



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India on State Finances for the year 2023-24

Government of Gujarat
Report No. 1 of 2025
(State Finances Audit Report)

**Report of the
Comptroller and Auditor General of India
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Preface

1. This Report has been prepared for submission to the Governor of Gujarat under Article 151 of the Constitution.
2. Chapter I of this Report contains the basis and approach to State Finances Audit Report, structure of Government Accounts, budgetary processes, trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/deficit, etc.
3. Chapters II & III of the Report contain audit observation on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2024. Information has been obtained from the Government of Gujarat, wherever necessary.
4. Chapter IV on ‘Quality of Accounts and Financial Reporting Practices’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives during the current year.
5. The Reports containing the findings of performance audit and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2023-24. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew from ₹ 16,17,143 crore in 2019-20 to ₹ 24,64,300 crore in 2023-24. Original Budget of the State grew from ₹ 2,04,815 crore in 2019-20 to ₹ 3,01,021.61 crore in 2023-24.

There was 10.48 *per cent* growth in GSDP over 2022-23. The revenue receipts grew at 11.71 *per cent* and the percentage of revenue receipts over GSDP improved from 8.94 *per cent* in 2022-23 to 9.04 *per cent* in 2023-24. The State's own tax revenue increased by 7.54 *per cent* during 2023-24 as compared to 2022-23 while the State's non-tax revenue increased by 28.61 *per cent* in the corresponding period. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Gujarat increased from ₹ 2,16,508 crore in 2022-23 to ₹ 2,47,632 crore increasing by 14.38 *per cent*. Of this, capital expenditure showed 56.85 *per cent* increase from 2022-23. Revenue surplus increased from ₹ 19,865 crore to ₹ 33,477 crore over 2022-23, while fiscal deficit increased from ₹ 16,846 crore in 2022-23 to ₹ 23,493 crore in 2023-24.

Receipt-Expenditure Mismatch

The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, etc).

From 2019-20 to 2023-24, revenue receipts grew from ₹ 1,42,844 crore to ₹ 2,22,763 crore, with Compound annual growth rate of 11.75 *per cent*. Capital receipts also decreased from ₹ 43,927 crore to ₹ 41,768 crore during this period.

A significant portion of revenue receipts (70.89 *per cent*) during 2023-24 came from the State's own resources, while central tax transfers and grants-in-aid

Executive Summary

together contributed 29.11 *per cent*. The State Government received ₹ 9,468.25 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Between 2019-20 and 2023-24, revenue expenditure increased from ₹ 1,40,899 crore (8.71 *per cent* of GSDP) to ₹ 1,89,286 crore (7.68 *per cent* of GSDP). It made up 76 to 85 *per cent* of the total expenditure during this period.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results is revenue surplus. The revenue surplus of the State increased to ₹ 33,477 crore (1.36 *per cent* of GSDP) in the current year from ₹ 1,945 crore (0.12 *per cent* of GSDP) in the year 2019-20.

The State Government spent ₹ 55,679 crore on capital account. This was 22.48 *per cent* of the total expenditure in the year 2023-24.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State decreased to ₹ 23,493 crore (0.95 *per cent* of GSDP) in 2023-24 from ₹ 24,581 crore (1.52 *per cent* of GSDP) in 2019-20.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 44 to 51 *per cent* of revenue expenditure during the five years' period from 2019-20 to 2023-24. The Committed expenditure increased from ₹ 79,784 crore in 2022-23 to ₹ 96,582 crore in 2023-24.

The inflexible expenditure decreased from 18.55 *per cent* to 14.11 *per cent* of revenue expenditure during 2019-20 to 2023-24. The inflexible expenditure decreased from ₹ 28,039 crore in 2022-23 to ₹ 26,701 crore in 2023-24.

Subsidies

Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹ 18,420 crore in 2019-20 to ₹ 28,033 crore in 2023-24 i.e., from 13.07 *per cent* of the revenue expenditure in 2019-20 to 14.81 *per cent* in 2023-24. Agriculture, Farmer's Welfare and Co-operation Department received a subsidy of ₹ 11,706 crore during 2023-24 (42 *per cent* of total expenditure on subsidy).

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State

Government is transferred to the Bank Account of the SNA lying outside the Government Account. As per information available on the PFMS portal, the State Government received ₹ 9,289.06 crore being Central share during the year (2023-24) in its Treasury Accounts. As on 31 March 2024, the State Government transferred Central share of ₹ 10,653.23 crore (including previous year amount) and State share of ₹ 10,795.33 crore to the SNAs (including an additional release of ₹ 349.12 crore of State Top up share). Detailed vouchers and supporting documents of actual expenditure were not received by AG office from the SNAs. As per SNA's Report, ₹ 7,742.71 crore are lying unspent in the bank accounts of SNAs as on 31 March 2024.

Contingent Liabilities on account of Guarantees

In 2023-24, the outstanding guarantees of ₹ 1,463 crore was also well within the limit of ₹ 20,000 crore prescribed under the Gujarat Fiscal Responsibility Act, 2005. No amount was paid by the State Government on account of invocation of guarantees during 2023-24.

Debt sustainability

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

Following the fiscal stress experienced by the State due to the high pandemic impact, the State's borrowing requirement as measured by fiscal deficit recorded an increase of 64 *per cent* in 2020-21 over the previous year, pushing the total liabilities-GSDP ratio to 21.57 *per cent* in 2020-21 which remained below 20 *per cent* over the last three years. Given the economic recovery in the post-pandemic years, the State's debt burden started to reduce, which can be attributed to the significant nominal growth witnessed in 2021-22 owing to low base effect, followed by consistent double-digit nominal growth in the next two years.

As per the Domar criterion, real growth remained higher than the real interest rate, helping the Growth Interest Differential to remain favourable during 2019-24 except for the pandemic year (2020-21) enabled the State to recover the cost of borrowing.

Trends analysis of achievements against fiscal targets

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

Executive Summary

the State Government was expected to limit the outstanding guarantees to ₹ 20,000 crore by 2007-08.

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

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 5.39 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 78 grants, between ± 25 *per cent* and ± 50 *per cent* in 17 grants, between ± 50 *per cent* and ± 100 *per cent* in four grants and equal to or more than 100 *per cent* in two grants. In the Capital section, deviation in outturn compared with BE was (-) 14.07 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 24 grants, between ± 25 *per cent* to ± 50 *per cent* in 17 grants, between ± 50 *per cent* to ± 100 *per cent* in eight grants and equal to or more than 100 *per cent* in 12 Grants.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. In the Revenue section, deviation in outturn compared with Revised Estimates (RE) was (-) 5.15 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 95 grants, between ± 25 *per cent* and ± 50 *per cent* in four grants, between ± 50 *per cent* to ± 100 *per cent* in one grant and equal to or more than 100 *per cent* in one grant. In the Capital section, deviation in outturn compared with RE was (-) 3.19 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 39 grants, between ± 25 *per cent* to ± 50 *per cent* in eight grants, between ± 50 *per cent* to ± 100 *per cent* in four grants and equal to or more than 100 *per cent* in six grants. No provisions was, however, made at the RE stage in respect of four grants of the Capital section.

It was noticed that supplementary provisions of ₹ 2,414.11 crore during the year 2023-24 in seven cases (more than ₹ 10 crore in each case) proved unnecessary, as the expenditure did not come up even to the level of original provision.

Regularization of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Article 204 and 205 of the Constitution. It was observed that in 2023-24 there was excess expenditure of

₹ 193.87 crore under seven grants/appropriations which required regularization. Further, excess disbursements of ₹ 12,002.54 crore pertaining to the period 2009-10 to 2011-12 and 2014-15 to 2022-23 was yet to be regularized by the State Legislature.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non- or short – discharging of liabilities and misclassification of transactions and data gaps.

Reconciliation

During 2023-24, reconciliation of 97.37 *per cent* of the Revenue receipts, 91.54 *per cent* of the Revenue expenditure, 96.54 *per cent* of Capital expenditure and 100 *per cent* of Loans and Advances given by the State Government was achieved.

Compliance with IGAS

As against the requirements of the four Indian Government Accounting Standards (IGAS) notified, the State Government did partial compliance in these standards.

Operation of PD Accounts

The closing balances under PD Accounts decreased from ₹ 1,003.78 crore in 2020-21 to ₹ 817.82 crore in 2021-22. However, during 2023-24, it has increased to ₹ 5,040.49 crore due to year-end balance of ₹ 3,949.86 crore in six new PD Accounts opened during 2023-24. There were 21 inoperative PD Account during last three years as on 31 March 2024, which had a balance of ₹ 2.14 crore. Non-transfer of unspent balances lying in the PD Accounts to the Consolidated Fund of the State entails the risk of misuse of Public fund.

Delay in submission of Utilisation Certificates

Audit scrutiny revealed that 4,745 UCs in respect of GIA aggregating ₹ 11,869.17 crore given to 24 Departments of the State Government from 2001-02 to 2022-23 had not been submitted as on 31 March 2024. In the absence of UCs, there was no assurance that moneys disbursed have been used for the purpose for which they were given.

DC bills against AC bills

Against the requirement of submitting Detailed Contingency (DC) Bills with respect to the advance money drawn through Abstract Contingency (AC) Bills, as on 31st March 2024, 2,981 AC bills of ₹ 288.68 crore were pending for submission of DC bills. Out of these, 1,752 AC Bills amounting to ₹ 66.79 crore

Executive Summary

pertained to the period up to 2022-23. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.

CHAPTER I

Overview

Chapter I

Overview

1.1 Profile of the State

Gujarat is situated on the west coast of India, bounded by the Arabian Sea in the west and the States of Rajasthan in the north, Madhya Pradesh in the east and Maharashtra in the south. The State also shares an international border with Pakistan on the north-western fringe. It has a coastline of about 1,600 km., which is one third of India's mainland coastline. It is the sixth largest State in terms of geographical area (1,96,244 sq. km.) and the eighth largest by population. As per projections, the State's population increased from 6.33 crore in 2014 to 7.24 crore in 2024, recording a decadal growth of 14.38 *per cent*. The percentage of population below poverty line was 16.6 *per cent* in 2011-12 as compared to the all-India average of 21.9 *per cent*. The State has 33 districts and 251 *talukas*. The State's literacy rate was 78 *per cent* which was 5 *per cent* above the All-India Average of 73 *per cent* (as per 2011 census). The profile of the State is shown in **Appendix - 1.1**.

1.1.1 Gross State Domestic Product of Gujarat

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

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

Table 1.1: Trends in growth of GDP and GSDP

Year	2019-20	2020-21	2021-22	2022-23	2023-24
India					
GDP (Base year 2011-12)	2,01,03,593	1,98,54,096	2,35,97,399 (2 nd RE)	2,69,49,646 (1 st RE)	2,95,35,667 (PE)
GVA (Base year 2011-12)	1,83,81,117	1,82,10,997 (3 rd RE)	2,16,35,584 (2 nd RE)	2,46,59,041 (1 st RE)	2,67,62,147 (PE)
Growth rate of GDP over previous year at current prices (<i>per cent</i>)	6.37	(-)1.24	18.85	14.21	9.60
Growth rate of GVA over previous year at current prices (<i>per</i> <i>cent</i>)	7.02	-0.93	18.81	13.97	8.53
Per capita GDP	1,49,915	1,46,480	1,72,422	1,94,879	2,11,725

Year	2019-20	2020-21	2021-22	2022-23	2023-24
Gujarat					
GSDP (Base year 2011-12)	16,17,143	16,16,106	19,28,683 (PE)	22,30,609 (QE)	24,64,300 (AE)
GSVA	14,40,151	14,38,349	16,95,219 (PE)	19,06,959 (QE)	NA ¹
Growth rate of GSDP over previous year at current prices (per cent)	8.38	(-) 0.06	19.34	15.65	10.48
Growth rate of GSVA over previous year at current prices (per cent)	9.65	(-) 0.13	17.86	12.49	NA ¹
Per capita GSDP	2,38,978	2,32,862	2,75,586	3,13,512	3,42,221

Source: National Statistical Office Ministry of Statistics and Programme Implementation (MoSPI); Directorate of Economics and Statistics, Gandhinagar (Budget Publication 30, 2024-25); and Socio-Economic Review 2023-24 Gujarat state.

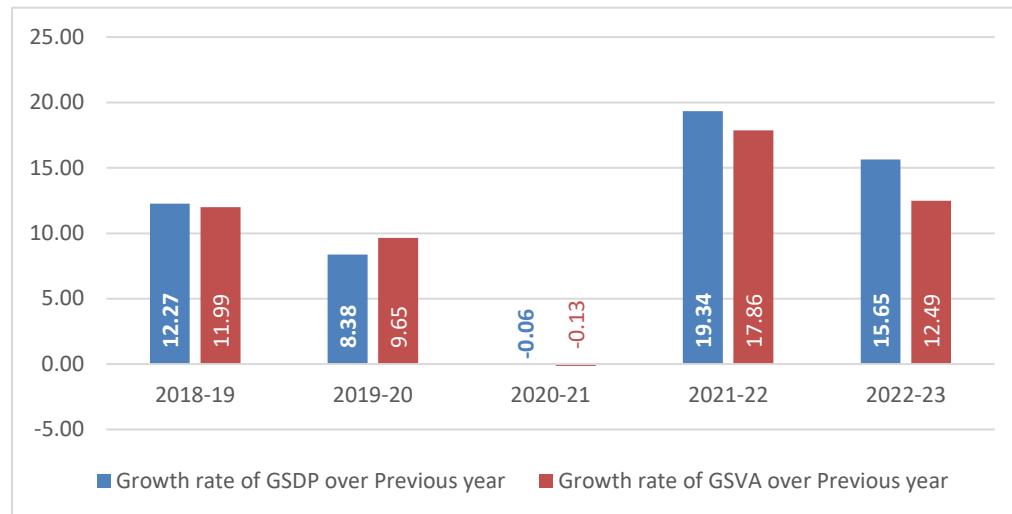
RE: Revised Estimates; (PE) Provisional Estimates; (QE): Quick Estimates; (AE): Advance Estimates.

As can be seen from the details tabulated above, compared to the National growth rate of GDP, GSDP of Gujarat grew at a higher rate during the period 2019-20 to 2023-24. During 2021-22, India as well as Gujarat registered their highest growth rate in previous five years. However, GSVA of Gujarat grew at a lower rate than the national growth rate during the period 2021-22 to 2022-23.

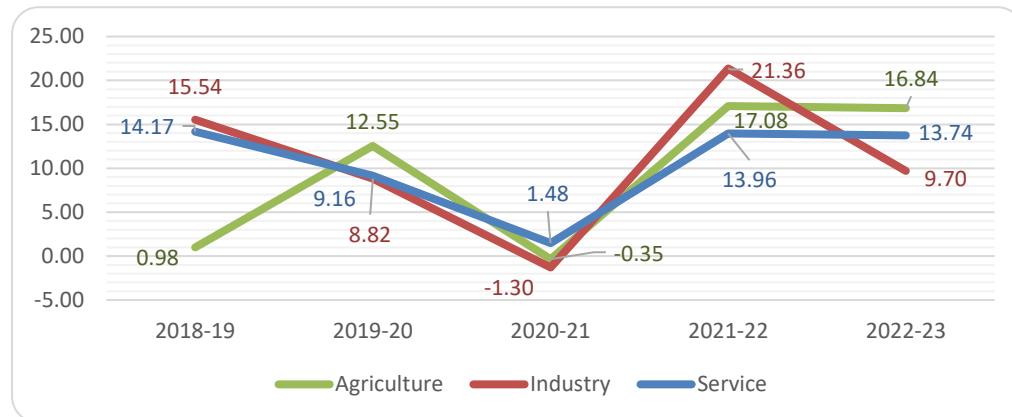
Gross Value Added (GVA) is being used for economic analysis by Government of India (GoI) and international organizations like IMF and World Bank as GVA is considered a better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. While GDP can be and is also computed as the sum total of the various expenditure incurred in the economy including private consumption spending, government consumption spending and gross fixed capital formation or investment spending, reflecting essentially on the demand conditions in the economy. Both the measures have difference in treatment of net tax as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

The trends of GSDP and GSVA for the period from 2018-19 to 2022-23¹ are indicated in the **Chart 1.1**.

¹ Directorate of Economics and Statistics, Gujarat has stated that GSVA data for 2023-24 will be available in March 2025.

Chart 1.1: Growth rate of GSDP vs GSVA (2018-19 to 2022-23)

Source: Budget Publication No. 34 (Socio-Economic Review, Gujarat State, 2023-24)

Chart 1.2: Sectoral growth in GSVA (2018-19 to 2022-23)

Source: Budget Publication No. 34 (Socio-Economic Review, Gujarat State, 2023-24)

Chart 1.2 shows that, during 2021-22, there was significant growth in all the three sectors contributing to GSVA, which was attributed to recovery of economic activity post COVID-19 pandemic. However, during 2022-23, only agriculture and services sectors could maintain the growth rate. Growth rate of Industry fell from 21.36 *per cent* to 9.70 *per cent*.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the Reports of the Comptroller and Auditor General of India (CAG) relating to the Accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Gujarat is prepared and submitted under the Article *ibid* of the Constitution of India.

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

the Statements received from the Reserve Bank of India (RBI). These Accounts are audited independently by the Principal Accountant General (Audit-II), Gujarat and certified by the CAG.

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

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

The analysis in the Report has been carried out in the context of recommendations of the Fourteenth Finance Commission (14th FC), Fifteenth Finance Commission (15th FC), Gujarat Fiscal Responsibility Act, 2005, and best practices and guidelines of the Government of India. Replies of the Government, where received, have been incorporated in this Report at appropriate places. The Fourth Finance Commission was constituted by the State Government on 04 November 2024. The recommendations are yet to be made by the Commission (January 2025).

1.3 Overview of Government Account Structure and Budgetary Processes

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

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

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

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

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

3. Public Account of the State (Article 266(2) of the Constitution)

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

Budget Document

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

Revenue receipts consist of tax revenue (own tax revenue plus share of union taxes/duties), non-tax revenue and grants from Government of India (GoI).

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

The **Capital receipts** consist of:

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

Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment and investment in shares.

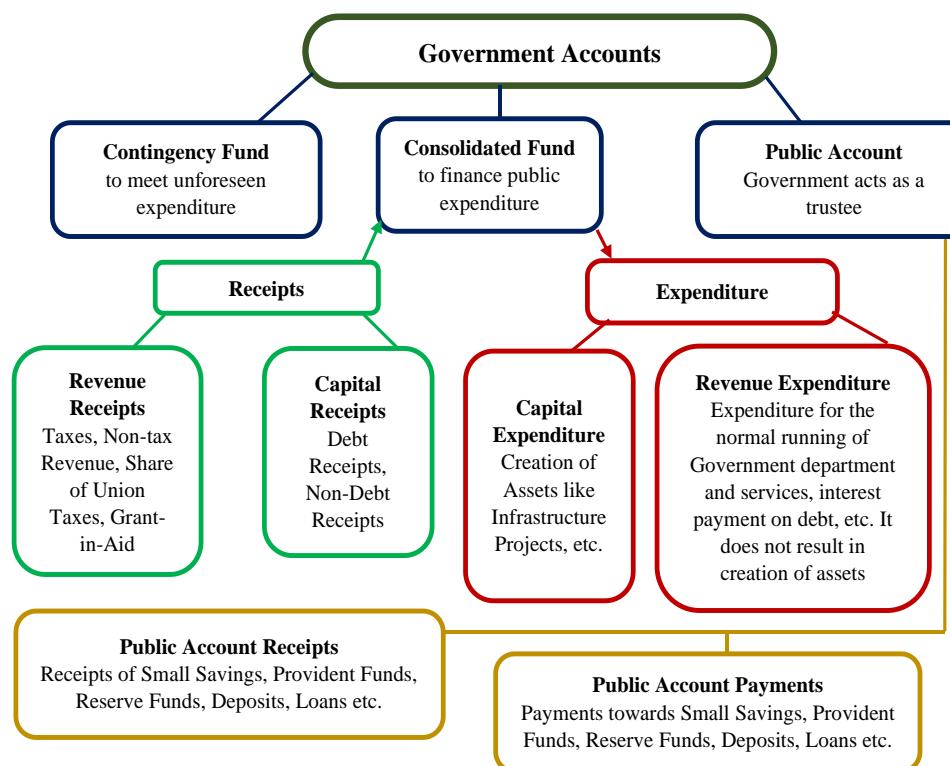
Loans and Advances: Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

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

	<i>Attribute of transaction</i>	<i>Classification</i>
Standardized in LMMH² by CGA	Function- Education, Health, etc. /Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major Head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, etc. (2-digit)

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

Chart 1.3: Structure of Government Accounts



² List of Major and Minor Heads of Account of Union and States

Public Debt and Public Liabilities:

In this Report, ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSF), loan given by Central Government etc. For this purpose, the major heads 6003 and 6004- Public Debt have been taken into consideration.

Further, the transactions relating to ‘Small Savings, Provident Fund, etc.’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ and ‘Suspense’ under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, Public Liability has been taken to include the transactions under major heads 8001 to 8554 relating to ‘Small Savings, Provident Fund, etc.’, ‘Reserve Funds’ and ‘Deposit and Advances’ along with the transactions under major heads 6003 and 6004.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the financial year, in the form of an **Annual Financial Statement** (referred to as Budget). In terms of Article 203, the Statement is submitted to the State Legislature in the form of Demands for Grants/Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

The Gujarat Budget Manual prescribes the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. While formulating its Budget for 2023-24, the State Government continued the focus on identifying budgetary interventions in priority areas with an emphasis on ‘Outcome budget’ (aligned to sustainable development goals set by the UN) and ‘Gender budget’.

Although the State has been preparing an ‘Outcome budget’ since 2014-15, it is yet to map the actual outcomes of various budgetary interventions with the corresponding projections made in the relevant budget. The achievement of actual outcomes as against those projected in Budget 2022-23 were thus, not placed before the Legislature as of March 2024.

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

1.3.1 Snapshot of Finances

Table 1.2 provides a snapshot of actual financial results for the year 2022-23 and 2023-24 *vis-à-vis* Budget Estimates (BE) for the year 2023-24.

Table 1.2: Snapshot of actual financial results vis-à-vis Budget Estimates
(₹ in crore)

Sr. No.	Components	2022-23	2023-24	2023-24	Percentage of Actuals to BE	Percentage of Actual to GSDP
		Actuals	Actuals	BE	2023-24	
1	Tax Revenue	1,57,843.58	1,73,497.98	1,74,406.93	99.48	7.04
	(i) Own Tax Revenue	1,24,809.58	1,34,214.35	1,38,592.97	96.84	5.45
	(ii) Share of Union taxes/duties	33,034.00	39,283.63	35,813.96	109.69	1.59
2	Non-Tax Revenue	18,433.61	23,707.75	17,012.60	139.35	0.96
3	Grants-in-aid and Contributions	23,131.13	25,557.00	16,290.35	156.88	1.04
4	Revenue Receipts (1+2+3)	1,99,408.32	2,22,762.73	2,07,709.88	107.25	9.04
5	Recovery of Loans and Advances	254.13	1,375.57	129.89	1,059.03	0.06
6	Other Receipts	0.00	0.00	17,500	0.00	0.00
7	Borrowings and other Liabilities ³	16,845.45	23,493.26	44,929.94	52.29	0.95
8	Capital Receipts (5+6+7)	17,099.58	24,868.83	62,559.83	39.75	1.01
9	Total Receipts (4+8)	2,16,507.90	2,47,631.56	2,70,269.71	91.62	10.05
10	Revenue Expenditure, of which	1,79,543.29	1,89,285.70	1,98,671.58	95.28	7.68
11	Interest payments	25,353.68	27,175.63	28,619.52	94.95	1.10
12	Capital Expenditure, of which	36,964.61	58,345.86	71,598.13	81.49	2.37
13	Capital Expenditure	35,498.82	55,679.25	70,100.96	79.43	2.26
14	Loan and advances	1,465.79	2,666.61	1,497.17	178.11	0.11
15	Total Expenditure (10+12)	2,16,507.90	2,47,631.56	2,70,269.71	91.62	10.05
16	Revenue Deficit (-)/Surplus (+) (4-10)	(+19,865.03)	(+33,477.03)	(+9,038.30)	370.39	1.36
17	Fiscal Deficit {((4+5+6)-15)}	(-16,845.45)	(-23,493.26)	(-44,929.94)	52.29	(-0.95)
18	Primary Deficit (-)/Primary Surplus (+) (17-11)	(+8,508.23)	(+3,682.37)	(-16,310.42)	(-22.58)	0.15

Source: Budget Publication No. 1 for 2023-24 and Finance Accounts of respective years.

During the year 2023-24, revenue receipts of the State grew by 11.71 *per cent* over the previous year. It was more than budget estimates by 7.25 *per cent* and was 9.04 *per cent* of GSDP.

GST Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. The State received GST compensation of ₹ 10,693.47 crore on account of loss of revenue arising out of implementation

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

of GST during the year 2023-24 being the final balance amount of compensation for the period 2020-21, 2021-22 and 2022-23 (April to June 2022).

1.3.2 Snapshots of Assets and Liabilities of the Government

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

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Assets					
	2022-23	2023-24	Per cent increase/decrease			2022-23	2023-24	Per cent increase/decrease	
Consolidated Fund									
A	Internal Debt	3,25,273.16	3,35,208.77	3.06	a	Gross Capital Outlay	3,68,901.42	4,24,580.68	15.09
B	Loans and Advances from GoI*	35,458.07	39,771.58	12.17	b	Loans and Advances	14,362.82	15,653.86	8.99
Contingency Fund									
	Contingency Fund	200.00	200.00	0.00	Contingency Fund	20.26	0.00	(-)100.00	
Public Account									
A	Small Savings, Provident Funds, etc.	9,993.84	10,019.83	0.26	a	Advances	0.70	0.70	0.00
B	Deposits	37,304.63	46,634.85	25.01	b	Suspense and Miscellaneous	3,241.90	5,017.27	54.76
C	Reserve Funds	14,728.25	18,452.74	25.29	Cash balance (including investment in Earmarked Fund)		35,531.89	37,971.69	6.87
D	Remittances	975.83	1,327.97	36.09					
					Total	4,22,058.99	4,83,224.20	14.49	
					Cumulative excess of expenditure over receipts ⁴	1,874.79	(-)31,608.46	(-)1,785.64	
	Total	4,23,933.78	4,51,615.74	6.53	Total	4,23,933.78	4,51,615.74	6.53	

Source: Finance Accounts of respective years.

* Includes back-to-back loans received *in-lieu* of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22.

1.4 Fiscal Balance: Achievement of deficit and total debt targets

In pursuance of recommendations of the Twelfth Finance Commission, the State Government enacted the Gujarat Fiscal Responsibility Act, 2005 (GFR Act) in line with the Union Fiscal Responsibility and Budget Management Act, 2003

⁴ Cumulative excess of expenditure over receipts = Cumulative excess of expenditure over receipts of previous year + Adjustment to clear old outstanding balances – Revenue surplus

(FRBM Act) to ensure fiscal stability and sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove the impediments to effective conduct of fiscal policy and prudent debt management.

According to the GFR Act, 2005, the total liability means the liabilities under the Consolidated Fund of the State of Gujarat and the public account of the State.

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

1.4.1 Trends analysis of achievements against fiscal targets

As per Gujarat Fiscal Responsibility Act, 2005, the State Government was required to eliminate revenue deficit by 2007-08 and maintain revenue surplus thereafter; reduce fiscal deficit to three *per cent* of the estimated GSDP by 2008-09 and maintain the same level thereafter. This was increased to five *per cent* in January 2021 for the fiscal year 2020-21. In subsequent years, the targeted limit for Fiscal deficit to GSDP remained at three *per cent*. The Act further envisaged that the State Government would limit the ratio of public debt to GSDP to 27.10 *per cent* by 2011-12 and maintain it thereafter. Furthermore, the State Government was expected to limit the outstanding guarantees to ₹ 20,000 crore by 2007-08.

