+)560.00
Funds-wise Break-up of Investment from Earmarked balances (a to d)			
a. Sinking Fund	3,966.27	4,526.27	(+)560.00
b. Development and Welfare Fund	3.38	3.38	-nil-
c. General and other Reserve Funds	1,057.50	1,057.50	-nil-
d. Investment in Misc. Deposits	0.34	0.34	-nil-
Interest realised	320.35	310.65	(-)9.70

(Source: Finance Accounts of the State)

During 2010-11, the State Government did not avail of any Ways and Means Advance for maintenance of its minimum cash balance.

As seen from the above table, the interest amount realized from investment in GOI treasury bills was lower by ₹9.70 crore during the year as compared to the previous year.

1.10 Assets and Liabilities

1.10.1 Growth and composition of Assets and Liabilities

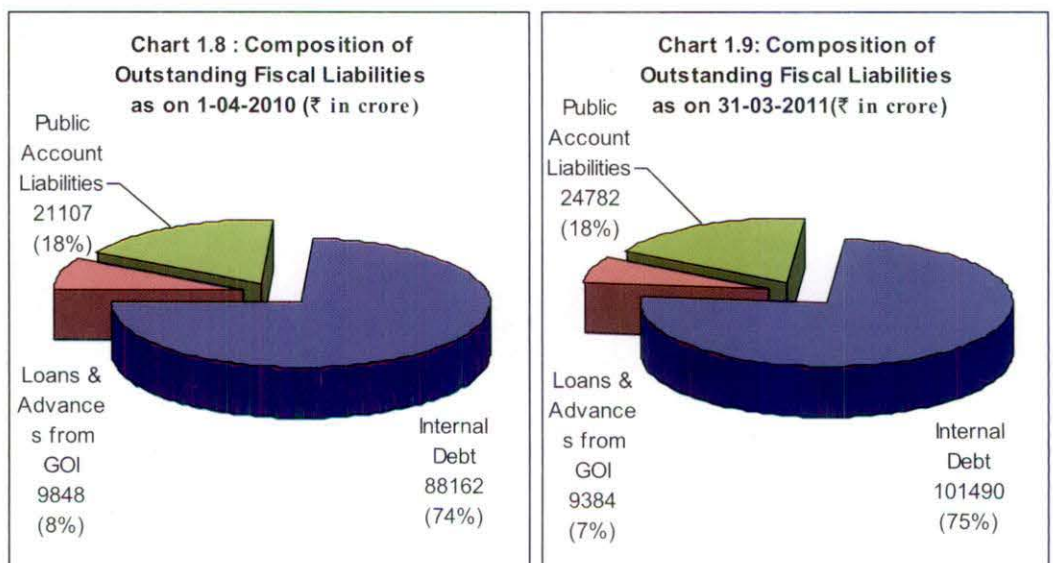
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and the assets as on 31 March 2011 compared with the corresponding position on 31 March 2010. 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.

1.10.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.8** and **1.9**.



The outstanding fiscal liabilities have shown a steady increase over the years from ₹87,971 crore at the end of 2006-07 to ₹1,35,656 crore as at the end of 2010-11. The composition of fiscal liabilities at the end of March 2011 remained more or less the same as that of the previous year with Internal Debt accounting for 75 per cent, Public Account Liabilities for 18 per cent and Loans and Advances from Government of India for 7 per cent. The fiscal liabilities at the end of 2006-07 represented 284 per cent of the revenue receipts during the year 2006-07, which was reduced to 259 per cent at the end of 2010-11. At the end of 2010-11, the outstanding public debt was ₹1,10,874 crore. The public debt to GSDP ratio at 21.54 per cent was in line with the projected ratio of 25.89 per cent in the Medium Term Fiscal Policy Statement.

1.10.3 Status of Guarantees – Contingent liabilities

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 1.18**.

Table 1.18: Guarantees given by the Government of Gujarat

Guarantees	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Ceiling limit on Government guarantees under Gujarat State Guarantees Act 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	12,983	11,843	10,562	10,202	10,382
Outstanding amount of guarantees	12,448	11,308	10,027	9,667	8,661
Percentage of maximum amount guaranteed to total revenue receipts	41.88	33.18	27.31	24.48	19.83

(Source: Finance Accounts of the State)

The Gujarat Fiscal Responsibility Act, 2005 prescribed a ceiling of ₹16,000 crore on outstanding guarantees within the limit (₹20,000 crore) prescribed in the Gujarat State Guarantees Act, 1963. The outstanding guarantees of ₹8,660.80 crore comprised (i) guarantees given for raising of working capital by a Corporation (₹432.99 crore) and (ii) loans and advances raised by State Corporations (Power) (₹2,075.85 crore); Roads and Transport (₹202.15 crore); Boards/Corporations under Urban Development and Urban Housing Department (₹254.00 crore); Sardar Sarovar Narmada Nigam Ltd. (₹4,540.59 crore); Municipalities / Local Bodies (₹335.99 crore), Gujarat Water Supply and Sewerage Board (₹221.90 crore) and Others (₹597.33 crore). The outstanding guarantees (₹8,661 crore) accounted for 16.54 per cent of the revenue receipts (₹52,364 crore) of the State Government and were within the ceiling limit prescribed under the Fiscal Responsibility Act. The Gujarat State Guarantees Redemption Fund set up in February 2006 to take care of any contingent liabilities arising out of State Government Guarantees, had a balance of ₹811.19 crore at the end of 2010-11. During the year, the Government received ₹52.99 crore as guarantee fees out of which ₹ 50 crore were transferred to the Guarantee Redemption Fund. The contingent liabilities of the State Government, as defined in terms of its outstanding guarantees, have shown significant reduction over the last few years. The total outstanding

guarantees have come down to ₹8,661 crore in 2010-11 from ₹12,448 crore in 2006-07.

1.11 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyze the various indicators that determine the debt sustainability⁶ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization⁷; sufficiency of non-debt receipts⁸; net availability of borrowed funds⁹; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State Government securities. **Table 1.19** analyzes the debt sustainability of the State according to these indicators for the period from 2006-07 to 2010-11.

Table 1.19: Debt Sustainability: Indicators and Trends

(₹ in crore)					
Indicators of Debt Sustainability	2006-07	2007-08	2008-09	2009-10	2010-11
Debt Stabilization (Quantum Spread +/- Primary Deficit/Surplus)	7,468	10,332	7,226	(-)911	9,240
Sufficiency of Non-debt Receipts (Resource Gap)	(+)620	(+)878	(-)5,667	(-)4,716	(+)80
Net Availability of Borrowed Funds	(-)327	996	1,317	4,874	6,912
Burden of Interest Payments (IP/RR Ratio)	0.22	0.21	0.20	0.21	0.18
Maturity Profile of State Debt					
Year	Amount				
0-1	2,896	5,253	5,923	6,791	
1-3	7,031	8,600	10,831	11,875	
3-5	10,831	11,875	10,516	9,430	
5-7	10,516	9,430	8,279	13,330	
7 and above	48,035	51,852	62,461	69,448	
Total	79,309	87,010	98,010	1,10,874	

(Source: Finance Accounts of the State)

In view of the above, to maintain debt sustainability, the Government should avoid further borrowings.

As per the recommendations of the Reserve Bank of India as well as the TFC, the State Government constituted a Debt Management Office (DMO) in the Finance Department in April 2007, mainly to estimate temporary liquidity mismatches based on the repayment profile and accordingly raise resources so as to obviate the need for recourse to Ways and Means Advances; to monitor adherence to the Fiscal Responsibility Act and effective and efficient management of public debt with an aim to attain debt sustainability. The State could maintain financial discipline by not taking recourse to Ways and Means Advances, and to maintain debt sustainability.

The quantum spread together with primary deficit have been positive from 2006-07 to 2010-11, except during 2009-10, which is indicative that the debt

⁶ See glossary

⁷ See glossary

⁸ See glossary

⁹ See glossary

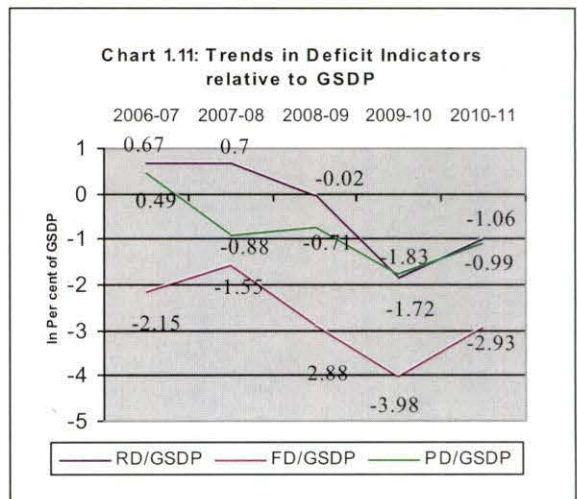
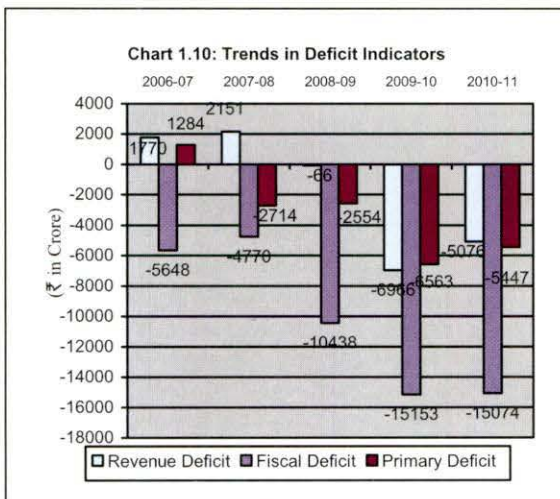
was sustainable. The trend of net availability of borrowed funds is also in favourable condition. As regards repayment of debts, large amounts of repayments to the extent of 25 per cent of State debt would be taking place in the next five years.

1.12 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 2010-11.

1.12.1 Trends in Deficits

Charts 1.10 and 1.11 present the trends in deficit indicators over the period 2006-07 to 2010-11



- The State had a revenue surplus of ₹1,770 crore and ₹2,151 crore during 2006-07 and 2007-08. However, it turned into a revenue deficit of ₹66 crore in 2008-09, which increased to ₹6,966 crore in 2009-10, but reduced to ₹5,076 crore during 2010-11. The estimated revenue deficit as per the Medium Term Fiscal Policy Statement (MTFPS) was, however ₹4,502 crore.
- The fiscal deficit increased from ₹5,648 crore in 2006-07 to ₹15,074 crore in 2010-11, which was slightly less than that projected (₹ 15,143 crore) in the MTFPS.
- Revenue receipts increased by 25.66 per cent over the previous year but revenue expenditure increased by 18.10 per cent, resulting in a reduction in revenue deficit by ₹1,890 crore from the previous year.

1.12.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.20**.

Table 1.20: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
Particulars		2006-07	2007-08	2008-09	2009-10	2010-11
Decomposition of Fiscal Deficit		5,648	4,770	10,438	15,153	15,074
1	Revenue Deficit(-) / Surplus(+)	(+)1,770	(+)2,151	(-)66	(-)6,966	(-)5,076
2	Net Capital Expenditure	7,842	6,706	10,199	7,910	9,593
3	Net Loans and Advances	(-)424	215	173	277	405
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	(-)446	6,137	7,618	8,404	10,725
2	Loans from GOI	(-)564	(-)345	(-)332	(-)478	(-)464
3	Special Securities Issued to NSSF	5,473	424	(-)74	3,099	2,628
4	Loans from Financial Institutions	715	460	490	(-)26	(-)25
5	Small Savings, PF etc	285	436	320	1,018	705
6	Deposits and Advances	830	1,353	798	1,178	2,533
7	Suspense and Miscellaneous	451	(-)428	663	(-)582	1,311
8	Remittances	(-)223	3	(-)22	190	78
9	Reserve Fund	1,145	915	582	768	998
10	Contingency Fund	74	(-)7	(-)24	(-)13	47
Total		7,740	8,948	10,019	13,558	18,536
	Increase(+)/Decrease(-) in Cash Balance	(+)2,092	(+)4,178	(-)419	(-)1,595	(+)3,462

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

A redeeming feature of the fiscal deficit is that the Government primarily borrows to finance capital expenditure. With a view to bringing down the cost of borrowings as envisaged in the Fiscal Policy Strategy Statement (FPSS), the fiscal deficit was mainly financed by increased market borrowings (₹2,321 crore) rather than taking loans from the National Small Saving Fund (NSSF) which carried a higher rate of interest. However, NSSF loans comprised a major portion of the Public Debt during the current year. To compensate the higher inflow of NSSF loans, the Government had to curtail its relatively cheaper market borrowing. As on 31 March 2011, the NSSF loans comprised 45.65 per cent of the Public Debt while market loans and loans from other institutions comprised 45.75 per cent of the Public Debt.

1.12.3 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 1.21) would indicate the extent to which the deficit had been on account of enhancement in capital expenditure, which may have been desirable to improve the productive capacity of the State's economy.

Table 1.21: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue Deficit(-) /surplus (+)	Primary Deficit (-) /Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2006-07	31,803	22,300	7,845	374	30,519	(+)9,503	(+)1,284
2007-08	35,999	26,055	6,801	429	33,285	(+)9,944	(+)2,714
2008-09	38,877	30,857	10,220	354	41,431	(+)8,020	(-)2,554
2009-10	41,959	40,048	8,047	427	48,522	(+)1,911	(-)6,563
2010-11	52,738	47,813	9,684	688	58,185	(+)4,925	(-)5,447

(Source: Finance Accounts of the State)

During the period 2006-07 to 2010-11, primary expenditure increased from ₹30,519 crore to ₹58,185 crore (increase of 90.65 per cent) against the increase of non-debt receipt from ₹31,803 crore to ₹52,738 crore (increase of 65.83 per cent). During the years 2006-07 and 2007-08, the non-debt receipts covered the primary expenditure, resulting in surpluses. In the year 2008-09, there was a primary deficit of ₹2,554 crore due to an increase of 50.27 per cent in capital expenditure, without a commensurate increase in non-debt receipts. In 2009-10, there was a primary deficit of ₹6,563 crore, which has declined to ₹5,447 crore in 2010-11, representing a reduction of 17 per cent.

1.12.4 Recommendations of Thirteenth Finance Commission

As per the ThFC award, the State was entitled to receive ₹903.45 crore as grant-in-aid from GOI during 2010-11 under the category of Upgradation and Special Problems (₹454.59 crore), GIA to Local Bodies (₹352.82 crore), Improving Outcomes (₹85.80 crore), and Environmental Related Grant (₹10.24 crore). The amounts allocated and the amounts received thereagainst are given in Table 1.22 below:

Table 1.22: Details of amounts awarded and received

(₹ in crore)

Sr. No.	Category	Amount awarded	Amount received	Difference
1	Upgradation and Special Problems	454.59	454.59	-
(a)	Elementary Education	72.00	72.00	-
(b)	Calamities Relief/ Disaster Management	382.59	382.59	-
2	GIA to Local Bodies	352.82	351.39	(-)1.43
(a)	Panchayati Raj Institutions	217.20	217.24	(+)0.04
(b)	Urban Local Bodies	121.20	119.75	(-)1.45
(c)	Special /Scheduled Areas Grant	14.42	14.40	(-)0.02
3	Improving Outcomes	85.80	76.73	(-)9.07
(a)	Improvement on Justice Delivery	59.96	59.96	-
(b)	Incentive for issuing UIDs	18.14	9.07	(-)9.07
(c)	Improvement of Statistical Systems at State and District Level	5.20	5.20	-
(d)	Employee and Pension Database	2.50	2.50	-
4	Environment Related Grant- Forests	10.24	10.24	-
	Total	903.45	892.95	(-)10.50

(Source: Finance department, Government of Gujarat)

1.13 Conclusion and Recommendations

The ratio of the State's own tax revenue to GSDP decreased from 6.51 *per cent* in 2006-07 to 6.23 *per cent* in 2009-10, but increased to 7.06 *per cent* in 2010-11. Likewise, the ratio of non-tax revenue to GSDP decreased from 1.74 *per cent* in 2006-07 to 0.95 *per cent* in 2010-11. This calls for further improvement in the tax management structure.

Revenue expenditure constituted 78 *per cent* of the total expenditure in 2006-07, which increased steadily to 85 *per cent* in 2010-11. However, the percentage of Social Service expenditure to total expenditure increased from 32 *per cent* in 2006-07 to 39 *per cent* in 2010-11.

Though the State achieved the target laid down in the FRBM Act to reduce the revenue deficit to zero by 31 March 2008, there was a revenue deficit of ₹66 crore during the year 2008-09, which increased to ₹6,966 during the TFC award period. The revenue deficit during the current year was ₹5,076 crore. The ratio of revenue deficit to GSDP reduced from 1.62 *per cent* in 2009-10 to 0.99 *per cent* in 2010-11.

The Medium Term Fiscal Policy Statement envisaged a 10 *per cent* increase per year in the capital expenditure during the TFC award period. However, the projected increase was achieved only during 2008-09. During the current year, it increased by 20.34 *per cent* over the year 2009-10.