A trend analysis of key fiscal parameters prescribed in Gujarat Fiscal Responsibility Act *vis-à-vis* achievements during the last five year (2019-24) is given in **Table 1.4**.

Table 1.4: Compliance with the provisions of FRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	1,944.85	(-)22,547.92	6,408.43	19,865.03	33,477.03
		✓	X	✓	✓	✓
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	Three <i>per cent</i> ⁵	(-)24,581.45 (-1.52)	(-)40,438.35 (-2.50)	(-)22,692.31 (-1.18)	(-)16,845.45 (-0.76)	(-)23,493.26 (-0.95)
		✓	✓	✓	✓	✓

⁵ Five *per cent* for 2020-21.

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2019-20	2020-21	2021-22	2022-23	2023-24
Ratio⁶ of total Public Debt to GSDP (per cent)	27.10 <i>per cent</i>	16.52	18.49 ⁷	15.98 ⁷	15.17 ⁷	14.31 ⁷
		✓	✓	✓	✓	✓
Outstanding Guarantees	Below ₹ 20,000 crore	4,462	3,656	3,089	1,473	1,463
		✓	✓	✓	✓	✓

Source: Budget Publication and Finance Accounts of respective years.

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

The public debt to GSDP ratio (14.31 *per cent*) has been arrived at after excluding GST compensation of ₹ 9,222 crore and ₹ 13,040 crore received during 2020-21 and 2021-22 respectively as back-to-back loan under debt receipts from the total public debt as the Department of Expenditure, GoI has decided that it will not be treated as debt of the State for any norms prescribed by the Finance Commission.

The targets set by 15th FC and those projected in the State Budget *vis-à-vis* achievements in major fiscal aggregates with reference to GSDP during 2023-24 are given in **Table 1.5**.

Table 1.5: Targets *vis-à-vis* achievements in respect of major fiscal aggregates for the year 2023-24

Fiscal Variables	Targets as prescribed by 15 th FC	Targets in Budgets	Actuals	(₹ in crore)	
				Percentage variation of actuals over Targets of 15 th FC	Targets in Budgets
Revenue Surplus (+) /GSDP (per cent)	1.40	0.35	1.36	(-) 0.04	1.01
Fiscal Deficit (-)/GSDP (per cent)	(-) 3.0	(-) 1.75	(-) 0.95	2.05	0.80
Total Outstanding Liability/ GSDP (per cent)	30.6	NA	16.83 ⁸	(-) 13.77	NA

Source: Recommendations of 15th FC, Budget Publication and Finance Accounts. NA: Not available.

⁶ Gujarat Fiscal Responsibility Act prescribes the target as ratio of total Public Debt to GSDP and not as ratio of total Outstanding liabilities to GSDP.

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

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

As can be seen above, except for the targeted Revenue Surplus as percentage of GSDP, all the fiscal targets fixed by 15th FC were achieved during 2023-24. Also, all the targets projected in the budget estimates were achieved by the State during 2023-24.

1.4.2 Comparison of targets of fiscal parameters projected in Medium Term Fiscal Policy Statement with actuals for the current year

Comparison of targets of fiscal parameters projected in Medium Term Fiscal Policy Statement (MTFPS) presented to the State Legislature in 2023-24 with actuals, and the extent of variation is shown in **Table 1.6**.

Table 1.6: Actuals vis-à-vis projections made in MTFPS during 2023-24

(₹ in crore)

Sr. No.	Fiscal Variables	Projection as per MTFPS	Actuals (2023-24)	Variation (in per cent)
1	Own Tax Revenue	1,38,592.97	1,34,214.35	(-)3.16
2	Non-Tax Revenue	17,012.60	23,707.75	39.35
3	Share of Central Taxes	35,813.96	39,283.63	9.69
4	Grants-in-Aid from GoI	16,290.35	25,557.00	56.88
5	Revenue Receipts (1+2+3+4)	2,07,709.88	2,22,762.73	7.25
6	Capital Receipts ⁹	85,630.89	41,767.28	(-)51.22
7	Revenue Expenditure	1,98,671.58	1,89,285.70	(-)4.72
8	Revenue Deficit (-)/ Surplus (+) (5-7)	9,038.30	33,477.03	270.39
9	Fiscal Deficit (-)/ Surplus (+)	(-)44,929.94	(-)23,493.26	(-)47.71
10	Primary Deficit (-)/Surplus (+)	(-)16,310.42	3,682.37	(-)122.58
11	Public debt-GSDP ratio (per cent)	14.88	14.31*	(-)3.83
12	GSDP growth rate at current prices (per cent)	16.34	10.48	(-)35.88

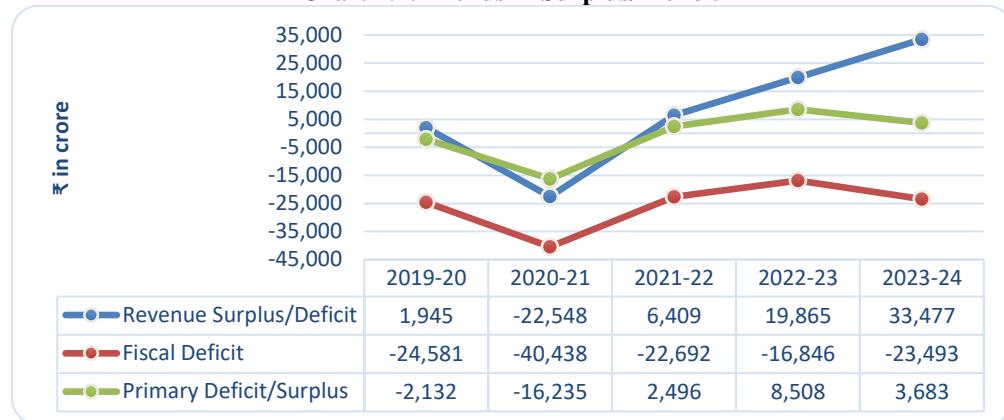
Source: Budget Publication No. 1 and 30 for 2024-25 and Finance Accounts.

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

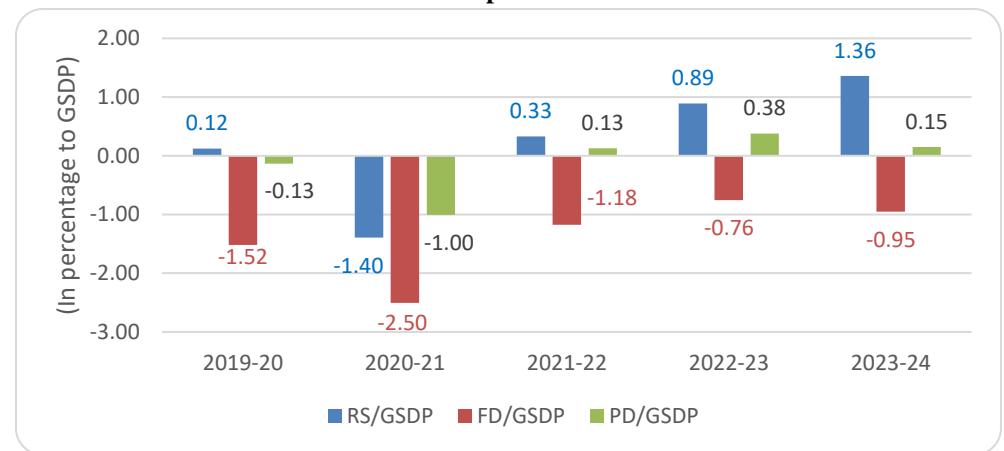
As may be seen from the table above, non-tax revenue, share of central taxes, grants-in-aid from GoI, and revenue surplus improved during 2023-24 *vis-à-vis* the projections made in MTFPS. The target for own tax revenue, capital receipts and GSDP growth rate was not met in 2023-24, though the target for public debt-GSDP ratio was achieved during the year.

The trends in surplus/deficits over the five-year period (2019-24) are depicted in **Chart 1.4**; trends in surplus/deficit relative to GSDP are given in **Chart 1.5**; and trends of fiscal liabilities and GSDP are given in **Chart 1.6**.

⁹ Capital Receipts = Public Debt Receipts + Miscellaneous Capital Receipts + Recovery of Loans and Advances

Chart 1.4: Trends in Surplus/ Deficit

Source: Finance Accounts of respective years.

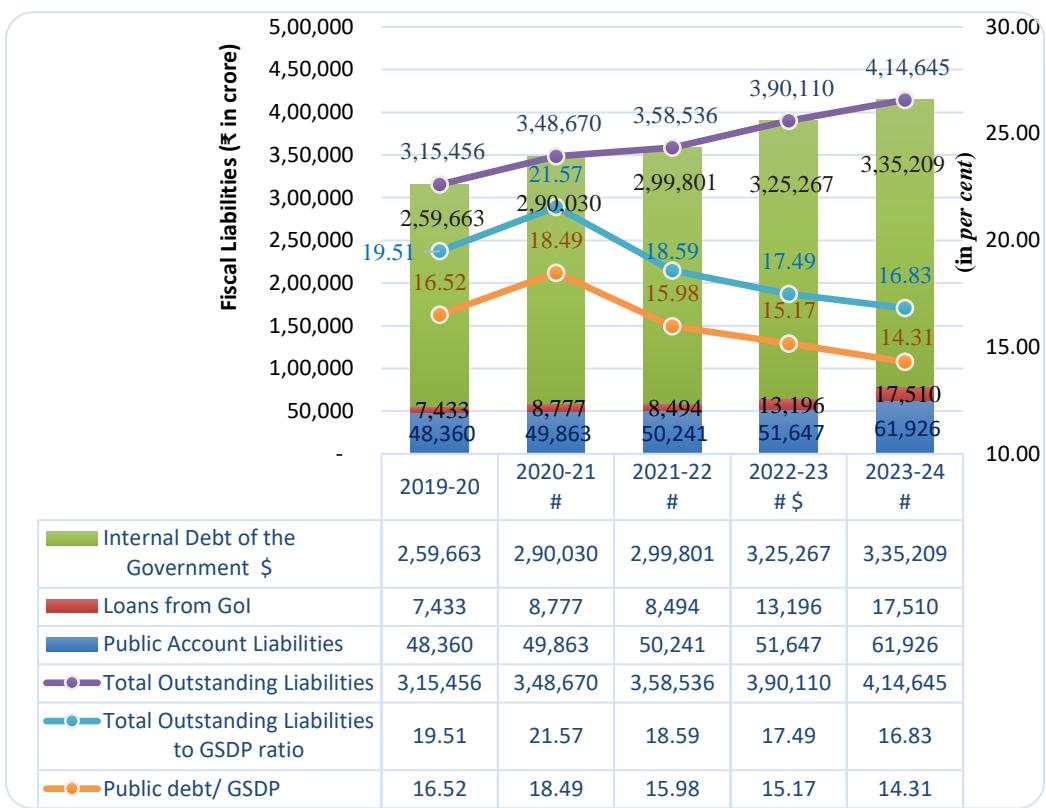
Chart 1.5: Trends in Surplus/Deficit relative to GSDP

Source: Finance Accounts of respective years.

Revenue surplus indicates excess of revenue receipts over revenue expenditure. As compared to previous year, revenue surplus has increased significantly to ₹ 33,477 crore in 2023-24. The revenue surplus as percentage of GSDP was 1.36 *per cent* during 2023-24.

Fiscal deficit represents the gap between the non-debt receipts and total expenditure. This gap can be met either by additional Public Debt or using surplus funds from the Public Account. Fiscal deficit normally represents the net incremental liabilities of the Government or its additional borrowing requirements. The Fiscal Deficit increased from ₹ 16,846 crore in 2022-23 to ₹ 23,493 crore in 2023-24.

Primary surplus indicates the excess of non-debt receipts over primary expenditure (total expenditure net of interest payments). It was ₹ 3,682 crore in 2023-24 as compared to ₹ 8,508 crore in 2022-23.

Chart 1.6: Trends in fiscal liabilities and GSDP

Source: Finance Accounts of respective years.

\$ Change in figure of Internal debt for 2022-23 from last year's Report is due to Proforma Corrections.

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

During 2023-24, effective Outstanding liabilities¹⁰ increased by 6.29 per cent (₹ 24,535 crore) over previous year due to increase in Internal debt by 3.06 per cent (₹ 9,942 crore), Loans from GoI by 32.69 per cent (₹ 4,314 crore) and Public Account Liabilities by 19.90 per cent (₹ 10,279 crore).

1.5 Performance of the State Government with respect to borrowings according to the limits fixed by Government of India

Article 293 (3) of the Constitution of India, inter alia, provides that a State may not raise any loan without the consent of Government of India (GoI) if any part of a loan, which has been made to the State by GoI, is still outstanding.

The GoI, Ministry of Finance, Department of Expenditure fixed (January 2024) the net borrowing ceiling of the State Government for the financial year

¹⁰ Outstanding liabilities here, are excluding back-to-back loans in lieu of GST Compensation.

2023-24 as ₹ 51,000 crore¹¹ and instructed the State Government to ensure that its incremental borrowings from all sources remained within this ceiling.

As per Statement of borrowings and other liabilities (Statement No. 6) of the Finance Accounts 2023-24, incremental borrowings and other liabilities of the State Government were ₹ 24,535 crore during the financial year 2023-24 i.e. within the borrowing ceiling.

1.6 Deficit after examination in Audit

As per the FRBM Act, the State Government must ensure compliance with the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, etc. The Revenue surplus and the Fiscal deficit as worked out for the State gets impacted due to various circumstances such as misclassification of capital expenditure as revenue. Besides, deferment of liabilities, non-deposit of cess/royalty to Consolidated Fund, and sinking and redemption funds also impact the revenue surplus and fiscal deficit. In order to arrive at actual revenue surplus and fiscal deficit, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification needs to be included and the impact of such irregularities need to be reversed.

Analysis of revenue surplus and fiscal deficit after examination in Audit are given in **Table 1.7**.

Table 1.7: Revenue surplus and fiscal deficit, post examination by Audit

Particulars	Impact on Revenue Surplus [Understated (-)/ Overstated (+)] ₹ in crore	Impact on Fiscal Deficit (Understated) ₹ in crore	Paragraph Reference
Shortfall in State Government contribution to Consolidated Sinking Fund ¹²	(+) 6,627.42	6,627.42	Para 2.6.2.1
Non-transfer of Labour Cess	(+) 580.44	580.44	Para 2.6.3.2
Government contribution to NPS.	(+) 11.30	11.30	Para 2.4.2.3
Misclassification of Capital Expenditure as Revenue Expenditure	(-) 3.64	-	Para 3.4.1
Non-discharge of Interest liabilities	(+) 264.12	264.12	Para 4.1
Total	(+) 7,479.64	7,483.28	

Source: Finance Account for the year 2023-24 and audit analysis.

As may be seen from the table above, there was an overstatement of revenue surplus by ₹ 7,479.64 crore during the year. Fiscal deficit was also understated

¹¹ Government of India (GoI) consented (January 2024) under Article 293 (3) of the Constitution of India for raising Open Market Borrowing (OMB) by Gujarat State during the FY 2023-24 for ₹ 51,000 crore.

¹² ₹ 6,627.42 crore = ₹ 19,505.80 crore (minimum corpus of 5% of State Liabilities of ₹ 3,90,116.09 crore to be maintained for the year 2022-23) [-] ₹ 12,878.38 crore closing Balance of Consolidated Sinking Fund. Back-to-Back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040.17 crore during 2021-22 has not been considered as outstanding liabilities here.

by ₹ 7,483.28 crore in 2023-24. Thus, against the Revenue Surplus of ₹ 33,477.03 crore as mentioned in Paragraph 1.4.2., the State's actual Revenue Surplus¹³ would stand at ₹ 25,997.39 crore. Similarly, against the Fiscal Deficit of ₹ 23,493.26 crore mentioned in same Paragraph, the actual Fiscal Deficit¹⁴ would stand at ₹ 30,976.54 crore during 2023-24, if the items of short-contribution, non-discharge of liabilities and incorrect classification are factored in.

1.7 Post Audit- Total Public Debt

Section 2 (i) of the Gujarat Fiscal Responsibility Act, 2005, defines “total outstanding debt/ liabilities” to include only liabilities upon the Consolidated Fund and Public Account of the State. However, borrowings by the public sector undertakings and special purpose vehicles where the principal and/or interest are to be serviced out of the State budget also are liabilities under the Consolidated Fund of the State and the Public Account of the State.

It was observed that Gujarat State Investments Limited (GSIL) has taken over listed Non-Convertible Debentures (NCDs) of Gujarat State Petroleum Corporation Limited (GSPC) amounting to ₹ 6,000 crore as per the directions (July 2018) of the State Government. Further the State Government has resolved to support GSIL for payment towards interest and principal repayment on these NCDs. Accordingly, during the period 2019-20 to 2023-24, an expenditure of ₹ 2,253.64 crore was booked for payment towards interest on these NCDs by Energy and Petrochemicals Department, which included ₹ 275.10 crore paid during the year 2023-24. The payment of annual interest on these NCDs has increased the committed revenue expenditure of the State.

¹³ ₹ 33,477.03 crore plus (-) ₹ 7,479.64 crore.

¹⁴ ₹ 23,493.26 crore plus ₹ 7,483.28 crore.

CHAPTER II

Finances of the State

Chapter II

Finances of the State

This chapter provides a broad perspective on the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2019-20 to 2023-24, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State.

2.1 Major changes in key fiscal aggregates during 2023-24 compared to 2022-23

Table 2.1 presents the summary of the State Government's fiscal aggregates during 2023-24 *vis-à-vis* 2022-23. Each of these indicators is analysed in the succeeding paragraphs.

Table 2.1: Summary of Fiscal aggregates in 2023-24 compared to 2022-23

(₹ in crore)					
Receipts			Disbursements		
	2022-23	2023-24		2022-23	2023-24
Section-A: Revenue Account					
Own Tax Revenue	1,24,809	1,34,214	General Services	61,269	66,705
Non-Tax Revenue	18,434	23,708	Social Services	75,125	78,686
Share of Union Taxes/ Duties	33,034	39,284	Economic Services	42,672	43,340
Grants-in-aid from Government of India	23,131	25,557	Grants-in-aid and Contributions	477	555
Total Section-A Revenue Receipts	1,99,408	2,22,763	Total Section-A Revenue Expenditure	1,79,543	1,89,286
Section-B: Capital Account and others					
Miscellaneous Capital Receipts	0	0	Capital Expenditure	35,499	55,679
			General Services	820	1,152
			Social Services	12,804	22,269
			Economic Services	21,875	32,258
Recoveries of Loans and Advances	254	1,376	Loans and Advances disbursed	1,466	2,667
Public Debt Receipts	52,333	40,392	Repayment of Public Debt	22,159	26,137 ¹
Contingency Fund	0	20	Contingency Fund	20	0
Public Account Receipts (Gross)	1,22,483	1,46,818	Public Account Disbursements (Gross)	1,20,935	1,35,160
Opening Cash Balance	20,676	35,532	Closing Cash Balance	35,532	37,972
Total Section-B Receipts	1,95,746	2,24,138	Total Section-B Disbursements	2,15,611	2,57,615
Grand Total (A +B)	3,95,154	4,46,901	Grand Total (A+B)	3,95,154	4,46,901

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

¹ The figure of 'Repayment of Public Debt' here do not tally with the figures in Chart 2.2 and Appendix-1.1 due to rounding-off difference of ₹ 1.00 crore.

The variation in key fiscal aggregates in 2023-24 as compared to 2022-23 is summarised below:

Revenue Receipts	<ul style="list-style-type: none"> ➤ Revenue Receipts of the State increased by 11.71 <i>per cent</i> ➤ Own Tax Receipts of the State increased by 7.54 <i>per cent</i> ➤ Own Non-Tax Receipts increased by 28.61 <i>per cent</i> ➤ State's Share of Union Taxes and Duties increased by 18.92 <i>per cent</i> ➤ Grants-in-Aid from Government of India increased by 10.49 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> ➤ Revenue Expenditure increased by 5.43 <i>per cent</i> ➤ Revenue Expenditure on General Services increased by 8.87 <i>per cent</i> ➤ Revenue Expenditure on Social Services increased by 4.74 <i>per cent</i> ➤ Revenue Expenditure on Economic Services increased by 1.57 <i>per cent</i> ➤ Expenditure on Grants-in-Aid and Contributions increased by 16.35 <i>per cent</i>
Capital Receipts	<ul style="list-style-type: none"> ➤ Debt Capital Receipts decreased by 22.82 <i>per cent</i> ➤ Non-debt Capital Receipts increased by 441.73 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none"> ➤ Capital Expenditure increased by 56.85 <i>per cent</i> ➤ Capital Expenditure on General Services increased by 40.49 <i>per cent</i> ➤ Capital Expenditure on Social Services increased by 73.92 <i>per cent</i> ➤ Capital Expenditure on Economic Services increased by 47.47 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> ➤ Disbursements of Loans and Advances increased by 81.92 <i>per cent</i> ➤ Recoveries of Loans and Advances increased by 441.73 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> ➤ Public Debt Receipts decreased by 22.82 <i>per cent</i> ➤ Repayment of Public Debt increased by 17.95 <i>per cent</i>
Public Account	<ul style="list-style-type: none"> ➤ Public Account Receipts increased by 19.87 <i>per cent</i> ➤ Public Account Disbursements increased by 11.76 <i>per cent</i>

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

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

2.2 Sources and Application of Funds

Table 2.2 compares the sources and application of funds of the State during 2023-24 with 2022-23, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2023-24 in terms of percentages.

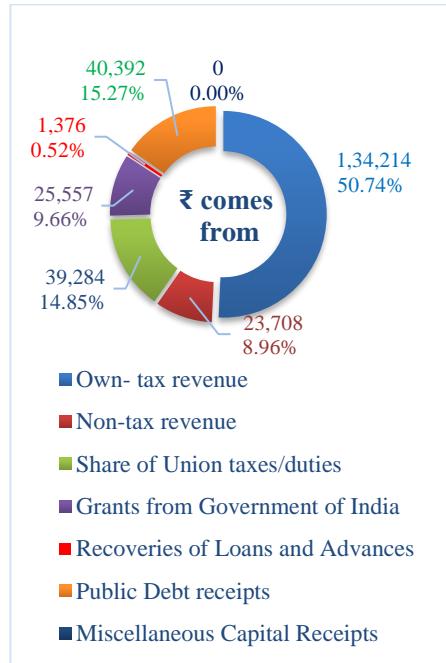
Table 2.2: Details of Sources and Application of funds during 2022-23 and 2023-24

	Particulars	2022-23	2023-24	(₹ in crore) Increase/ Decrease
Sources	Opening Cash Balance with RBI	20,676	35,532	14,856
	Revenue Receipts	1,99,408	2,22,763	23,355
	Recoveries of Loans & Advances	254	1,376	1,122
	Public Debt Receipts (Net)	30,174	14,255	(-)15,919

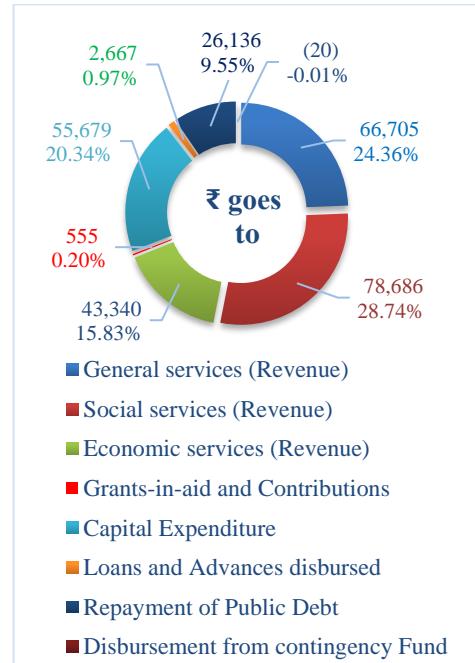
	Particulars	2022-23	2023-24	Increase/ Decrease
	Public Account Receipts (Net)	1,548	11,658 ²	10,110
	Miscellaneous Capital Receipts	0	0	0
	Total	2,52,060	2,85,584	33,524
Application	Revenue Expenditure	1,79,543	1,89,286	9,743
	Capital Expenditure	35,499	55,679	20,180
	Disbursements of Loans & Advances	1,466	2,667	1,201
	Disbursements from Contingency Fund	20	(-)20	(-)40
	Closing Cash Balance with RBI	35,532	37,972	2,440
	Total	2,52,060	2,85,584	33,524

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

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



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



Source: Finance Accounts of the State Government for 2023-24.

A time series data on the State Government finances for the five-year period (2019-24) is given in **Appendix – 2.1**.

2.3 Resources of the State

The resources of the State are described below:

² The figure of ‘Public Account receipts (Net)’ here do not tally with the figures in Chart 2.3 due to rounding-off difference of ₹ 1.00 crore.

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

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

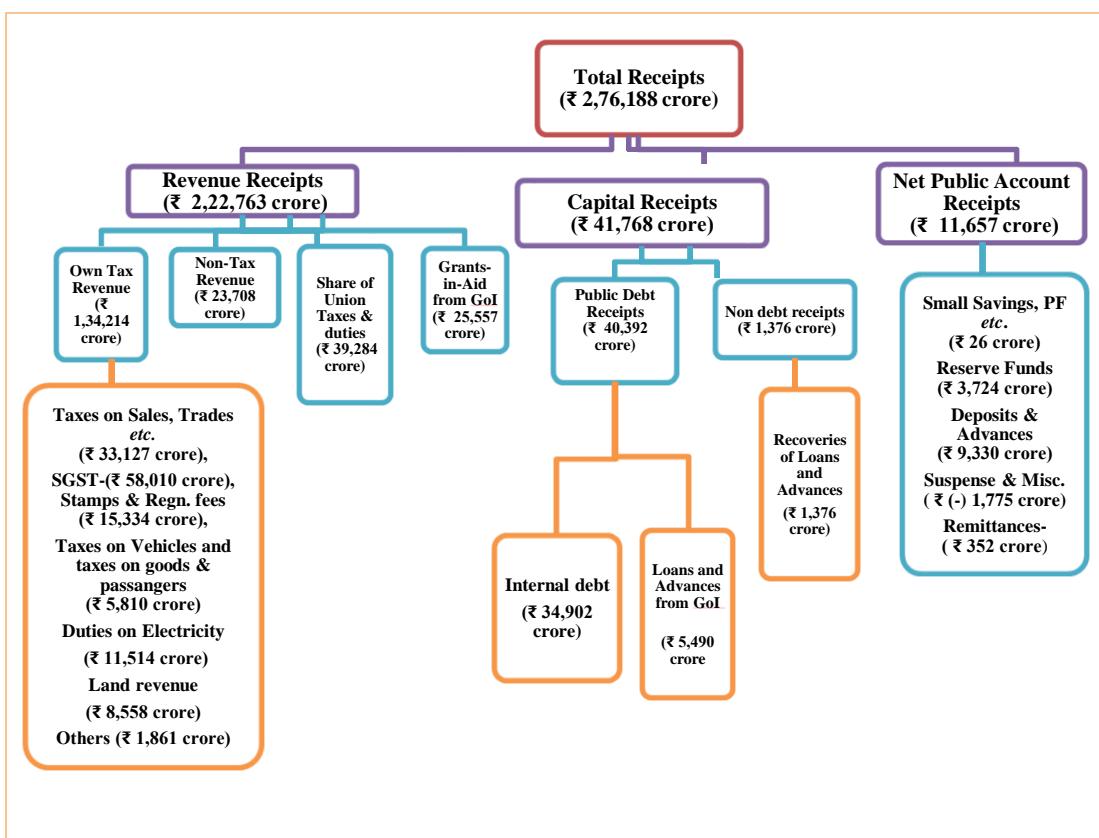
- Net Public accounts receipts:** There are receipts and disbursements in respect of certain transactions, such, as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

These are kept in the public account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

Composition of receipts of the State during 2023-24 is as given in **Chart 2.3**.