Government of India transferred ₹4,451 crore to State Implementing Agencies during the year against ₹3,553 crore transferred during the previous year. Direct transfer of funds from the Union to the State Implementing Agencies ran the risk of poor oversight of utilization of funds by these agencies.

The outstanding fiscal liabilities have shown a steady increase over the years, from ₹87,971 crore at the end of 2006-07 to ₹1,35,656 crore at the end of 2010-11. The composition of fiscal liabilities at the end of March 2011 remained more or less the same as that of the previous year with Internal Debt accounting for 75 *per cent*, Public Account Liabilities for 18 *per cent* and Loans and Advances from Government of India for 7 *per cent*. As a percentage, fiscal liabilities to revenue receipts decreased from 284 in 2006-07 to 259 in 2010-11.

CHAPTER 2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the 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 Acts. These Accounts depict the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act. Appropriation Accounts thus facilitate understanding of utilization 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 authorization given under the Appropriation Act and the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2010-11 against 108 grants/appropriations was as given in **Table 2.1**:

Table 2.1: Summarized 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 (+)
Voted	I Revenue	44,649.93	6,345.28	50,995.21	48,139.81	(-)2,855.40
	II Capital	10,493.37	543.36	11,036.73	9,818.41	(-)1,218.32
	III Loans and Advances	611.46	147.02	758.48	687.87	(-)70.61
	Total Voted	55,754.76	7,035.66	62,790.42	58,646.09	(-)4,144.33
Charged	IV Revenue	9,972.28	94.46	10,066.74	9,718.14	(-)348.60
	V Capital	0.01	22.58	22.59	22.07	(-)0.52
	VI Public Debt- Repayment	3,837.57	0.00	3,837.57	3,817.53	(-)20.04
	VII Inter State Settlement	0.01	...	0.01	(-)0.01
	Total Charged	13,809.87	117.04	13,926.91	13,557.74	(-)369.17
Grand Total		69,564.63	7,152.70	76,717.33	72,203.83	(-)4,513.50

Source : Appropriation Accounts and Appropriation Act of the State Government

Overall savings of ₹4,513.50 crore was the result of savings of ₹4,633.75 crore in 82 grants and 23 appropriations under the Revenue Section,

44 grants and six appropriations under the Capital Section and 2 appropriations (Public Debt-Repayments) under the Loan Section, offset by excess of ₹120.25 crore in 12 grants and one appropriation under the Revenue Section and one grant and one appropriation under the Capital Section.

The savings/excesses were intimated (July 2011) to the Controlling Officers, requesting them to explain the reasons for significant variations but no explanations were received (September 2011) from them.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

There were deviations from budget allocation both with regard to the receipts as well as expenditure during the financial year 2010-11 raising questions about the credibility of the budgeting process, budget monitoring process and the reliability of management information system.

Our appropriation audit revealed that in 76 cases, savings exceeded ₹10 crore in each case or by more than 20 per cent of the total provision (Appendix 2.1). Summarized position of savings is indicated in Table 2.2.

Table 2.2: Summarized position of Savings

Sr. No.	Range of Saving	Number of Cases	Total Grant (₹ in crore)	Saving (₹ in crore)	Percentage
1.	Upto ₹5 crore	27	73.80	30.58	41.44
2.	More than ₹5 crore and upto ₹10 crore	4	74.49	24.33	32.66
3.	More than ₹10 crore and upto ₹25 crore	15	13,710.05	272.77	1.99
4.	Above ₹25 crore	30	40,644.53	3,857.58	9.49
Total		76	54,502.87	4,185.26	7.68

Main reasons for excessive savings are detailed below:

1. Grant No. 9- Out of the total savings of ₹105.93 crore, savings of ₹72.50 crore were due to non-finalization of Public Private Partnership mode for constructing Polytechnics and Engineering colleges.
2. Grant No. 19- The savings of ₹951.78 crore, were due to making provision for payment of increase in dearness allowance separately by various departments.
3. Grant No. 46- The savings of ₹101.10 crore were due to non-receipt of administrative approval from GOI for financial assistance to Gujarat State Police Housing Corporation Limited.
4. Grant No. 49- Out of the total savings of ₹117.65 crore, savings of ₹25.13 crore were due to non-commencement of training under Gujarat Matikam Kalakari and Rural Technology Institute; ₹30.43 crore due to recession in industries and receipt of less claims under development of textile industry; ₹19.83 crore due to receipt of less claims for research and technology development and ₹12.42 crore due to receipt of less

number of proposals for assistance to institutes for industrial development.

5. Grant No. 60- Out of the total savings of ₹315.77 crore, savings of ₹192.82 crore were due to not establishing special courts and additional courts; ₹59.89 crore under the scheme of improvement of Justice Delivery under 13th Finance Commission due to non-formulation of action plan and litigation policy and another ₹ 12.68 crore due to non-filling up of vacant posts of district and sessions judges.
6. Grant No. 66- Out of the total savings of ₹154.80 crore, savings of ₹90.23 crore were due to delay in approving tenders for the work of Dantiwada-Sipu Project and Narmada main canal to Watrak-Meshwo reservoir project; ₹23.59 crore due to non-finalization of designs for flood control works and another ₹16.71 crore due to less number of beneficiaries under drip irrigation scheme executed by GWRDC.
7. Grant No. 71- Out of the total savings of ₹142.25 crore, savings of ₹52.60 crore were due to vacant posts for implementing mission mangalam scheme; ₹43.82 crore due to less release of matching share by GOI in respect of rural sanitation programme and another ₹ 34.85 crore due to closing of the scheme of state government supplement to Indira Awas Yojana.
8. Grant No. 96- Savings were due to less number of applications from the beneficiaries for minor irrigation (₹13.16 crore), delay in constructing a medical college building (₹90 crore) and ₹110.94 crore were mainly due to delay in land allotment, administrative approval, tendering etc. of constructing various buildings.

2.3.2 Persistent Savings

In three cases during the last four years, there were persistent savings of more than ₹ 10 crore in each case. The details are given in **Table 2.3** below:

Table 2.3: List of grants indicating persistent savings during 2007-11

(₹ in crore)

Sr. No.	No. and Name of the grant	Amount of savings			
		2007-08	2008-09	2009-10	2010-11
Revenue- Voted					
1	19- Other Expenditure pertaining to Finance Department	629.71	1,988.87	1,491.49	951.78
2	49-Industries	75.51	83.89	13.77	117.65
Capital- Voted					
1	84-Non-Residential Buildings	136.19	252.61	249.33	295.22

(Source : Appropriation Accounts of the State Government)

Persistent savings during last four years indicate a need to review the formulation of budget estimates and provisions in these grants. Test check of grant files in audit further revealed that there were savings consistently for the last three years in respect of seven schemes under Grant No: 95-Scheduled Castes Sub-Plan (**Appendix 2.2**) indicating that either the provisions were

excessive or the executive was not successful in implementing the legislative aspirations. They are briefly discussed below:

- 1) Under the scheme of regulated growth of non-government secondary schools, ₹33.58 crore were provided but only ₹6.45 crore could be spent as there were less number of beneficiaries than estimated.
- 2) For the development of polytechnics and engineering colleges, ₹13.73 crore could be spent out of the budget provision of ₹54.81 crore since the government could not finalize a policy to give benefits to the scheduled caste students.
- 3) As regards financial assistance for housing, the savings were to the tune of ₹54.17 crore out of the total provision of ₹150.42 crore, as there were less number of beneficiaries than estimated.
- 4) In respect of establishing live stock development centres, though ₹10.46 crore were provided in the budget estimates, the scheme was not sanctioned resulting in savings of ₹ 10.14 crore.
- 5) Similarly, for the construction of Dr. Babasaheb Ambedkar Bhavan, there was a saving of ₹5.07 crore out of ₹5.97 crore provided in the budget estimates for want of administrative approval.
- 6) Out of the provision of ₹30 crore towards contribution to Gujarat Green Revolution Company which is carrying out the drip irrigation scheme, ₹ 24.49 crore could not be spent for want of sufficient number of beneficiaries.

2.3.3 Excess Expenditure

In four cases, expenditure exceeded the approved provisions by ₹10 crore or more in each case or by more than 20 per cent of the total provisions as given in Table 2.4.

Table 2.4: Statement of various Grants and Appropriations where expenditure was more than ₹10 crore each or more than 20 per cent of the total provision

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Excess	Percentage of Excess Expenditure
1	13	Energy Projects- Capital Voted	867.51	950.51	83.00	9.57
2	73	Other Expenditure Pertaining to Panchayats, Rural Housing and Rural Development - Revenue Voted	440.15	460.57	20.42	4.64
3	81	Compensation and Assignments - Capital Charged	0.02	0.03	0.01	50.00
4	86	Roads and Bridges-Revenue Voted	2,072.97	2,086.52	13.55	0.65
Total			3,380.65	3,497.63	116.98	3.46

Source: Appropriation Accounts of the State Government

The excess expenditure of ₹83 crore under Grant No.13 was due to more share capital contribution (₹80.75 crore) to Gujarat Urja Vikas Nigam Limited and

payment of interest free loan (₹2.25 crore) to Gujarat State Investment Limited.

2.3.4 Expenditure without Provision

As per Para 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 ₹4.96 crore were incurred during 2010-11 under Grant No.86-Major Head 3054- expenditure transferred on pro rata basis from Major Head 2059 without any provision in the original estimates/supplementary demand. Despite expenditure of ₹3.32 crore and ₹4.98 crore being incurred during 2008-09 and 2009-10 under the same grant/head without provision of funds, the department continued to incur irregular expenditure without provision in 2010-11.

Reasons for incurring expenditure without provision of funds were called for (July 2011) from the Government, but no reply was received (September 2011).

2.3.5 Excess expenditure over provision relating to previous years not regularised

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. However excess expenditure amounting to ₹14,024.44 crore for the years 1996-97 to 2009-10 was yet to be regularized, as detailed in **Appendix 2.3.**

Non-regularization of the excess over grant/appropriation over the years is breach of legislative control over grants/appropriations.

2.3.6 Excess over provisions during 2010-11 requiring regularization

Table 2.5 contains the summary of total excess over provision of funds in 15 grants/appropriations amounting to ₹120.25 crore during 2010-11 requiring regularization under Article 205 of the Constitution.

Table 2.5: Excess over provisions requiring regularization during 2010-11

(₹ in crore)

Sr. No	Number and Title of Voted Grants	Total grant	Expenditure	Excess
1	10 Other Expenditure pertaining to Education Department –Revenue	1.96	2.25	0.29
2	13 Energy Projects-Capital	867.51	950.51	83.00
3	41 Other Expenditure Pertaining to Health and Family Welfare Department-Revenue	0.36	0.37	0.01
4	51 Tourism -Revenue	183.22	183.22	@
5	62 Legislative and Parliamentary Affairs Department-Revenue	4.49	4.56	0.07
6	66 Irrigation and Soil Conservation – Revenue	811.29	813.26	1.97
7	71 Rural Housing and Rural Development-Revenue Charged	170.70	170.70	*
8	72 Compensation and Assignments – Revenue	137.80	137.99	0.19
9	73 Other Expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department-Revenue	440.15	460.57	20.42
10	81 Compensation and Assignments – Capital Charged	0.02	0.03	0.01
11	82 Other Expenditure pertaining to Revenue Department--Revenue	86.26	86.50	0.24
12	86 Roads and Bridges –Revenue	2,072.97	2,086.52	13.55
13	87 Gujarat Capital Construction Scheme -Revenue	13.32	13.38	0.06
14	88 Other Expenditure pertaining to Roads and Buildings Department -Revenue	14.05	14.49	0.44
15	105 Women and Child Development Department-Revenue	1.79	1.79	#
Total		4,805.89	4,926.14	120.25

@: ₹12,000; *: ₹ 10,000; #: ₹ 9,000

(Source : Appropriation Accounts of the State Government)

The reasons for excess over provision called for (July 2011) from the State Government were awaited (September 2011).

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provisions, ₹50 lakh or more in each case, aggregating ₹452.38 crore were obtained in 25 cases during the year, proved unnecessary as the expenditure did not come up to the levels of the original provision as detailed in **Appendix 2.4**. In 4 cases, supplementary provisions of ₹833.84 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹118.94 crore as given in **Table 2.6**:

Table 2.6: Grants/Appropriations where supplementary provision proved insufficient by more than ₹ one crore each

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant / Appropriation	Original Provision	Supplementary Provision	Total	Expenditure	Excess
1	13	Energy Projects-Capital voted	538.26	329.25	867.51	950.51	83.00
2	66	Irrigation and Soil Conservation-Revenue voted	720.40	90.89	811.29	813.26	1.97
3	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department -Revenue voted	344.90	95.25	440.15	460.57	20.42
4	86	Roads and Bridges-Revenue voted	1,754.52	318.45	2,072.97	2,086.52	13.55
TOTAL			3,358.08	833.84	4,191.92	4,310.86	118.94

Source : Appropriation Accounts

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation of funds proved injudicious in view of final excesses and savings over the grants. Instances where re-appropriation of more than ₹50 lakh in each case proved excessive or unnecessary resulting in savings of ₹145.51 crore in 15 sub-heads and excesses of ₹187.07 crore in 21 sub-heads are detailed in **Appendix 2.5**.

2.3.9 Substantial surrenders

Substantial surrenders (more than 50 per cent of the total provision or more than ₹one crore) were made in respect of 86 sub-heads under 23 grants on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹1,543.06 crore in these sub-heads, ₹1,168.88 crore (75.75 per cent) was surrendered, which included cent per cent surrender in 22 cases (₹138.79 crore). The details of selected cases verified by Audit are given in **Appendix 2.6**.

Some important cases are discussed below:

1) Grant No: 60- Out of ₹ 263.26 crore provided under District and Sessions Judges (₹37.11 crore), Civil Judges (₹166.20 crore), Scheme for improvement of justice delivery under 13th Finance Commission (₹59.95 crore), ₹252.66 crore were surrendered in March 2011 mainly due to non-establishment of 100 additional District and Sessions Courts and 38 special District and Sessions Courts; 12 Special Courts and 645 Additional Courts of Civil Judges as planned; and non-formulation of action plan and State Litigation Policy. In these cases, even after surrendering ₹ 252.66 crore, there was a final saving of ₹2.52 crore.

2) Grant No: 84-Out of ₹171.70 crore provided under construction of non-residential buildings (education), ₹119.80 crore were surrendered in March 2011 due mainly to excessive provision made for new works, delay in administrative approval, technical sanction, tendering, land allotment, etc. However, in four cases out of five, the year ended with a final saving of ₹2.78 crore and in one case, with an excess of ₹0.79 crore.

2.3.10 Surrender in excess of actual saving

The spending departments, as per the provisions of the Budget Manual are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. Surrender of the provision in anticipation of savings and incurring expenditure subsequently by the controlling officers is resulting in surrender in excess of the overall savings in a grant/appropriation.

In 19 cases, the amounts surrendered (₹50 lakh or more in each case) were in excess of the actual savings, indicating inadequate budgetary control in these departments. As against savings of ₹1,444.05 crore, the amount surrendered was ₹2,045.74 crore, resulting in excess surrender of ₹601.69 crore. Details are given in **Appendix 2.7**.

In Grant No.9, ₹2.50 crore were surrendered from Distance mode Education Programme under Elementary Education, as there was delay in identifying the schools and selection of trained teachers. However, the year ended with an excess of ₹2.50 crore.

In Grant No.13, ₹100 crore were surrendered from Loan to Gujarat Urja Vikas Nigam Limited (GUVNL) for Kisan Heet Urja Shakti Yojana as the State Government has decided to grant as Share Capital instead of Loan. However, the year ended with an excess of ₹100 crore.

In Grant No.79, ₹16.93 crore were surrendered from repairs/restoration of other public properties as there was no natural calamity. However, the year ended with an excess of ₹ 0.86 crore.