Chart 2.3 Composition of Receipts of the State during 2023-24



Source: Finance Accounts of the State Government for 2023-24.

Out of the total receipts of ₹ 2,76,188 crore of the State Government during the year 2023-24, revenue receipts (₹ 2,22,763 crore) constituted 80.66 *per cent*. Capital receipts (₹ 41,768 crore) and net public account receipts (₹ 11,657 crore) constituted 15.12 *per cent* and 4.22 *per cent* of the total receipts, respectively.

2.3.2 State's Revenue Receipts

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

2.3.2.1 Trends and Growth of Revenue Receipts

Table 2.3 provides the trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period (2019-24). Further, trends in revenue receipts relative to GSDP and components of revenue receipts are given in **Charts 2.4** and **2.5** respectively.

Table 2.3: Trend in Revenue Receipts

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Receipts (RR) (₹ in crore)	1,42,844	1,28,156	1,66,830	1,99,408	2,22,763
Rate of growth of RR (<i>per cent</i>)	5.03	(-)10.28	30.18	19.53	11.71
Tax Revenue (₹ in crore)	99,240	90,485	1,28,784	1,57,843	1,73,498
Own Tax Revenue (₹ in crore)	79,008	70,266	97,678	1,24,809	1,34,214
States' share in Union taxes and duties	20,232	20,219	31,106	33,034	39,284
Non-Tax Revenue (₹ in crore)	18,104	10,493	14,018	18,434	23,708
Grant-in Aid from GoI	25,500	27,178	24,028	23,131	25,557
Rate of growth of Grant-in Aid from GoI (<i>per cent</i>)	34.26	6.58	(-)11.59	(-)3.73	10.49
Own Revenue (Tax and Non-tax Revenue) (₹ in crore)	97,112	80,759	1,11,696	1,43,243	1,57,922
Rate of growth of Own Revenue (Tax and Non-tax Revenue) (<i>per cent</i>)	3.84	(-)16.84	38.31	28.24	10.25
GSDP (₹ in crore) (2011-12 Series)	16,17,143	16,16,106	19,28,683 (P)	22,30,609 (Q)	24,64,300 (A)
Rate of growth of GSDP (<i>per cent</i>)	8.38	(-)0.06	19.34	15.65	10.48
RR/GSDP (<i>per cent</i>)	8.83	7.93	8.65	8.94	9.04
Buoyancy Ratios³					
Revenue Buoyancy w.r.t GSDP	0.60	*	1.56	1.25	1.12
State's Own Revenue Buoyancy w.r.t GSDP	0.46	*	1.98	1.80	0.98

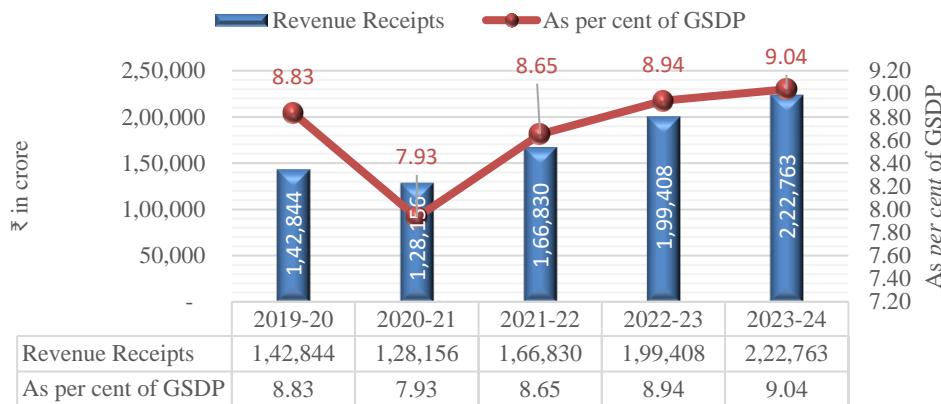
Source: Finance Accounts of the State Government of respective years.

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2024-25).

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

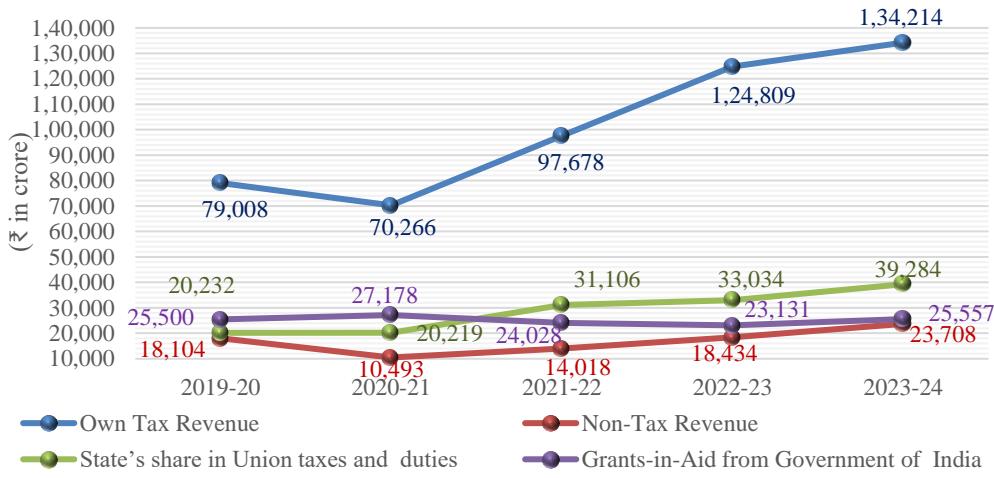
* The rate of growth of revenue receipts and State's own revenue receipts being negative, their buoyancies with respect to GSDP cannot be calculated.

³ Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.12 implies that revenue receipts tend to increase by 1.12 percentage points, if the GSDP increases by one *per cent*.

Chart 2.4: Trend of Revenue Receipts

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

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2024-25).

Chart 2.5: Trend of components of Revenue Receipts

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

The trends in revenue receipts during 2019-24 revealed as follows:

- Revenue receipts increased by *55.95 per cent* (₹ 79,919 crore) from ₹ 1,42,844 crore in 2019-20 to ₹ 2,22,763 crore in 2023-24 at Compound Annual Growth Rate (CAGR) of *11.75 per cent*. During 2023-24, revenue receipts increased by ₹ 23,355 crore (*11.71 per cent*) over the previous year.
- A significant portion of revenue receipts (*70.89 per cent*) during 2023-24 came from the State's own resources, while central tax transfers and grants-in-aid together contributed *29.11 per cent*.
- **Table 2.3** shows that the percentage of revenue receipts to GSDP decreased from *8.83 per cent* in 2019-20 to *7.93 per cent* in 2020-21, and then increased to *8.65 per cent* in 2021-22 and further to *9.04 per cent* in 2023-24. During 2021-22 to 2023-24, revenue receipts grew at faster rate than GSDP.

2.3.2.2 State's Own Resources

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

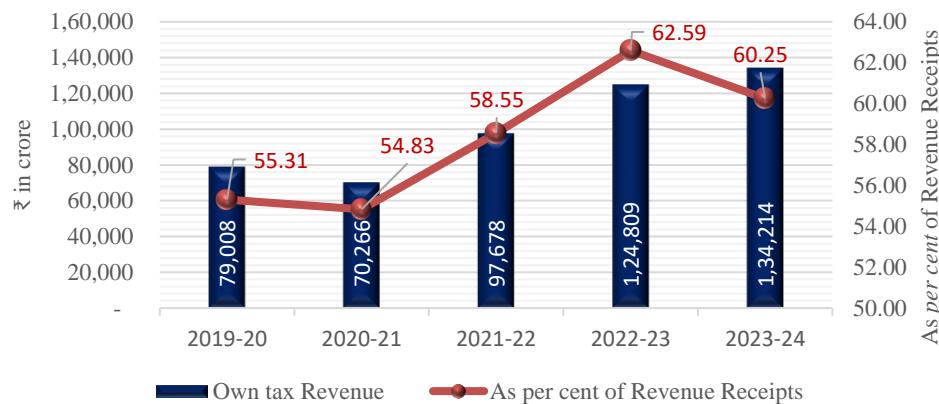
State's performance in mobilisation of additional resources is to be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

Own Tax Revenue

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

The trend of State's own tax revenue during the last five years (2019-24) is shown in **Chart 2.6**.

Chart 2.6: Trend of Own Tax Revenue during 2018-23



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

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2024-25).

The components of State's own tax revenue during 2019-24 are shown in **Table 2.4**.

Table 2.4: Components of State's own tax revenue during 2019-24

Revenue Head	2019-20	2020-21	2021-22	2022-23	(₹ in crore)	
					2023-24	Budget Estimates
SGST	34,106.67	29,458.54	43,486.98	52,154.23	66,030.00	58,009.85
Sales tax/VAT	21,071.72	18,800.34	29,044.45	36,983.82	39,246.00	33,126.72
Taxes and duties on electricity	8,774.35	8,318.87	7,012.72	10,593.52	10,230.00	11,513.94
Stamp duty and registration fees	7,701.17	7,390.18	10,432.57	14,206.78	13,950.00	15,334.02
Taxes on vehicles and taxes on goods and passengers	3,895.29	3,085.35	3,900.06	5,056.53	5,315.00	5,809.91
Land revenue	2,358.74	2,133.55	2,782.52	4,480.53	2,860.00	8,558.16
State excise	138.26	133.65	154.82	187.65	155.00	200.30
Entertainment tax and luxury tax	3.69	4.47	3.16	4.07	5.51	3.77
Other taxes	957.61	941.23	860.79	1,142.45	1,056.46	1,657.68
Own Tax Revenue	79,007.50	70,266.18	97,678.07	1,24,809.58	1,38,847.97	1,34,214.35
Own tax revenue as a percentage of GSDP	4.89	4.35	5.06	5.60	5.42	5.45
Own tax revenue as a percentage of revenue receipts	55.31	54.83	58.55	62.59	66.85	60.25

Source: Finance Accounts of the State Government of respective years and Budget Publication No.1 of the Government of Gujarat for the year 2023-24.

State's own tax revenue increased by ₹ 55,206.85 crore from ₹ 79,007.50 crore in 2019-20 to ₹ 1,34,214.35 crore in 2023-24 at CAGR of 14.16 *per cent*. During 2023-24, State's own tax revenue increased by ₹ 9,405 crore (7.54 *per cent*) over the previous year, which was lower than the average of the States other than North-Eastern (NE) and Himalayan States (10.58 *per cent*). During the current year, major contributors to own tax revenue were SGST (43.22 *per cent*), sales tax/VAT (24.68 *per cent*) and stamp duty and registration fees (11.43 *per cent*).

Analysis of Arrears of Revenue

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

The arrears of revenue as on 31 March 2024 on Stamp duty and registration fees; Prohibition and Excise; taxes on vehicles and taxes on goods and passengers; taxes and duties on electricity; and GST/VAT/Sales tax amounted to ₹ 59,488.83 crore of which, ₹ 41,049.17 crore was outstanding for more than five years. Regarding water charges, as on 31 March 2024, an amount of ₹ 12,540.95 crore was due to be received by the Narmada, Water Resources, Water Supply and Kalpsar Department from its various irrigation and non-irrigation users. The details are given in the **Table 2.5**.

Table 2.5: Arrears of revenue

(₹ in crore)

Sr. No.	Head of Revenue	Total outstanding amount as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024	Remarks
1.	Prohibition and Excise	100.84	100.84	₹ 73.20 crore related to Court cases; ₹ 27.64 crore was not furnished by the Department.
2.	Stamp duty and registration fees	311.46	176.49	Recoveries stayed by High Court and other judicial authorities: ₹ 41.16 crore; Reasons of remaining outstanding arrears of ₹ 270.30 crore was not furnished.
3.	Taxes on vehicles and taxes on goods and passengers	1,142.36	483.35	Non recovery of outstanding amount (₹ 432.98 crore) is mostly due to old vehicles being scrapped/sold by the owner of the vehicle without intimation to the MV Department. So, the tax with penalty on such vehicles is increasing every year. The Department also stated that ₹ 700 crore is likely to be written-off due to scrap policy implementation and central government guidelines.
4.	GST/VAT/Sales tax	57,934.17	40,288.49	Recovery certificates issued: ₹ 1,973.59 crore; recoveries stayed by High Court and other judicial authorities: ₹ 3,584.39 crore; recoveries stayed by Government-Department Authority: ₹ 10,582.08 crore; Dealers being insolvent: ₹ 478.14 crore; amount likely to be written off: ₹ 90.88 crore; Reasons of remaining outstanding arrears of ₹ 41,225.09 crore was not furnished.
Total		59,488.83	41,049.17	
5.	Water charges	12,540.95	9,075.31	The majority of the outstanding amount is due towards bills for water supplied to different government entities.
Grand Total		72,029.78	50,124.48	

Source: Information furnished by the Departments.

Collector of Electricity Duty has not provided the details (January 2025).

Arrears of Assessments

The arrears of assessment indicate the potential revenue which is blocked due to delayed assessment.

Information regarding cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and cases pending finalisation at the end of the year, in respect of GST/VAT/Sales Tax and Professional Tax was not provided by Department of Gujarat State Tax (February 2025).

Director of Prohibition and Excise; has informed in August 2024, that no assessment was pending with the department pertaining to the period up to 31 March 2024.

Evasion of tax detected by the Departments

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

The cases of evasion of tax detected by three Departments (Finance; Revenue; and Port and Transport), cases finalised and demands for additional tax raised, as reported by these Departments, are given in **Table 2.6**:

Table 2.6: Cases of tax evasion

Sr. No.	Head of Revenue	Number of cases pending as on 01 April 2023	Number of cases detected during 2023-24	Total	Number of cases in which assessment/ investigation was completed and additional demand with penalty etc. was raised		Number of cases pending for finalisation as on 31 March 2024
					Number of cases	Amount of demand (₹ in crore)	
1.	Stamp duty and registration fees	13,758 ⁴	4,576	18,334	6,626	66.08	11,708
2.	Taxes on vehicles and taxes on goods and passengers	1,01,034	90,557	1,91,591	90,557	239.16	1,01,034
3.	GST/VAT/Sales tax	746	431	1,177	404	859.77	773
Total		1,15,538	95,564	2,11,102	97,587	1,165.01	1,13,515

Source: Information furnished by the Departments.

Director of Prohibition and Excise has informed that there are no case of tax evasion.

⁴ Figures do not tally with the closing balance of previous year because the same have been updated by the Department.

Pendency of Refund Cases

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

The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of the year, as reported by the Departments are given in **Table 2.7**:

Table 2.7: Refund cases

Sr. No.	Particulars	Stamp duty and registration fees		Taxes on vehicles and taxes on goods and passengers		(₹ in crore)
		No. of cases	Amount	No. of cases	Amount	
1.	Claims outstanding as on 01 April 2023	15	0.08	146 ⁵	1.45	
2.	Claims received during the year	393	4.66	349	3.73	
3.	Refunds made during the year	380	4.46	261	3.47	
4.	Refunds rejected during the year	0	0	0	0.00	
5.	Balance outstanding as on 31 March 2024	28	0.28	234	1.71	

Sources: Information furnished by the Departments.

Department of Gujarat State Tax has not provided the details (January 2025).

Non-Tax Revenue

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

The major sources of non-tax revenue and their trend analysis for the last five years (2019-24) are indicated in **Table 2.8**.

Table 2.8: Main components of State's non-tax revenue during 2019-24

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	
					Budget Estimates	Actuals
Interest receipts	2,331.15	847.64	991.90	1,267.63	1,200.00	2,702.67
Non-ferrous mining and metallurgical industries	4,147.91	2,906.79	4,321.37	5,859.32	5,200.00	5,815.22
Major and medium irrigation projects	1,365.02	1,644.26	1,707.14	1,796.75	2,140.00	2,093.28
Ports and light houses	1,361.26	1,263.75	1,308.61	1,441.06	1,465.00	1,477.45

⁵ Figures do not tally with the closing balance of previous year because the same have been updated by the Department.

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	
					Budget Estimates	Actuals
Medical and public health	1,473.06	342.46	1,601.17	584.42	470.00	265.95
Police	467.53	484.43	490.80	392.21	570.00	587.39
Dividends & profits	89.00	131.04	134.25	97.43	140.00	757.17
Others	6,869.22	2,872.29	3,463.02	6,994.79	5,827.60	10,008.62
Non-tax revenue	18,104.15	10,492.66	14,018.26	18,433.61	17,012.60	23,707.75
Non-tax revenue as a percentage of GSDP	1.12	0.65	0.73	0.83	0.66	0.96
Non-tax revenue as a percentage of RR	12.67	8.19	8.40	9.24	8.19	10.64

Source: Finance Accounts of the State Government for the respective years and Budget Publication No.1 of the Government of Gujarat for 2023-24.

The non-tax revenue ranged between *8.19 per cent* and *12.67 per cent* of revenue receipts of the State during the last five years and increased by ₹ 5,274.14 crore (*28.61 per cent*) during 2023-24 over the previous year. The increase in non-tax revenue in 2023-24 over previous year was mainly due to increase in Interest Receipts by ₹ 1,435.04 crore; Dividends and Profits by ₹ 659.74 crore; Major and medium irrigation projects by ₹ 296.53 crore and Others (Education, Sports, Art and Culture by ₹ 572.43 crore; Non-conventional sources of energy by ₹ 1,130.14 crore; and Other Rural Development Programmes by ₹ 403.06 crore).

Unutilised balances of previous years incorrectly credited as revenue receipts

Section 3.10 of List of Major and Minor Heads of Accounts stipulates that ‘recoveries of overpayments’, whether made in cash or by short-drawl from a bill, during the same financial year in which such overpayments were made, shall be recorded as ‘reduction of expenditure’ under the concerned Service Heads. The Section also prescribes that recoveries of overpayments pertaining to previous year(s) shall be recorded under distinct Minor Head ‘Deduct-Recoveries of Overpayments’ (code ‘911’) below the concerned Major Head of account.

Further, Government Accounting Rules, 1990 also provides that ‘recoveries of overpayments’ whether made in cash or by deduction from payment vouchers shall always be taken as ‘reduction of expenditure’ under the appropriate expenditure head concerned, irrespective of the year to which such recoveries relate.

Audit randomly test-checked (July 2023) 29 receipt challans aggregating ₹ 322.65 crore, which were credited to Government Accounts as revenue receipts during 2023-24. Of the 29 receipt challans aggregating ₹ 322.65 crore, 12 receipt challans valuing ₹ 236.16 crore, representing unutilised amounts of previous years, was irregularly credited into Government Accounts as revenue

receipts during 2023-24, instead of ‘reduction of expenditure’ under the concerned Service Heads.

The system to be followed for correct booking of unutilised balances is under deliberation between the Office of Accountant General (A&E) and the Finance Department. It is pertinent to mention that erroneous booking of unutilised balances in the Government Accounts as receipts persisted, despite being pointed out in the previous State Finances Audit Reports of Government of Gujarat for the year ended 31 March 2022 and 31 March 2023.

2.3.2.3 Transfers from Centre

The two main components of transfers from the GoI are central tax transfers (*i.e.*, State’s share in union taxes and duties) and grants-in-aid. A trend analysis of transfers from the centre during the last five years (2019-24) is shown in **Table 2.9**.

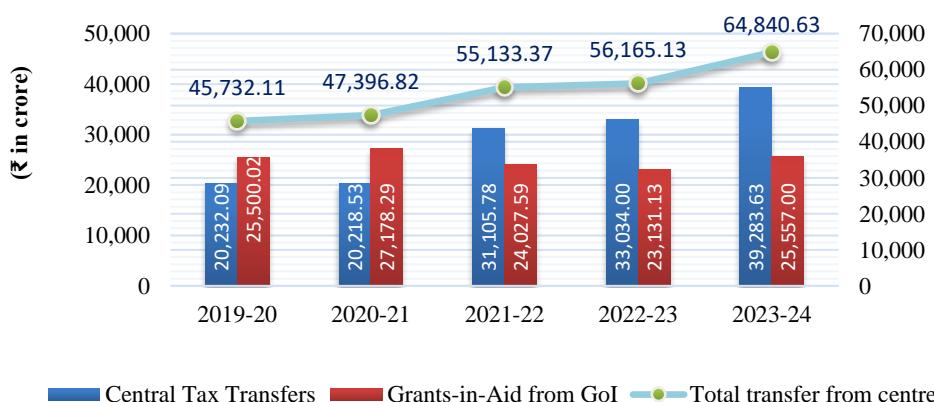
Table 2.9: Transfers from Centre

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in crore)
Central Tax Transfers	20,232.09	20,218.53	31,105.78	33,034.00	39,283.63	
Grants-in-Aid	25,500.02	27,178.29	24,027.59	23,131.13	25,557.00	
Total	45,732.11	47,396.82	55,133.37	56,165.13	64,840.63	
Percentage increase over previous year	7.65	3.64	16.32	1.87	15.45	
Total transfers from Centre as percentage of revenue receipts	32.02	36.98	33.05	28.17	29.11	

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

The transfers from centre increased by 41.78 *per cent* from ₹ 45,732.11 crore in 2019-20 to ₹ 64,840.63 crore in 2023-24. The percentage increase over the previous year was least at 1.87 *per cent* in 2022-23 and maximum at 16.32 *per cent* in 2021-22 during the five-year period.

Chart 2.7: Trends in transfers from Centre



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

Central tax transfers

The Fourteenth Finance Commission (14th FC) had recommended that the States' share of central taxes is to be increased to *42 per cent* from the *32 per cent* as recommended by the Thirteenth Finance Commission (13th FC). As per the Fifteenth Finance Commission (15th FC) for the year 2020-21 and 2021-22 to 2025-26, the States' share of central taxes was fixed at *41 per cent* of tax revenue of Union Government.

Gujarat's share in the net proceeds of central tax and service tax was fixed at *3.084 per cent* and *3.172 per cent* respectively by the 14th FC for the award period 2015-20. The State's share in the net proceeds of central tax was fixed at *3.398 per cent* during 2020-21 and *3.478 per cent* for the period 2021-24.

Actual devolution *vis-à-vis* Finance Commissions' projections for the period 2010-24 is shown in **Table 2.10**.

Table 2.10: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections

Year	Finance Commission projections	Projections in Finance Commission Report	Actual tax devolution	(₹ in crore)
1	2	3	4	5= 4-3
2010-11	Other than Service tax- <i>3.041 per cent</i> & Service tax- <i>3.089 per cent</i> (13 th FC)	6,201	6,679	478
2011-12		7,273	7,780	507
2012-13		8,578	8,869	291
2013-14		10,119	9,702	(-417)
2014-15		11,936	10,296	(-1,640)
2015-16	Other than Service tax- <i>3.084 per cent</i> & Service tax- <i>3.172 per cent</i> (14 th FC)	17,960	15,691	(-2,269)
2016-17		20,728	18,835	(-1,893)
2017-18		23,953	20,782	(-3,171)
2018-19		27,712	23,489	(-4,223)
2019-20		32,100	20,232	(-11,868)
2020-21	<i>3.398 per cent</i> (15 th FC for 2020-21)	29,059	20,219	(-8,840)
2021-22	<i>3.478 per cent</i> (15 th FC for 2021-26)	22,906	31,106	8,200
2022-23		25,481	33,034	7,553
2023-24		28,672	39,284	10,612

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

From the above, it may be seen that devolution during the first three years of 15th FC for 2021-26 have been more than the projections.

The main components of central tax transfers during 2019-24 are shown in **Table 2.11**.

Table 2.11: Components of central tax transfers

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in crore) Percentage change over previous year
Direct Taxes						
Corporation Tax	6,898.37	6,083.86	9,242.59	11,079.34	11,791.15	6.42
Taxes on income other than Corporation Tax	5,405.35	6,235.13	9,158.49	10,810.28	13,617.32	25.97
Taxes on Wealth	0.30	0.00	1.90	0.00	0.00	NA
Sub-total	12,304.02	12,318.99	18,402.98	21,889.62	25,408.47	16.08
Indirect Taxes						
Central Goods and Services Tax	5,741.16	6,030.60	8,815.20	9,332.69	11,922.14	27.75
Integrated Goods and Services Tax	0.00	0.00	0.00	0.00	0.00	NA
Customs	1,282.45	1,088.95	2,243.09	1,298.32	1,376.65	6.03
Union Excise	891.64	681.76	1,229.22	407.36	520.95	27.88
Service Tax	0.00	84.49	384.47	51.65	7.33	(-)85.81
Others	12.82	13.74	30.82	54.36	48.09	(-)11.53
Sub-total	7,928.07	7,899.54	12,702.80	11,144.38	13,875.16	24.50
Total	20,232.09	20,218.53	31,105.78	33,034.00	39,283.63	18.92
Percentage increase over the previous year	(-)13.87	(-)0.07	53.85	6.20	18.92	
Central tax transfers as percentage of revenue receipts	14.16	15.78	18.65	16.57	17.63	

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

The central tax transfers at ₹ 39,283.63 crore in 2023-24 registered an increase of 18.92 *per cent* over the previous year. Direct taxes increased by 16.08 *per cent* while Indirect taxes increased by 24.50 *per cent* over the previous year. The devolution was more than last year in Corporation Tax; Taxes on income other than Corporation Tax; Customs; Union Excise; and Central Goods and Services Tax.

Grants-in-Aid from GoI

The components of grants-in-aid received from GoI during 2019-24 are shown in **Table 2.12**.

Table 2.12: Grants-in-Aid from GoI

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in crore)
Centrally Sponsored Schemes	8,724.64	8,166.58	9,450.08	9,549.86	9,468.25	
Finance Commission grants	5,040.24	5,672.50	4,002.42	5,304.63	5,257.89	
Other grants (including GST compensation)	11,735.14	13,339.21	10,575.09	8,276.64	10,830.86	
Total	25,500.02	27,178.29	24,027.59	23,131.13	25,557.00	
Percentage increase over previous year	34.26	6.58	(-)11.59	(-)3.73	10.49	
Total grants-in-aid as percentage of revenue receipts	17.85	21.21	14.40	11.60	11.47	

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

The grants-in-aid from GoI increased from ₹ 25,500.02 crore in 2019-20 to ₹ 27,178.29 crore in 2020-21 but decreased thereafter to ₹ 23,131.13 crore in 2022-23. Then, it increased to ₹ 25,557 crore in 2023-24.

The grants-in-aid from GoI in 2023-24 increased by ₹ 2,425.87 crore (10.49 *per cent*) over the previous year. The increase was mainly due to more receipts of grants under Other grants (including GST compensation).

Grants for Centrally Sponsored Schemes

Out of the grants of ₹ 9,468.25 crore received for centrally sponsored schemes during 2023-24, the major amounts were given to:

- Samagra Shiksha - ₹ 1,132.53 crore (₹ 1,321.25 crore in 2022-23)
- Saksham Anganwadi and Poshan 2.0 - ₹ 1,126.80 crore (₹ 912.64 crore in 2022-23)
- National Health Programme and National Urban Health Mission - ₹ 926.97 crore (₹ 901.72 crore in 2022-23)
- Mahatma Gandhi National Rural Guarantee Programme - ₹ 800.81 crore (₹ 683.57 crore in 2022-23)
- Pradhan Mantri Awas Yojna (PMAY) Urban - ₹ 662.85 crore (₹ 495.92 crore in 2022-23)
- Pradhan Mantri Awas Yojna (PMAY) Rural- ₹ 559.25 crore (₹ 911.74 crore in 2022-23)

Single Nodal Agency

Ministry of Finance, Government of India vide letter No. 1(13)PFMS/FCD/2020 dated 23-03-2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through Single Nodal Agency (SNA). For each CSS, a separate SNA has been set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share within 30 days of receipt of Central share. In case of delay beyond 30 days in transfer of Central share to SNA, interest on the number of days delayed at the rate of 7 *per cent per annum* has to be paid by the State Government with effect from 01 April 2023.