2.3.11 Savings not surrendered

As per Para 103 of the Gujarat Budget Manual, spending departments are required to surrender grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Sums surrendered by administrative departments after the 15th of March are not to be accepted, except in the case of Supplementary grants obtained after 15th March. At the close of the year 2010-11, there were, however, 10 grants/appropriations under which savings exceeding ten *per cent* of the total provision had occurred but no part of the same had been surrendered by the concerned departments. The total amount involved in these cases was ₹246.24 crore as shown in **Table 2.7**:

Table 2.7: Grants/Appropriations in which savings occurred but no part of which is surrendered (more than 10 per cent of total provision)
(₹ in crore)

Sr. No.	Grant No.	Name of Grant/Appropriation	Total provision	Saving	Percentage
1	9	Education -Capital voted	332.66	105.93	31.84
2	38	Health and Family Welfare Department- Revenue voted	13.55	5.07	37.42
3	39	Medical and Public Health- Revenue charged	1.13	0.53	46.90
4	39	Medical and Public Health- Capital voted	475.57	77.90	16.38
5	43	Police-Revenue charged	0.50	0.45	90.00
6	49	Industries- Capital voted	55.04	6.51	11.83
7	85	Residential Buildings-Revenue voted	161.00	21.02	13.06
8	86	Roads and Bridges-Revenue charged	1.55	1.51	97.42
9	96	Tribal Area Sub-Plan-Revenue charged	1.83	0.32	17.49
10	102	Urban Development-Capital voted	30.00	27.00	90.00
TOTAL			1,072.83	246.24	22.95

(Source : Appropriation Accounts)

Similarly, out of the total savings of ₹468.34 crore under 14 grants (saving of more than ₹ one crore and more than ten per cent not surrendered), grants aggregating ₹217.20 crore were not surrendered, details of which are given in Table 2.8 below:

Table 2.8: Details of Savings of more than ₹ one crore and more than 10 per cent not surrendered

Sr. No.	Number and Name of the Grant/Appropriation	Saving	Surrender	Percentage of surrender	Saving which remained to be surrendered
1	4 Animal Husbandry and Dairy development –Revenue voted	40.05	35.43	88.5	4.62
2	18 Pensions and Other Retirement Benefits-Revenue voted	21.01	0.68	3.2	20.33
3	23 Food- Revenue voted	8.08	0.50	6.2	7.58
4	31 Elections-Revenue voted	2.68	1.12	41.8	1.56
5	39 Medical and Public Health- Revenue voted	50.49	3.42	6.8	47.07
6	43 Police – Revenue voted	76.47	68.27	89.3	8.20
7	49 Industries- Revenue voted	117.65	59.96	51.0	57.69
8	70 Community Development– Revenue voted	8.70	0.28	3.2	8.42
9	73 Other Expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department– Capital voted	7.05	0.44	6.2	6.61
10	74 Transport-Revenue voted	69.18	36.03	52.1	33.15
11	78 District administration- Revenue voted	28.15	16.43	58.4	11.72
12	92 Social Security and Welfare Revenue voted	34.43	27.94	81.2	6.49
13	93 Welfare of Scheduled Tribes- Revenue voted	2.06	0.09	4.4	1.97
14	93 Welfare of Scheduled Tribes- Capital voted	2.34	0.55	23.5	1.79
TOTAL		468.34	251.14	53.62	217.20

(Source : Appropriation Accounts)

2.3.12 Rush of expenditure

According to para 109 of the Gujarat Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, more than 50 per cent of the total expenditure for the year was incurred in March 2011 or during the last quarter, in respect of Major Heads listed in **Appendix 2.8. Table 2.9** represents 24 Major Heads where expenditure exceeded ₹10 crore and where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

Table 2.9: Cases of Rush of Expenditure towards the end of the financial year 2010-11

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of 2011		Expenditure during March 2011	
			Amount	Percentage of Total Expenditure	Amount	Percentage of Total Expenditure
1	2029	93.49	47.52	50.83	35.08	37.52
2	2041	76.18	41.54	54.53	28.25	37.09
3	2048	500.00	500.00	100.00	0.00	0.00
4	2052	178.40	113.61	63.68	65.83	36.90
5	2245	593.94	310.17	52.22	286.16	48.18
6	2404	34.38	30.30	88.13	12.72	36.99
7	2705	11.37	5.71	50.23	3.57	31.40
8	2711	48.92	27.20	55.60	21.85	44.66
9	2852	438.97	234.53	53.43	190.47	43.39
10	2853	83.51	58.98	70.63	55.76	66.77
11	3054	2,365.72	1,191.77	50.38	574.77	24.30
12	3604	185.02	100.82	54.49	84.58	45.72
13	4055	32.37	20.97	64.78	16.87	52.12
14	4059	207.52	109.29	52.67	60.93	29.36
15	4210	508.54	389.28	76.55	356.50	70.10
16	4216	169.83	92.98	54.75	82.21	48.40
17	4225	50.09	30.59	61.08	21.35	42.63
18	4406	337.51	184.57	54.68	101.86	30.18
19	4701	481.20	250.94	52.15	191.48	39.79
20	4801	735.26	464.06	63.12	369.50	50.25
21	4856	500.00	500.00	100.00	500.00	100.00
22	5051	101.40	100.94	99.55	0.74	0.73
23	6801	259.25	204.25	78.78	151.75	58.53
24	6858	43.50	43.50	100.00	43.50	100.00
Total		8,036.37	5,053.52	62.88	3,255.73	40.51

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

Appropriate action needs to be taken to regulate and systematize the procedure to avoid heavy expenditure during the last quarter of the financial year.

2.4 Review of Budget Control Mechanism

The Gujarat Budget Manual provides that 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 to keep the estimates as close and accurate as possible 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.

The Gujarat Budget Manual was first published in July 1983; but is yet to be revised taking into account the changes in the accounting principles and the financial rules.

With a view to ascertaining how far the authorities were adhering to these instructions, records of the administrative department/ controlling officers relating to two grants were test-checked in audit and the results thereof are given below:

1. Grant No. 9 Education Department

- i) During 2010-11, ₹72.50 crore were provided for starting nine Polytechnics for diploma courses (₹22.50 crore) and ten degree colleges (₹50 crore) under the Public Private Partnership mode. Under the scheme, land at a token rate was to be provided to selected private partners. However, entire provision was surrendered as the department could not acquire land for the purpose.
- ii) Budget estimates provided ₹75.34 crore under Saraswati Yatra, a scheme to be implemented in districts not covered under the Centrally Sponsored Scheme of Sakshar Bharat. The scheme was to be implemented by committees at Gram/Block/District levels. However committees were not formed at all levels. As a result, ₹48.97 crore were surrendered. For similar reasons out of the State share of ₹24.11 crore provided under the scheme Sakshar Bharat, ₹12.81 crore were surrendered (March 2011).
- iii) For publicity of the national adult education programme, ₹50 lakh was provided in the Budget estimates. The scheme could not be taken up for want of sufficient man-power with the Department. As a result the grant could not be utilized and whole amount of ₹50 lakh was surrendered (March 2011).
- iv) In respect of Development of Government Polytechnics and Girls Polytechnics, out of provision of ₹55.10 crore, ₹10.10 crore were surrendered (March 2011) mainly due to non-filling up of vacant posts.
- v) Similarly, in respect of Development of Government Engineering Colleges, ₹5.09 crore were surrendered (March 2011) due to non-filling up of vacant posts.

2. Grant No. 60- Administration of Justice

- i) In respect of Civil and Session Courts, out of provision of ₹37.11 crore made in the Budget, ₹33.99 crore were surrendered (March 2011) as only one additional district court (Rajula, District Amreli) could be established out of 38 special courts and 100 additional courts planned.

Similarly, ₹166.20 crore were provided in the Budget estimates for establishing , 12 Special Courts, 225 Additional Courts of Senior Civil Judges, and 420 Additional Courts of Civil Judges. However, only seven courts could be established with the result that ₹158.83 crore were surrendered in March 2011. Detailed reasons, though called for (August 2011), were not furnished (September 2011).

ii) In respect of High Courts, out of a provision of ₹47.66 crore, ₹4.63 crore were surrendered for want of administrative approval to fill up the vacant posts.

Similarly, in respect of Civil, Sessions and Other Courts, though a provision of ₹383.40 crore was made, an amount of ₹54.92 crore was surrendered on the ground that the administrative approval to fill up the vacant posts was not granted by Government.

2.5 Advances from Contingency Fund

The Contingency Fund of the State has been constituted under the Gujarat Contingency Fund Act, 1960 in terms of the provisions of Articles 267(2) and 283(2) of the Constitution of India. The fund is in the nature of an imprest and its corpus is ₹200 crore. During the year, ₹0.66 crore were spent (March 2011) out of the Contingency Fund which was not recouped during the year.

2.6 Conclusion and Recommendations

Conclusion

During 2010-11, expenditure of ₹72,203.83 crore was incurred against total grants and appropriations of ₹76,717.33 crore resulting in savings of ₹4,513.50 crore. The overall savings of ₹4,513.50 crore was the result of savings of ₹ 4,633.75 crore, offset by excess of ₹120.25 crore. This excess requires regularization under Article 205 of the Constitution of India.

In 19 cases, the amounts surrendered (₹50 lakh or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control in these departments. As against savings of ₹1,444.05 crore, the amount surrendered was ₹2,045.74 crore, resulting in excess surrender of ₹601.69 crore.

There were 14 grants/appropriations under which savings of more than ₹ one crore had occurred but the same had not been surrendered completely by the concerned departments. The total amount involved in these cases was ₹217.20 crore. Similarly, in 10 grants/appropriations under which savings exceeding ten *per cent* of the total provision had occurred but no part of the same had been surrendered by the concerned departments. The total amount involved in these cases was ₹246.24 crore.

Out of the total provision of ₹1,543.06 crore in respect of 86 sub-heads (primary unit of appropriation), ₹1,168.88 crore (75.75 *per cent* of the provision) was surrendered on account of either non-implementation or slow implementation of schemes/programmes.

Recommendations

Budgetary controls should be strengthened in all the Government departments, especially in those departments where savings/excesses have been observed for the last four years regularly. Last minute fund releases and issuance of re-appropriation/surrender orders at the fag end, particularly on the last day of the year, should be avoided.

The State Financial Rules and the Budget Manual should be revised /updated urgently to bring them relevant to the present times.

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

3.1 Delay in furnishing Utilization Certificates

Financial Rules¹⁰ provide that for the grants provided for specific purposes, Utilization Certificates (UCs) should be submitted within twelve months of the closure of the financial year by the Institution or Organization concerned. Rule 150 further provides that the sanctioning authority should furnish a certificate of utilization of the grant to the Audit Officer and /or the Accounts Officer, as the case may be, within one year from the date of issue of the letter sanctioning the grant. However, of the 4,526 UCs aggregating ₹5,039.40 crore due in respect of grants paid during 2003-10, were outstanding as on 31 March 2011. 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 summarized in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilization Certificates

Sr. No.	Range of Delay in Number of Years	Total grants paid		Utilization Outstanding Certificates	
		Number	Amount	Number	Amount
1.	1 – 3	2,776	4,340.32	1,279	3,862.59
2.	3 – 5	5,364	3,921.62	3,136	1,161.66
3.	5 – 7	56	8.78	42	7.72
4.	7 – 9	77	8.87	69	7.43
Total		8,273	8,279.59	4,526	5,039.40

Out of grants amounting to ₹5,039.40 crore for which UCs were due, ₹309.92 crore pertained to the Panchayats, Rural Housing and Rural Development Department for the year 2006-2007. It was further seen that in the case of the Health & Family Welfare Department, 162 UCs involving grants of ₹27.35 crore were outstanding for the years 2003-04 to 2006-07. In the case of Urban Development and Urban Housing Department, UCs involving ₹2,199.38 crore were outstanding, including all the UCs for the year 2008-09 involving ₹1,001.98 crore.

¹⁰

Rule 212 of the General Financial Rules

3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Head of Department is 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 accounts of 38 Autonomous Bodies/Authorities received for the year 2010-11 attracted audit by the Comptroller and Auditor General (C&AG) of India. The bodies /authorities, audit of which was due, were audited.

A total of 341 annual accounts of 96 autonomous bodies/ authorities due up to 2010-11 were not received as of 30 September 2011 by the Accountant General (Civil Audit). The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise arrears of Annual Accounts due from Government Bodies

Sr. No.	Delay in Number of Years	No. of the Bodies/Authorities
1	0 – 1	15
2	1 – 3	39
3	3 – 5	32
4	5 – 7	10
Total		96

It can be seen from the above table that in respect of 10 autonomous bodies/authorities, accounts were in arrears for more than five years. Of these, the accounts of State Committee for Voluntary Action Society, Silvassa; Gujarat Ecology Commission, Gandhinagar; and Institute of Kidney Diseases and Research Centre, Ahmedabad were in arrears since 2004-05.

3.3 Submission of Accounts/Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the various fields of development, housing, etc. The audit of accounts of 25 such bodies in the State has been entrusted to the C&AG of India. However, only three rendered their accounts in time. For the remaining 22, the periods of delay are given in **Appendix 3.3**. SARs were not required to be placed before the Legislature in respect of 17 Authorities (Refer **Appendix 3.3**). With respect to submission of SARs to the Legislature, in respect of eight bodies, the periods of delay are given in **Table 3.3**.

The frequency distribution of autonomous bodies according to the delays in submission of accounts to Audit and placement of SARs in the Legislature after the entrustment of Audit to the C&AG is summarized in **Table 3.3**.

Table 3.3: Delays in Submission of Accounts and tabling of Separate Audit Reports

Delays in submission of Accounts (In Months)	Number of Autonomous Bodies	Delays in submission of SARs in Legislature (in Years)	Number of Autonomous Bodies
0 – 6	6	0-1	5
6 – 12	9	1-2	7
12 – 18	-	2-3	1
18 – 24	-	3-4	-
24 & above	7	4-5	2
Total	22		15

3.4 Failure to account for amount drawn on Abstract Contingent Bills

As per Rule 302 of the Gujarat Financial Rules, 1971, read with the Government Resolution dated 5 February 1976, every drawing officer has to certify in each Abstract Contingent (AC) bill that Detailed Contingent (DC) bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General.

Despite above Rule provisions, AC bills (11,512 nos.) amounting to ₹262.27 crore drawn up to March 2011 by 21 departments for which DC bills were not furnished (September 2011). Year-wise details are given in **Table 3.4**.

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

Year	Amount of AC bills	Outstanding AC bills
Up to 2004-05	50.98	3,534
2005-06	8.93	613
2006-07	11.20	713
2007-08	10.06	649
2008-09	9.03	635
2009-10	20.34	800
2010-11	151.73	4,568
Total	262.27	11,512

Department-wise details of pending DC bills for the years up to 2010-11 are given in **Appendix 3.4**.

3.5 Personal Deposit Accounts

Personal Deposit (PD) accounts are created for parking of funds and are required to be closed at the end of each financial year. There were 1,779 PD accounts in District Treasuries in operation as on 31 March 2011. These PD accounts were not closed and the balance of ₹249.27 crore in these accounts was not transferred back to the respective service heads. Of these accounts, 1,437 accounts had not carried out reconciliation of their balances with the

treasury offices during 2010-11 and seven accounts where balances exceeding ₹ 20 lakhs involving ₹19.22 crore were found to be inoperative as given in **Table 3.5**

Table 3.5: Details of inoperative PD accounts

Sr. No.	Period	No. of PD accounts	(₹ in crore)
			Amount
1.	More than 10 years and upto 20 years	3	8.95
2.	More than 5 years and upto 10 years	2	2.43
3.	More than 1 year and upto 5 years	2	7.84
TOTAL		7	19.22

3.6 Non-transfer of Cess amount to the Welfare Board

For the welfare of building and other construction workers who are the most vulnerable segment of the unorganized labour sector, the State Government constituted (December 2004) the Building and Other Construction Workers' Welfare Board (Board) under the Buildings and Other Construction Workers' Welfare Cess Act, 1996. Under this Act, the State Government collected labour cess of ₹339.76 crore (₹ 0.15 crore in 2005-06; ₹22.10 crore in 2006-07; ₹30.77 crore in 2007-08; ₹49.44 crore in 2008-09, ₹132.31 crore in 2009-10 and ₹104.99 crore in 2010-11), but no part of the receipts was transferred to the Welfare Board for spending on social security schemes meant for building and other construction workers.

3.7 Adverse balances in accounts

Adverse balances are negative balances appearing under those heads of accounts where there should not be a negative balance. For instance, negative balance under any Loans and Advances major head will indicate more repayments than the original amount advanced.

Gujarat Water Supply and Sewerage Board had taken a loan from Housing and Urban Development Corporation (HUDCO) for augmenting the water supply and sewerage schemes. The State Government, though decided to treat this as an internal debt of the State and was repaying the installments, did not route the amount received from HUDCO through the Consolidated Fund of the State resulting in minus balance under internal debt of the State since June 2007. The adverse balance in the account as at the end of 31 March 2011 was to the tune of ₹158 crore.

The matter was first taken up with the finance department in July 2008, but no action was taken by them (September 2011) to rectify the accounting error.

3.8 Operation of omnibus Minor Head 800

During the past two decades, the range and diversity of Government activity had increased manifold, outpacing the number of available programme minor heads. The omnibus Minor Head 800 –accommodates the expenditure which could not be classified under the available programme minor heads.

During 2010-11, expenditure aggregating ₹7,569.65 crore, constituting 14.90 *per cent* of the total expenditure was classified under Minor Head 800-Other Expenditure against 64 Major Heads under Revenue and Capital Sections. Major expenditures on power, capital outlay on medium irrigation, special programmes for rural development, misc. general services, etc., were classified under omnibus Minor Head – 800 instead of depicting distinctly.

Similarly, revenue receipts aggregating ₹2,130.01 crore, constituting 4.68 *per cent* of total revenue receipts, were classified under omnibus Minor Head ‘800-Other Receipts’ under 54 Major Heads.

Classification of large amounts under the omnibus Minor Head 800 – Other Expenditure/Receipts affects the transparency in financial reporting.

3.9 Unreal Assets in accounts

The State Government invested (1996-2001) ₹9.10 crore in American International Group-Indian Sectoral Equity Fund and the investment was reflected in the Finance accounts. Though the fund was closed and the amount invested was received back in 2010-11, the amount still remains as an investment in the accounts.

Audit scrutiny revealed that the amount received was incorrectly taken as Miscellaneous Capital Receipts in the accounts.

3.10 Misappropriations, losses, defalcations, etc.

The State Government reported 175 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹8.54 crore (up to March 2011) on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6**. The age-profile of the pending cases and the number of cases pending in each category – theft and misappropriation/loss as emerged from these appendices are summarized in **Table 3.6**.

Table 3.6: Age-Profile of Misappropriations, Losses, Defalcations, etc.

(₹ in crore)

Age-Profile of the Pending Cases		
Range in Years	Number of Cases	Amount Involved
0 – 5	28	0.39
5 – 10	29	7.09
10 – 15	25	0.34
15 – 20	21	0.27
20 – 25	16	0.13
25 & above	56	0.32
Total	175	8.54

Reasons for which these cases are outstanding are given in **Table 3.7**.

Table 3.7: Reasons for Outstanding Cases of Misappropriations, Losses, Defalcations, etc.

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount (₹ in crore)
i)	Awaiting departmental and criminal investigation	35	3.41
ii)	Departmental action initiated but not finalized	42	0.29
iii)	Criminal proceedings finalized but execution of certificate cases for the recovery of the amount pending	16	0.04
iv)	Awaiting orders for recovery or write off	24	0.15
v)	Pending in the courts of law	57	4.62
vi)	Others	1	0.03
Total		175	8.54

Out of the total 175 cases involving ₹8.54 crore outstanding, 35 cases amounting to ₹3.41 crore were awaiting departmental action/criminal investigation which needed to be speeded up. Fifty seven cases involving ₹4.62 crore were pending with the courts of law, including a case of ₹3.43 crore pertaining to the Roads and Buildings Department.

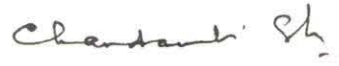
3.11 Conclusion and Recommendations

Conclusion

Internal controls within the State Government departments are not functioning as envisaged with regard to compliance with various rules and procedures instituted by the Government. Financial reporting cannot be accurate and reliable in the absence of compliance with the basic requirement of compilation of accounts by the Government undertakings and bodies and non-accountal/adjustment of large amounts drawn on abstract contingent bills by the departmental authorities. Further, accountal of various important items of expenditure relating to various sectors, revenue receipts etc. under omnibus Minor Head – 800 affects the transparency of accounts of the State Government. Delays in submission of UCs, unnecessary parking of funds under Personal Deposit Accounts, exhibiting minus balance under loan account for years, etc., indicate the need of strengthening proper monitoring system of the State Accounts for more transparency.

Recommendations

Departmental enquiries in all misappropriation cases should be expedited to bring the defaulters to book. The internal controls in all the departments should be strengthened to prevent such cases in future. The Government should also ensure timely receipt of utilization certificates against the financial assistance provided to grantee institutions. Government should ensure timely placement of the Separate Audit Reports of the Autonomous Bodies in the Legislature. Government should take immediate action to open new sub heads so as to represent the functions of the Government in a more transparent manner in the accounts.



(CHANDRA MAULI SINGH)
Accountant General (Civil Audit) Gujarat

Rajkot
The

7 MAR 2012

Countersigned



(VINOD RAI)

New Delhi
The

9 MAR 2012

Comptroller and Auditor General of India

9 MAR 2012

APPENDICES

APPENDIX 1.1 PART-A State Profile

(Reference: Paragraphs- Profile of Gujarat and 1.1; Page 1)

A. General Data					
Sr. No.	Particulars			Figures	
1	Area			1,96,024 sq km	
2	Population				
	a.	As per 2001 Census.		5.07 crore	
	b.	2010-2011		6.04 crore	
3	a.	Density of population(as per 2001 census) (All India Density = 325 persons per sq. km)		258 persons per sq. km	
	b.	Density of population(as per 2011 census) (All India Density = 382 persons per sq. km)		308 persons per sq. km	
4	* Population Below Poverty Line (BPL) (2001 census) (All India Average = 27.5 per cent)			16.8 per cent	
5	a	Literacy rate (as per 2001 census) (All India Average = 64.8 per cent)		69.14 per cent	
	b	Literacy rate (as per 2011 census) (All India Average = 74.00 per cent)		79.31 per cent	
6	Life Expectancy at birth** (2001 census) (All India Average =63.5 years)			64.1 years	
7	Infant Mortality Rate***(per 1000 live births) (All India Average = 50 per 1000 live births)			48	
8	Gini -Coefficient ^{****}				
	a.	Rural (All India = 0.30)		0.27	
	b.	Urban (All India = 0.37)		0.31	
9	Gross State Domestic Product (GSDP) 2010-2011 at current prices			₹ 5,14,750 crore	
10	Per capita GSDP CAGR [†] (2001-02 to 2010-11)		Gujarat	13.33 per cent	
			General Category States	11.32 per cent	
11	GSDP CAGR (2001-02 to 2010-11)		Gujarat	17.16 per cent	
			General Category States	14.68 per cent	
12	Population Growth Rate (2001to 2011)		Gujarat	19.17 per cent	
			General Category States	17.56 per cent	
B. Financial Data					
Sr. No.	Particulars			Figures (in per cent)	
1	CAGR			2001-02 to 2009-10	
			General Category States	Gujarat	Gujarat
	a.	of Revenue Receipts	15.20	12.72	14.08
	b.	of Own Tax Revenue	14.53	14.20	16.41
	c.	of Non Tax Revenue	13.87	4.75	3.02
	d.	of Total Expenditure	13.53	11.04	11.86
	e.	of Capital Expenditure	22.61	20.95	20.86
	f.	of Revenue Expenditure on Education	12.73	11.80	14.45
	g.	of Revenue Expenditure on Health	11.97	13.68	14.89
	h.	of Salary and Wages	11.45	4.55	5.83
	i.	of Pension	14.09	14.74	16.13

* Source of General data : BPL (Planning Commission & NSSO data, 61 Round);

** Life Expectancy at birth (Office of the Registrar General of India, Ministry of Home Affairs), Economic Review, 2010-11;

*** Infant Mortality Rate (SRS Bulletin January-2011);

**** Gini-Coefficient (Unofficial estimates of Planning Commission & NSSO data, 61st Round 2004-05 MRP);

Financial data is based on Finance Accounts of the State Government.

† GSDP= Gross State Domestic Product.

CAGR= Compound Annual Growth Rate

Part B: Structure and Form of Government Accounts

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

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

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

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

PART C: Layout of Finance Accounts

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

Part- D: Fiscal priority of the States (General Category States)

(Reference: Paragraphs- 1.8.1; Page 13)

(₹ in crore)

Sr No	State	GSDP		AE/GSDP		SSE/AE		DE/AE		CE/AE		Expenditure on education, sports, art & culture/ AE		Expenditure on health and family welfare/ AE		Per Capita GSDP		Per Capita GSDP CAGR	Population Growth
		2010-11	2007-08	2010-11	2007-08	2010-11	2007-08	2010-11	2007-08	2010-11	2007-08	2010-11	2007-08	2010-11	2001	2011	2001-11		
1	Uttar Pradesh	588467	23.19	21.91	30.64	34.63	62.84	58.19	20.44	15.73	14.87	16.80	5.04	5.02	11448	29485	9.92	20.09	
2	Rajasthan	303358	18.46	16.61	36.18	39.51	66.85	66.43	18.22	10.42	15.27	20.32	4.24	5.08	16241	44208	10.53	21.44	
3	West Bengal	460071	14.09	14.60	34.03	41.62	53.96	56.51	6.39	3.31	16.85	21.43	4.49	5.21	17985	50365	10.85	13.93	
4	Gujarat	514750	12.38	13.17	33.71	38.94	65.90	70.02	16.68	14.28	14.04	16.83	3.37	4.44	24387	85247	13.33	19.17	
5	Maharashtra	1029621	13.11	12.18	35.92	39.75	67.60	68.55	14.83	14.33	17.80	21.60	3.59	3.71	28199	91625	12.51	15.99	
6	Andhra Pradesh	567636	19.10	16.38	30.78	38.15	73.38	70.87	18.33	11.96	9.67	13.54	3.71	4.60	20563	67045	12.55	11.10	
7	Karnataka	397938	17.25	17.37	33.92	37.92	71.91	74.68	18.49	19.32	14.82	16.22	3.92	4.05	21352	65096	11.79	15.67	
8	Tamil Nadu	385945	17.12	23.55	33.01	36.81	62.05	60.41	14.29	13.68	13.54	15.26	3.51	4.84	23854	53500	8.41	15.60	
9	Haryana	257793	13.77	12.83	31.36	37.45	71.65	70.37	16.13	12.19	13.36	18.06	2.73	3.29	30980	101681	12.62	19.90	
10	Chhattisgarh	129718	18.03	17.64	33.90	40.23	74.44	73.69	25.10	15.39	16.12	19.17	4.92	3.70	14179	50790	13.61	22.59	
11	Kerala	265322	15.56	14.62	31.52	32.86	47.37	52.64	5.41	8.67	16.74	17.87	4.73	5.32	24473	79467	12.50	4.86	
12	Madhya Pradesh	271681	20.80	21.17	28.65	33.15	66.51	69.08	20.34	15.30	11.66	14.88	3.72	3.74	14374	37423	10.04	20.30	
13	Punjab	228754	16.55	15.45	19.07	22.42	46.97	44.95	8.67	6.74	10.79	12.28	3.01	3.48	32682	82570	9.71	13.73	
14	Bihar	213073	25.23	22.77	35.63	33.31	67.43	65.39	20.39	18.95	18.55	16.99	4.63	3.44	6947	20526	11.44	25.07	
15	Odisha	186356	16.50	18.23	34.54	37.56	48.31	68.62	13.54	12.61	15.55	19.47	3.56	3.74	12704	44426	13.34	13.97	
16	Jharkhand	108401	16.69	19.30	36.82	35.40	66.26	48.61	18.44	12.74	18.00	18.43	3.75	3.91	13015	32882	9.71	22.34	
Total			16.85	16.65	32.54	36.75	64.28	64.42	16.14	13.27	14.64	17.42	3.98	4.35	18162	53064	11.32	17.56	

APPENDIX 1.2

(Reference: Paragraph 1.1; Page 1)

Part A: Methodology adopted for the assessment of Fiscal Position

The norms/Ceilings prescribed by the TFC 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 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 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 GSDP.

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

Trends in Gross State Domestic Product (GSDP)

	2006-07	2007-08	2008-09	2009-10	2010-11
Gross State Domestic Product at current prices (₹ in crore)	283693	329285	367745	429356	514750
Growth rate of GSDP (<i>per cent</i>)	15.92	16.07	11.68	16.75	19.89

Source: Gujarat Fiscal Responsibility Act, 2005 and Budget Publication No.30 of 2011-12

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
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 – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance}) / 2] * 100$
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

PART B: Fiscal Responsibility and Budget Management (FRBM) Act, 2005

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. To give effect to the fiscal management principles as laid down in the Act and/or the rules framed there under, the Government prescribed the following fiscal management targets:

- Reduce the revenue deficit in each of financial year commencing from the 1st April 2005 so as to eliminate it by 31st March 2008 and maintain it at that level or generate revenue surplus thereafter.
- Reduce fiscal deficit in each of financial year commencing from the 1st April 2005 so as to bring it down to not more than three *per cent* of GSDP by 31st March 2009.
- Cap within a period of three years commencing from the 1st April 2005 and ending on 31st March 2008, the total public debt of the State Government at thirty *per cent* of estimated GSDP for that year.
- Cap outstanding guarantees within the limit provided in the Gujarat State Guarantees Act, 1963.

Keeping in view the fiscal targets laid down in the Fiscal Responsibility and Budget Management Act and and/or the rules made there under and the anticipated annual rate of reduction of fiscal deficit of the States worked out by the Government of India for the Twelfth Finance Commission (TFC) 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 2007-08 to 2010-11 as given below

Fiscal indicators of medium term fiscal statement

(₹ in crore)

Sr. No.	Item	Previous year		Current Year		Ensuing	Targets for next two years*	
		Actuals		BE	RE	Year		
		Y-3 2007-08	Y-2 2008-09	2009-10	2009-10	BE 2010-11	2011-12	2012-13
1	2	3	4	5	6	7	8	9
1	Revenue Deficit (-)/ Surplus (+) (Rs in crore)	(+)2,150	(-)66	(-)3,913	(-)4,356	(-)4,502	(-)2,500	0
2	Fiscal Deficit(-)/Surplus(+) (Rs in crore)	(-)4,771	(-)10,437	(-)12,148	(-)12,628	(-)15,143	(-)14,986	(-)17,234
3	Public Debt	79,309	87,010	98,085	98,528	1,12,462	1,26,148	1,42,082
4	GSDP	3,03,734	3,37,217	4,06,498	3,81,028	4,34,371	4,99,526	5,74,455
5	Fiscal Deficit as percentage of GSDP	1.56	3.10	2.99	3.31	3.49	3.00	3.00
6	Public Debt as percentage of GSDP	26.11	25.80	24.13	25.86	25.89	25.25	24.73
7	Government guarantee outstanding (Rs in crore)	11,561	10,340	16,000 [□]	10,257	16,000 [▼]	16,000 [▼]	16,000 [▼]

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:

- The Medium Term Fiscal Policy Statement (MTFPS),
- The Fiscal Policy Strategy statement

* The projections are subject to recommendations of the Thirteenth Finance Commission

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

APPENDIX 1.3
(Reference: Paragraphs 1.2 and 1.10.1; Pages 2 and 20)

Part I: Abstract of Receipts and Disbursements for the year 2010-11
Section-A : Revenue

(₹ in crore)											
Receipts		Disbursements									
2009-10		2010-11	2009-10	Non-Plan	Plan	Total	2010-11				
41,672.36	I Revenue receipts-	52,363.64	48,638.27	I Revenue expenditure-	39,886.70	17,553.32	57,440.02	57,440.02			
26,740.23	-Tax revenue	36,338.63	16,934.16	General services	19,184.84	655.62	19,840.46				
			19,605.30	Social Services-	14,086.48	9,615.13	23,701.61				
5,451.71	-Non-tax revenue	4,915.02	7,953.59	-Education, Sports, Art and Culture	9,867.22	1,120.95	10,988.17				
			1,995.46	-Health and Family Welfare	1,071.80	1,427.62	2,499.42				
5,890.92	-State's share of Union Taxes	6,679.44	6,393.07	-Water Supply, Sanitation, Housing and Urban Development	2,421.47	3,575.77	5,997.24				
			51.97	-Information and Broadcasting	39.45	37.48	76.93				
837.39	-Non-Plan grants	1,063.60	1,053.50	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	210.83	1,055.88	1,266.71				
1,801.22	-Grants for State Plan Schemes	2,029.25	293.21	-Labour and Labour Welfare	199.31	208.72	408.03				
			1,812.47	-Social Welfare and Nutrition	230.45	2,182.44	2,412.89				
950.89	-Grants for Central and Centrally sponsored Plan Schemes	1,337.70	52.03	-Others	45.95	6.27	52.22				
			11,992.84	Economic Services-	6,430.10	7,282.57	13,712.67				
			2,340.71	-Agriculture and Allied Activities	761.87	1,975.33	2,737.20				
			1,382.20	-Rural Development	373.06	1,685.61	2,058.67				
			38.70	-Special Areas Programmes	36.11	8.63	44.74				
			885.44	-Irrigation and Flood control	528.52	387.12	915.64				
			3,213.33	-Energy	2,664.24	482.09	3,146.33				
			789.80	-Industry and Minerals	81.00	814.25	895.25				
			2,843.47	-Transport	1,730.73	1,433.69	3,164.42				
			21.68	-Science, Technology and Environment	0.90	132.42	133.32				
			477.51	-General Economic Services	253.67	363.43	617.10				
			105.97	Grants-in-aid and Contributions-	185.28	-	185.28				
6,965.91	II Revenue deficit carried over to Section B	5,076.38	-	II Revenue Surplus carried over to Section B	-	-	-				
48,638.27	Total		48,638.27	Total	39,886.70	17,553.32	57,440.02	57,440.02			

		Receipts			Disbursements				
2009-10			2010-11	2009-10		Non-Plan	Plan	Total	2010-11
Section-B : Others									
13,119.02	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	11,654.80	-	III	Opening Overdraft from Reserve Bank of India		130.49	130.49
136.30	IV	Miscellaneous Capital receipts	91.18	8,046.73	IV	Capital Outlay-	22.36	9,661.18	9,683.54
				188.59		General Services-	6.11	236.88	242.99
				2,038.21		Social Services-	16.00	2,665.81	2,681.81
				361.90		-Education, Sports, Art and Culture	-	424.61	424.61
				289.60		-Health and Family Welfare		511.04	511.04
				976.80		-Water Supply, Sanitation, Housing and Urban Development	16.00	1,355.38	1,371.38
				0.58		-Information and Broadcasting	-	-	-
				56.57		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		50.09	50.09
				116.09		-Social Welfare and Nutrition		111.05	111.05
				236.67		-Others		213.64	213.64
				5,819.93		Economic Services-	0.25	6,758.49	6,758.74
				291.10		-Agriculture and Allied Activities	0.25	356.41	356.66
				-		-Rural Development	-	-	-
				-		-Special Areas Programmes	-	-	-
				3,687.86		-Irrigation and Flood Control	-	3,624.01	3,624.01
				441.97		-Energy		735.26	735.26
				34.56		-Industry and Minerals		504.12	504.12
				1,355.94		-Transport		1,519.92	1,519.92
				8.50		-General Economic Services		18.77	18.77
						Total			
150.67	V	Recoveries of Loans and Advances-	283.10	427.61	V	Loans and Advances disbursed-	60.83	627.16	687.99
54.84		-From Power Projects	161.16	69.75		-For Power Projects		259.25	259.25
34.62		-From Government Servants	61.96	32.97		-To Government Servants	20.97	-	20.97
61.21		-From Others	59.98	324.89		-To Others	39.85	367.92	407.77
-	VI	Revenue Surplus brought down	-	6,965.91	VI	Revenue Deficit brought down			5,076.38
				3,245.07	VII	Repayment of Public debt-			3,817.53
14,244.69	VII	Public debt receipts-	16,681.33	-		-External debt			
		-External debt	-	2,681.26		-Internal debt other than Ways and Means Advances and Overdrafts			3,194.20