The State Government received ₹ 9,289.06 crore being Central share during the year (2023-24) in its Treasury Accounts. As on 31 March 2024, the State Government transferred Central share of ₹ 10,653.23 crore (including previous year amount) and State share of ₹ 10,795.33 crore to the SNAs (including an additional release of ₹ 349.12 crore of State Top up share). Detailed vouchers and supporting documents of actual expenditure were not received by AG office from the SNAs. As per SNA's Report, ₹ 7,742.71 crore are lying unspent in the bank accounts of SNAs as on 31 March 2024.

Fifteenth Finance Commission Grants

The 15th FC recommended transfers of funds to the States in respect of four types of grants-in-aid *viz.*, empowering local bodies; disaster risk management; post-devolution revenue deficit and special grants; and grant for health sector. During 2023-24, Government of Gujarat received three types of grants from GoI. Being a revenue surplus State, the State Government was not eligible for post-devolution revenue deficit and special grants. Against the recommendation of ₹ 5,867 crore for the other three grants made by 15th FC, the State Government received ₹ 3,334 crore in the year 2023-24.

The details of amounts recommended by the 15th FC *vis-à-vis* received during 2023-24 are shown in **Table 2.13**.

Table 2.13: Details of amounts recommended by the 15th FC *vis-à-vis* received by the State Government

Name of Grant	Recommendation of 15 th FC	Actual release by GoI	Release by State Government	(₹ in crore)
				2023-24
Grants for Local Bodies	3,747.00	2,750.42	2,750.42	(-)996.58
Grants to Panchayat, Rural Housing and Rural Development Department	2,473.00	2,473.00	2,473.00	0.00
(a) General Basic (Untied) Grant (PRIs)	989.20	989.20	989.20	0.00
(b) Tied Grants (PRIs)	1,483.80	1,483.80	1,483.80	0.00
Grants to Urban Development and Urban Housing Department	1,274.00	277.42	277.42	(-)996.58
(a) Million plus cities- Air Quality Grant	223.00	277.42	277.42	(+) 54.42
(b) Million plus cities- Service Level Benchmark Grant	448.00	0.00	0.00	(-)448.00
(c) Other than Million plus cities- Basic Grant (40%)	361.80	0.00	0.00	(-)361.80
(d) Other than Million plus cities- Tied Grant (60%) 30% for Sanitation Solid Waste Management grant and 30% for Drinking Water (including rainwater harvesting and recycling) grant	241.20	0.00	0.00	(-)241.20

Name of Grant	Recommendation of 15 th FC	Actual release by GoI	Release by State Government	Difference between the amount recommended by 15 th FC and that released by GoI
	2023-24	2023-24	2023-24	2023-24
Grants to Revenue Department	876.00	0.00	0.00	(-)876.00
(a) State Disaster Relief Fund- Central Share	584.00	0.00	0.00	(-)584.00
(b) State Disaster Mitigation Fund – Central Share	292.00	0.00	0.00	(-)292.00
Grants to Health and Family Welfare Department	660.05	0.00	0.00	(-)660.05
(a) Support for diagnostic infrastructure to the primary healthcare facilities-sub centres	70.87	0.00	0.00	(-)70.87
(b) Support for diagnostic infrastructure to the primary healthcare facilities-PHCs	75.48	0.00	0.00	(-)75.48
(c) Financial requirement for establishing block Level Public Health Units	31.33	0.00	0.00	(-)31.33
(d) Grants for Building less Sub- centres, PHCs, CHCs	190.40	0.00	0.00	(-)190.40
(e) Financial requirement for Conversion of Rural PHCs and SCs into Health and Wellness Centre	0.00	0.00	0.00	0.00
(f) Support for diagnostic infrastructure to the primary healthcare facilities-UPHCs	73.94	0.00	0.00	(-)73.94
(g) Grants for Urban Health and Wellness Centres (UHWCS)	218.03	0.00	0.00	(-)218.03
Grand Total	5,867.05	3,334.42	3,334.42	(-)2,532.63

Source: Finance Department of Government of Gujarat.

It may be seen from the table that the State Government had not received grants recommended by 15th FC under State Disaster Relief Fund; State Disaster Mitigation Fund; Million plus cities- Service Level Benchmark Grant; Other than Million plus cities- Basic Grant (40%); Other than Million plus cities- Tied Grant; and Grants to Health and Family Welfare Department. However, it

received ₹ 54.42 crore more than the 15th FC recommended funds under the Million Plus Cities-Air Quality Grant.

Health and Family Welfare Department stated (August 2024) that receipts were less because the expenditure criteria was not fulfilled in previous years.

Revenue Department stated (August 2024) that Utilisation certificate (UC) for previous year was sent on 28 December 2023 with proposal for release of instalment of current year.

Urban Development and Urban Housing Department stated (September 2024) that under ‘Other than Million Plus cities – Basic as well as Tied Grant’, Utilisation Certificates received from all the urban local bodies for 2022-23, Audited statement for year 2021-22 alongwith Provisional Income Expenditure Statement, Balance Sheet and Cashflow Statement for 2022-23 was uploaded on the portal but grant was not received.

State Finance Commission

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

Status of constitution of Finance Commissions, recommendations made by them and recommendations accepted and implemented by the Government of Gujarat are shown in **Table 2.14**.

Table 2.14: Status of constitution of SFCs, recommendations made by them and recommendations accepted and implemented by Government of Gujarat

Departments	SFC	Year of constitution	Number of recommendations		
			Made by SFC	Accepted by State Government	Implemented by State Government
Panchayat, Rural Housing and Rural Development	First	1994	52	27	27
	Second	2003	41	21	21
	Third	2011	33	22	13
Urban development and Urban Housing	First	1994	64	53	34
	Second	2003	42	20	14
	Third	2011	37	25	02

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

The Action Taken Report (ATR) on the third SFC recommendations (December 2013) was placed before the State Legislature on 31 March 2021. Reasons for non-implementation of accepted recommendations have not been provided. The Fourth State Finance Commission was constituted by the State Government on 04 November 2024. The recommendations are yet to be made by the Commission (January 2025).

2.3.3 Capital Receipts

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

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

Table 2.15: Trends in growth and composition of net capital receipts

Sources of State's capital receipts	2019-20	2020-21	2021-22	2022-23	(₹ in crore) 2023-24
Capital receipts	43,927	68,981	47,123	52,587	41,768
Public debt receipts	43,491	58,857	46,968	52,333	40,392
Public debt repayment	16,702	17,922	24,436	22,159	26,136
Net Public Debt Receipts	26,789	40,935	22,532	30,174	14,256
Miscellaneous capital receipts	106	9,968	0	0	0
Recovery of loans and advances	330	155	155	254	1,376
Non-debt capital receipts	436	10,124	155	254	1,376
Net capital receipts	27,225	51,059	22,687	30,428	15,632
Net increase in internal debt	26,786	30,369	9,775	25,472	9,942
Growth rate of Net internal debt (<i>per cent</i>)	2.12	13.38	(-)67.81	160.58	(-)60.97
Net increase in loans and advances from GoI	3	10,566	12,757	4,702	4,314
Growth rate (<i>per cent</i>)	(-)99.80	- ⁶	20.74	(-) 63.14	(-)8.25
Rate of growth of debt capital receipts (<i>per cent</i>)	(-)3.34	52.81	(-)44.96	33.92	(-)22.82
Rate of growth of non-debt capital receipts (<i>per cent</i>)	101.85	- ⁶	(-)98.47	63.87	441.73
Rate of growth of GSDP (<i>per cent</i>)	8.38	(-)0.06	19.34	15.65	10.48
Rate of growth of net capital receipts (<i>per cent</i>)	(-)2.52	87.54	(-)55.57	34.12	(-)48.63

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

The capital receipts in 2023-24 decreased by ₹ 10,819 crore (20.57 *per cent*) over the previous year. The Public debt receipts decreased by ₹ 11,941 crore (22.82 *per cent*) over the previous year mainly due to less receipts of market loans. The Public debt repayments increased by ₹ 3,977 crore (17.95 *per cent*) over the previous year.

⁶ Due to abnormal increase (variation) in Miscellaneous capital receipts and Net loans and advances from GoI as compared to previous year, the growth rate in percentage terms has not been shown here.

2.3.4 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax revenue during 2023-24.

Table 2.16: Tax and non-tax receipts *vis-à-vis* projections for 2023-24

	Budget estimates	15thFC projections	Actual	(₹ in crore)	
				Percentage variation of actual over	
	Budget estimates	15 th FC projections	Actual	Budget estimates	15 th FC projections
Own Tax revenue	1,38,848	1,03,317	1,34,214	(-3.34	29.91
Non-tax revenue	17,013	18,360	23,708	39.35	29.13

Source: Finance Accounts of the State Government for 2023-24, 15th FC Report for 2021-26 and Budget Publication No.1 of the Government of Gujarat for the year 2023-24.

As can be seen, the State Government has achieved the targets for both own tax revenue as well as non-tax revenue set in the 15th FC, however targets set in the budget estimates could be achieved only in case of non-tax revenue.

2.4 Application of Resources

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

2.4.1 Growth and composition of expenditure

Revenue expenditure: Charges on maintenance, repair, upkeep and working expenses which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

Capital expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while it was not opened for service and charges for such further additions and improvements as may be sanctioned under the rules made by the competent authority shall be classified as capital expenditure.

Loans and advances: Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

The total expenditure, its composition and relative share in GSDP during the last five years (2019-24) is presented in **Table 2.17**.

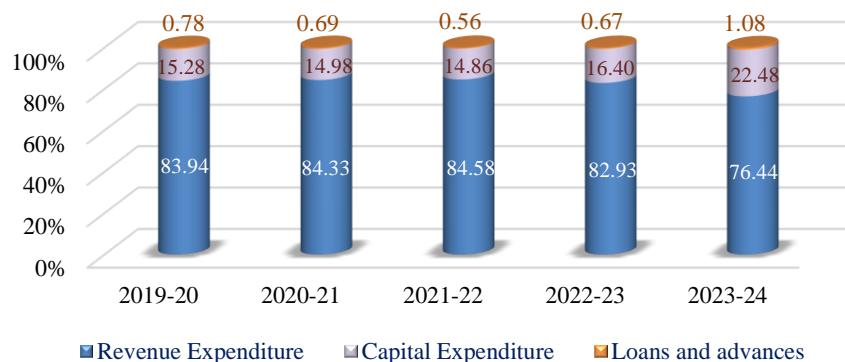
Table 2.17: Total expenditure and its composition

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in crore)
Total expenditure (TE)	1,67,861	1,78,718	1,89,677	2,16,508	2,47,632	
Revenue expenditure (RE)	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286	
Capital expenditure (CE)	25,650	26,781	28,185	35,499	55,679	
Loans and advances	1,312	1,233	1,071	1,466	2,667	
As a percentage of GSDP						
TE/GSDP	10.38	11.06	9.83	9.71	10.05	
RE/GSDP	8.71	9.33	8.32	8.05	7.68	
CE/GSDP	1.59	1.66	1.46	1.59	2.26	
Loans and advances/GSDP	0.08	0.08	0.06	0.07	0.11	

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

Table 2.17 shows that total expenditure of the State increased by *47.52 per cent* from ₹ 1,67,861 crore in 2019-20 to ₹ 2,47,632 crore in 2023-24. During the year 2023-24, it increased by *14.38 per cent* over the previous year. As percentage of GSDP, total expenditure remained the lowest at *9.71 per cent* in 2022-23 during the five-year period (2019-24). Revenue expenditure as percentage of GSDP decreased from *8.71 per cent* in 2019-20 to *7.68 per cent* in 2023-24.

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

Chart 2.8: Trend in share of components of total expenditure

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

The above charts indicate that revenue expenditure was a major component of total expenditure during 2019-24. Revenue expenditure constituted 76.44 *per cent* of the total expenditure in 2023-24. Share of capital expenditure in total expenditure increased from 14.86 *per cent* in 2021-22 to 22.48 *per cent* in 2023-24.

Trends in total expenditure in terms of activities namely, general services, social services, economic services, grants-in-aid and loans and advances during 2019-24 are as shown in **Table 2.18**.

Table 2.18: Trends in total expenditure in terms of activities

Activities	(Share in per cent)				
2019-20	2020-21	2021-22	2022-23	2023-24	
General services	29.71	29.41	30.04	28.68	27.40
Social services	38.94	37.97	40.40	40.61	40.77
Economic services	30.32	31.71	28.78	29.81	30.53
Loans and advances	0.78	0.69	0.56	0.68	1.08
Grants-in-aid and contributions to local bodies & PRIs	0.25	0.22	0.22	0.22	0.22

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

The movement of the relative share of general, social and economic services exhibited stability during 2019-24, with marginal inter-year variations. As compared to 2019-20, the share of social services increased by 1.83 *per cent* while during the same period the share of general services decreased by 2.31 *per cent*.

2.4.2 Revenue Expenditure

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

The overall revenue expenditure, its rate of growth, its ratio to total expenditure and buoyancy *vis-à-vis* GSDP and revenue receipts during 2019-24 are as indicated in **Table 2.19**.

Table 2.19: Trends of revenue expenditure

	2019-20	2020-21	2021-22	2022-23	2023-24
Total expenditure (TE) (₹ in crore)	1,67,861	1,78,718	1,89,677	2,16,508	2,47,632
Revenue expenditure (RE) (₹ in crore)	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286
Growth of RE over previous year (<i>per cent</i>)	6.11	6.96	6.45	11.92	5.43
RE/TE (<i>per cent</i>)	83.94	84.33	84.58	82.93	76.44
RE/GSDP (<i>per cent</i>)	8.71	9.33	8.32	8.05	7.68
RE/RR (<i>per cent</i>)	98.64	117.59	96.16	90.04	84.97
Buoyancy of revenue expenditure with					
GSDP	0.73	-*	0.33	0.77	0.52
Revenue receipts	1.21	-*	0.21	0.61	0.46

Source: Finance Accounts of State Government of respective years.

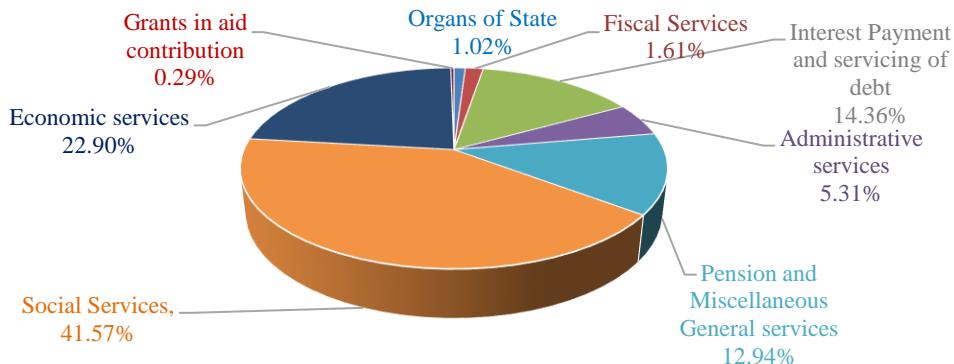
* GSDP and Revenue receipts growth in 2020-21 being negative, buoyancy cannot be calculated.

Revenue expenditure increased continuously from ₹ 1,40,899 crore in 2019-20 to ₹ 1,89,286 crore in 2023-24, with an increase of ₹ 9,743 crore (5.43 *per cent*) during 2023-24 over the previous year. The increase in revenue expenditure in 2023-24 over the previous year was mainly on account of more expenditure on Industries by ₹ 2,193.72 crore; Pensions and Other Retirement Benefits by ₹ 1,936.14 crore; General Education by ₹ 1,845.63 crore; Interest payments by ₹ 1,821.95 crore and Crop Husbandry by ₹ 1,585.52 crore.

In the year 2023-24, revenue expenditure as a percentage of GSDP was 7.68 *per cent* and as percentage of revenue receipts was at 84.97 *per cent* which were the lowest during the period 2019-24.

The sector-wise distribution of revenue expenditure during 2023-24 is shown in **Chart 2.9**.

Chart 2.9: Sector-wise distribution of revenue expenditure during 2023-24 (in *per cent*)



Source: Finance Accounts of State Government for 2023-24.

2.4.2.1 Major changes in revenue expenditure

Table 2.20 details the significant variations under various Heads of Account regarding revenue expenditure of the State during the current year and the previous year.

Table 2.20: Variations in revenue expenditure during 2023-24 compared to 2022-23

Major Heads of Account	2022-23	2023-24	(₹ in crore)	
			Variation	
			Amount	Per cent
2852- Industries	2,637.02	4,830.74	2,193.72	83.19
2071-Pensions and Other Retirement Benefits	22,435.20	24,371.35	1,936.15	8.63
2202- General Education	30,656.04	32,501.67	1,845.63	6.02
2049-Interest Payments	25,353.68	27,175.63	1,821.95	7.19
2401-Crop Husbandry	1,946.64	3,532.17	1,585.53	81.45
2211- Family Welfare	2,977.96	4,412.39	1,434.43	48.17
2236- Nutrition	3,793.19	5,198.66	1,405.47	37.05
2055- Police	5,893.43	7,070.93	1,177.50	19.98
2210- Medical and Public Health	8,501.49	9,465.71	964.22	11.34
2702-Minor Irrigation	983.93	1,828.32	844.39	85.82
2216- Housing	2,535.66	3,331.92	796.26	31.40
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	4,917.18	5,711.03	793.85	16.14
2235-Social Security and Welfare	4,237.92	4,744.37	506.45	11.95
3055- Road Transport	1,673.25	1,151.16	(-)522.09	(-)31.20
2801-Power	12,028.55	10,344.85	(-)1,683.70	(-)14.00

Major Heads of Account	2022-23	2023-24	Variation	
			Amount	Per cent
2515-Other Rural Development Programmes	5,065.16	2,804.75	(-)2,260.41	(-)44.63
2217- Urban Development	12,051.04	7,113.43	(-)4,937.61	(-)40.97

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

The table indicates that revenue expenditure under Major Heads of Account relating to Minor Irrigation; Industries; Crop Husbandry; Family Welfare; Pensions and other retirement benefits; General Education; and Interest Payments increased significantly during the year as compared to the corresponding expenditure in previous year. The increase was primarily due to the increase in expenditure on Diversion schemes in respect of surface water and subsidy scheme in respect of ground water (under Minor Irrigation); Telecommunication and Electronic industries (under Industries); Plant protection, Crop insurance, Horticulture and vegetable crops (under Crop Husbandry); maternity and child health (under Family Welfare); Superannuation and Retirement Allowances (under Pensions and other retirement benefits); Secondary education (under General Education) and Interest payment on loans and advances from Government of India (under Interest Payment), respectively. On the other hand, Power; Other Rural Development Programme and Urban Development recorded a decrease in revenue expenditure during 2023-24 compared to the previous year due to decrease in assistance to Electricity boards; expenditure on Community development; and Assistance to Municipal Corporations respectively.

2.4.2.2 Committed Expenditure

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

Apart from the above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as capital expenditure *etc.* For example, the following items may be considered as inflexible expenditure:

- i. Devolution to local bodies: statutory devolutions to local bodies for pay and allowances (devolution / transfer for capital expenditure).
- ii. Statutory requirements of contribution to Reserve Funds-Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation / Response Fund (SDMF/SDRF), *etc.*
- iii. Recoupment of Contingency Fund – Amount recouped within the year.
- iv. Transfer of cess to reserve fund / other body, which are statutorily required.
- v. Share contribution of CSS against the Central Fund received – Amount of State share to be transferred to SNAs / spent by the State.
- vi. Payment of interest on the balances of the interest-bearing fund as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment.

Table 2.21 presents the trend of committed expenditure and its components during 2019-20 to 2023-24.

**Table 2.21: Trend of committed and inflexible expenditure and its components
(₹ in crore)**

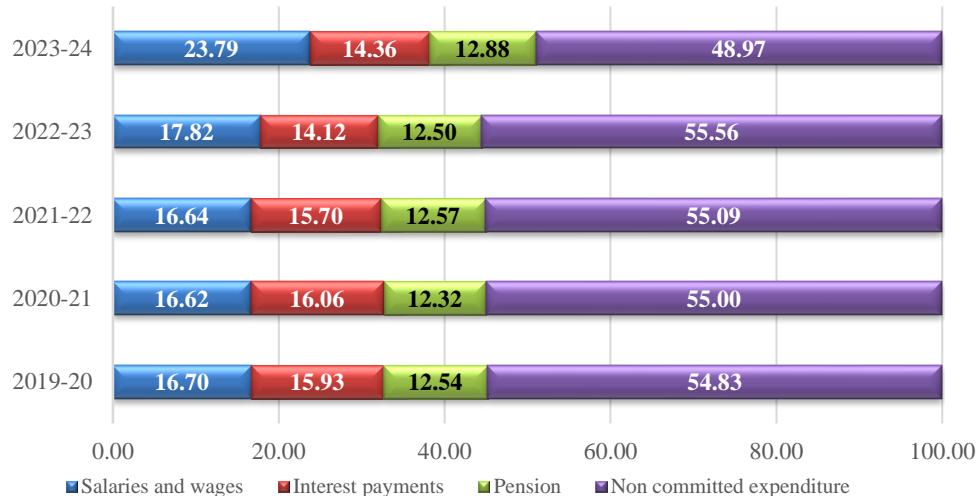
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Components of Committed Expenditure					
Salaries and wages ⁷	23,536	25,046	26,694	31,995	45,035
Interest payments	22,449	24,203	25,188	25,354	27,176
Pension	17,663	18,570	20,160	22,435	24,371
Total committed expenditure	63,648	67,819	72,042	79,784	96,582
Components of Inflexible Expenditure					
Statutory devolution to local bodies (Central Share)	3,990	4,157	2,334	4,003	2,564
Statutory devolution to local bodies (State Share)	0	0	0	0	0
Contribution to Reserve Funds	1,264	1,765	3,912	3,521	3,705
Recoupment of Contingency Fund	55	39	62	115	84
Transfer of cess to reserve fund / other body	165	116	210	206	311
Share contribution of CSS against the Central Fund received (Central Share)	14,276	15,471	15,579	14,081	11,280
Share contribution of CSS against the Central Fund received (State Share)	6,274	7,200	7,563	6,045	8,493
Payment of interest on the balances of the interest-bearing fund as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment	115	138	45	68	264
Total Inflexible Expenditure	26,139	28,886	29,705	28,039	26,701
Committed Expenditure as a percentage of Revenue Receipts (RR)					
Revenue Receipts	1,42,844	1,28,156	1,66,830	1,99,408	2,22,763
Salaries and wages	16.48	19.54	16.00	16.04	20.22
Interest payments	15.72	18.89	15.10	12.71	12.20
Pension	12.37	14.49	12.08	11.25	10.94
Total Committed Expenditure as a percentage of RR	44.56	52.92	43.18	40.01	43.36
Total Inflexible Expenditure as a percentage of RR	18.30	22.54	17.81	14.06	11.99
Committed Expenditure as a percentage of Revenue Expenditure (RE)					
Revenue Expenditure	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286
Salaries and wages	16.70	16.62	16.64	17.82	23.79
Interest payments	15.93	16.06	15.70	14.12	14.36
Pension	12.54	12.32	12.57	12.50	12.88
Total Committed Expenditure as a percentage of RE	45.17	45.00	44.91	44.44	51.03
Total Inflexible Expenditure as a percentage of RE	18.55	19.17	18.52	15.62	14.11
Non-committed RE	77,251	82,885	88,379	99,759	92,704
<i>Percentage of RE</i>	54.83	55.00	55.09	55.56	48.97
<i>Percentage of TE</i>	46.02	46.38	46.59	46.08	37.44

⁷ It includes Grants-in-aid to Panchayats for pay and allowances.

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies	18,420	22,141	22,335	25,749	28,033
Subsidies as <i>percentage</i> of non-committed expenditure	23.84	26.71	25.27	25.81	30.24

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

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



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

As percentage of revenue expenditure, committed expenditure remained between 44 and 51 *per cent* during 2019-24. As percentage of revenue receipts, committed expenditure decreased marginally from 44.56 *per cent* in 2019-20 to 43.36 *per cent* in 2023-24.

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

Salaries and wages

Expenditure on salaries and wages, which includes Grants-in-aid to Panchayats for pay and allowances, increased by ₹ 21,499 crore (91.34 *per cent*) from ₹ 23,536 crore in 2019-20 to ₹ 45,035 crore in 2023-24. It accounted for 20.22 *per cent* of revenue receipts and 23.79 *per cent* of revenue expenditure during 2023-24.

Interest payments

Interest payments increased by ₹ 4,727 crore (21.06 *per cent*) from ₹ 22,449 crore in 2019-20 to ₹ 27,176 crore in 2023-24. During 2023-24, interest payments on market loans stood at 78.40 *per cent* of the total interest payments while interest payments on special securities issued to National Small Savings Fund accounted for 8.80 *per cent* of the total interest payments. As a percentage of the revenue receipts, expenditure on interest payments decreased from 12.71 *per cent* in 2022-23 to 12.20 *per cent* in 2023-24. Also, the share of interest payment in revenue expenditure increased marginally from 14.12 *per cent* in 2022-23 to 14.36 *per cent* in 2023-24.

Pension payments

There were 5.13 lakh pensioners⁸ in Gujarat State (February 2023). Expenditure on pension continuously increased during 2019-24.

In its disclosures made under Gujarat Fiscal Responsibility Act, 2005, the State Government estimated (February 2023) the pension payments as percentage of revenue receipts at 12.03 *per cent* for 2023-24. However, it stood lower at 10.94 *per cent* during the year. The pension payments as percentage of revenue expenditure accounted for 12.88 *per cent* of revenue expenditure during 2023-24.

Inflexible expenditure

The component of inflexible expenditure of statutory devolution to local bodies showed an increase during the period 2019-20 to 2021-22 but decreased by ₹ 1,338 crore (4.77 *per cent*) during 2023-24 over previous year. As a percentage of revenue receipts, the inflexible expenditure decreased from 14.06 *per cent* to 11.99 *per cent* during 2023-24 over previous year. As a percentage of revenue expenditure, the inflexible expenditure decreased from 15.62 *per cent* to 14.11 *per cent* during 2023-24 over previous year.

2.4.2.3 Undischarged liabilities under National Pension System

The State Government introduced the ‘Defined Contribution Pension Scheme (National Pension System)’ with effect from 01 April 2005. As per the guidelines of the Scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance every month which is matched by the State Government and the entire amount is transferred to the designated fund manager through National Securities Depository Limited (NSDL)/Trustee Bank. The scheme was modified by the State Government with effect from 1 November 2022, wherein, the State Government contributed matching share of 10, 12 or 14 *per cent* based on the option to contribute 10, 12 or 14 *per cent* share as exercised by the employee. This was further modified with effect from 01 March 2024, where employees contribute 10 *per cent* and State Government contributes 14 *per cent*. The State Government signed (January 2009) agreements with the NPS trust for fund management of the Scheme and adopted (May 2009) the Central framework for implementation of the Scheme.

The employees’ contribution and the State share is credited to the Public Account⁹ and then transferred to the NSDL. During the year 2023-24, the State Government collected ₹ 1,651.28 crore as employees’ contribution and contributed ₹ 1,639.98 crore as employer’s contribution towards the Scheme. The State Government’s employer contribution was less by ₹ 11.30 crore which resulted in understatement of Revenue Expenditure to that extent. The Government also collected ₹ 13.69 crore as employees’ contribution from the

⁸ As per Fiscal Policy Strategy Statement under Gujarat Fiscal Responsibility Act, 2005 for 2023-24 (February 2023), there were 5.13 lakh pensioners in the State. These are pensioners of Gujarat Government and aided institutions and do not include Social Security Pensioners.