		Receipts			Disbursements						
2009-10			2010-11	2009-10		Non-Plan	Plan	Total	2010-11		
14,158.44		-Internal debt other than Ways and Means Advances and overdrafts	16,522.11								
-		-Net transactions under Ways and Means Advances	-	563.81				623.33			
-		-Net transactions under overdraft	-	-	VIII						
86.25		-Loans and Advances from Central Government	159.22	47.12	IX					0.66	
-	VIII	Appropriation to Contingency Fund	-	-	X					66,655.61	
33.97	IX	Amount transferred to Contingency Fund	-	47.12				1,038.63			
58,659.95	X	Public Account receipts-	-	72,281.47				137.75			
1,900.67		-Small Savings and Provident Funds	1,743.47	29,567.71				34,908.17			
956.82		-Reserve Funds	1,135.71	8,593.88				9,198.16			
28,984.66		-Suspense and Miscellaneous	36,220.41	16,855.03				21,372.90			
8,784.34		-Remittance	9,276.08	11,654.80	XI			14,986.80		14,986.80	
18,033.46		-Deposits and Advances	23,905.80	4.19				122.71			
130.49	XI	Closing Overdraft from Reserve Bank of India		-				4.19			
				5,052.78				5,613.96			
				6,597.83				9,245.94			
86,475.09		Total	1,01,039.00	86,475.09						1,01,039.00	

(₹ in crore)

Part II: Summarized financial position of the Government of Gujarat as on 31 March 2011			
As on 31.03.2010	Liabilities		03.2011
88,162.00	Internal Debt -		1,01,489.92
35,926.07	Market Loans bearing interest	46,369.67	
1.67	Market Loans not bearing interest	1.38	
-	Loans from Life Insurance Corporation of India	-	
52,234.26	Loans from Other Institutions	55,118.87	
-	Ways and Means Advances	-	
-	Overdrafts from Reserve Bank of India	-	
9,847.99	Loans and Advances from Central Government -		9,383.88
2.54	Pre 1984-85 Loans	2.54	
62.47	Non-Plan Loans	58.36	
9,687.67	Loans for State Plan Schemes	9,237.18	
30.56	Loans for Central Plan Schemes	26.20	
64.75	Loans for Centrally Sponsored Plan Schemes	59.60	
152.88	Contingency Fund		199.34
6,189.68	Small Savings, Provident Funds, etc.		6,894.51
13,204.15	Deposits		15,736.72
6,740.45	Reserve Funds		7,738.40
-	Suspense and Miscellaneous Balances		939.72
346.32	Remittance Balances		424.24
1,24,643.47	Total		1,42,806.73
Assets			
72,390.76	Gross Capital Outlay on Fixed Assets -		82,074.30
31,051.17	Investments in shares of Companies, Corporations, etc.	34,495.92	
41,339.59	Other Capital Outlay	47,578.38	
4,905.48	Loans and Advances -		5,310.37
875.60	Loans for Power Projects ¹	955.68	
3,775.59	Other Development Loans ²	4,138.21	
254.29	Loans to Government servants and Miscellaneous loans	216.48	
5,027.49	Reserve Fund Investments		5,587.15
0.78	Advances		0.78
372.52	Suspense and Miscellaneous Balances		-
6,496.82	Cash -		9,399.31
4.19	Cash in Treasuries and Local Remittances	4.19	
(-)130.49	Deposits with Reserve Bank	122.71	
25.29	Departmental Cash Balance including	26.47	
	Permanent Advances		
6,597.83	Cash Balance Investments	9,245.94	
35,449.62	Deficit on Government Account -		40,434.82
(+)6,965.91	(i) Less Revenue Surplus /Add Revenue deficit of the current year	5,076.38	
(-)136.30	(ii) Miscellaneous Deficit	(-)91.18	
28,620.01	Accumulated deficit at the beginning of the year	35,449.62	
1,24,643.47	Total		1,42,806.73

APPENDIX 1.4
Time series data on the State Government finances
(Reference: Paragraph 1.6 and 1.10.2; Page 6 and 20)

(₹ in crore)

	2006-2007	2007-2008	2008-09	2009-10	2010-11
Part A- Receipts					
1. Revenue Receipts	31,002	35,690	38,676	41,672	52,364
(i) Tax Revenue	18,464	21,886	23,557	26,740	36,339
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc	12,818	15,105	16,811	18,200	24,893
State Excise	42	47	49	66	63
Taxes on Vehicles	1,191	1,310	1,382	1,543	2,004
Stamps and Registration fees	1,425	2,018	1,728	2,557	3,666
Land Revenue	499	683	544	1,161	1,789
Taxes on Goods and Passengers	6	152	169	7	6
Other Taxes	2483	2571	2875	3206	3,918
(ii) Non Tax Revenue	4,949	4,609	5,099	5,452	4,915
(iii) State's share of Union taxes and duties	4,426	5,426	5,726	5,891	6,679
(iv) Grants in aid from Government of India	3,163	3,769	4,294	3,589	4,431
2. Miscellaneous Capital Receipts	3	95	21	136	91
3. Recoveries of Loans and Advances	798	214	181	151	283
4. Total Revenue and Non debt capital receipts (1+2+3)	31,005	35,785	38,877	41,959	52,738
5. Public Debt Receipts	6,948	8,611	10,306	14,245	16,681
Internal Debt (excluding Ways and Means Advances and Overdrafts)	6,653	8,402	10,079	14,159	16,522
Net transactions under Ways and Means Advances and Overdrafts	--	-	-
Loans and Advances from Government of India	295	209	227	86	159
6. Total Receipts in the Consolidated Fund (4+5)	38,751	44,610	49,184	56,204	69,419
7. Contingency Fund Receipts	76	3	10	34	47
8. Public Account Receipts	39,080	42,311	49,626	58,660	72,281
9. Total Receipts of the State (6+7+8)	77,907	86,924	98,820	1,14,898	1,41,747
Part B- Expenditure/Disbursement					
10. Revenue Expenditure	29,232	33,539	38,741	48,638	57,440
Plan	5,761	8,458	11,088	14,331	17,553
Non Plan	23,471	25,081	27,653	34,307	39,887
General Services (including interest payments)	12,121	13,654	13,385	16,934	19,840
Social Services	10,514	11,801	14,932	19,605	23,702
Economic Services	6,465	7,937	10,256	11,993	13,713
Grants-in-aid and contributions	132	147	168	106	185
11. Capital Expenditure	7,845	6,801	10,220	8,047	9,684
Plan	7,654	6,780	10,200	8,026	9,662
Non Plan	191	21	20	21	22
General Services	63	55	80	189	243
Social Services	1,589	1,927	2,017	2,038	2,682
Economic Services	6,194	4,819	8,123	5,820	6,759
12. Disbursement of Loans and Advances	374	429	354	427	688
13. Total (10+11+12)	37,451	40,769	49,315	57,112	67,812
14. Repayments of Public Debt	1,771	1,934	2,605	3,245	3,817
Internal Debt (excluding Ways and Means Advances and Overdrafts)	912	1,380	2,046	2,681	3,194

	2006-2007	2007-2008	2008-09	2009-10	2010-11
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	859	554	559	564	623
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	39,222	42,703	51,920	60,357	71,629
17. Contingency Fund disbursements	2	10	34	47	1
18. Public Account disbursements	36,590	40,032	47,285	56,088	67,216
19. Total disbursement by the State (16+17+18)	75,814	82,745	99,238	1,16,492	1,38,846
Part C- Deficits					
20. Revenue Deficit(-) / Revenue Surplus (+) (1-10)	+1,770	+2,151	(-)66	(-)6,966	(-)5,076
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)5,648	(-)4,770	(-)10,438	(-)15,153	(-)15,074
22. Primary Deficit (21+23)	1,284	2,714	2,554	6,563	5,447
Part D- Other data					
23. Interest Payments (included in revenue expenditure)	6,932	7,484	7,884	8,590	9,627
24. Financial Assistance to local bodies etc.,	5768	6,837	8,464	12,279	14,155
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)[@]	2,83,693	3,29,285	3,67,745	4,29,356	5,14,750
28. Outstanding Fiscal liabilities (year end)	87,971	96,452	1,05,652	1,19,117	1,35,656
29. Outstanding guarantees (year end) (including interest)	12,448	11,308	10,027	9,667	8,661
30. Maximum amount guaranteed (year end)	12,983	11,843	10,562	10,202	10,382
31. Number of incomplete projects	261	251	266	56	43
32. Capital blocked in incomplete projects	1,598	1,769	2,178	506	512
Part E- Fiscal Health Indicators					
I. Resource Mobilization					
Own Tax revenue/GSDP (<i>per cent</i>)	6.51	6.65	6.41	6.23	7.06
Own Non-Tax Revenue/GSDP (<i>per cent</i>)	1.74	1.40	1.39	1.27	0.95
Central Transfers/GSDP (<i>per cent</i>)	2.68	2.79	2.72	2.21	2.16
II. Expenditure Management					
Total Expenditure/GSDP (<i>per cent</i>)	13.20	12.38	13.41	13.30	13.17
Total Expenditure/Revenue Receipts	1.21	1.14	1.27	1.37	1.30
Revenue Expenditure/Total Expenditure	0.78	0.88	0.79	0.85	0.85
Expenditure on Social Services/Total Expenditure	0.32	0.34	0.34	0.38	0.39
Expenditure on Economic Services/Total Expenditure	0.35	0.32	0.38	0.32	0.31
Capital Expenditure/Total Expenditure	0.21	0.17	0.21	0.14	0.14
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.21	0.16	0.20	0.14	0.15
III. Management of Fiscal Imbalances					
Revenue deficit or surplus/GSDP (<i>per cent</i>)	(+)0.62	(+)0.65	(-)0.02	(-)1.62	(-)0.99
Fiscal deficit/GSDP (<i>per cent</i>)	(-)1.99	(-)1.45	(-)2.84	(-)3.53	(-)2.93
Primary Deficit (surplus) /GSDP (<i>per cent</i>)	(-)0.45	(-)0.82	(-)0.69	(-)1.53	(-)1.08
Revenue Deficit/Fiscal Deficit	(-)0.31	(-)0.45	(+)0.006	(-)0.46	(-)0.34
Primary Revenue Balance/GSDP (<i>per cent</i>)	(+)3.31	(+)3.17	(-)2.32	(-)0.43	(-)0.88

	2006-2007	2007-2008	2008-09	2009-10	2010-11
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.33	0.32	0.29	0.28	0.26
Fiscal Liabilities/RR (<i>per cent</i>)	284	270	273	286	259
Primary deficit vis-à-vis quantum spread (<i>per cent</i>)	(+)20.76	(-)35.63	(-)26.11	116	37.09
Debt Redemption (Principal +Interest) / Total Debt Receipts	1.37	1.20	1.04	0.87	0.84
V. Other Fiscal Health Indicators					
Return on Investment	1.92	0.23	0.19	0.25	0.33
Balance from Current Revenue (₹ in crore)	6,461	8,685	30,408	5,173	9610
Financial Assets/Liabilities	0.66	0.72	0.75	0.72	0.72

@ GSDP figures as communicated by the Government are adopted.

APPENDIX 1.5

Comparison of main components of Tax Revenue during 2006-11 (Reference Paragraph 1.6.1, page 8)

(₹ 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	2006-07	12,817.46	83.03	0.65	0.82
	2007-08	15,104.54	98.43	0.65	0.83
	2008-09	16,810.65	99.51	0.59	0.88
	2009-10	18,199.79	117.47 [□]	0.65	0.96
	2010-11	24,893.45	135.83 [□]	0.55	N.A.
Taxes on vehicles and Taxes on goods and passengers	2006-07	1,197.11	26.15	2.18	2.47
	2007-08	1,461.71	38.57	2.64	2.58
	2008-09	1,551.01	43.43	2.80	2.93
	2009-10	1,549.55	54.80 [□]	3.54	3.07
	2010-11	2,010.07	76.20 [□]	3.79	N.A.
Stamp duty and Registration fees	2006-07	1,425.03	25.02	1.76	2.33
	2007-08	2,018.44	36.23	1.79	2.09
	2008-09	1,728.50	42.16	2.44	2.77
	2009-10	2,556.72	53.38	2.09	2.47
	2010-11	3,666.24	62.73	1.71	N.A.
State Excise	2006-07	41.94	5.06	12.06	3.30
	2007-08	47.20	7.65	16.21	3.27
	2008-09	48.71	6.88	14.12	3.66
	2009-10	65.94	9.26	14.04	3.64
	2010-11	62.97	10.09	16.02	N.A.

[□] Expenditure under Minor Head 101 of Major Head 2040 "Collection Charges" has been considered

[□] Expenditure under Minor Head 102 of Major Head 2041 "Inspection of motor vehicles" has been considered

APPENDIX 2.1

**Statement of various grants/appropriations where savings were more than ₹10 crore each or more than 20 per cent of the total provision
(Reference: Paragraph 2.3.1; Page 28)**

(₹ in crore)

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
1	2	Agriculture - Revenue Voted	1,392.21	10.49	0.75
2	4	Animal Husbandry and Dairy Development Revenue Voted	230.38	40.05	17.38
3	5	Co-operation - Capital Voted	0.42	0.42	100.00
4	6	Fisheries Revenue Voted	66.92	19.10	28.54
5	6	Fisheries Capital Voted	22.23	20.83	93.70
6	7	Other Expenditure pertaining to Agriculture and Co-operation Department -Capital Voted	1.10	0.62	56.36
7	9	Education- Revenue Voted	11,837.00	242.36	2.05
8	9	Education- Capital Voted	332.66	105.93	31.84
9	13	Energy Projects- Revenue Voted	2,788.89	21.01	0.75
10	14	Other Expenditure pertaining to Energy and Petro-Chemicals Department - Revenue Voted	0.45	0.16	35.56
11	18	Pensions and Other Retirement Benefits- Revenue Voted	4,470.13	21.01	0.47
12	19	Other Expenditure pertaining to Finance Department- Revenue Voted	1,589.71	951.78	59.87
13	19	Other Expenditure pertaining to Finance Department -Capital Voted	1.60	1.08	67.50
14	19	Other Expenditure pertaining to Finance Department -Capital Charged	0.01	0.01	100.00
15	20	Repayment of Debt pertaining to Finance Department and its Servicing-Capital Charged	3,837.56	20.06	0.52
16	22	Civil Supplies - Revenue Voted	224.04	32.77	14.63
17	24	Other Expenditure pertaining to Food, Civil Supplies and Consumer Affairs Department- Capital Voted	0.11	0.06	54.55
18	28	Other expenditure pertaining to Forests and Environment Department	0.63	0.14	22.22
19	34	Economic Advice and Statistics- Revenue Voted	107.88	23.11	21.42
20	35	Other Expenditure pertaining to General Administration Department- Capital Voted	2.27	1.74	76.65
21	37	Loans and Advances to Government Servants in Gujarat Legislature Secretariat- Capital Voted	0.34	0.18	52.94
22	38	Health and Family Welfare Department- Revenue Voted	13.55	5.07	37.42
23	39	Medical and Public Health-Revenue Voted	1,974.39	50.49	2.56
24	39	Medical and Public Health- Capital Voted	475.57	77.90	16.38
25	40	Family Welfare Revenue-Voted	386.21	33.09	8.57
26	41	Other expenditure pertaining to Health and Family welfare Department Capital-	1.70	1.07	62.94

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Saving	Percentage
		Voted			
27	43	Police- Revenue Voted	2,091.45	76.47	3.66
28	46	Other Expenditure pertaining to Home Department Capital-Voted	270.27	120.22 ✓	44.48
29	49	Industries Revenue-Voted	859.94	117.65 ✓	13.68
30	51	Tourism Capital-Voted	25.00	6.60	26.40
31	53	Information and Broadcasting Department- Revenue Voted	2.28	0.56	24.56
32	55	Other Expenditure pertaining to Information and Broadcasting Department Capital-Voted	0.53	0.47	88.68
33	56	Labour and Employment Department- Revenue Voted	7.73	3.26	42.17
34	57	Labour and Employment- Revenue Voted	341.34	14.67	4.30
35	58	Other Expenditure pertaining to Labour and Employment Department Capital-Voted	0.56	0.42	75.00
36	59	Legal Department-Revenue Voted	8.88	2.82	31.76
37	60	Administration of Justice Revenue-Voted	664.05	315.77 ✓	47.55
38	61	Other Expenditure pertaining to Legal Department - Revenue Voted	89.70	18.62	20.76
39	61	Other Expenditure pertaining to Legal Department - Capital Voted	1.77	0.43	24.29
40	65	Narmada Development Scheme- Capital Voted	2,109.87	109.92 ✓	5.21
41	66	Irrigation and Soil Conservation -Capital Voted	1,336.56	154.80 ✓	11.58
42	68	Other Expenditure pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department - Capital Voted	1.60	0.87	54.38
43	69	Panchayats, Rural Housing and Rural Development Department- Revenue Voted	9.67	3.79	39.19
44	71	Rural Housing and Rural Development Revenue-Voted	836.99	142.25 ✓	17.00
45	73	Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department- Capital Voted	12.03	7.05	58.60
46	74	Transport -Revenue Voted	648.48	69.18	10.67
47	76	Revenue Department- Revenue Voted	23.91	5.61	23.46
48	77	Tax Collection Charges (Revenue Department)- Revenue Voted	195.11	36.92	18.92
49	78	District Administration- Revenue Voted	217.52	28.15	12.94
50	79	Relief on account of Natural Calamities - Revenue Voted	683.54	89.29	13.06
51	79	Relief on account of Natural Calamities - Capital Voted	256.00	70.15	27.40
52	81	Compensation and Assignments Revenue Voted	40.66	10.54	25.92
53	81	Compensation and Assignments Capital-Voted	0.11	0.11	100.00
54	82	Other Expenditure pertaining to Revenue Department – Capital Voted	0.71	0.47	66.20

Sr. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Saving	Percentage
55	83	Roads and Buildings Department- Revenue Voted	12.45	2.81	22.57
56	84	Non-Residential Buildings – Capital Voted	613.96	295.22 ✓	48.08
57	85	Residential Buildings Revenue Voted	161.00	21.02	13.06
58	86	Roads and Bridges- Capital Voted	1,375.14	100.41 ✓	7.30
59	88	Other Expenditure pertaining to Roads and Buildings Department- Capital Voted	7.10	4.74	66.76
60	89	Science & Technology Department - Revenue Voted	63.55	14.33	22.55
61	90	Other Expenditure pertaining to Science & Technology Department Revenue- Voted	133.30	68.12	51.10
62	90	Other Expenditure pertaining to Science & Technology Department Capital Voted	16.82	13.37	79.49
63	92	Social Security and Welfare- Revenue Voted	557.79	34.43	6.17
64	93	Welfare of Scheduled Tribes- Capital Voted	9.26	2.34	25.27
65	94	Other expenditure pertaining to Social Justice and Empowerment Department- Capital Voted	0.21	0.09	42.86
66	95	Scheduled Castes Sub-Plan – Revenue Voted	1,309.01	88.72	6.78
67	95	Scheduled Castes Sub-Plan – Capital Voted	150.85	32.94	21.84
68	96	Tribal Area Sub-Plan- Revenue Voted	2,958.19	40.66	1.37
69	96	Tribal Area Sub-Plan- Capital Voted	1,561.00	199.92 ✓	12.81
70	98	Youth services and Cultural Activities Department Revenue-Voted	211.52	22.21	10.50
71	99	Other Expenditure pertaining to Sports, Youth and Cultural Activities Department- Capital Voted	0.11	0.11	100.00
72	102	Urban Development - Revenue Voted	4,735.55	105.02 ✓	2.22
73	102	Urban Development - Capital Voted	30.00	27.00	90.00
74	104	Other Expenditure pertaining to Urban Development and Urban Housing Department- Capital Voted	0.20	0.17	85.00
75	107	Climate Change Department - Revenue Voted	2.00	1.64	82.00
76	108	Other Expenditure pertaining to Climate Change Department -Revenue Voted	99.64	22.40	22.48
TOTAL			54,502.87	4,185.26	7.68

Appendix 2.2

Cases where persistent savings noticed during 2008-11 (Reference: Paragraph 2.3.2; Page 30)

(₹ in crore)

Year	Provision	Expenditure	Saving	Reasons
2202-02.110.01.EDN 18 Regulated Growth of Non-Government Secondary Schools (P)				
2008-09	5.00	1.47	3.53	Less number of beneficiaries for Karma Yogi Yojana.
2009-10	14.58	0.09	14.49	New items were not approved.
2010-11	14.00	4.89	9.11	Reasons not furnished.
2203.00.105.01.TED3- Development of Polytechnics and Girls Polytechnics (P)				
2008-09	16.43	0.00	16.43	Non finalization of policy to give benefit to S.C.students
2009-10	4.83	2.59	2.24	Non decision of extending benefits to S.C.students.
2010-11	3.15	1.25	1.90	Non decision of extending benefits to S.C.students
2203.00.112.01.TED5 –Development of Government Engineering Colleges (P)				
2008-09	5.00	0.00	5.00	Non finalization of policy to give benefit to S.C.students
2009-10	16.70	9.24	7.46	Non finalization of policy to give benefit to S.C.students
2010-11	8.70	0.65	8.05	Non decision of extending benefits to S.C.students
2225.01.283.01.BCK 50 S.C .Sub Plan- Financial Assistance for Housing on individual basis Dr.Ambedkar Awas Yojana				
2008-09	50.15	39.59	10.56	Less number of beneficiaries
2009-10	43.50	32.13	11.37	Changes in the rules of the scheme.
2010-11	56.87	24.63	32.24	Less number of beneficiaries
2403.00.102.02.ANH 7 Establishment of Live Stock Development Centres (P)				
2008-09	5.72	0.00	5.72	Scheme not sanctioned
2009-10	3.72	0.00	3.72	Scheme was dropped.
2010-11	1.02	0.32	0.70	Vacant posts
4225.03.800.01.BCK 49 Construction of Dr.Baba Saheb Ambedkar Bhavan(P)				
2008-09	1.63	0.07	1.56	Want of administrative approval,
2009-10	2.17	0.35	1.82	-do-
2010-11	2.17	0.48	1.69	-do-
4702.00.800.01.MNR-251 Contribution to Gujarat Green Revolution Company Ltd, for Drip irrigation				
2008-09	9.00	4.50	4.50	Less number of SC beneficiaries
2009-10	10.50	1.00	9.50	Non-availability of SC beneficiaries
2010-11	10.50	0.01	10.49	Non-availability of SC beneficiaries
Total	285.34	123.26	162.08	

APPENDIX 2.3

**Excess over provision of previous years requiring regularization
(Reference: Paragraph 2.3.5; Page 31)**

(₹ in crore)

Year	Number of grants/appropriations	Grant/ Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1996-97	40	4,5,6,8,10,14,17,19,23,25,29,38,42,43,44,46,48,55,56,59,60,64,66,68,72,74,79,81,83,84,85,86,87,89,90,92,94,95,100,102	534.27	Not regularized.Proposals for regularisation of excess of ₹127.24 not submitted.
1997-98	38	4,5,7,8,9,10,15,17,22,23,24,25,28,29,34,37,40,47,52,55,59,60,64,66,68,69,72,76,82,83,84,85,86,87,88,91,98,102	733.90	Not regularized.Proposals for regularisation of excess of ₹731.27 not submitted.
1998-99	21	7,8,10,12,19,24,25,35,44,47,51,55,66,73,74,80,82,83,84,86,88	981.27	Not regularized.Proposals for regularisation of excess not submitted.
1999-00	31	4,7,8,9,10,17,18,19,22,23,42,51,55,56,60,66,67,68,74,77,78,79,80,81,82,84,86,87, 88,90,94	1,295.41	-do-
2000-01	21	6,7,8,9,12,21,23,25,35,38,42,46,66,67,74,77,80,81,86,88,94	379.62	-do-
2001-02	13	7,8,12,19,34,36,61,66,73,75,82,86,102	2,640.36	-do-
2002-03	17	30,35,40,42,46,60,61,68,69,73,78,80,84,86,88,104 (Revenue Voted and Charged)	114.18	-do-
2003-04	26	4,8,9,12,17,19,22,40,41,42,49,55,59,60,64,66,67,68,69,73,78,80,84,86,91,105	401.26	-do-
2004-05	29	2,5,8,12(Revenue-voted and charged; Capital charged),17,19,22,36,38,40,43,55,61,63,66,68,73 (Revenue voted and Capital charged),80,81 (Revenue and Capital charged),86,88,91,96,100,104	1,787.26	-do-
2005-06	44	3,7,8(Revenue voted and charged),11,12,17,20,22,25,37,38,40,42,43, 45,46,52(Revenue voted and charged),55,64, 66 (Revenue voted and charged), 69,73, 75,77,78,79,84, 86,(Revenue voted and Capital voted),88(Revenue voted and charged),90, 91,92,96,100,102,(Revenue voted and Capital voted),103,104	2,159.83	-do-
2006-07	41	3,5,8,9,12,15,18(Revenue voted and charged),21, 23,25,26(Revenue and Capital voted),32,37,38, 39,41,(Revenue voted and Capital voted),43,44,55, 57,61,64,66,68,73,74 (Revenue and Capital voted), 77,78,80,81,84,86,87,88,91,100,104	583.79	-do-
2007-08	43	3,5,8,9,11,12,13,15,18,21,22,23,25,26,31,32,38,39, 40,41,44,50,51,53,55,57,61,62,64,66,73,74,75,78, 80,81,82,84(Revenue voted and charge) ,86,87,88, 95	1,055.38	-do-
2008-09	26	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	44	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-
Total	434		14,024.44	

APPENDIX 2.4

Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary (Reference: Paragraph 2.3.7; Page 32)

(₹ in crore)

Sr. No.	Number and Name of the Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
1	1- Agriculture and Co-operation Department – Revenue voted	15.57	14.84	0.73	1.39
2	8-Education Department -Revenue voted	7.48	6.62	0.86	0.72
3	9-Education-Capital voted	298.16	226.73	71.43	34.50
4	16- Tax Collection Charges –Finance Department -Revenue voted	152.01	149.61	2.40	1.30
5	33-General Administration Department - Revenue voted	59.19	52.14	7.05	2.84
6	35-Other Expenditure Pertaining to General Administration Department -Revenue voted	416.32	410.49	5.83	2.14
7	38-Health and Family welfare Department- Revenue voted	12.38	8.48	3.90	1.18
8	39-Medical and Public Health-Capital voted	473.57	397.67	75.90	2.00
9	40- Family Welfare-Revenue voted	369.49	353.12	16.37	16.72
10	46-Other Expenditure Pertaining to Home Department-Capital voted	212.33	150.05	62.28	57.94
11	49- Industries-Revenue voted	849.98	742.29	107.69	9.96
12	54- Information and Publicity-Revenue voted	72.78	68.69	4.09	3.04
13	60- Administration of Justice-Revenue voted	497.87	348.28	149.59	166.18
14	61- Other Expenditure Pertaining to Legal Department-Revenue voted	80.90	71.08	9.82	8.80
15	69-Panchayats, Rural Housing and Rural Development Department-Revenue voted	8.64	5.88	2.76	1.03
16	71- Rural Housing and Rural Development- Revenue voted	819.16	694.74	124.42	17.82
17	74- Transport- Revenue voted	634.25	579.30	54.95	14.24
18-	76-Revenue Department- Revenue voted	21.13	18.29	2.84	2.77
19	79- Relief On Account of Natural Calamities- Revenue voted	602.03	594.25	7.78	81.51
20-	83- Roads and Buildings Department- Revenue voted	10.35	9.64	0.71	2.10
21	87-Gujarat Capital Construction Scheme- Capital voted	96.95	95.34	1.61	1.25
22	89- Science and Technology Department- Revenue voted	57.36	49.22	8.14	6.19
23	92- Social Security and Welfare- Revenue voted	546.37	523.36	23.01	11.42
24	95- Scheduled Castes Sub-plan-Revenue voted	1,306.72	1,220.29	86.43	2.29
25	98-Youth Services and Cultural Activities- Revenue voted	208.47	189.31	19.16	3.05
TOTAL		7,829.46	6,979.71	849.75	452.38

APPENDIX 2.5

**Excess/Unnecessary/Insufficient Re-appropriation of Funds more than ₹ 50 lakh
(Reference: Paragraph 2.3.8; Page 33)**

(₹ in crore)

Sr. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess(+)	Final saving(-)
1	4	(ii) 00.001.01 ANH 1 Directorate of Animal Husbandry and its Expansion	2403	(+)1.48	0.00	0.75
2	9	(i) 01.201.06.EDN113-SarvaShiksha Abhiyan (Plan)	4202	(+)72.50	0.00	105.93
3	13	(iii) 00.202.10Loans to GUVNL for Kisan Heet Urja Shakti Yojana (Plan)	6801	(-)100.00	100.00	0.00
4	22	(i)00.001.01PDS 6 Directorate of Civil Supplies	3456	(+)0.62	0.00	2.46
5	22	(i)00.001.02 Implementation of Price Control Order	3456	(+)1.89	0.00	0.36
6	22	(ii)00.001.05 PDS 3 Consumers Dispute Redressal Forum	3456	(+)4.53	0.00	1.95
7	22	(iii)00.190.04Antyodaya Anna Yojana Subsidies	3456	(+)5.00	2.53	0.00
8	23	(ii) 01.001.02.PDS 21 Fair Price Shops Scheme-District Offices	2408	(+)8.46	0.00	8.08
9	49	80.800.24IND5 Promotional Efforts for Industrial Development (Plan)	2852	(+)49.90	0.00	2.63
10	60	(ii)00.105.01.District and Sessions Judges)	2014	(-)12.68	2.67	0.00
11	66	(iv)14.101.01.Work charged Establishment	2700	(+)1.09	0.00	0.79
12	66	(xii) 80.001.01 Direction	2701	(-)0.84	2.02	0.00
13	66	(xix) 80.001.02 Administration	2702	(+)1.50	2.93	0.00
14	66	(xxiii) 01.103.12 Works for Flood Control (Plan)	2711	(+)13.80	1.51	0.00
15	66	(xx)01.103.11 Drainage Works (Plan)	2711	(-)7.56	3.65	0.00
16	66	(ii) 11.800.43 Canals and Branches (Plan)	4700	(+)38.28	0.00	1.71
17	66	(xiii)72.800.80 Other Expenditure (Plan)	4701	(+)44.02	0.00	0.59
18	66	(xvi) 80.001.02 Administration (P)	4701	(+)10.11	3.95	0.00
19	66	(xviii) 03.001.01 IRG 90 Administration (Plan)	4711	(+)1.84	0.92	0.00
20	77	(iii) 00.800.04 Grant- in Aid to Panchayats against Receipt- Sales of Gauchar land for Industrial purposes	2029	(+)6.13	0.00	0.95
21	78	(ii) 00.093.01. Collectorate Offices(Plan)	2053	(-)0.67	0.70	0.00
22	79	(xvi) 02.800.02 Repairs/ Restoration to other public properties	2245	(-)16.93	0.86	0.00
23	84	(i) 01.051.42.HSG-12 (A) Buildings (Plan)	4059	(-)91.34	9.86	0.00
24	84	(vi)01.202.42 EDN-21 Buildings (Plan)	4202	(-)32.80	0.00	0.99

Sr. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess(+)	Final saving(-)
25	86	(vi)80.799.01 Stock	3054	(+)4.00	0.00	2.88
26	86	(ii) 80.001.02 Administration	3054	(+)2.86	2.07	0.00
27	95	(xviii)04.337.01RBD-4 Special Component Plan for Scheduled Castes- Roads and Bridges (Plan)	3054	(-)20.00	1.04	0.00
28	96	(ii) 01.796.42 EDN-21 Buildings (Plan)	4202	(-)37.88	9.12	0.00
29	96	(iii) 02.796.42 TED -24 Buildings (Plan)	4202	(-)22.35	9.53	0.00
30	96	(vi)01.796.02 HLT-42 Construction (Plan)	4216	(-)10.96	6.55	0.00
31	96	(viii) 02.796.42 Buildings (Plan)	4225	(+)1.08	0.00	10.38
32	96	(xix)00.796.02 Minor Irrigation (Plan)	4702	(-)13.16	0.00	5.06
33	96	(iii)80.796.02IRG-39 Administration (Plan)	4700	(+)8.58	3.91	0.00
34	108	(i)00.800.01.(CLC-6) Assistance to GEDA for Renewable Energy(Plan)	2810	(-)15.75	5.25	0.00
35	108	(ii)03.102.02 (CLC-2) Climate Change Impact Studies and Related Project Trust Fund(Plan)	2810	(-)15.00	8.00	0.00
36	108	(iv)03.102.01 (CLC-1) Climate Change Trust Fund(Plan)	2810	(-)10.00	10.00	0.00
TOTAL				(+)277.67 (-)407.92	187.07	145.51

APPENDIX 2.6

Substantial surrenders of more than ₹ one crore or more than 50 per cent

(Reference: Paragraph 2.3.9; Page 33)

(₹ in crore)