⁹ Major Head 8342-117 (Other Deposits- Defined Contribution Pension Scheme for Government Employees)

State Government employees on foreign services. Their present employers also contributed ₹ 13.69 crore as employer's contribution. Further, the Government also transferred ₹ 60 lakh for late/delayed transfer of funds to be paid to NSDL. In addition, the Government also credited ₹ 9 lakh for payment of Family Pension/ Disability Pension (to be paid to the beneficiaries of the deceased employees). Against the above ₹ 3,319.33 crore, the Government transferred ₹ 3,318.91 crore to the Public Account after adjusting ₹ 42 lakh due to rectification of the misclassification of previous years. Further, against the total funds of ₹ 3,318.91 crore credited to the Public Account, the State Government transferred ₹ 3,308.00 crore to NSDL, leaving a balance of ₹ 41.63 crore. From this balance, ₹ 38.42 crore was transferred by May 2024 and balance was under reconciliation.

2.4.2.4 Expenditure on subsidies

The details of subsidies during the five-year period 2019-24 are given in **Table 2.22**.

Table 2.22: Expenditure trend of subsidies

Components of committed expenditure	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies	18,420	22,141	22,335	25,749	28,033
Total revenue receipts	1,42,844	1,28,156	1,66,830	1,99,408	2,22,763
Subsidies as a percentage of revenue receipts	<i>12.90</i>	<i>17.28</i>	<i>13.39</i>	<i>12.91</i>	<i>12.58</i>
Total revenue expenditure	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286
Subsidies as a percentage of revenue expenditure	<i>13.07</i>	<i>14.69</i>	<i>13.92</i>	<i>14.34</i>	<i>14.81</i>

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

Revenue Expenditure on subsidies increased by *8.87 per cent* from ₹ 25,749 crore in 2022-23 to ₹ 28,033 crore in 2023-24. The major beneficiary Departments of subsidies during 2023-24 were: Agriculture, Farmer's Welfare and Co-operation; Industries and Mines; Social Justice and Empowerment; Tribal; Ports and Transport; and Food, Civil Supplies and Consumer Affairs.

Agriculture, Farmer's Welfare and Co-operation Department received a subsidy of ₹ 11,706 crore during 2023-24 (*42 per cent* of total expenditure on subsidy). The major portion of this subsidy was on account of fuel price and power purchase adjustment charges (₹ 6,587 crore); compensation for GERC agriculture tariff (₹ 1,460 crore); financial assistance to farmers for subvention of interest (₹ 1,383 crore); and horsepower based tariff to agriculturists (₹ 1,100 crore).

In Industries and Mines Department, of the total subsidy of ₹ 5,835 crore received during 2023-24 (*21 per cent* of total expenditure on subsidy), ₹ 1,650 crore was for development of textile industry, ₹ 1,550 crore was given as assistance to large industries and ₹ 1,487 crore was given as assistance to industries.

Of ₹ 2,190 crore (8 *per cent* of total expenditure on subsidy) received as subsidy by Social Justice and Empowerment Department during 2023-24, ₹ 802 crore was given as assistance to Indira Gandhi Old age Pension Scheme.

The Gujarat State Road Transport Corporation was also given a subsidy of ₹ 1,149 crore in 2023-24 to compensate for operations in uneconomic routes, student concessions *etc.*

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

Financial assistance is provided by the State Government to local bodies and other institutions by way of grants-in-aid to meet expenses on pay and allowances, other miscellaneous expenses and creation of capital assets. The details of financial assistance given to Local bodies and other institutions during 2019-24 are given in **Table 2.23**.

Table 2.23: Trend of financial assistance to local bodies, NGOs and Others

Financial assistance to institutions	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in crore)
Panchayati raj institutions	22,034	24,323	24,388	33,655	33,156	
Urban local bodies	9,345	8,719	11,652	14,640	10,412	
Public sector undertakings	84	95	119	189	1,235	
Autonomous bodies	6,259	6,211	6,532	4,477	7,411	
Non-Governmental organisations	1,197	1,597	2,352	1,515	2,385	
Others	25,343	23,692	24,765	26,277	27,582	
Total	64,262	64,637	69,808	80,753	82,181	
GIA for Salary	12,235	13,151	14,482	17,917	28,440	
GIA for creation of Capital Assets	2,707	1,208	2,078	9,400	4,675	
GIA for non-salary	49,320	50,278	53,248	53,436	49,066	
GIA given in Kind	0	0	*	*	*	
Revenue Expenditure	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286	
Assistance as percentage of revenue expenditure	45.61	42.89	43.52	44.98	43.42	

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

*Information is awaited from State Government.

As can be seen from table above, financial assistance to local bodies and other institutions has continuously increased over the five-year period from ₹ 64,262 crore in 2019-20 to ₹ 82,181 crore in 2023-24.

The State Government received ₹ 2,473 crore and ₹ 1,243.99 crore as Finance Commission grants from Central Government during 2023-24 for onward transmission to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), respectively¹⁰. In addition, the PRIs also received ₹ 3,817.56 crore and ULBs ₹ 1,241.03 crore as other Central assistance. Besides these, the State Government also provided financial assistance of ₹ 28,189.59 crore to PRIs and

¹⁰ It includes ₹ 377.49 crore to ULBs relating to previous years' FC Grants.

₹ 7,755.97 crore to ULBs during 2023-24 from State Fund expenditure by way of Grants-in-aid.

Financial assistance given for Salary and for non-salary purpose has continuously increased over the five-year period, except for a dip in non-salary purpose during 2023-24. Moreover, share of financial assistance on salary, creation of capital assets, and for non-salary purpose during 2023-24 was 34.61 *per cent*, 5.69 *per cent* and 59.70 *per cent* respectively, with respect to the total financial assistance to local bodies and other institutions.

During 2023-24, major recipients of financial assistance were

- Maintenance Grant for Primary Education to Panchayat Samities (₹ 15,636.50 crore)
- Primary Health Centres in Zilla Parishads (₹ 859.31 crore)
- Additional Facility to Anganwadi Worker and Anganwadi Helper in Panchayat Samities (₹ 669.17 crore)
- Mukhya Mantri Gram Sadak Yojana (₹ 566.24 crore)
- Strengthening of PRIs tied grant 15th Finance Commission (₹ 558.76 crore)
- National Rural Employment Guarantee Scheme (₹ 550.22 crore)
- Incentive Grant to Municipal Corporations for Development Work (₹ 2,572.65 crore)
- Maintenance Grant for Primary Education to Municipal Corporations (₹ 1,818.14 crore)
- Upgradation of Standards of Administration recommended by Central Finance Commission to ULBs (₹ 1,134.29 crore)
- Grant-in-aid to Municipalities to Compensate for abolition of Octroi (₹ 468.42 crore)
- Facilities of Education for additional Students in Colleges to NGOs (₹ 1,521.60 crore)
- Grant-in-aid to the Gujarat Agricultural Universities (₹ 601.33 crore)

Further, grantee institutions under ‘Others’ category received substantial financial assistance from the State Government (about 35 *per cent*) during the last five years (2019-24). However, recording of grantee institutions *en masse* under ‘Others’ category together with absence of details of assets created with the concerned grant-releasing Departments of the State Government was a matter of concern, as it rendered such transactions opaque. In this regard, observations of Audit may kindly be referred to in **paragraph 4.4.1 (Chapter IV).**

2.4.3 Capital Expenditure

Capital expenditure is the money spent on the acquisition of assets like land, buildings, machinery, equipment, as well as investment in shares. The overall capital expenditure, its growth over previous year and its percentage to GSDP during the last five years (2019-24) are indicated in **Table 2.24.**

Table 2.24: Trend of Capital Expenditure during 2019-24

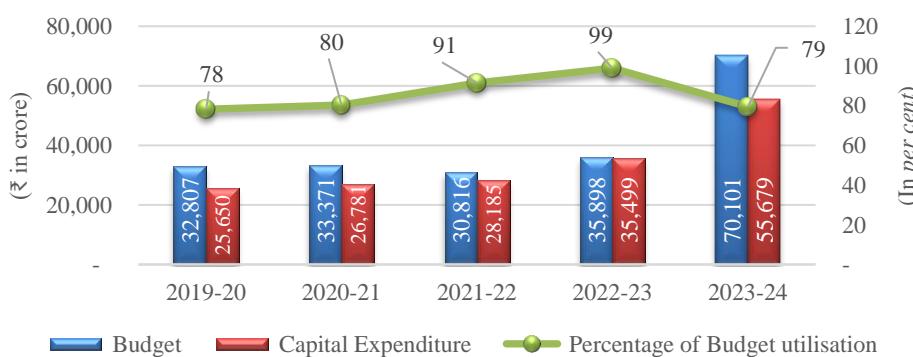
	2019-20	2020-21	2021-22	2022-23	2023-24
Total expenditure (TE) (₹ in crore)	1,67,861	1,78,718	1,89,677	2,16,508	2,47,632
Capital Expenditure (CE) (₹ in crore)	25,650	26,781	28,185	35,499	55,679
Growth of CE over previous year (<i>per cent</i>)	(-)8.60	4.41	5.24	25.95	56.85
CE/TE (<i>per cent</i>)	15.28	14.99	14.86	16.40	22.48
CE/GSDP (<i>per cent</i>)	1.59	1.64	1.44	1.57	2.26

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

Capital expenditure increased from ₹ 25,650 crore in 2019-20 to ₹ 55,679 crore in 2023-24. Of the total capital expenditure of ₹ 55,679 crore incurred in 2023-24, expenditure of ₹ 11,146.00 crore (20.02 *per cent*) was incurred on Roads and Bridges followed by ₹ 9,859.61 crore (17.71 *per cent*) on Urban Development; ₹ 5,463.68 crore (9.81 *per cent*) on Water Supply and Sanitation; ₹ 4,810.75 crore (8.64 *per cent*) on Medium Irrigation; ₹ 4,325.59 crore (7.77 *per cent*) on Power Projects; and ₹ 3,494.62 crore (6.28 *per cent*) on Education Sports Art and Culture.

Increase in capital expenditure by ₹ 20,180 crore during 2023-24 over the previous year was mainly on account of increase in capital outlay on Urban Development by ₹ 9,258.31 crore; Roads and Bridges by ₹ 5,177.29 crore; Medium Irrigation by ₹ 2,630.58 crore; Road Transport by ₹ 1,604.07 crore; Power Projects by ₹ 1,178.87 crore; and Major Irrigation by ₹ 813.30 crore which was offset by decrease in capital outlay on Petro Chemical Industries by ₹ 2,100 crore; New and Renewable Energy by ₹ 401.25 crore and Housing ₹ 374.16 crore.

Actual capital expenditure was 79 *per cent* of the budgetary allocation for capital expenditure in the year 2023-24. The trend of actual capital expenditure vis-à-vis budgetary allocation during 2019-24 are given in **Chart 2.11**.

Chart 2.11: Trend of Capital Expenditure vis-à-vis budgetary allocation during 2019-24

Source: Finance Accounts of the State Government of respective years and Budget Publication No.1 of the Government of Gujarat for the year 2023-24.

2.4.3.1 Major changes in Capital Expenditure

Table 2.25 highlights significant variations under various Heads of Account regarding capital expenditure of the State during 2022-23 and 2023-24.

Table 2.25: Capital Expenditure during 2023-24 compared to 2022-23

Major Heads of Accounts	2022-23	2023-24	Variation	(₹ in crore) Variation (percentage)
4217- Capital Outlay on Urban Development	601.30	9,859.61	9,258.31	1,539.72
5054- Capital Outlay on Roads and Bridges	5,968.71	11,146.00	5,177.29	86.74
4701- Capital Outlay on Medium Irrigation	2,180.17	4,810.75	2,630.58	120.66
5055- Capital Outlay on Road Transport	109.76	1,713.83	1,604.07	1,461.43
4801- Capital Outlay on Power Projects	3,146.72	4,325.59	1,178.87	37.46
4700- Capital Outlay on Major Irrigation	1,905.30	2,718.60	813.30	42.69
5425- Capital Outlay on other Scientific and Environmental Research	0.00	488.29	488.29	NA
4059- Capital Outlay on Public Works	286.95	730.34	443.39	154.52
4211- Capital Outlay on Family Welfare	42.05	329.49	287.44	683.57
4202- Capital Outlay on Education Sports Art and Culture.	3,266.33	3,494.62	228.29	6.99
5051- Capital Outlay on Ports and Light Houses	279.84	491.26	211.42	75.55
4236- Capital Outlay on Nutrition	12.13	186.65	174.52	1,438.75
4216- Capital Outlay on Housing	897.80	523.64	(-)374.16	(-)41.687
4810- Capital Outlay on New and Renewable Energy	509.25	108.00	(-)401.25	(-)78.79
4856- Capital Outlay on Petro-chemical Industries	2,100.00	0.00	(-)2,100.00	(-)100.00

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

2.4.3.2 Quality of Capital Expenditure

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

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

Quality of investments in the companies, corporations and other bodies

Statement No. 19 of Annual Finance Accounts of the State Government contains the details of investments made by the State Government in statutory corporations, Government companies, rural banks, joint stock companies, co-operative institutions and local bodies. As of 31 March 2024, the State Government had invested ₹ 1,34,754 crore in these companies'/corporations/institutions (**Table 2.26**).

Table 2.26: Trend of returns on investments

Details of Investments>Returns	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in crore)
Statutory Corporations	3,752	4,221	4,638	4,751	6,462	
Rural Banks	14	14	14	14	14	
Government Companies	95,702	1,02,832	1,11,360	1,19,850	1,27,782	
Municipalities Port Trusts	00	00	00	00	00	
Co-operative institutions and Local Bodies	418	418	420	420	420	
Other Joint Stock Companies and Partnerships	33	33	53	53	76	
Investments at the end of the year	99,919	1,07,518	1,16,485	1,25,088	1,34,754	
Returns/Dividend earned (₹ in crore)	88.99	131.04	134.25	97.43	757.17	
Return on Investment (per cent)	0.09	0.12	0.12	0.08	0.56	
Average rate of interest ¹¹ on Government borrowings (per cent)	7.47	7.29	7.12	6.77	6.75	
Difference between average interest rate on Government borrowings and rate of return (per cent)	7.38	7.17	7.00	6.69	6.19	
Difference between cost of Government Borrowings and return on investment ¹²	7,374	7,709	8,154	8,368	8,341	

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

Table 2.26 shows that the State Government's investments increased by ₹ 34,835 crore during 2019-24. During 2023-24, the State Government made an additional investment of ₹ 9,666 crore over the previous year which included ₹ 7,932 crore in Government Companies, ₹ 1,711 crore in Statutory Corporations and ₹ 23 crore in a Joint Stock Company¹³. Of the ₹ 7,932 crore invested in Government Companies during 2023-24, ₹ 4,331 crore (55 per cent) was invested in Gujarat Urja Vikas Nigam Limited, ₹ 2,456 crore (31 per cent) was invested in Sardar Sarovar Narmada Nigam Limited and ₹ 628 crore (eight per cent) in Gujarat Metro Rail Corporation Limited.

¹¹ Average rate of interest on Government borrowings = {Interest payment/[(Amount of previous year's Total Outstanding Liabilities + Current year's Total Outstanding Liabilities)/2]} × 100

¹² Difference between cost of Government Borrowings and return on investment = (Investment at the end of the year × Difference between average interest rate on Government borrowings and rate of return) ÷ 100

¹³ Investment in Kutch Railway Company Ltd.

The **Table 2.26** also shows that the average return¹⁴ on investments in these companies/corporations/institutions was *0.56 per cent* during 2023-24 while the Government paid an average interest of *6.75 per cent* on its borrowings during the same period.

Investments during the year in loss-making companies/ Corporations is given in **Table 2.27**.

Table 2.27: Investments made in loss-making companies/ corporations

Sr. No.	Company/ Corporation	Loss during the year #	Accumulate d Loss up to the year #	Investment made during the year 2023-24 *	(₹ in crore) Cumulative investment as on 31 March 2024 *
					Companies
1.	Sardar Sarovar Narmada Nigam Limited (SSNNL)	987.20 (2022-23)	8,885.48 (2022-23)	2,455.54	72,664.51
2.	Gujarat Fibre Grid Network Limited (GFGNL)	0.28 (2022-23)	52.69 (2022-23)	102.37	102.47
Corporations					
3.	Gujarat State Road Transport Corporation (GSRTC)	223.49 (2020-21)	4,088.02 (2020-21)	1,707.82	6,253.34

Source: # Information furnished by SPSUs.

* Information from Finance Accounts of the State Government for the year 2022-23.

The financial years mention in bracket in the above table are the year of latest finalised year of financial statements.

The additional investment of ₹ 9,665.93 crore made by the State Government during 2023-24 accounted for *17.36 per cent* of the total capital expenditure (₹ 55,679.25 crore). This additional investment of ₹ 9,665.93 crore included an investment of ₹ 2,455.54 crore in SSNNL which had been booking losses since 2015-16. The State Government also invested ₹ 1,707.82 crore in GSRTC and ₹ 102.37 crore in GFGNL which are in losses. SSNNL and GFGNL had accumulated losses of ₹ 8,885.48 crore and ₹ 52.69 crore at the end of 2022-23 respectively. GSRTC had accumulated losses of ₹ 4,088.02 crore at the end of 2020-21.

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

Quantum of loans and advances disbursed and recovered

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

¹⁴ It is dividend earned on investments made by the State Government in statutory corporations, Government companies, rural banks, joint stock companies, co-operative institutions and local bodies.

Table 2.28 presents the trend of outstanding loans and advances as on 31 March 2024 along with interest receipts *vis-à-vis* interest payments for the five-year period from 2019-20 to 2023-24.

Table 2.28: Quantum of loans disbursed and recovered during 2019-24

(₹ in crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Balance	9,503	10,485	12,235*	13,151	14,363
Amount advanced during the year	1,312	1,233	1,071	1,466	2,667
Amount recovered during the year	330	155	155	254	1,376
Closing Balance	10,485	11,563	13,151	14,363	15,654
Loans for which terms and conditions have not been settled	905	632	446	674	1,684
Net addition during the year	982	1,078	916	1,212	1,291
Interest Receipts on loans advanced	62	63	77	45	79
Interest receipts as a <i>percentage of</i> outstanding Loans and Advances	0.62	0.57	0.61	0.33	0.53
Interest payments	22,449	24,203	25,188	25,354	27,176
Average Rate of Interest paid on the outstanding borrowings of the Government (<i>per cent</i>)	7.47	7.29	7.12	6.77	6.75
Difference between the rate of interest paid and rate of interest received (<i>per cent</i>)	6.85	6.72	6.51	6.44	6.22

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

*Opening balance differs from closing balance of previous year due to proforma correction.

The table shows that the total outstanding loans and advances increased from ₹ 13,151 crore at the end of 2021-22 to ₹ 15,654 crore at the end of 2023-24. Of the total loans and advances disbursed during the year (₹ 2,667 crore), ₹ 2,362 crore were advanced for social services, ₹ 238 crore for economic services and ₹ 67 crore were advanced for Government Servants and Miscellaneous purposes. Major portion of loans advanced under social services were used for welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes and Minorities (₹ 967 crore) and urban development (₹ 543 crore). Loans advanced under economic services went to transport sector (₹ 238 crore).

Recovery of loans and advances was ₹ 1,376 crore in 2023-24. Interest receipts on loans and advances disbursed during the year increased by ₹ 34 crore.

Further, of the total loans advanced during the year (₹ 2,667 crore), loans amounting to ₹ 1,684 crore were disbursed by the Administrative Departments or Finance Department without setting terms and conditions for repayments of loans and rate of interest payable.

Audit observed that due to poor financial condition, the GSRTC had not been able to deposit the passenger tax collected by it over the years to Government Account as well as pay the arrears of Seventh Pay commission to its employees. The passenger tax was being used by GSRTC to meet its expenses. The Administrative Department (Ports and Transport), with the approval of Finance

Department, treated the outstanding passenger tax (for the year 2023-24) as loans advanced (₹ 237.56 crore) to GSRTC. However, the relevant sanction orders do not prescribe repayment schedule and rate of interest payable by GSRTC. As of 31 March 2024, GSRTC had an outstanding loan balance of ₹ 3,356 crore, which included ₹ 717.28 crore advanced during 2019-24.

Inoperative loan accounts

Under the following Major Heads, outstanding balances of loans amounting to ₹ 833.30 crore disbursed in previous years to various bodies/authorities had remained inoperative where neither principal was repaid, nor any interest was paid for the last 15 years (2009-24).

Table 2.29: Inoperative loan accounts

Major Head		(₹ in crore)
2009-24		
6075	Loans for Miscellaneous General Services	11.51
6202	Loans for Education, Sports, Art and Culture	20.43
6215	Loans for Water Supply and Sanitation	323.73
6404	Loans for Dairy Development	63.00
6702	Loans for Minor Irrigation	25.79
6855	Loans for Fertilizer Industries	12.15
6859	Loans for Telecommunication and Electronics Industries	5.90
6860	Loans for Consumer Industries	358.76
7052	Loans for Shipping	9.41
7452	Loans for Tourism	2.62
Total outstanding balances		833.30

Source: Finance Accounts of respective years.

These outstanding loans may be reviewed at appropriate level and steps for requisite corrective action may be taken.

Capital locked in incomplete projects

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

At the end of March 2024, 204 capital works, each valuing ₹ 10 crore or more and completion date of which was on or before 31 March 2024, were incomplete on which an expenditure of ₹ 16,402.67 crore had been incurred. Year-wise and Department-wise details of incomplete projects are given in **Table 2.30** and **Table 2.31** respectively.

Table 2.30: Age profile of incomplete projects as on 31 March 2024

Year of commencement	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2024)
	(number)	(₹ in crore)	
2012-13	2	212.01	414.11
2013-14	7	3,185.28	3,549.93
2014-15	1	505.69	562.60
2015-16	0	0.00	0.00
2016-17	6	609.76	517.82
2017-18	13	2,300.64	2,389.26
2018-19	12	1,583.46	1,607.34
2019-20	22	2,590.98	2,263.85
2020-21	33	3,096.93	2,824.24
2021-22	52	2,262.46	1,255.18
2022-23	51	1,396.60	930.71
2023-24	5	298.76	87.63
Total	204	18,042.57	16,402.67

Table 2.31: Department-wise profile of incomplete projects as on 31 March 2024

Department	No. of incomplete projects	Estimated cost	Expenditure
	(number)	(₹ in crore)	
Roads& Buildings	168	7,353.30	5,194.10
Narmada, Water Resources, Water Supply and Kalpsar	36	10,689.27	11,208.57
Total	204	18,042.57	16,402.67

Source: Appendix IX of Finance Accounts of the State Government for the year 2023-24.

It may be seen that with reference to the initial budgeted cost, as on 31 March 2024, the Roads and Buildings Department incurred 70.64 *per cent* on 168 incomplete projects while Narmada, Water Resources, Water Supply and Kalpsar Department spent 104.86 *per cent* on 36 incomplete projects.

The above does not include capital projects undertaken by Project Implementation Units (PIU) of the Health and Family Welfare Department; Sports, Youth and Cultural Activities Department; and Women and Child Development Department. Similarly, capital works undertaken by Gujarat Police Housing Corporation Limited for the Home Department are also not included in the above works. Further, some of the irrigation works relating to Narmada, Water Resources, Water Supply and Kalpsar Department are carried out by SSNNL.

2.4.4 Expenditure Priorities

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

Table 2.32 compares the fiscal priorities of the State Government with that of States other than North-Eastern (NE) and Himalayan States regarding

development expenditure, expenditure on Social and Economic Sectors, and capital expenditure during 2023-24, taking 2019-20 as the base year.

Table 2.32: Expenditure Priority of the State in 2019-20 and 2023-24

Fiscal Priority of the State	AE/ GSDP	SSE/ AE	ESE/ AE	DE/ AE	CE/ AE	Education/ AE	Health/ AE
Percentage in 2019-20, of							
States other than NE and Himalayan States	15.88	37.04	29.54	66.58	12.72	15.79	5.25
Gujarat	10.38	39.47	30.55	70.02	15.28	14.73	6.13
Percentage in 2023-24, of							
States other than NE and Himalayan States	15.66	37.92	30.01	67.93	15.38	14.36	5.71
Gujarat	10.05	41.72	30.62	72.35	22.48	14.91	6.89

AE: Aggregate Expenditure (it is the Total Expenditure); DE: Development Expenditure; SSE: Social Sector Expenditure; ESE: Economic Sector Expenditure; CE: Capital Expenditure

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

Table 2.32 reveals the following:

- The percentage of total expenditure to GSDP in Gujarat at *10.38 per cent* in 2019-20 and *10.05 per cent* in 2023-24 was lower than the States other than NE and Himalayan States which indicates more private sector participation in the economy of the State.
- Development expenditure consists of economic services expenditure and social services expenditure. Development expenditure as percentage of total expenditure in Gujarat was higher than States other than NE and Himalayan States, both during 2019-20 as well as 2023-24.
- The expenditure on social services, economic services, capital expenditure and health as percentage of total expenditure in Gujarat was higher than States other than NE and Himalayan States, both during 2019-20 as well as 2023-24. Expenditure on education services in 2019-20 in Gujarat as compared to States other than NE and Himalayan States was lower but higher during 2023-24.

2.4.5 Object Head-wise Expenditure

Finance Accounts depict transactions only up to the Minor Head level. Therefore, a drill-down view of budgetary allocations and the extent of expenditure incurred at the Object Head level is given in **Table 2.33**.

**Table 2.33: Object Head-wise expenditure *vis-à-vis* budget authorisation in 2023-24
(₹ in crore)**

Head	Budget	Expenditure	Utilisation percentage
Grant-in-aid	80,492.04	77,505.54	96.29
Major Works	42,204.11	30,059.41	71.22
Subsidy	31,943.71	28,032.52	87.76

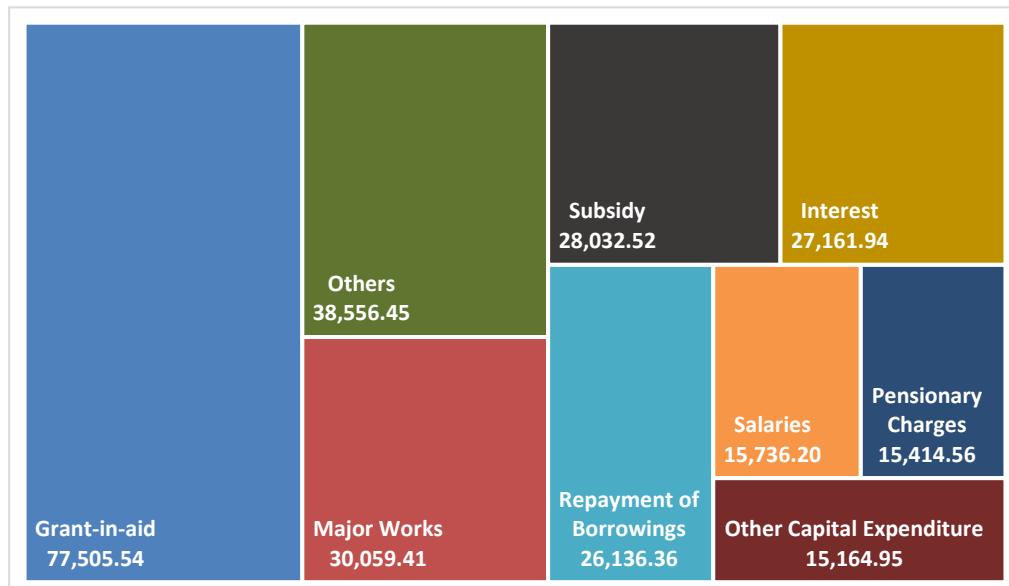
Head	Budget	Expenditure	Utilisation percentage
Interest	28,655.97	27,161.94	94.79
Salaries	27,466.91	15,736.20	57.29
Repayment of Borrowings	26,304.47	26,136.36	99.36
Pensionary Charges	17,005.75	15,414.56	90.64
Investments	13,965.52	9,405.12	67.35
Other Capital Expenditure	13,794.71	15,164.95	109.93
Other Charges	7,251.66	6,092.43	84.01
Grants for creation of Capital Assets to Local Bodies	6,665.87	4,675.16	70.14
Inter-Account Transfer and others	1,641.65	134.24	8.18
Scholarships/Stipend	3,415.92	3,278.73	95.98
Minor Works	3,133.21	3,343.06	106.70
Office Expenses	1,826.06	1,101.78	60.34
Loans and Advances	1,704.31	2,668.38	156.57
Supplies and Materials	1,561.68	1,443.88	92.46
Other Contractual Services	1,417.48	1,506.08	106.25
Machinery and Equipment	957.25	536.64	56.06
Wages	771.69	992.75	128.65
Contributions (a) To Panchayats	531.67	907.11	170.62
Over Time Allowances	495.96	735.32	148.26
Cost of Ration (Diet Charges)	407.88	372.93	91.43
Professional Services	338.87	269.04	79.39
Advertising and publicity	255.94	248.66	97.16
P.O.L.	155.14	174.57	112.52
Motor Vehicles	148.66	218.73	147.13
Rent, Rates and Taxes	147.83	126.54	85.60
Domestic Travel Expenses	139.29	144.29	103.59
Other Administrative Expenses	48.03	15.10	31.44
Clothing and Tentage	34.17	61.23	179.19
Publication	28.39	54.74	192.81
Arms and Ammunition	20.00	49.94	249.70
Total	3,14,931.80	2,73,767.93	86.93

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

It may be seen that against the total budgetary allocation of ₹ 3,14,931.80 crore, the actual expenditure on various Object Heads during 2023-24 was ₹ 2,73,767.93 crore (86.93 *per cent*). Of the 33 Object heads mentioned above, expenditure under 13 Heads was 100 *per cent* or more of budgetary allocation. Under 14 Object Heads, expenditure incurred was between 70 *per cent* and 100 *per cent* of budgetary allocation, while in the remaining six Object Heads, expenditure incurred was below 70 *per cent* of budgetary allocation. A Tree Map of top seven Object Heads is shown below in **Chart 2.12**.

Chart 2.12: Object Head-wise expenditure

(₹ in crore)



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

2.5 Contingency Fund

The Contingency Fund is an Imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State. The Contingency Fund of the Government of Gujarat has a corpus of ₹ 200 crore. As on 01 April 2023, there was an unrecouped balance of ₹ 20.26 crore, which was recouped in 2023-24. Further, during 2023-24, ₹ 83.96 crore amount withdrawn out of the Contingency Fund for meeting unforeseen expenditure which was recouped during the year itself.

2.6 Public Account

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

2.6.1 Net Balances in Public Account

The component-wise net balances in Public Account of the State at the end of March 2024 were as follows:

Table 2.34: Component-wise net balances in Public Account as of 31 March of the year

Sector	Sub-Sector	2019-20	2020-21	2021-22	2022-23	(₹ in crore) 2023-24
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	10,601.21	10,445.80	10,179.76	9,993.84	10,019.83
J. Reserve Funds	(a) Reserve Funds bearing Interest	1,818.03	1,073.02	1,527.94	2,673.90	3,487.90
	(b) Reserve Funds not bearing Interest	15,014.72	6,911.30	9,216.94	12,054.35	14,964.84
K. Deposits and Advances	(a) Deposits bearing Interest	14,073.56	14,476.68	14,476.34	14,127.01	13,964.53
	(b) Deposits not bearing Interest	20,525.16	22,478.03	22,415.43	23,177.28	32,669.99
	(c) Advances	(-0.71)	(-0.70)	(-0.70)	(-0.70)	(-0.70)
L. Suspense and Miscellaneous	(a) Suspense	(-303.87)	(-321.72)	(-296.69)	(-295.85)	(-369.33)
	(b) Other Accounts ¹⁵	(-1,561.23)	(-2,704.49)	(-267.37)	(-2,945.47)	(-4,647.37)
	(c) Accounts with Governments of Foreign Countries	(-0.59)	(-0.59)	(-0.59)	(-0.59)	(-0.59)
	(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
M. Remittances	(a) Money Orders, and other Remittances	738.56	868.58	963.11	977.53	1,329.59
	(b) Inter- Governmental Adjustment Account	(-1.64)	(-1.94)	(-1.99)	(-1.70)	(-1.62)
TOTAL		60,903.20	53,223.97	58,212.18	59,759.60	71,417.07

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

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

The net balances in Public Account of the State increased from ₹ 60,903.20 crore in 2019-20 to ₹ 71,417.07 crore in 2023-24. During 2023-24, net balances in Public Account increased by 19.51 *per cent* over the previous year.

2.6.2 Reserve Funds

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

There were 18 Reserve Funds earmarked for specific purposes during 2023-24, of which, five Reserve Funds bearing interest, were having a balance of ₹ 3,487.90 crore, and 13 Funds not bearing interest, were having balance of ₹ 14,964.84 crore. The total accumulated balance in these funds as on 31 March 2024 was ₹ 18,452.74 crore of which, ₹ 13,180.65 crore was invested.

Of the 18 Reserve Funds, five Reserve Funds having a balance of ₹ 2.11 crore were inoperative, of which, four Reserve Funds (₹ 2.10 crore) were inoperative

¹⁵ Other Accounts under L - Suspense and Miscellaneous does not include Cash Balance Investment Account, Permanent Cash Imprest & Departmental Balances.

since 1999-2000 while one Reserve Fund (₹ 0.01 crore) was inoperative since 2014-15.

2.6.2.1 Consolidated Sinking Fund

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

During 2023-24, the Government contributed ₹ 2,758.17 crore in the CSF. There was short contribution¹⁶ in the CSF by ₹ 6,627.42 crore during 2023-24, as the closing balance in the fund was ₹ 12,878.38 crore against the minimum corpus of ₹ 19,505.80 crore. The State Government credited an accrued interest of ₹ 758.17 crore to the Fund during 2023-24.

As on 31 March 2024, out of the total Fund of ₹ 12,878.38 crore, ₹ 12,548.51 crore was invested with the RBI.

2.6.2.2 Funds for Disaster Risk Management

As per recommendations of 13th FC, the State Government is operating the State Disaster Response Fund (SDRF) since 2011-12. It is an interest-bearing Reserve Fund. In terms of GoI guidelines (September 2010), the Central and State Governments were required to contribute to the fund in the ratio of 75:25. The 15th Finance Commission recommended break up of central allocation to the States under two different funds for Disaster Risk Management from the year 2020-21 onwards. Out of 75 *per cent* central allocation, the share of State Disaster Response Fund (SDRF) shall be 80 *per cent* and the share of State Disaster Mitigation Fund (SDMF) shall be 20 *per cent*. Separate accounts were to be operated for both the funds.

State Disaster Response Fund

As on 01 April 2023, the SDRF had an opening balance of ₹ 1,159.61 crore. During 2023-24, the State Government transferred¹⁷ ₹ 1,519.60 crore (₹ 1,140.00 crore Central share and ₹ 379.60 crore State share) to the fund. Out of the total available fund of ₹ 2,679.21 crore, the State Government incurred an expenditure of ₹ 1,051.17 crore from the SDRF on natural calamities during

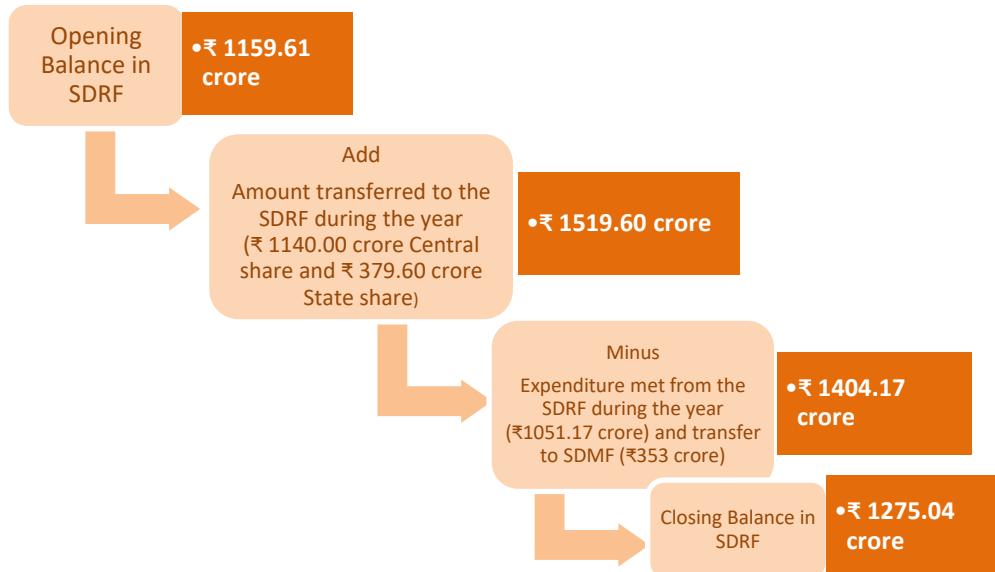
¹⁶ ₹ 6,627.42 crore = ₹ 19,505.80 crore (minimum corpus of 5% of State Liabilities of ₹ 3,90,116.09 crore to be maintained for the year 2022-23) [-] ₹ 12,878.38 crore closing Balance of Consolidated Sinking Fund. Back-to-Back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040.17 crore during 2021-22 has not been considered as outstanding liabilities here.

¹⁷ The difference of ₹ 353 crore is due to transfer of funds from SDRF to SDMF.

the year. It also transferred ₹ 353 crore leaving a balance of ₹ 1,275.04 crore in the fund at end of March 2024. Additionally, the State Government also met an expenditure of ₹ 41.85 crore from the state budget on account of natural calamities. Thus, the State Government incurred an expenditure of ₹ 1,093.02 crore during the year on this account.

Details of receipt and expenditure in SDRF during the year are given in **Chart 2.13** below.

Chart 2.13: Details of receipt and expenditure in SDRF



Source: Finance Accounts of the State Government for the year 2023-24¹⁸.

The details of the Major/ Minor Account head-wise expenditure incurred from the SDRF are tabulated in **Appendix - 2.2**.

State Disaster Mitigation Fund

In addition to SDRF, the State Government also maintains State Disaster Mitigation Fund (SDMF). The fund was constituted in February 2023. During 2023-24, the State Government transferred ₹ 185.30 crore (₹ 139.00 crore Central share and ₹ 46.30 crore State share) to the SDMF. The State Government also transferred ₹ 353 crore (₹ 264.80 crore Central share and ₹ 88.2 crore State share) from SDRF to SDMF during the year.

In terms of the GoI guidelines, balances lying in both these funds were required to be invested¹⁹, which was not done and as such, no interest on the same was earned and credited to the Fund by the State Government.

¹⁸ The difference of ₹ 353 crore in amount transferred to SDRF is due to transfer of funds from SDRF to SDMF.

¹⁹ The accretions to the SDRF are to be invested through RBI in Central Government dated securities; auctioned treasury bills; and interest earning deposits and certificates of deposits with scheduled commercial banks.

2.6.2.3 State Compensatory Afforestation Fund

In compliance with the instructions issued by the Ministry of Environment, Forests and Climate Change, Government of India, the State Governments are required to establish the State Compensatory Afforestation Fund under interest bearing section in Public Account of the State for amounts received from user agencies for undertaking Compensatory Afforestation.

During the year 2023-24, the State Government did not receive any amount (Nil in previous year) from the user agencies. The Government received an amount of ₹ 387.04 crore (Nil in previous year) from National Compensatory Afforestation Deposit. The Government incurred an expenditure of ₹ 226.76 crore from the fund and did not invest any amount during the year. The total balance in the State Compensatory Afforestation Fund as on 31 March 2024 was ₹ 1,136.23 crore.

2.6.2.4 Guarantee Redemption Fund

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

During 2023-24, the closing balance in the Fund was ₹ 892.18 crore against the minimum required corpus²⁰ of ₹ 73.16 crore. An accrued interest of ₹ 43.13 crore was credited to the Fund during 2023-24.

As on 31 March 2024, out of the total Fund of ₹ 892.18 crore, ₹ 628.49 crore was invested with the RBI.

2.6.3 Deposits and Advances

2.6.3.1 Accounting of transactions relating to Central Road and Infrastructure Fund

The GoI provides annual grants under the Central Road and Infrastructure Fund (CRIF) to the State Governments to incur expenditure on specific road projects. In terms of the extant accounting procedure, the grants are to be initially booked as revenue receipts under Major Head “1601 Grants-in-Aid”, and an equivalent amount is transferred to the public account under Major Head “8449- Other Deposits 103 Subvention from Central Road Fund” by debiting the revenue expenditure Major Head “3054 Roads and Bridges”. This process ensures that receipt of the grants does not result in overstatement of revenue surplus (or understatement of revenue deficit) in the Accounts. Expenditure on specific road works initially booked under the relevant revenue or capital Major Head

²⁰ ₹ 73.16 crore = 5 *per cent* of outstanding guarantee at the end of the year 2023-24 (₹ 1,463.22 crore)

(Major Head 3054 or 5054) is to be subsequently adjusted from the Fund balance by way of minus debit under Major Heads 3054/5054 by corresponding debit to the Fund (Major Head 8449-103).

During 2023-24, the State Government received a grant of ₹ 73.79 crore from GoI under CRIF which was accounted for in State's Accounts under Major Head-1601 by following the extant accounting procedure. An expenditure of ₹ 73.79 crore was incurred on specific road works during the year, leaving a balance of ₹ 27.25 crore (₹ 5.96 crore of 2015-16 and ₹ 21.29 crore of 2019-20) under the Deposit Head as on 31 March 2024.

2.6.3.2 Non-transfer of Labour Cess to Labour Welfare Board

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

Audit observed that in terms of the Building and Other Construction Workers' Welfare Cess Act, 1996, the State Government levied and collected cess of ₹ 891.56 crore during 2023-24, but only ₹ 311.12 crore was transferred to the Board, leaving a balance of ₹ 580.44 crore which was not transferred to the Board upto 31 March 2024.

A review of the cess collected and transferred to the Board during 2006-07 to 2023-24 revealed that an amount of ₹ 5,679.16 crore was collected but the amount transferred during this period was ₹ 2,855.93 crore, leaving a balance of ₹ 2,823.23 crore which had not been transferred as of 31 March 2024.

2.6.3.3 Non-transfer of fines to Personal Ledger Account

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

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

Scrutiny of the budget estimates and Appropriation Accounts for the years 2012-13 to 2023-24, however, revealed a shortfall of 13 *per cent* between actual traffic fines collected and that transferred to the PLA, as detailed in **Table 2.35**.

Table 2.35: Shortfalls in transferring traffic fines to PLA

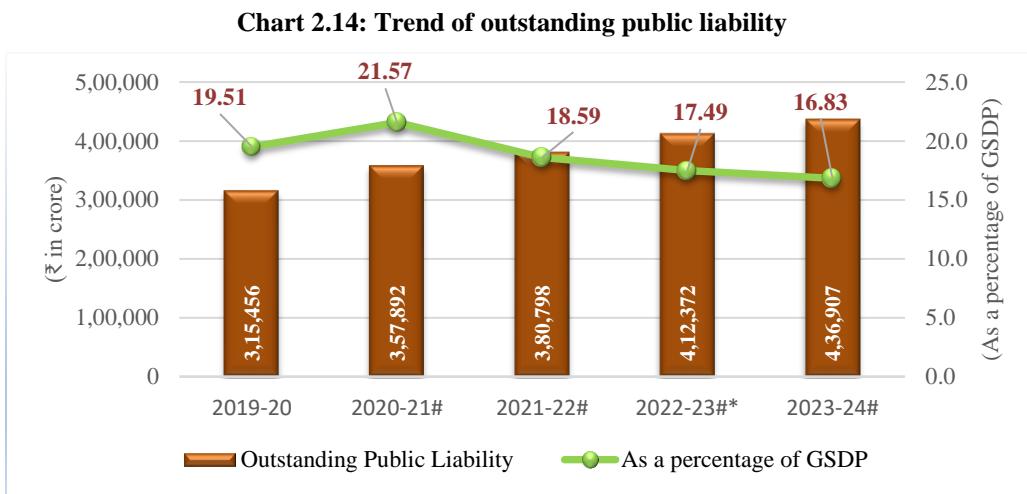
Year	Revenue from traffic fines (₹ in crore)		Provision for PLA (₹ in crore)		
	BE	Actual collection	BE	Actual transfer	As percentage of actual collection
1	2	3	4	5	6= (5÷3) × 100
2012-13	45.00	52.82	20.50	17.88	33.85
2013-14	62.22	48.40	20.00	20.00	41.32
2014-15	56.40	75.71	25.00	25.00	33.02
2015-16	72.95	73.20	35.00	35.00	47.81
2016-17	85.65	84.17	40.00	25.00	29.70
2017-18	77.35	63.06	35.00	48.57	77.02
2018-19	113.78	109.62	200.00	98.00	89.40
2019-20	75.60	173.33	63.06	260.00	150.00
2020-21	183.84	145.97	78.62	78.62	53.86
2021-22	211.42	138.15	173.32	173.32	125.46
2022-23	250.00	123.27	145.95	108.00	87.61
2023-24	125.00	136.20	138.14	176.08	129.28
Total	1,359.21	1,223.90	974.59	1,065.47	87.06

Source: Budget Estimates and Appropriation Accounts of respective years.

2.7 Public Liability Management

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

The total outstanding liability of the State along with its percentage to GSDP for the years 2019-20 to 2023-24 is depicted in **Chart 2.14**.



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

Source (GSDP figures): Statement under Gujarat Fiscal Responsibility Act, 2005 (Budget Publication No. 30 of 2023-24).

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

*The amount does not match with previous year due to proforma correction of ₹ 6.22 crore.

2.7.1 Liability Profile: Components

Total liabilities of the State Government typically constitute the internal debt of the State²¹, loans and advances from the Central Government, and public account liabilities. The component-wise liability trends of the State during last five years (2019-24) are presented in **Table 2.36**.

Table 2.36: Component-wise trend of liability during 2019-24

		(₹ in crore)				
		2019-20	2020-21	2021-22	2022-23	2023-24
Total Outstanding Liability		3,15,456	3,57,892²²	3,80,798²²	4,12,372²²	4,36,907²²
Public Debt	Internal Debt.	2,59,662	2,90,030	2,99,801	3,25,267 ²³	3,35,209
	Loans From GoI	7,433	17,999	30,756	35,458	39,772
Public Account Liabilities		48,361	49,863	50,241	51,647	61,926
Off Budget Borrowings ²⁴		0	0	0	0	0

²¹ Market loans, ways and means advances from RBI, Special Securities issued to National Small Savings Fund and loans from Financial Institutions etc.

²² This does not tally with total outstanding liabilities as shown in **Chart 1.6** because the figure here is inclusive of back-to-back loans received in lieu of short fall in GST compensation. (₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22).

²³ Change in figure from last year report is due to proforma correction.

²⁴ Finance Department stated that there were no off-budget borrowings during 2019-24.

	2019-20	2020-21	2021-22	2022-23	2023-24
Rate of growth of total outstanding liability (percentage)	10.36	13.45	6.40	8.29	5.95
GSDP	16,17,143	16,16,106	19,28,683	22,30,609	24,64,300
Liability/GSDP (<i>per cent</i>)	19.51	21.57 ²⁵	18.59 ²⁵	17.49 ²⁵	16.83 ²⁵
Interest payments	22,449	24,203	25,188	25,354	27,176
Burden of interest payments (IP/RR) (percentage)	15.72	18.89	15.10	12.71	12.20
Total Receipts (Public debt + public account liabilities)	1,02,300	1,23,325	1,08,894	1,17,751	1,18,121
Total Repayments (Public debt + public account liabilities)	72,689	80,888	85,984	86,171	93,586
Net funds Available	29,611	42,437	22,910	31,580	24,535
Repayments/ Receipts (<i>per cent</i>)	71.05	65.59	78.96	73.18	79.23

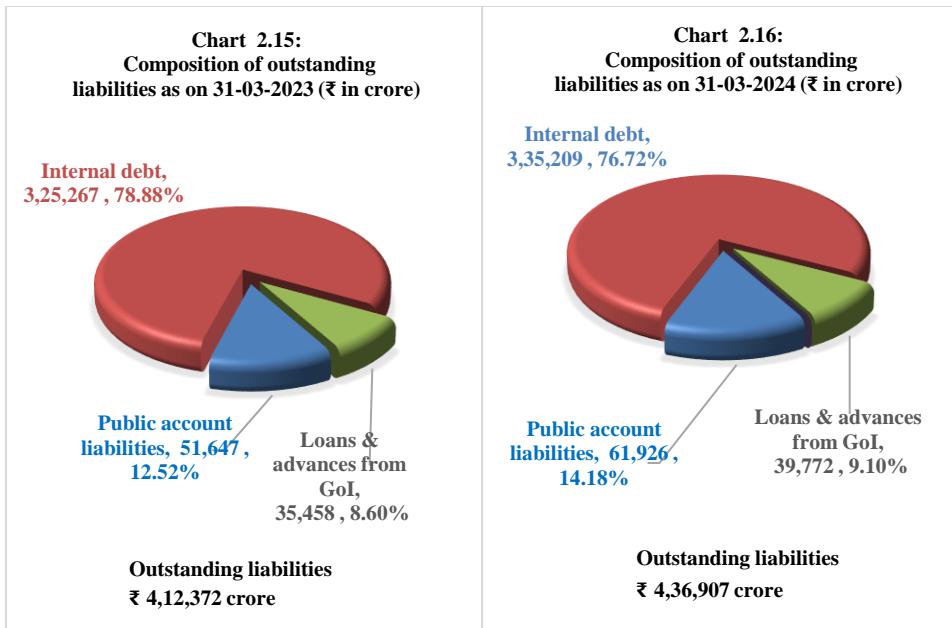
Source: Finance Accounts of the State Government of respective years.

Table 2.36 shows that the total outstanding liabilities of the State Government increased from ₹ 4,12,372 crore in 2022-23 to ₹ 4,36,907 crore in 2023-24. The net increase of ₹ 24,535 crore during 2023-24 was mainly due to net increase in market loans by ₹ 11,948.54 crore.

The effective total outstanding liabilities of the State Government during 2023-24 was, however, ₹ 4,14,645 crore, after deducting ₹ 9,222 crore and ₹ 13,040 crore received from the GoI as back-to-back loans during 2020-21 and 2021-22 respectively. Liability to GSDP ratio stood at 16.83 *per cent* in 2023-24 being the lowest in previous five years.

Component-wise break-up of outstanding liabilities or fiscal liabilities of the State Government at the end of March 2023 and March 2024 are shown in **Chart 2.15** and **Chart 2.16** respectively.

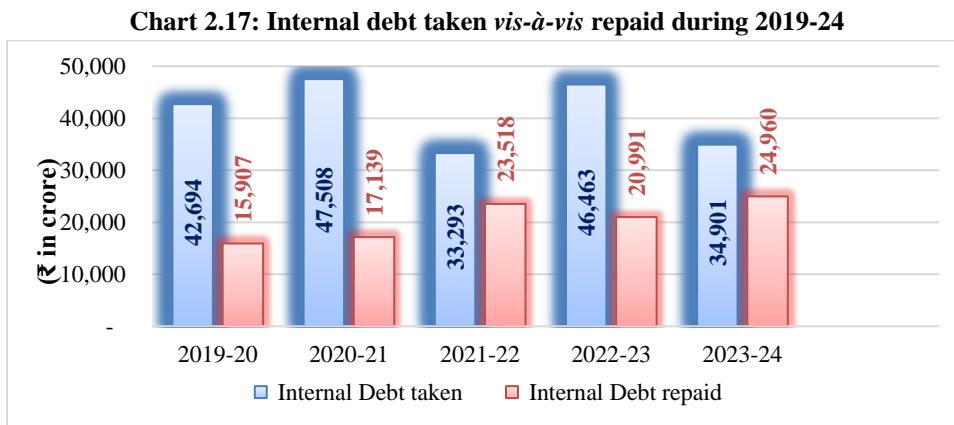
²⁵ As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence, back-to-back loans received *in-lieu* of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered for calculation of percentage of outstanding liability to GSDP. No back-to-back loans were received *in-lieu* of shortfall in GST compensation during 2022-23.



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

The Charts above show that internal debt accounted for around *79 per cent and 77 per cent* of the total outstanding liabilities of the State Government during 2022-23 and 2023-24 respectively. The internal debt primarily comprised of market borrowings through issue of State Development Loans.

Chart 2.17 below shows the trend of internal debt of the State Government (receipts and repayments) during 2019-24.



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

Components of fiscal deficit and its financing pattern

Table 2.37 depicts the financing pattern of fiscal deficit during 2019-24, and the financing of fiscal deficit during 2023-24 is expressed through a water flow chart (**Chart 2.18**).

Table 2.37: Components of fiscal deficit and its financing pattern

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Fiscal Deficit (-)/Surplus (+)	(-)24,581	(-)40,438	(-)22,692	(-)16,846	(-)23,493
FD/GSDP (per cent)	(-1.52	(-2.50	(-1.18	(-0.76	(-0.95

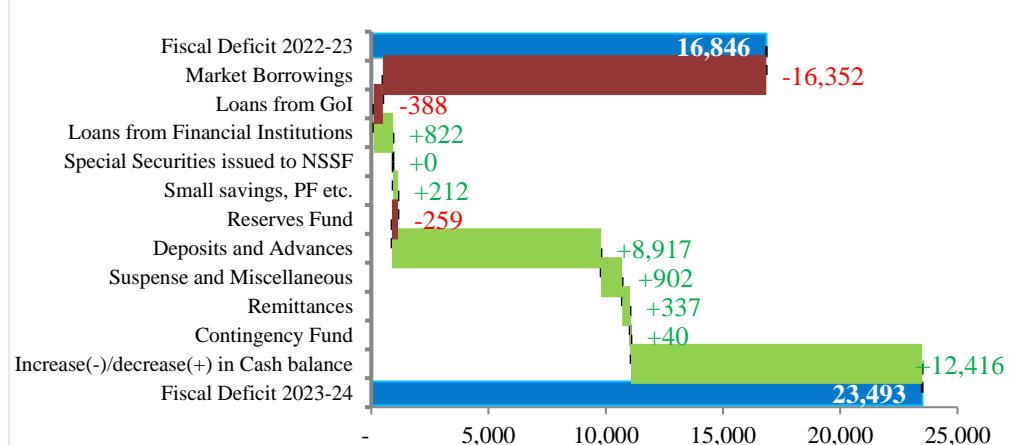
Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Composition of Fiscal Deficit/Surplus						
1	Revenue Deficit (-) /Surplus (+)	1,945	(-)22,548	6,409	19,865	33,477
2	Net Capital Expenditure	(-)25,544	(-)16,813	(-)28,185	(-)35,499	55,679
3	Net Loans & Advances	(-)982	(-)1,077	(-)916	(-)1,212	(-)1,291
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	28,600	33,280	13,554	28,300	11,948
2	Special Securities issued to NSSF	(-)3,629	(-)3,630	(-)3,629	(-)3,629	(-)3,629
3	Loans from Financial Institutions	1,816	718	(-)150	801	1,623
4	Loans from GoI	3	10,566	12,757	4,702	4,314
5	Small savings, PF etc.	(-)7	(-)155	(-)266	(-)186	26
6	Deposits and Advances	2,467	2,356	(-)63	413	9,330
7	Suspense and Miscellaneous	(-)1,663	(-)1,161	2,462	(-)2,677	(-)1,775
8	Remittances	100	130	94	15	352
9	Reserves Fund	1,329	(-)8,849	2,761	3,983	3,724
10	Contingency Fund	0	0	0	(-)20	20
Total		29,016	33,255	27,520	31,702	25,933
Increase (-)/Decrease (+) in Cash Balance		(-)4,435	(+)7,183	(-)4,828	(-)14,856	(-)2,440

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

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

Source: Finance Accounts of the respective years.