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
1	1	3451.800.01.AGR15- Information and Technology	1.80	1.20	66.67	Computerization of token system to fishermen was not sanctioned.
2	4	2403.101.15.4-Disease Control Programme for Foot and Mouth Disease.	20.30	20.30	100.00	The vaccination campaign could not be carried out for want of vaccine.
3	6	2405.800.05.FSH-16 Sales Tax Subsidy on High Speed Diesel to Mechanised Fishing Vessels	14.64	12.08	82.51	Terms and conditions of the scheme were not finalized.
4	6	5051.02.200.01.FSH-6 Construction of Docks, Berths and Jetties(Plan)	7.23	7.23	100.00	Central assistance of ₹ 2.00 crore for Okha Harbour could not be utilized due to huge cost of dredging and no further amount for modernization of harbor was sanctioned by GOI.
5	6	5051.200.05.FSH-6 Providing Infrastructure at Minor Ports (Plan)	10.00	8.61	86.10	Non -finalization of tenders.
6	6	5051.02.200.01.FSH-6 Construction of Docks, Berths and Jetties(Non Plan)	5.00	5.00	100.00	GOI has not released the fund.
7	8	2251.800.(1) EDN-128 Training(Plan)	1.50	1.49	99.33	Less number of training programmes.
8	9	2202.02.109.(6) EDN- Implementation of Rashtriya Madhyamik Shikshan Abhiyan Scheme	111.55	111.46	99.92	Central share is directly paid to the bank account of the society.
9	9	2202.02.110.(13) Computer Literacy and Studies in Schools	97.00	65.00	67.01	Less grant received from GOI.
10	9	2202.01.106.(17) EDN-129 Distance Mode Education Programme (Plan)	4.00	2.50	62.50	Delay in identifying schools and selection of trained teachers.
11	9	2202.01.800.(16)EDN- 78Financial Assistance for Kanya Kelvani Rath (Plan)	4.08	2.75	67.40	Part of the expenditure is met by SSA.
12	9	2202.02.109.(1) EDN-19 Government Secondary Schools(Plan).	32.81	22.43	68.36	Central share received was less.
13	9	2202.02.110(12) EDN -25 Teaching courses through computers (Plan)	10.80	10.80	100.00	Scheme was not approved.
14	9	2202.03.102.(13) EDN -127 Gujarat Teachers Education University (Plan)	2.00	2.00	100.00	Administrative approval was not given.
15	9	2202.04.200.(4) EDN-134 Saraswati Yatra(Plan)	75.34	48.97	65.00	Delay in opening of bank account at village level.
16	9	2202.04.200.(5) EDN-135 Sanskar Bharat (Plan)	24.11	12.81	53.13	-do-

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
17	9	220280..800.(22) EDN 48- Information and Technology(Plan)	24.50	16.50	67.35	Reasons not furnished.
18	9	2203.001.(5)TED 25- Gujarat Technological University (Plan)	8.00	7.08	88.50	Vacant posts.
19	9	2203.112.(19)18-Development of Government Engineering Colleges (Plan)	6.05	6.05	100.00	Non-selection of institutes by MHRD.
20	9	2203.112.(10) TED 26- Post Graduate Courses (Plan)	1.05	1.05	100.00	-do-
21	9	2203.112.(10) TED 27- Development of Post Graduate Courses	2.00	2.00	100.00	-do-
22	22	3456.001.05.Consumer Disputes Redressal Forum (Plan)	8.59	4.43	51.57	Reasons not furnished.
23	22	3456.190.09.Distribution of Iodized Salt to BPL and AAY family (Plan)	5.31	3.06	57.63	Scheme could not be implemented fully in non-tribal areas.
24	33	2052.090.02.General Administration (Plan)	1.25	1.25	100.00	Process of purchasing computers could not be completed.
25	33	3451.090.03.PLM-2 Strengthening of Evaluation Machinery at State Level	6.95	4.21	60.58	Vacant posts.
26	49	2851.800.13 IND 32- Cluster Development Scheme (Plan)	2.50	2.50	100.00	Scheme was not sanctioned.
27	49	2852.80.003.02.Assistance for Research and Technology Development (Plan)	28.93	19.83	68.54	Less claims.
28	49	2852.800.21.IND48-Establishment of Convention –cum-Exhibition Centre(Plan)	10.49	10.49	100.00	Scheme was not implemented
29	49	2852.800.25.IND-6 Rehabilitation Programme for Sick Industries(Plan)	1.82	1.81	99.45	Fewer proposals received.
30	56	2251.090.(1) EMP-1 Labour and Employment Department (Plan)	2.46	1.49	60.57	Administrative reasons.
31	57	2230.103.02.LBR-14 Protection of unorganized labourers as per satem commission (Plan)	1.15	1.15	100.00	Want of administrative approval.
32	57	2230.111.05.LBR25 Activities of the Gujarat Building and Other Construction Workers Welfare Board(Plan)	7.29	3.79	51.99	-do-
33	60	2014.00.102.03.Judicial Academy for Training of Judicial Officers	2.01	1.04	51.74	Vacant posts
34	60	2014.00.105.01.District and Sessions Judges(Plan)	37.11	33.99	91.59	Out of 100 Additional District Courts, and 38 Special Courts planned, only one Additional District Court was established.
35	60	2014.00.105.02.Civil Judges (Plan)	166.20	158.83	95.57	Establishing less number of courts than planned.
36	60	2014.00.105.05.Magistrate Courts for Ahmedabad City (Plan)	2.71	2.51	92.62	Vacant posts

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
37	60	00.105.08.13th Finance Commission (Plan)	59.95	59.84	99.82	Action plan and State Litigation Policy not formulated.
38	60	2014.00.102.02.Registrar(Plan)	16.04	11.91	74.25	Purchase of furniture and other equipments not approved.
39	69	2251.00.090.01.Panchayats, Rural Housing and Rural Development Department (Plan)	3.80	3.50	92.11	Delay in completing the renovation of buildings.
40	71	2216.03.800.02.State Government Supplement to Indira Awas Yojana(Plan)	69.70	38.45	55.16	Closure of the scheme.
41	71	2505.60.703.02.Mission Mangalam (Plan)	80.75	52.60	65.14	Vacant posts
42	71	2505.02.101.02.RDD-29- National Rural Employment Guarantee Scheme.(Plan)	16.00	10.78	67.38	Administrative Expenditure was less than the 4% limit.
43	77	2029.103.03.LND 3 Strengthening of Revenue Administration and Updating of Land Records(Plan)	38.63	25.15	65.10	Expenditure on survey work was less than estimated.
44	77	2030.02.001.02.LND-13 Valuation Organisation for Assessing Market Value (Plan)	5.00	4.10	82.00	Delay in taking up Jantri revision work.
45	77	2217.05.800.01.UDP-1 Introduction of City survey in Important Towns and Cities (Plan)	2.96	2.36	79.73	Non –finalisation of tenders.
46	79	4250.00.101.03.UDP-56 Long Term Flood Mitigation Project (Plan)	40.00	40.00	100.00	Administrative approval was not given.
47	79	4250.00.101.04.UDP -57 Gujarat Cyclone Mitigation Project(Plan)	50.00	25.00	50.00	-do-
48	79	4250.00.101.06.UDP-61 Four Emergency Response Centres-PPP(Plan)	5.00	5.00	100.00	It was decided to establish ERCs through contribution from big industrial units.
49	83	3451.090.02.Information and Technology (Plan)	3.00	1.80	60.00	Computers and computer hardware not purchased.
50	84	4202.04.106.42.Buildings(Plan)	2.30	1.74	75.65	Time consuming process in administrative approval, technical sanction, etc.
51	84	4210.03.105.42 Buildings (Plan)	6.06	3.32	54.79	-do-
52	84	4202.01.202.42.Buildings (Plan)	43.80	31.20	71.23	-do-
53	84	4202.01.203.42.Buildings (Plan)	54.47	39.30	72.15	-do-
54	84	4202.02.104.42.Buildings (Plan)	51.20	30.48	59.53	-do-
55	84	4225..03.277.42.Buildings (plan)	18.20	10.61	58.30	-do-
56	84	4235.01.101.42.Buildings(plan)	4.66	3.95	84.76	-do-
57	84	4401.800.42.Buildings (Plan)	6.75	3.93	58.22	-do-
58	84	4403.103.42.Buildings(plan)	2.72	2.20	80.88	-do-
59	84	4059.01.101.42.Buildings	31.20	27.05	86.70	-do-
60	84	4202.01.201.42.Buildings	10.43	8.21	78.72	-do-
61	84	4225.277.42.Buildings	6.40	3.40	53.13	-do-

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
62	88	5053.60.101.01.Development of Airstrip(Plan)	3.40	1.83	53.82	Less requirement of fund by Airports Authority of India for constructing additional hanger at Ahmedabad Airport.
63	88	5053.80.800.01.Development of Helipad (Plan)	1.50	1.50	100.00	Reasons were not given.
64	95	4059.01.051.01.Administration Of Justice (Plan)	2.56	1.36	53.13	Excessive provision for new works, delay in getting Administrative Approval, Technical Sanction, tendering, land allotment, etc
65	95	4225.01.277.BCK 28 (Plan)	5.45	4.40	80.73	-do-
66	95	4225.01.277.BCK 25(Plan)	2.80	2.56	91.43	-do-
67	95	4225.01.277.BCK 26(Plan)	2.20	2.20	100.00	-do-
68	95	4225.03.800.BCK 49(Plan)	2.17	1.47	67.74	-do-
69	95	4225.03.800.BCK277(Plan)	2.00	1.97	98.50	-do-
70	95	5054.04.06.RBD 6(Plan)	2.00	1.99	99.50	-do-
71	95	2851.103.10.IND12 Integrated Handloom Development Scheme (Plan)	2.95	2.11	71.53	Second installment not released by GOI.
72	95	2202.110.02.EDN 25 Teaching courses through computers(Plan)	1.15	1.15	100.00	Sufficient amount of unspent balance of previous year was available.
73	95	2203.112.01.TED-5 Development of Government Engineering Colleges (Plan)	8.70	7.50	86.21	Vacant posts
74	96	2216.03.796.16.State Government Supplement to Indira Awas Yojana	42.50	6.11	14.38	Closure of the scheme.
75	96	4202.04.796.42.RBD 102 Buildings (Plan)	5.09	4.44	87.23	Excessive provision for new works, time consuming process in getting Administrative Approval, Technical Sanction, tendering, land allotment, etc
76	96	4216.01.796.01.HLT42 Construction (Plan)	20.19	10.96	54.28	-do-
77	96	4235.796.01.RBD 104 Buildings (Plan)	2.82	2.41	85.46	-do-
78	96	4575.03.796.42.RBD2(A) Buildings (Plan)	3.00	3.00	100.00	Administrative Approval was not given.
79	96	4250.796.01.EMP-1 Buildings	1.31	1.02	77.86	Excessive provision for new works, time consuming process in getting Administrative Approval, Technical Sanction, tendering, land allotment, etc
80	96	4202.02.796.Construction of two engineering colleges at Rajpipla and Vyara under PPP mode.(Plan)	10.00	10.00	100.00	Time consuming process.

Sr. No.	Grant No.	Name of the Scheme (Head of Account)	Provision	Amount Surrendered	Percentage of surrender	Reasons
81	96	2202.01.796.36.EDN 81 Biometric Attendance System (Plan)	27.00	24.01	88.93	Reasons not given.
82	98	2205.103.050ART 13. 12 th Finance Commission grant for Protected heritage (Plan)	3.00	3.00	100.00	Budget allocation was made considering 12 th Finance Commission grant, which was not operative during the year.
83	98	2205.105.13.ART-14 12 th Finance Commission grant for upgradation of public(Plan)	1.27	1.27	100.00	-do-
84	98	2205.107.04.ART-15 12th Finance Commission Grant for Museums	1.85	1.85	100.00	-do-
85	106	2235.103.17WCD-5 Development Programme of Gujarat Women Economic Development Corporation (Plan)	8.60	5.56	64.65	Vacant posts
86	107	3451.090.01. Climate Change Department	2.00	1.64	82.00	Vacant posts
Total			1,543.06	1,168.88	75.75	

APPENDIX 2.7

**Surrenders in excess of actual savings (₹50 lakh or more)
(Reference: Paragraph 2.3.10; Page 34)**

(₹ in crore)

Sr. No.	Number and Name of the Grant or Appropriation	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	2- Agriculture- Revenue voted.	1,392.21	10.49	32.45	21.96
2	9.Education- Revenue voted	11,837.00	242.36	343.32	100.96
3	13-Energy Projects -Capital voted	867.51	(-)83.00	17.00	100.00
4	20-Repayment of Debt Pertaining to Finance Department and Its Servicing -Revenue charged	9,446.87	327.10	398.08	70.98
5	50-Mines and Minerals -Revenue voted	89.23	2.08	2.88	0.80
6	60- Administration of Justice - Revenue voted	664.05	315.77	317.50	1.73
7	61- Other Expenditure Pertaining to Legal Department -Revenue voted	89.70	18.62	22.80	4.18
8	64- Narmada, Water Resources, Water Supply and Kalpsar Department -Revenue voted	14.08	0.93	1.81	0.88
9	66- Irrigation and Flood Control - Revenue voted	811.29	(-)1.97	16.01	17.98
10	71- Rural Housing and Rural Development- Revenue voted	836.99	142.25	208.27	66.02
11	77- Tax Collection Charges (Revenue Department)-Revenue voted	195.11	36.92	45.84	8.92
12	79- Relief On Account Of Natural Calamities -Revenue voted	683.54	89.29	217.76	128.47
13	86- Roads and Bridges -Revenue voted	2,072.97	(-)13.55	1.01	14.56
14	95- Scheduled Castes Sub- Plan - Revenue voted	1,309.01	88.72	98.16	9.44
15	96- Tribal Area Sub-Plan -Revenue voted	2,958.19	40.66	48.14	7.48
17	96- Tribal Area Sub-Plan -Capital voted	1,561.00	199.92	218.02	18.10
18	106-Other Expenditure Pertaining to Women and Child Development Department -Revenue voted	749.42	5.06	13.94	8.88
19	108-Other Expenditure Pertaining to Climate Change Department-Revenue voted	99.64	22.40	42.75	20.35
	Total	35,677.81	1,444.05	2,045.74	601.69

APPENDIX 2.8

**Rush of Expenditure
(Reference: Paragraph 2.3.12; Page 36)**

(₹ in crore)

Sr. No.	Head of Account	Expenditure incurred during Jan-Mar 2011	Expenditure incurred during Mar-2011	Total Expenditure	Percentage of total expenditure incurred during	
					Jan-Mar 2011	March 2011
1	2029	47.52	35.08	93.49	50.83	37.52
2	2041	41.54	28.25	76.18	54.53	37.09
3	2048	500.00	0.00	500.00	100.00	0.00
4	2052	113.61	65.83	178.40	63.68	36.90
5	2245	310.17	286.16	593.94	52.22	48.18
6	2404	30.30	12.72	34.38	88.13	36.99
7	2705	5.71	3.57	11.37	50.23	31.40
8	2711	27.20	21.85	48.92	55.60	44.66
9	2852	234.53	190.47	438.97	53.43	43.39
10	2853	58.98	55.76	83.51	70.63	66.77
11	3054	1,191.77	574.77	2,365.72	50.38	24.30
12	3604	100.82	84.58	185.02	54.49	45.72
13	4055	20.97	16.87	32.37	64.78	52.12
14	4059	109.29	60.93	207.52	52.67	29.36
15	4210	389.28	356.50	508.54	76.55	70.10
16	4211	2.00	1.50	2.50	80.00	60.00
17	4216	92.98	82.21	169.83	54.75	48.40
18	4225	30.59	21.35	50.09	61.08	42.63
19	4235	0.61	0.40	1.05	58.59	38.36
20	4403	3.13	1.97	4.88	64.07	40.45
21	4406	184.57	101.86	337.51	54.68	30.18
22	4408	4.96	4.28	8.67	57.20	49.40
23	4701	250.94	191.48	481.20	52.15	39.79
24	4801	464.06	369.50	735.26	63.12	50.25
25	4851	0.62	0.61	0.64	96.24	95.71
26	4856	500.00	500.00	500.00	100.00	100.00
27	5051	100.94	0.74	101.40	99.55	0.73
28	5425	0.38	0.00	0.38	100.00	0.00
29	6217	3.00	3.00	3.00	100.00	100.00
30	6801	204.25	151.75	259.25	78.78	58.53
31	6851	0.61	0.61	0.62	98.83	98.05
32	6858	43.50	43.50	43.50	100.00	100.00
Total		5,068.83	3,268.10	8,058.11	62.90	40.56

APPENDIX 3.1

Utilization certificates outstanding as on 31 March 2011

(Reference: Paragraph 3.1, Page 41)

(₹ in crore)