Chart 2.18: Financing of fiscal deficit expressed through a water flow chart (₹ in crore)



Source: Finance Accounts of the respective years.

The financing pattern of fiscal deficit (net of disbursements/outflows) during the year is shown in **Table 2.38**.

Table 2.38: Receipts and disbursements under various components financing the fiscal deficit during 2023-24

Particulars		Receipt	Disbursement	Net
1	Market Borrowings	30,500	18,552	11,948
2	Special Securities issued to NSSF	0	3,629	(-)3,629
3	Loans from Financial Institutions	4,402	2,779	1,623

Particulars		Receipt	Disbursement	Net
4	Loans from GOI	5,490	1,176	4,314
5	Small Savings, PF, etc.	1,979	1,953	26
6	Deposits and Advances	70,600	61,270	9,330
7	Suspense and Miscellaneous	41,391	43,166	(-)1,775
8	Remittances	27,698	27,346	352
9	Reserve Fund	5,150	1,426	3,724
10	Contingency fund	20	0	20
11	Overall Deficit	1,87,230	1,61,297	25,933
12	Increase (-)/Decrease (+) in cash balance	14,96,872	14,99,312	(-)2,440
13	Gross Fiscal Deficit	16,84,102	16,60,609	23,493

Source: Finance Accounts of the year 2023-24.

2.7.2 Debt Profile: Maturity and Repayment

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

Public Debt consists of internal debt and loans and advances received from GoI. The maturity profile of outstanding public debt of ₹ 3,74,981 crore, comprising internal debt of ₹ 3,35,209 crore and loans and advances from GoI amounting to ₹ 39,772 crore, as per Statement No. 17 of the Finance Accounts for the year 2023-24, is as shown in **Table 2.39**.

Table 2.39: Maturity profile of Public Debt

(₹ in crore)

Year of maturity	Maturity Profile	Amount			Maturity profile of outstanding Public Debt (in %)
		Internal Debt	Loans & Advances from GoI	Total outstanding Public Debt	
By 2024-25	0-1 year	28,248.54	958.99	29,207.53	7.79
Between 2025-26 & 2026-27	2-3 years	73,582.92	1,443.72	75,026.64	20.01
Between 2027-28 & 2028-29	4-5 years	80,291.75	1,573.77	81,865.52	21.83
Between 2029-30 & 2030-31	6-7 years	84,469.86	1,554.50	86,024.36	22.94
Between 2031-32 & 2033-34	8-10 years	62,155.06	1,312.15	63,467.21	16.93
2034-35 onwards	Above 10 years	6,459.71	1,649.10	8,108.81	2.16
Others ²⁶		0.93	31,279.35	31,280.28	8.34
Total		335,208.77	39,771.58	374,980.35	100

Source: Finance Accounts of the State Government for the year 2023-24.

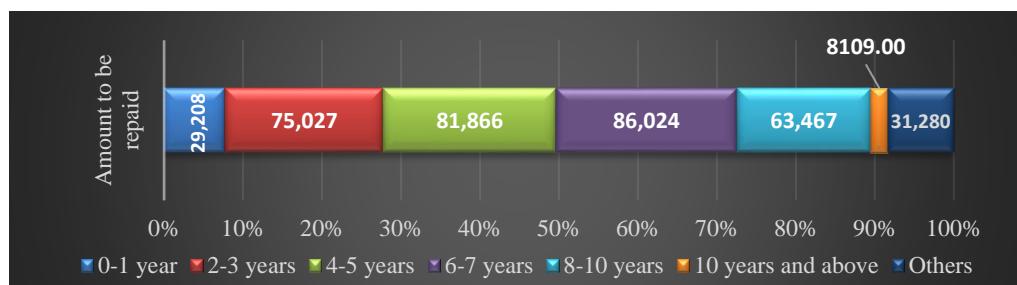
The maturity profile of outstanding stock of public debt as on 31 March 2024 indicates that 89.50 per cent of the total public debt (₹ 3,35,591.26 crore) would be repayable within the next 10 years.

Chart 2.19 shows the maturity profile of public debt and **Chart 2.20** the repayment schedule of market loans in the ensuing years.

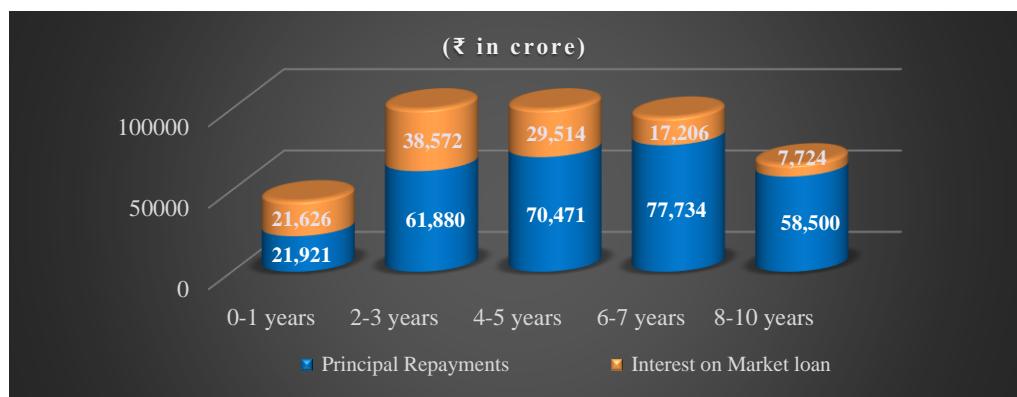
²⁶ Not available with Accountant General (A&E).

Chart 2.19: Maturity profile of Public Debt

(₹ in crore)



Source: Finance Accounts of the State Government for the year 2023-24.

Chart 2.20: Repayment schedule of Market loans

Source: Finance Accounts and information furnished by Finance Department of Government of Gujarat.

Chart 2.20 shows that principal of ₹ 2,90,506 crore and interest of ₹ 1,14,642 crore would be repayable within the next 10 years.

2.8 Debt Sustainability Analysis

2.8.1 Debt Sustainability

Debt is considered sustainable if the borrower, in this case the State, can service its debt now, and in future i.e. the Debt-GSDP ratio does not grow to unmanageable proportions. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining the ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue. **Table 2.40** and **Chart 2.21** assesses the sustainability of debt of the State Government in terms of debt as a percentage of GSDP, rate of growth of outstanding debt, interest payments as a ratio of revenue receipts and net debt available to the State for the period from 2019-20 to 2023-24.

Table 2.40: Trend of Debt Sustainability Indicators

(₹ in crore)

S.No.	Debt Sustainability Indicators	Y1 (2019-20)	Y2 (2020-21)	Y3 (2021-22)	Y4 (2022-23)	Y5 (2023-24)
1	Overall Liabilities or Overall Debt ²⁷	3,15,456	3,48,670	3,58,536	3,90,110	4,14,645
2	Rate of Growth of Overall Debt (<i>per cent</i>)	10.36	10.53	2.83	8.81	6.29
3	GSDP (in nominal terms)	16,17,143	16,16,106	19,28,683	22,30,609	24,64,300
4	Nominal GSDP growth (<i>per cent</i>)	8.38	(-)0.06	19.34	15.65	10.48
5	Overall Debt/GSDP (<i>per cent</i>)	19.51	21.57	18.59	17.49	16.83
6	Maturity profile of all kinds of borrowings (including liabilities under Public Accounts, if any)	2,67,094.10	3,08,029.98	3,30,561.71	3,60,731.23	3,74,980.34
6a	0-2 years	42,293.73	46,763.85	48,547.71	55,437.99	62,723.58
6b	2-5 years	68,436.42	78,969.47	91,731.48	1,05,107.11	1,23,376.12
6c	5-10 years	1,47,011.34	1,67,323.06	1,63,223.85	1,62,659.57	1,49,491.56
6d	Over 10 years	9,343.26	5,465.55	4,078.47	10,500.58	8,108.80
6e.	Details not available	9.35	9,508.05	22,980.20	27,025.98	31,280.28
7	Repayment of Borrowings to Gross Borrowings (<i>per cent</i>)	71.05	65.59	78.96	73.18	79.23
8	Net borrowings available as a percentage of Gross Borrowings	28.94	34.41	21.04	26.82	20.77
9	Interest payments on Overall Debt	22,449	24,203	25,188	25,354	27,176

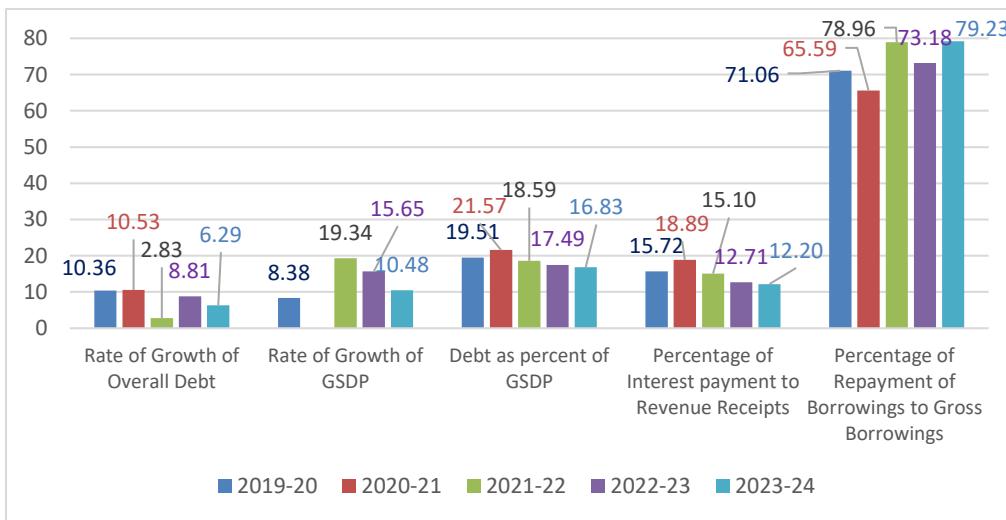
²⁷ As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence, back-to-back loans received in-lieu of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and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

S.No.	Debt Sustainability Indicators	Y1 (2019-20)	Y2 (2020-21)	Y3 (2021-22)	Y4 (2022-23)	Y5 (2023-24)
10	Effective rate of interest on Overall Debt (<i>per cent</i>)	8.02	7.83	7.65	7.30	7.43
11	Revenue Receipts (RR)	1,42,844	1,28,156	1,66,830	1,99,408	2,22,763
12	Revenue Expenditure (RE)	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286
13	Interest payment to Revenue Receipts (<i>per cent</i>)	15.72	18.89	15.10	12.71	12.20
14	Interest payment to Revenue Expenditure (<i>per cent</i>)	15.93	16.06	15.70	14.12	14.36
15	Revenue Deficit/Surplus	1,945.0	(-)22,548.0	6,409.0	19,865.0	33,477.0
16	Primary Revenue Balance (PRB)	24,394	1,655	31,597	45,219	60,653
17	Primary Balance (PB)	(-)2,132	(-)16,235	2,496	8,508	3,683
18	PB/GSDP (<i>per cent</i>)	(-)0.13	(-)1.00	0.13	0.38	0.15
19	Difference between RoI and effective rate of interest on Overall Debt	15.30	(-)0.37	0.16	1.91	10.58
20	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	0.00	0.00	0.00	0.00	0.00
21	Debt Stabilisation (Quantum spread + Primary balance)	(-)1,092	(-)41,857	41,509	38,612	14,997
22	Domar Criteria					
a	GSDP (in constant terms)	12,65,277	12,41,118	13,65,922	14,75,629	15,50,085

S.No.	Debt Sustainability Indicators	Y1 (2019-20)	Y2 (2020-21)	Y3 (2021-22)	Y4 (2022-23)	Y5 (2023-24)
b	Real Growth (in constant terms)	6.95	(-)1.91	10.06	8.03	5.05
c	Inflation based on CPI (<i>per cent</i>)	3.66	5.31	5.50	6.93	5.70
d	Effective Rate of interest	8.02	7.83	7.65	7.30	7.43
e	Real effective rate of interest (Effective rate of interest-Inflation)	4.36	2.52	2.15	0.37	1.73
f	Growth Interest Differential (Real growth-Real effective rate of interest)	2.59	(-)4.43	7.90	7.66	3.32

Source Finance Accounts for the respective years.

Chart 2.21: Debt Sustainability Indicators



Source: Finance accounts of the respective years

Analysis of various debt sustainability indicators as shown in **Table 2.40** and **Chart 2.21** revealed the following:

- Debt as percentage of GSDP, primary balances and Growth Interest Differential (GID):** The State's debt burden as measured by the total liabilities-GSDP ratio averaged over 18 *per cent* during 2019-2024. The disruption in economic activity due to the pandemic which became visible in the last quarter of 2019-20 took a toll on the State's finances. Following the fiscal stress experienced by the State due to the high pandemic impact, the State's borrowing requirement as measured by fiscal deficit recorded a massive increase of 64 *per cent* in 2020-21 over the previous year, pushing the total liabilities-GSDP ratio to a 5-year

high of *21.57 per cent* in 2020-21 which remained below *20 per cent* over the last three years. Given the economic recovery in the post-pandemic years, the State's debt burden started to reduce, which can be attributed to the significant nominal growth witnessed in 2021-22 owing to low base effect, followed by consistent double-digit nominal growth in the next two years. The primary balance and GID, known as automatic stabilizer for debt-GSDP ratio, which remained favourable during 2021-2024, contributed significantly to the steady decline in the state's debt burden during the same period. The overall liability-GSDP ratio which had increased from *19.51 per cent* in 2019-20 to *21.57 per cent* in 2020-21 declined to *18.59 per cent* in 2021-22, *17.49 per cent* in 2022-23 and *16.83 per cent* in 2023-24 over the previous year.

Year-wise analysis shows that despite the improvement in the primary deficit in 2019-20 over the previous year, favourable GID was unable to mitigate the impact of the primary deficit in 2019-20, resulting in a marginal increase of less than one percentage points in the debt-GSDP ratio in 2019-20. In 2020-21, the debt-GSDP ratio witnessed an increase of 2.1 percentage points over the previous year. A persistent negative primary balance which worsened further and the GID that turned unfavourable contributed to the increase in the debt-GSDP ratio in 2020-21. During 2021-2024, both the primary balance and GID remained persistently in the positive territory, helping the State to reduce its debt burden without fiscal adjustment, as evident from the fact that the State has been able to generate a revenue surplus during the same period. The average real growth rate during 2019-24 being higher than the average inflation rate implying that the State was able to reduce its debt-GSDP ratio through economic growth and not through inflation.

As per the Domar criterion, real growth remained higher than the real interest rate, helping the GID remain favourable during 2019-24 except for the pandemic year (2020-21) enabled the State to recover the cost of borrowing.

- **Interest payment as percent to revenue receipt and revenue expenditure:** The interest payment on overall debt as percentage of revenue receipts is declining over the five years except during 2020-21. As percentage of revenue expenditure, it is declining during the period 2020-23 and showed a slight increase during 2023-24. Overall, this indicates a sustainable debt trajectory.
- **Maturity profile of borrowings:** Maturity profile of the state's borrowings reveals that *50.37 per cent* (₹ 1,88,880 crore) of total borrowings as on 31 March 2024 is repayable after more than five years indicating a longer horizon of debt, thereby limiting the roll-over risk in the forthcoming short and medium term.
- **Liquidity management:** During 2019-24 the State Government did not avail any ways and means advances and overdraft facility. This indicates good liquidity and fiscal management.

Details of the achievement *vis-a-vis* targets set in the Medium-Term Fiscal Policy Statement (MTFPS) are shown in **Table 2.41**

Table 2.41: Details of achievements against the targets set.

Fiscal Parameters		Achievements <i>vis-a-vis</i> targets set in the MTFPS				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Target	0.17	0.04	0.06	0.05	0.35
	Achievement	0.12	(-)1.40	0.33	0.89	1.36
Fiscal Deficit (-) as percentage of GSDP	Target	(-)1.84	(-)1.78	(-)1.63	(-)1.64	(-)1.75
	Achievement	(-)1.52	(-)2.50	(-)1.18	(-)0.76	(-)0.95
Ratio of total Public Debt to GSDP (in per cent) ²⁸	Target	15.69	15.72	17.40	15.88	14.88
	Achievement	16.52	18.50	15.98	15.17	14.31

Source: Medium-Term Fiscal Policy strategy Statement and disclosure for Gujarat for the respective years.

The State Government was able to meet the targets of Revenue deficit, Fiscal deficit and Public debt as percentage of GSDP in the period 2019-24 except during 2020-21 (*i.e.* during COVID pandemic).

2.8.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

Table 2.42: Utilisation of borrowed funds

Sr. No.	Year		(₹ in crore)				
			2019-20	2020-21	2021-22	2022-23	2023-24
1.	Total borrowings (public debt receipts)	1	43,491	58,857	46,968 ²⁹	52,333	40,392
2.	Repayment of principal on total borrowings	2	16,702	17,922	24,436	22,159	26,136
3.	Net Capital Expenditure	3	25,544	16,813	28,185	35,499	55,679
4.	Net Loans and Advances	4	982	1,078	916	1,212	1,291
5.	Portion of total borrowings available for meeting revenue expenditure	5= 1-2- 3-4	263	23,044	(-)6,569	(-)6,537	(-)42,714

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

²⁸ As per Department of Expenditure, GoI, borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence, back-to-back loans received in-lieu of shortfall in GST compensation of ₹ 9,222 crore during 2020-21 and ₹ 13,040 crore during 2021-22 have not been considered for calculation of percentage of Total Public Debt to GSDP. No back-to-back loans were received in-lieu of shortfall in GST compensation during 2022-23.

²⁹ The figure of ‘Public debt receipts’ here do not tally with the figures in Table 2.15 and Table 2.42 due to rounding-off difference of ₹ 1.00 crore.

During 2019-20, the State Government had a surplus of borrowed funds of ₹ 263 crore as well as a surplus of ₹ 1,945 crore on revenue account, implying that it was able to meet its current consumption from the surplus on revenue account, without using the borrowed funds. However, during 2020-21, the State Government registered a revenue deficit of ₹ 22,548 crore, which was bridged from the surplus borrowed funds of ₹ 23,044 crore. Again, the State became revenue surplus from 2021-22 onwards, which provided more fiscal space to the State Government for capital spending.

2.8.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities having encumbrance on the Consolidated Fund of the State in cases of defaults by borrowers for whom guarantees have been extended by the State Government. Statement No. 20 of the Finance Accounts gives details of guarantees given by the State Government. The maximum amount for which guarantees were given by the State Government and outstanding guarantees for the last five years is given in **Table 2.43**.

Table 2.43: Guarantees given by the Government of Gujarat

Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24
Ceiling limit on Government Guarantees under Gujarat State Guarantees Act, 1963	20,000	20,000	20,000	20,000	20,000
Maximum amount guaranteed	11,747	11,751	10,757	9,951	9,541
Outstanding amount of guarantees	4,462	3,656	3,089*	1,473	1,463
Percentage of outstanding amount of guarantees to revenue receipts	3.12	2.85	1.85	0.74	0.66

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

*Change from previous year was due to *Proforma Correction*.

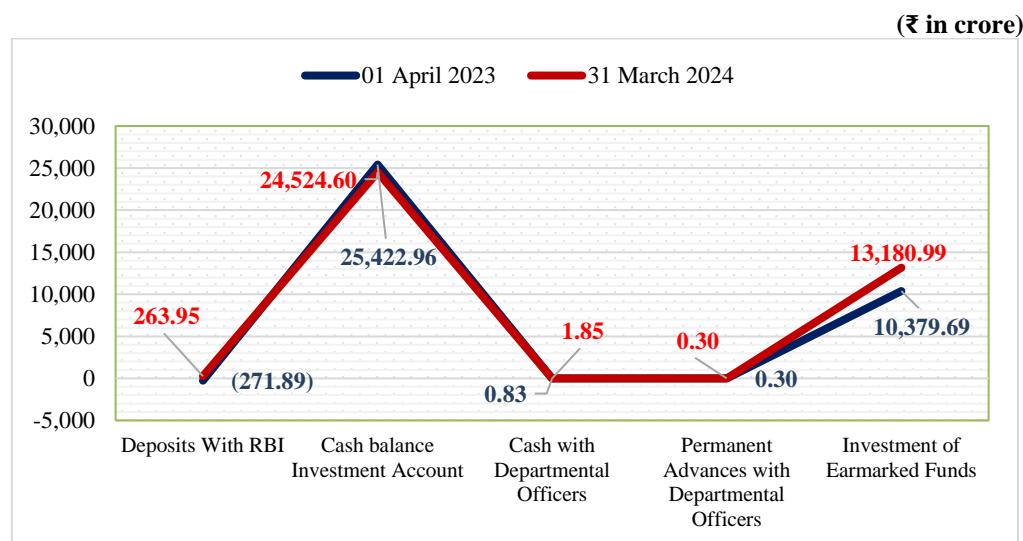
The Gujarat State Guarantees Act, 1963 prescribes capping of outstanding guarantees within the limit of ₹ 20,000 crore. During 2023-24, State Government vacated guarantees amounting to ₹ 10 crore. Of the total outstanding guarantees of ₹ 1,463 crore, 24 *per cent* (₹ 345 crore) were in respect of Gujarat Urja Vikas Nigam Limited; 19 *per cent* (₹ 273 crore) were in respect of Vadodara Municipal Corporation; and 15 *per cent* (₹ 222 crore) were in respect of Gujarat Water Supply and Sewerage Board. The outstanding guarantees (₹ 1,463 crore) accounted for 0.66 *per cent* of the revenue receipts of the State Government (₹ 2,22,763 crore). The outstanding guarantees of ₹ 1,463 crore was also well within the limit of ₹ 20,000 crore prescribed under the Gujarat Fiscal Responsibility Act, 2005.

During 2023-24, State Government received Rupees 20 only as guarantee fees from State level bodies, against the budget estimates of ₹ 1.80 crore. Further, no amount was paid by the State Government on account of invocation of guarantees during 2023-24.

2.8.4 Management of Cash Balances

The details of opening and closing cash balances with Government of Gujarat as of 01 April 2023 and 31 March 2024 are shown in **Chart 2.22**.

Chart 2.22: Opening and closing cash balances of financial year 2023-24



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

As per an agreement with the RBI, the State Government must maintain a minimum daily cash balance of ₹ 2.80 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government during 2023-24 was fixed at ₹ 2,518.00 crore.

The State Government maintained the minimum daily cash balance with the RBI during 2023-24 and no WMA/SWMA/OD was availed of during the year.

2.8.4.1 Investment of Cash Balances

Details of cash balances and investment made by the State Government out of cash balances during 2023-24 are shown in **Table 2.44**.

Table 2.44: Cash balances and investment of cash balances

Cash balances and investment of cash balances	Opening balance on 01-04-2023	Closing balance on 31-03-2024	Increase (+)/Decrease (-)
(A) General cash balance			
Cash in Treasuries	0.00	0.00	0.00
Deposits with Reserve Bank of India	(-271.89)	263.95	535.84
Remittances in Transit – Local	0.00	0.00	0.00
Investments held in Cash Balance Investment Account (Treasury Bills)	25,422.96	24,524.60	(-)898.36
Total (A)	25,151.07	24,788.55	(-)362.52
(B) Other Cash balances and investments			
Cash with Departmental Officers <i>viz.</i> Public Works, Forest, District Collectors etc.	0.83	1.85	1.02
Permanent advances with Departmental Officers for contingent expenditure	0.30	0.30	0.00
Investment of earmarked funds	10,379.69	13,180.99	2,801.30
Total (B)	10,380.82	13,183.14	2,802.32
Total Cash Balances (A)+(B)	35,531.89	37,971.69	2,439.80
Interest realised	941 ³⁰	1,785 ³¹	844

Source: Finance Accounts of the State Government for the year 2023-24.

The State Government's cash balances of ₹ 37,971.69 crore at the end of the current year showed an increase of ₹ 2,439.80 crore (6.87 *per cent*) over the previous year. Of the cash balance of ₹ 37,971.69 crore, ₹ 24,524.60 crore was invested in GoI Treasury Bills which earned an interest of ₹ 983.89 crore during the year. Further, ₹ 13,180.99 crore was invested out of earmarked funds which earned an interest of ₹ 801.30 crore.

The cash balance investments of the State during the five-year period (2019-24) are given below.

Table 2.45: Cash Balance Investment Account (Major Head-8673)

Year	Opening Balance	Closing Balance	Increase (+)/decrease (-)	Interest earned
2019-20	6,895.90	10,347.99	3,452.09	211.33
2020-21	10,347.99	10,472.20	124.21	96.86
2021-22	10,472.20	12,828.49	2,356.29	130.57
2022-23	12,828.49	25,422.96	12,594.47	138.07
2023-24	25,422.96	24,524.60	(-)898.36	983.89

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

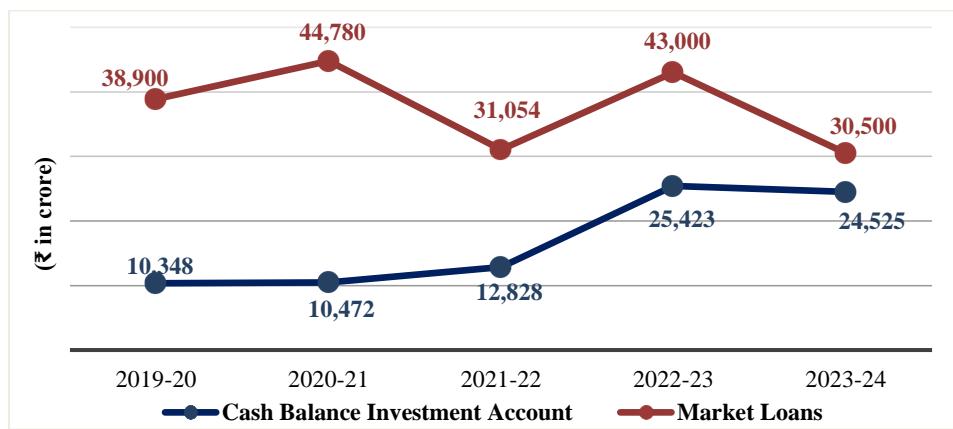
³⁰ Interest realised on Sinking Fund – Investment Account: ₹ 757 crore; Interest realised on Guarantee Redemption Fund – Investment Account: ₹ 46 crore; and Interest realised on investment of Cash Balances (Treasury Bills): ₹ 138 crore.

³¹ Interest realised on Sinking Fund – Investment Account: ₹ 758 crore; Interest realised on Guarantee Redemption Fund – Investment Account: ₹ 43 crore; and Interest realised on investment of Cash Balances (Treasury Bills): ₹ 984 crore.

The trend analysis of the cash balance investment of the State Government during 2019-24 revealed that investment decreased during 2023-24. During the current year, investments held in Cash Balance Investment Account (₹ 24,524.60 crore) stood at 8.15 *per cent* of the annual budget estimates of the State (₹ 3,01,021.61 crore).

Chart 2.23 compares the balances available as at the end of respective year in the Cash Balance Investment Account and the market loans raised by the State Government during the period 2019-24.