Sr. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	General Administration							
		2006-07	27	3.13	14	2.72	13	0.41
2.	Education							
		2006-07	11	1.49	05	0.68	06	0.81
		2008-09	02	8.73	-	-	02	8.73
		2009-10	15	31.72	06	5.94	09	25.78
3.	Agriculture & Co-operation							
		2006-07	355	39.99	21	27.81	334	12.18
		2007-08	163	32.91	02	0.02	161	32.89
		2008-09	66	115.64	10	1.64	56	114.00
		2009-10	79	567.49	04	0.41	75	567.08
4.	Social Justice & Empowerment							
		2006-07	444	89.36	39	50.51	405	38.85
		2007-08	033	4.06	02	1.41	31	2.65
		2008-09	037	29.18	029	28.92	08	0.26
		2009-10	145	117.60	51	88.14	94	29.46
5.	Animal Husbandry							
		2006-07	243	9.20	39	2.12	204	7.08
		2007-08	147	55.94	10	0.11	137	55.83
		2008-09	096	44.73	01	0.01	95	44.72
		2009-10	27	63.56	-	-	27	63.56
6.	Panchayats, Rural Housing and Rural Development							
		2006-07	583	324.04	70	14.12	513	309.92
		2007-08	167	23.81	-	-	167	23.81
		2008-09	029	1.28	01	0.04	028	1.24
		2009-10	542	436.56	01	0.02	541	436.54
7.	Industries & Mines							
		2007-08	28	1.64	22	1.63	06	0.01
8.	Roads & Buildings							
		2007-08	02	22.51	-	-	02	22.51

Sr. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
9.	Urban Development & Urban Housing							
		2004-05	05	0.21	-	-	05	0.21
		2005-06	08	0.58	02	0.38	06	0.20
		2006-07	20	206.87	05	3.38	15	203.49
		2007-08	05	0.43	-	-	05	0.43
		2008-09	29	1,001.98	-	-	29	1,001.98
		2009-10	26	993.73	01	0.66	25	993.07
10.	Food & Civil Supplies							
		2006-07	33	8.83	31	8.81	02	0.02
		2009-10	11	4.84	-	-	11	4.84
11.	Labour & Empowerment							
		2006-07	122	3.91	11	0.42	111	3.49
		2007-08	06	0.16	01	0.01	05	0.15
		2008-09	27	1.04	03	0.15	24	0.89
		2009-10	04	0.07	03	0.06	01	0.01
12.	Narmada Water Resources, Water Supply and Kalpsar							
		2006-07	1,866	2,220.12	1572	2,208.71	294	11.41
		2007-08	31	266.70	23	255.20	08	11.50
		2008-09	65	323.14	36	308.46	29	14.68
13.	Women & Family Welfare							
		2006-07	802	80.62	312	46.85	490	33.77
		2007-08	04	0.42	-	-	04	0.42
		2008-09	151	19.90	151	19.90	-	-
		2009-10	01	0.09	01	0.09	-	-
14.	Health & Family Welfare							
		2003-04	77	8.87	08	1.43	69	7.44
		2004-05	19	3.89	04	0.25	15	3.64
		2005-06	24	4.09	08	0.42	16	3.67
		2006-07	70	13.39	08	0.79	62	12.60
		2007-08	149	93.95	15	1.58	134	92.37
		2008-09	1290	100.55	1,194	22.22	96	78.33
		2009-10	90	54.95	05	1.07	85	53.88
15.	Ports, Transport & Fisheries							
		2006-07	09	389.00	02	123.20	07	265.80

Sr. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		2007-08	03	7.50	-	-	03	7.50
		2008-09	02	123.20	-	-	02	123.20
		2009-10	03	286.62	-	-	03	286.62
16.	Youth Services & Cultural Activities							
		2006-07	04	1.22	-	-	04	1.22
		2007-08	05	2.83	01	0.30	04	2.53
		2008-09	03	0.37	-	-	03	0.37
		2009-10	03	0.44	-	-	03	0.44
17.	Information & Publicity							
		2006-07	16	0.74	13	0.67	03	0.07
18.	Revenue							
		2006-07	14	16.49	09	8.72	05	7.77
19.	Home							
		2008-09	03	1.33	-	-	03	1.33
		2009-10	27	8.33	-	-	27	8.33
20.	Forest & Environment							
		2007-08	02	0.33	01	0.16	01	0.17
21.	Science and Technology							
		2009-10	03	3.26	-	-	03	3.26
	Total		8,273	8,279.59	3,747	3,240.19	4,526	5,039.40

APPENDIX 3.2**Statement showing names of bodies and authorities,
the accounts of which had not been received
(Refer paragraph 3.2; Page 42)**

Sr. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
1.	State Committee for Voluntary Action Society (Scova), Dadra and Nagar Haveli, Silvassa; Gujarat Ecology Commission, Gandhinagar; Institute of Kidney Diseases and Research Centre, Ahmedabad.	2004-05	3
2.	L.M. College of Pharmacy, Ahmedabad; Gujarat Energy Development Agency, Gandhinagar; K.V. Patel Industrial Training Centre, Patan; Forest Development Agency, Godhra; Forest Development Agency, Vadodara; Sheth Vadilal Sarabhai General Hospital and Sheth Chinai Maternity Hospital, Ahmedabad; Self Employed Women's Association, Ahmedabad;	2005-06	7
3.	Sardar Patel Institution of Economics and Social Research, Ahmedabad; Veer Narmad South Gujarat University, Surat; Gujarat Gram Shramyogi Kalyan Board, Gandhinagar; Industrial Training Centre Morva-Rena, Panchmahal; The Gujarat State Tribal Development Residential Education Institutions Society, Gandhinagar; Gujarat Sahitya Academy, Gandhinagar; Gujarat State Lalit Kala Academy, Ahmedabad; G.K. General Hospital, Bhuj; Forest Development Agency, Junagadh; Forest Development Agency, Surendranagar; Forest Development Agency, Narmada; Forest Development Agency, Sabarkantha; Forest Development Agency, Valsad (North); Forest Development Agency, Valsad (South); Forest Development Agency, Palanpur; Forest Development Agency, Bhavnagar; Forest Development Agency and Joint Management Committee, Bhuj; Gujarat Live Stock Development Board, Gandhinagar; Kutch Bhuj Purva Jilla Vanvikas Agency, Bhuj; Indo-German Tool Room, Ahmedabad; Water and sanitation Management Organization, Gandhinagar; Sivanand Missionary Eye Hospital, Rajkot; Ravishanker Maharaja Eye Hospital, Anand; Aryakanya Ayurved College, Vadodara; Gujarat Homeopathic Medical College, Vadodara; Shree J.S. Ayurved College, Nadiad; O.H. Nazar Ayurved College and Hospital, Surat; B.M. Institute of Mental Health, Ahmedabad;	2006-07	28
4.	Rural Technology Institute, Gandhinagar; B.H. Shah Karjanwal Industrial Training Centre, Surat; Veraval People's Cooperative Bank Ltd. Veraval; Shrimant Fateshsinh Rao Gaekwad General Hospital Vatrak, Sabarkantha;	2007-08	4
5.	Tolani Foundation Gandhidham Polytechnic, Adipur; Gujarat Agriculture University, Dantiwada; M.S. University, Vadodara; M.N. College of Pharmacy, Khambhat; Finney Methodist Technical Institute, Vadodara; U.N. Mehta Institute of Cardiology and Research Centre, Ahmedabad; Sheth C.N. Technical Centre, Ahmedabad; Industrial Extension Bureau, Gandhinagar; R.K. Technical Institute Industrial Training Centre, Anand; Shri S.K. Patel Industrial Training Centre, Mehsana; Gujarat Land Les Labourers and Halpati Housing Board, Gandhinagar; Gujarat Council for Science City, Ahmedabad; State Literacy Mission, Gandhinagar; Gujarat Vidyapith (Higher Education Department), Ahmedabad; Gujarat Council of Primary Education S.S.A.M., Gandhinagar; Forest Development Agency, Jamnagar; Forest Development Agency, Rajkot; Forest Development Agency, Dahod; Forest Development Agency, Sabarkantha; Forest Development Agency, Ahwa Dang (South); I.T.I. College, Lunawala; V.P. and R.P.T.P. Science College, Vallabhvidya Nagar; Achary Shri R.K. Patel Technical Institute, Gandhinagar; Janak Smarak Hospital, Vyara, Surat; Smt. F.G.G.H., Vatrak, Sabarkantha; Bhagubhai Mafatlal Hospital Sevasram, Bharuch; J.B. Upadhyay Deaf and Mute School, Sabarkantha; School for deaf-mutes Society, Ahmedabad; Society for education Welfare and Action, Jhagadia;	2008-09	29

Sr. No.	Name of the Bodies/Authorities	Year for which accounts had not been received	Number of bodies/ authorities
6.	Water and Land Management Institute, Anand; Tribal Research and Training Institute, Gujarat Vidyapith, Ahmedabad; Maniben Pithawala Industrial Training Centre, Surat; Bala Hanuman Ayurved College, Gandhinagar; Mahila Samakhya, Ahmedabad; Harikrishna Khadi Gramodhyog, Surendranagar; Electrical Research and Development Association, Vadodara; Gujarat Lions Conservation Society, Junagadh; Smt. A.J. Savla Homeopathic Medical College, Mehsana; Blinds Men's Association, Ahmedabad;	2009-10	10
7.	Gurjareshwar Kumarpal Jain Sarvodaya Technical Institute, Vadodara; Gujarat Rural Workers Welfare Board, Gandhinagar; Bhavnagar University, Bhavnagar; Saurashtra University, Rajkot; Gujarat State Non Residential Gujarati Foundation, Gandhinagar; International Centre for Entrepreneurship and Career Development, Ahmedabad; Mahatma Gandhi Labour Institute, Ahmedabad; Lion's cancer detection centre, Surat; Centre for Entrepreneurship Development, Gandhinagar; Gujarat Water Supply and Sewerage Board; Gandhinagar; Gujarat Mineral Research Development Society, Gandhinagar; Gujarat State Tribal Development Corporation, Gandhinagar; Navsari Agriculture University, Navsari; Gujarat Gau Seva Aayog, Gandhinagar; Gujarat Matikam Kalakari and Rural Technology Institute, Gandhinagar	2010-11	15

APPENDIX 3.3

**Statement showing performance of autonomous bodies
(Reference: Paragraph 3.3; Page 42)**

Sr. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature	Delay in submission of accounts	Period of delay
Under Section 19(2)							
1.	Gujarat State Human Rights Commission, Gandhinagar	Not required	2006-07	2006-07	Yes	Yes	3 Years
2.	Gujarat State Legal Authority, Ahmedabad	Not required	2005-06	-	Yes	Yes	4 Years
3.	District Legal Service Authority, Navsari	Not required	2009-10	2009-10	Yes	No	No
Under Section 19(3)							
1	Gujarat Rural Housing Board, Ahmedabad	2008-2013	2009-10	2009-10	Yes	No	No
2	Gujarat Housing Board, Ahmedabad	2008-2013	2009-10	2008-09	Yes	Yes	8 Months
3.	Gujarat Slum Clearance Board	2008-2013	2006-07	2005-06	Yes	Yes	4 Years
Under Section 20(1)							
1	Water and Sanitation Management Organization, Gandhinagar	2012-2013	2009-10	2009-10	Not Required	Yes	4 Months
2	Gujarat Maritime Board	2004-2012	2009-10	2009-10	Yes	Yes	4 Months
3	Gujarat Municipal Finance Board	2008-2013	2009-10	2009-10	Yes	Yes	3 Months
4	Ahmedabad Urban Development Authority, Ahmedabad	2007-12	2010-11	2010-11	Not Required	Yes	4 Months
5	Anjar Urban Development Authority, Anjar	2007-12	2008-09	2008-09	Not Required	Yes	1 Year
6	Bhachau Urban Development Authority, Bhachau	2007-12	2008-09	2008-09	Not Required	Yes	1 Year
7	Bhavnagar Urban Development Authority, Bhavnagar	2007-12	2008-09	2008-09	Not Required	Yes	1 Year
8	Bhuj Urban Development Authority, Bhuj	2007-12	2008-09	2008-09	Not Required	Yes	1 Year

Sr. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature	Delay in submission of accounts	Period of delay
9	Gandhinagar Urban Development Authority, Gandhinagar	2007-12	2009-10	2008-09	Not Required	Yes	9 Months
10	Jamnagar Urban Development Authority, Jamnagar	2007-12	2009-10	2008-09	Not Required	Yes	9 Months
11	Rajkot Urban Development Authority, Rajkot	2007-12	2009-10	2009-10	Not Required	Yes	4 Months
12	Rapar Urban Development Authority, Rapar	2007-12	2008-09	2008-09	Not Required	Yes	1 Year
13	Surat Urban Development Authority, Surat	2007-12	2009-10	2009-10	Not Required	Yes	6 Months
14	Vadinar Urban Development Authority, Vadinar	2007-12	2008-09	2008-09	Not Required	Yes	1 Year
15	Vadodara Urban Development Authority, Vadodara	2007-12	2009-10	2009-10	Not Required	No	--
16	Junagadh Urban Development Authority, Junagadh	2007-12	-	-	Not Required	Yes	3 Years
17	Ambaji Urban Development Authority, Ambaji	2007-12	-	-	Not Required	Yes	3 Years
18	Alang Area Development Authority, Bhavnagar	2007-12	-	-	Not Required	Yes	3 Years
19	Kevadia Area Development Authority, Ahmedabad	2007-12	-	-	Not Required	Yes	3 Years

APPENDIX 3.4

Pending DC bills for the years up to 2010-11

(Reference paragraph 3.4; Page 43)

(₹ in crore)

Name of Department	Number of AC bills	Amount
Agriculture and Co-operation	58	0.25
Education	2,606	64.81
Food, Civil Supplies and Consumer Affairs	109	0.66
Finance	29	0.20
General Administration	674	12.81
Gujarat Legislature Secretariat	1	*
Health and Family Welfare	378	13.41
Home	3,559	95.16
Industries and Mines	61	3.99
Information and Broadcasting	6	0.01
Labour and Employment	12	0.02
Legal	235	0.47
Narmada Water Resources, Water Supply and Kalpsar	6	0.10
Ports and Transport	11	0.11
Panchayats, Rural Housing and Rural Development	1,313	21.96
Revenue	576	28.01
Roads and Buildings	8	0.04
Social Justice and Empowerment	485	6.71
Sports, Youth and Cultural Activities	780	7.47
Urban Development and Urban Housing	1	**
Women and Child Development	11	0.02
Others	593	6.06
TOTAL	11,512	262.27

*₹23,000 only, ** ₹35,000 only

APPENDIX 3.5

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

(Reference: Paragraph 3.10; Page 45)

Sr. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to More	Total No. of Cases.
1	Ports, Transport & Fisheries	-	1	2	-	-	1	4
2	Agriculture, Co-op. & R.D.D.	-	1	2	2	-	1	6
3	Information & Publicity	-	-	-	-	-	-	-
4	Legal (A.J)	1	1	3	-	1	-	6
5	Labour & Employment	1	-	-	-	-	-	1
6	Education	6	4	3	-	-	-	13
7	Industries, Mines & Power	-	3	1	-	-	-	4
8	Health & Family Welfare	2	3	3	2	1	6	17
9	Home	1	4	2	5	-	-	12
10	Forest & Environment	15	3	-	1	-	1	20
11	Irrigation	-	-	-	-	-	1	1
12	Food & Civil Supply	1	1	-	-	-	-	2
13	Finance	-	-	-	-	1	1	2
14	Revenue	-	2	-	2	-	7	11
15	Sports, Culture & Youth Services	-	-	1	-	-	-	1
16	Tribal Development	-	1	-	-	-	-	1
17	Gujarat Maritime Board	1	-	-	-	-	-	1
18	Narmada Development	-	1	-	-	2	-	3
19	Roads and Buildings	-	1	-	4	3	1	9
20	Irrigation	-	1	2	5	3	19	30
21	Urban Development and Urban Housing	-	-	2	-	-	-	2
22	Land Revenue	-	2	4	-	5	18	29
TOTAL		28	29	25	21	16	56	175

APPENDIX 3.6

Department/category wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material

(Reference: Paragraph 3.10; Page 45)

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
Ports, Fisheries and Transport	2	3.53	2	6.84	4	10.37
Agriculture, Co-operation and Rural Development	-	-	6	33.73	6	33.73
Legal	1	0.05	5	15.19	6	15.24
Labour and Employment	1	0.31	-	-	1	0.31
Education	9	8.21	4	23.98	13	32.19
Industries, Mines and Power	2	0.53	2	77.62	4	78.15
Health and Family Welfare	3	4.47	14	15.35	17	19.82
Home	-	-	12	80.34	12	80.34
Forests and Environment	8	1.68	12	11.35	20	13.03
Irrigation	-	-	1	3.67	1	3.67
Food and Civil Supply	1	3.50	1	0.49	2	3.99
Finance	-	-	2	5.47	2	5.47
Revenue	-	-	11	14.10	11	14.10
Sports and Culture Youth Services	-	-	1	4.47	1	4.47
Tribal Development	-	-	1	147.19	1	147.19
Roads and Buildings	3	1.57	6	351.88	9	353.45
Narmada, Water Resources and Water Supply	15	6.02	18	16.23	33	22.25
Urban Development and Urban Housing	-	-	2	9.13	2	9.13
Land Revenue	-	-	29	4.02	29	4.02
Gujarat Maritime Board	-	-	1	3.22	1	3.22
Total	45	29.87	130	824.27	175	854.14

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 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.