Chart 2.23: Market loans raised *vis-a-vis* investments held in Cash Balance Investment Account



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

As we can see from the **Chart 2.23** above, during 2023-24, the State Government raised ₹ 30,500 crore from the market. On the other hand, balance available in Cash Balance Investment Account as on 31 March 2024 was ₹ 24,525 crore. It was further noticed that during the year 2023-24, interest of ₹ 21,305.35 crore was paid on outstanding Market Loans whereas, interest of ₹ 983.89 crore was earned on investments made from Cash Balance Investment Account.

2.9 Conclusion

- During 2023-24, revenue receipts increased by ₹ 23,355 crore (11.71 *per cent*) over the previous year. A significant portion of revenue receipts (70.89 *per cent*) during 2023-24 came from the State's own resources, while central tax transfers and grants-in-aid together contributed 29.11 *per cent*.
- The actual capital expenditure during 2023-24 was 79 *per cent* of the budget estimates (for capital expenditure) during 2023-24.
- The State Government gave higher fiscal priority to health and education during 2019-20 and 2023-24, as the ratio of State's expenditure to total expenditure under these heads was higher than States other than North-Eastern and Himalayan States, except in education during 2019-20.
- The State Government had been able to continuously reduce its committed expenditure as a percentage of revenue expenditure.

2.10 Recommendations

- State Government may constitute State Finance Commissions as per time frame prescribed in the Constitution. Recommendations made by the Commissions may be considered and those accepted by the State Government be implemented in a time-bound manner.
- The State Government may assess the reasons for insufficient return on investment from Statutory Corporations, Government Companies, Cooperative Banks and Societies and to suggest remedial measures.
- State Government may take effective steps to complete all the projects expeditiously so that the intended benefits reach the beneficiaries without further delay.

CHAPTER III

Budgetary Management

Chapter III

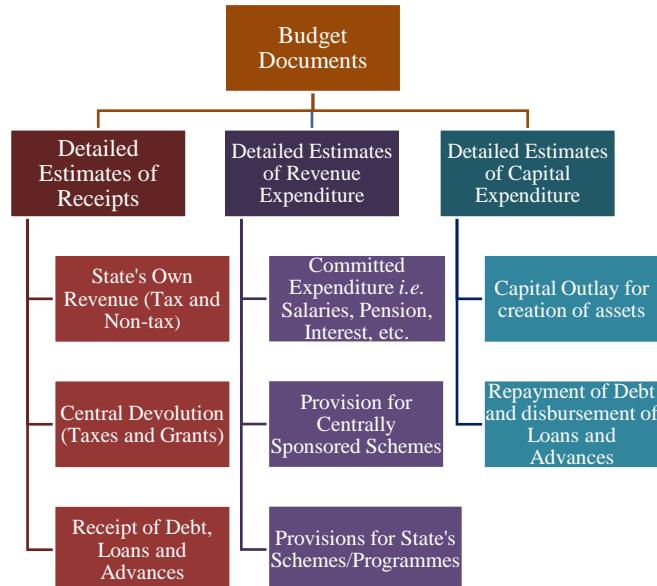
Budgetary Management

3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)” is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹ of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Gujarat Budget Manual, 1983, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various Departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the Heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called ‘Demand for Grants’. The State budget comprises following documents as shown in **Chart – 3.1**. Budget glossary is given in **Appendix – 3.1**.

Chart – 3.1: Details of State Budget Documents

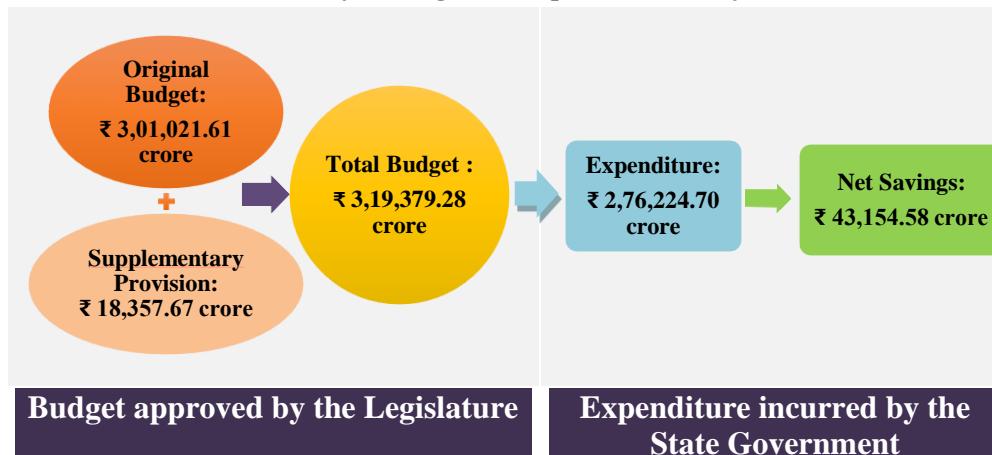


As per Appropriation Accounts for the year 2023-24, total amounts approved by the State Legislature (both original and supplementary provisions),

¹ **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

expenditure incurred and savings during 2023-24 are as depicted in **Chart – 3.2** below:

Chart – 3.2: Summary of budget and expenditure of Gujarat for 2023-24



Source: Appropriation Accounts of 2023-24.

The net savings of ₹ 43,154.58 crore were the result of gross savings of ₹ 43,348.45 crore in 179 out of 191 Grants/Appropriations, offset by excess of ₹ 193.87 crore in seven out of 191 Grants/Appropriations during 2023-24. In case of five Grants/Appropriations there was no savings/excess.

3.1.1 Gender budget

The United Nation's Agenda 2030 of Sustainable Development Goals (SDGs) is a universal call for action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Among the 17 SDGs, Goal 5 aims to achieve gender equality and empower all women through ending all types of discrimination against women and girls. Gender equality is not only a basic human right, but it is also crucial for sustainable future.

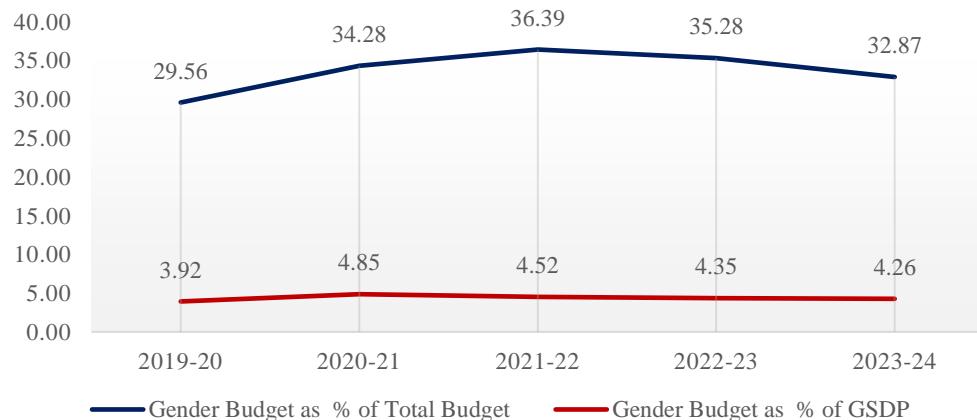
The State Government has already prepared “Gujarat Sustainable Vision 2030” document spanning 17 SDGs including gender equality. To bring out desired outcome for women empowerment and gender equality, the State Government has been implementing many Schemes for women and girl children. Since financial year 2014-15, the State Government has been publishing “Gender Budget” comprising women-specific financial allocations.

Table 3.1 shows the details of allocations made by the State Government under gender budgets during last five years (2019-24) whereas, **Chart – 3.3** highlights the percentage of gender budget to total budget and GSDP during the same period.

Table 3.1: Allocation under gender budget during 2019-24

	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gender Budget	63,341.07	78,418.48	87,111.11	96,937.25	1,04,986.71
Total Budget	2,14,271.22	2,28,776.39	2,39,389.22	2,74,758.01	3,19,379.28
GSDP	16,17,143	16,16,106	19,28,683	22,30,609	24,64,300

Source: Appropriation Accounts of respective years.

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

As can be seen, allocation under gender budget increased from ₹ 63,341.07 crore in 2019-20 to ₹ 1,04,986.71 crore in 2023-24. As a percentage of total budget, the share of gender budget increased from 29.56 *per cent* in 2019-20 to 36.39 *per cent* in 2021-22 but decreased to 32.87 *per cent* in 2023-24. Its share in GSDP increased from 3.92 *per cent* in 2019-20 to 4.26 *per cent* in 2023-24.

The Gender Resource Centre (GRC) under the Women and Child Development (WCD) Department, Government of Gujarat is responsible for collating schemes implemented by different Departments in the Gender Budget document. The Gender Budget document for 2023-24 has categorized schemes as A and B Categories.

- i. Category A – 100 *per cent* women-oriented schemes
- ii. Category B – Schemes having women-oriented component of 30-99 *per cent* of the provision

Up to 2022-23, the Gender Budget showed probable expenditure of current year and proposed expenditure of next year against Category A and B schemes. From 2023-24 onwards, actual expense of 2021-22, Budget Estimates and Revised Estimates of 2022-23 and Budget Estimates of 2023-24 under Category A and B schemes are being given. The details of mapping of various schemes in gender budget with budget estimates of different Departments were called for from the WCD. However, necessary details were not provided to Audit, in the absence of which, actual expenditure could not be confirmed.

The WCD needs to take steps to monitor expenditure against each provision shown in gender budget.

In WCD, Audit requisitioned the details of beneficiaries covered under Category A and Category B schemes included in the gender budget of last three years (2021-24). The Department furnished the details of budget provisions made and expenditure incurred under the schemes in Category A and B as shown in **Table 3.2**.

Table 3.2: Budget provision, expenditure incurred and beneficiaries covered under two schemes in Category A and B during 2021-24

Year	(₹ in crore)					
	Category A			Category B		
Total Grant allocated (Scheme wise)	Actual expenditure incurred (Scheme wise)	Total No. of beneficiaries covered	Total Grant allocated (Scheme wise)	Actual expenditure incurred (Scheme wise)	Total No. of beneficiaries covered	
2021-22	5,112.88	5,551.37	Details not available	81,998.22	71,677.09	Details not available
2022-23	5,690.99	5,663.82		79,579.06	90,429.61	
2023-24	6,270.11	6,985.55		1,04,274.28	1,17,396.57	

Source: Information furnished by Gender Resource Centre (GRC), WCD.

The Director, GRC stated (September 2024) that at present the details of individual beneficiaries are not captured by the GRC and efforts will be made to integrate mechanisms for collecting such data in the future.

It may be pertinent to mention that as per Gender Budgeting Handbook issued by GoI (October 2015), it is desirable to put necessary mechanism in place to gather beneficiaries' data to evaluate the effectiveness of schemes.

3.1.2 Summary of total provisions, actual disbursements and savings during the financial year

A summarised position of total budget provision, disbursements and savings/excesses with its further bifurcation into voted/charged items during 2023-24 is shown below.

Table 3.3: Budget provision, disbursements and savings/excesses during 2023-24

Nature	(₹ in crore)					
	Total Budget provision		Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,90,133.79	28,987.70	1,63,831.38	27,484.84	26,302.41	1,502.86
Capital	71,735.70	100.13	56,024.11	81.39	15,711.59	18.74
Loans and Advances	2,117.48	0	2,666.61	0	(-)549.13	0
Public Debt	0	26,304.48	0	26,136.37	0	168.11
Total	2,63,986.97	55,392.31	2,22,522.10	53,702.60	41,464.87	1,689.71

Source: Appropriation Accounts of 2023-24.

3.1.3 Charged and voted disbursements

Break-up of total disbursements into charged and voted items in the last five years (2019-24) is shown below.

Table 3.4: Budget disbursements and savings during 2019-24

Year	Disbursements		Savings			
	Voted	Charged	Voted	Percentage	Charged	Percentage
2019-20	1,48,754.75	39,524.20	25,852.54	17.38	139.73	0.35
2020-21	1,57,721.70	42,494.12	28,275.04	17.93	285.53	0.67
2021-22	1,67,376.82	49,978.60	21,112.71	12.61	921.09	1.84
2022-23	1,92,254.34	47,862.98	32,508.12	16.91	2,132.57	4.46
2023-24	2,22,522.10	53,702.60	41,464.87	18.63	1,689.71	3.15

Source: Appropriation Accounts of respective years.

As can be seen from the Table above, budget disbursements under both voted and charged items are increasing (except for the charged during 2022-23). Net savings under Voted Section has shown an increasing trend during 2023-24 over the previous year, while there has been a decrease in net savings for the Charged Section over the previous year.

A detailed analysis of savings/excesses under different Grants had been included in **Paragraph 3.3**.

3.1.4 Budget Marksmanship

Budget Marksmanship is about examining the relations between the budget projections of revenue and expenditure against actual receipt and spending. The World Bank's Public Expenditure and Financial Accountability (PEFA) measures the Budget reliability in terms of Aggregate Expenditure Outturn and Expenditure Composition Outturn.

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved amounts.

Table 3.5: Aggregate Budget Outturn during 2023-24

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
			Difference between Actual and BE*
Revenue	2,02,208.29	1,91,316.22	(-)10,892.07
Capital	98,813.32	84,908.48	(-)13,904.84
Total	3,01,021.61	2,76,224.70	(-)24,796.91

* Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure.

In Revenue section, deviation of outturn as compared with BE was $(-) 5.39 \text{ per cent}$. This was due to deviation between 0 and $\pm 25 \text{ per cent}$ in 78 Grants, between $\pm 25 \text{ per cent}$ to $\pm 50 \text{ per cent}$ in 17 Grants, between $\pm 50 \text{ per cent}$ to $\pm 100 \text{ per cent}$ in four Grants and equal to or more than 100 per cent in two Grants.

In Capital section, deviation of outturn as compared with BE was $(-) 14.07 \text{ per cent}$. This was due to deviation between 0 and $\pm 25 \text{ per cent}$ in 24 Grants, between $\pm 25 \text{ per cent}$ to $\pm 50 \text{ per cent}$ in 17 Grants, between

± 50 per cent to ± 100 per cent in eight Grants and equal to or more than 100 per cent in 12 Grants.

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

Table 3.6: Expenditure Composition Outturn during 2023-24

Description	Original Approved Budget (BE)	Revised Estimates (RE)	Actual Outturn	Difference between BE & RE	(₹ in crore)
					(1) (2) (3) (4) (5) (6)
Revenue	2,02,208.29	2,01,153.21	1,91,316.22	(-)1,055.08	(-)9,836.99
Capital	98,813.32	87,707.40	84,908.48	(-)11,105.92	(-)2,798.92
Total	3,01,021.61	2,88,860.61	2,76,224.70	(-)12,161.00	(-)12,635.91

* Excess of actuals over revised provision is denoted as (+) figure and shortage of actuals over revised provision is denoted as (-) figure.

In Revenue section, deviation in outturn compared with RE was (-) 5.15 per cent. This was due to deviation between 0 and ± 25 per cent in 95 Grants and between ± 25 per cent to ± 50 per cent in four Grants, between ± 50 per cent to ± 100 per cent in one Grant and equal to or more than 100 per cent in one Grant.

In Capital section, deviation in outturn compared with RE was (-) 3.19 per cent. This was due to deviation between 0 and ± 25 per cent in 39 Grants, between ± 25 per cent to ± 50 per cent in eight Grants, between ± 50 per cent to ± 100 per cent in four Grants and equal to or more than 100 per cent in six Grants. No provision was, however, made at the RE stage in respect of four Grants (Grant No. 7, 58, 75, and 99) of the Capital section.

3.2 Appropriation Accounts

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

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorisation given under

the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

3.3 Integrity of Budgetary and Accounting Process

3.3.1 Unnecessary supplementary provision

As per Article 205 of the Constitution, a Supplementary or additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional Grant or Appropriation.

During 2023-24, Supplementary provisions (₹ 10 crore or more in each case) aggregating ₹ 2,414.11 crore were made in seven Grants/Appropriation, which proved unnecessary. Expenditure incurred in these seven cases did not even reach the level of the original provision as detailed in **Table 3.7**:

Table 3.7: Supplementary provision (₹ 10 crore or more in each case) proved unnecessary

(₹ in crore)					
Sl. No.	No. and name of the Grant	Original provision	Actual expenditure	Savings out of original provision	Unnecessary supplementary provision
Revenue – Voted					
1	22-Civil Supplies	1,474.62	1,352.66	121.96	152.24
2	70-Community Development	4,194.99	3,408.72	786.27	266.07
3	79-Relief On Account of Natural Calamities	3,007.97	2,797.96	210.01	1,247.63
4	86-Roads and Bridges	4,186.21	3,868.28	317.93	444.23
5	93-Welfare of Scheduled Tribes	361.90	343.76	18.14	10.04
Capital – Voted					
6	40-Family Welfare	354.74	329.49	25.25	267.37
7	84-Non-Residential Buildings	1,177.65	1,168.12	9.53	26.53
	Total	14,758.08	13,268.99	1,489.09	2,414.11

Source: Appropriation Accounts of 2023-24.

3.3.2 Unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where need for additional funds is identified. During 2023-24, re-appropriation orders under 64 grants amounting to ₹ 11,344.01 crore were issued. All the re-appropriation orders were issued on 31 March 2024.

In 10 Sub-Heads, there were savings of ₹ 454.28 crore (more than ₹ 10 lakh in each case) from the original provisions. However, augmentation of provision through re-appropriation of ₹ 675.26 crore proved unnecessary under these 10 Sub-Heads, as expenditure did not come up to the level of the original budget provision, as detailed in **Appendix – 3.2**. On the other hand, in 02 Sub-Heads (**Sl. No. 11 and 12 of Appendix 3.2**), there was an excess of ₹ 1.51 crore over the original provisions. However, reduction of provision through re-appropriation of ₹ 0.35 crore in these 02 Sub-Heads proved injudicious.

Re-appropriation resorted to in these cases reflected inadequate planning and monitoring of budget allocation and its utilisation by the State Government.

3.3.3 Unspent provisions and surrendered Appropriations and/or large savings/surrenders

3.3.3.1 Substantial savings due to low utilisation of budgetary provisions

All Estimating Officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should consider this while exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals and poor expenditure monitoring mechanism leads to excessive savings in some heads which deprive other Departments of the funds which they could have utilised.

There were 108 demands for Grants being operated by 27 Departments of Government of Gujarat, which translated to 191 Grants/Appropriations² during 2023-24.

Savings after surrenders

An analysis of Grants and Appropriations showed that in seven cases under seven Grants during the year 2023-24, savings (after surrenders) exceeded ₹ 100 crore in each case (**Appendix – 3.3**).

Persistent savings

It was further observed that in 22 cases under 21 Grants, there were savings exceeding ₹ 100 crore persistently in each case (**Appendix – 3.4**) during

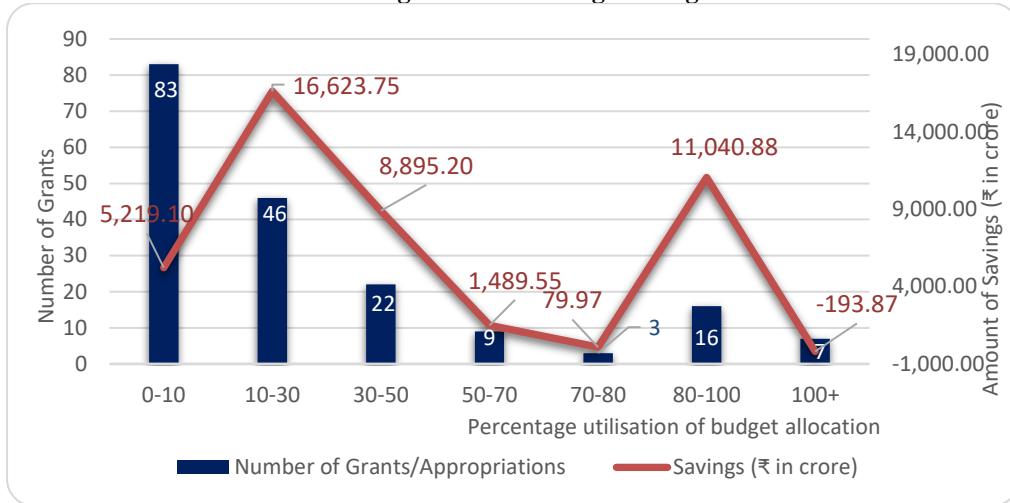
² Grant: Revenue Voted and Capital Voted; Appropriation: Revenue Charged and Capital Charged

2021-22 to 2023-24. During the year 2023-24, savings in these 22 cases was ₹ 31,689.47 crore.

Percentage utilisation of budget allocation

Details of Grants/Appropriations grouped by the percentage utilisation of budget allocation along with total savings during 2023-24 are shown in **Chart – 3.4**.

Chart – 3.4: Grants/Appropriations grouped by percentage utilisation of budget allocation along with total savings during 2023-24



Source: Appropriation Accounts of 2023-24.

Minus figures represents excess expenditure over budget provision.

As can be seen from the above **Chart 3.4**, during 2023-24, 151 Grants/Appropriations showed utilisation of less than 50 *per cent* of the budget allocation, which contributed savings of ₹ 30,738.05 crore out of the gross savings of ₹ 43,348.45 crore in 179 out of 191 Grants/Appropriations.

Savings not surrendered

No objective is served by keeping back savings which should ideally be surrendered in time. For this reason, Appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised and thus avoidable demands for Supplementary Grants are preferred. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that they can surrender. The aim should be to surrender as much as they can to keep the expenditure just within the Grant.

It was noticed that savings under six Grants and two Appropriations amounting to ₹ 353.71 crore (**Appendix – 3.5**) were not surrendered at all.

3.3.4 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/Appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

3.3.4.1 Excess expenditure during the year 2023-24

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

During 2023-24, there was an excess expenditure of ₹ 193.87 crore in seven Grants/Appropriations requiring regularisation by the State Legislature (**Table 3.8**).

Table 3.8: Excess expenditure over provision during 2023-24 requiring regularisation

(₹ in crore)				
Grant No.	Name of Grant	Total Grant	Actual expenditure	Excess expenditure
Revenue Voted				
71	Rural Housing and Rural Development	2,477.51	2,532.03	54.52
73	Other Expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department	1,563.18	1,673.65	110.47
85	Residential Buildings	311.75	312.53	0.78
101	Urban Housing	832.94	857.21	24.27
Revenue Charged				
86	Roads and Bridges	1.10	2.08	0.98
Capital Voted				
10	Other Expenditure Pertaining to Education Department	52.39	52.40	0.01
Capital Charged				
86	Roads and Bridges	38.40	41.24	2.84
Total		5,277.27	5,471.14	193.87

Source: Appropriation Accounts of 2023-24.

Excess expenditure over provision vitiates the system of budgetary and financial control.

3.3.4.2 Persistent excess expenditure in certain Grants

Despite Public Accounts Committee's recommendations to minimise the cases of excesses, persistent excesses were noticed in one Grant. The persistent excess expenditure indicates that the budgetary control in the Department was ineffective, and budget estimates were not prepared on realistic basis. Such repeated excess expenditure is in violation of the will of the State Legislature. Strictly, not a rupee can be spent without prior legislative authorisation and therefore, this is to be viewed seriously. Persistent excesses may be due to improper estimation at the time of preparation of budget, indicating that the budgetary control by the Departments is ineffective and budget estimates are not being prepared realistically.

Audit observed persistent excess in Grant No. 73 (Revenue Voted) since 2012-13 onwards. The excess during the last five years (2019-24), due to improper estimations at the time of budget preparation, is detailed in **Table 3.9**:

Table 3.9: Persistent excess expenditure during 2019-24

(₹ in crore)

Sl. No.	Description of Grant/Appropriation		2019-20	2020-21	2021-22	2022-23	2023-24
1	Grant No. 73 – Other Expenditure pertaining to Panchayats, Rural Housing and Rural Development Department (Revenue Voted)	Grant	790.19	856.17	882.17	1,497.42	1,563.18
		Expenditure	1,347.89	1,352.62	1,427.43	1,559.12	1,673.65
		Excess	557.70	496.45	545.26	61.70	110.47

Source: Appropriation Accounts of respective years.

During 2023-24, the excess was observed under the Sub-Head ‘Superannuation and Retirement Allowances to Panchayat Employees’, Object head ‘Pension Charges’.

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

3.3.4.3 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes legislative control over the executive. The excess expenditure of ₹ 12,002.54 crore incurred during the period 2009-10 to 2011-12 and 2014-15 to 2022-23 was yet to be regularised by the State Legislature. The details of excess expenditure of previous financial years requiring regularisation are shown in **Appendix – 3.6**.

All the existing cases of excess expenditure need to be got regularised.

3.4 Transparency of Budgetary and Accounting Process

3.4.1 Misclassification of capital expenditure as revenue expenditure

Rule 84 of the General Financial Rules, 2017 provides that significant expenditure incurred with the object of acquiring tangible assets of a permanent nature (for use in the organisation and not for sale in the ordinary course of business) or enhancing the utility of existing assets, shall broadly be defined as capital expenditure. Subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure. Capital and revenue expenditure shall be shown separately in the Accounts.

Further, Budget Preparation Circulars issued by the Finance Department every year clearly state that Object Heads 5100-Motor Vehicles, 5200-Machinery and Equipment, 5300-Major Works and 5500-Loans and Advances are for acquisition of capital assets and other capital expenditure, and necessary provision is to be made under Capital Major Heads.

Scrutiny of the budget documents and booking of expenditure during 2023-24 revealed that an original provision of ₹ 2.74 crore and expenditure of ₹ 3.64 crore was incurred under Object Heads 5100, 5200, 5300 and 5500 under Revenue Major Heads, instead of Capital Major Heads. This misclassification impacted Statement No. 4, 5, 7, 15, 16 and 18 of the Finance Accounts for the year 2023-24, as capital expenditure was understated and revenue expenditure was overstated to that extent. During 2023-24, Departments of Food, Civil Supplies and Consumer Affairs; Forests and Environment; Health and Family Welfare; Police; Water Resources; Roads and Buildings; and Social Justice and Empowerment have not adhered to the instructions contained in the Budget Circular issued by the Finance Department.

3.5 Effectiveness of Budgetary and Accounting Process

3.5.1 Budget projections *vis-à-vis* actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some Departments deprive other Departments of the funds, which they could have utilised.

The total provision for expenditure in 2023-24 was ₹ 3,19,379.28 crore. The actual expenditure during the year was ₹ 2,76,224.69 crore. This resulted in savings of ₹ 43,154.59 crore in 2023-24, of which, ₹ 40,988.84 crore (94.98 *per cent*) was surrendered. The details are given in **Table 3.10**.

Table 3.10: Summarised position of expenditure vis-à-vis budget provision

(₹ in crore)							
Voted/ Charged	Nature of expenditure	Budget (Original)	Budget (Supp.)	Total budget (O+S)	Actual expenditure	Net excess/ savings (-)	Excess/ savings (%)
Voted	Revenue	1,73,287.89	16,845.90	1,90,133.79	1,63,831.38	(-)26,302.41	(-)13.83
	Capital	70,924.55	811.15	71,735.70	56,024.10	(-)15,711.60	(-)21.90
	Loans and Advances	1,497.17	620.31	2,117.48	2,666.61	549.13	25.93
	Total	2,45,709.61	18,277.36	2,63,986.97	2,22,522.09	(-)41,464.88	(-)15.71
Charged	<i>Revenue</i>	28,920.40	67.30	28,987.70	27,484.84	1,502.86	(-)5.18
	<i>Capital</i>	87.12	13.01	100.13	81.39	18.74	(-)18.72
	<i>Public Debt</i>	26,304.48	0.00	26,304.48	26,136.37	168.11	(-)0.64
	<i>Loans and Advances</i>	0.00	0.00	0.00	0.00	0.00	0.00
	Total	55,312.00	80.31	55,392.31	53,702.60	1,689.71	(-)3.05
Grand Total		3,01,021.61	18,357.67	3,19,379.28	2,76,224.69	43,154.59	(-)13.51

Source: Appropriation Accounts of 2023-24.

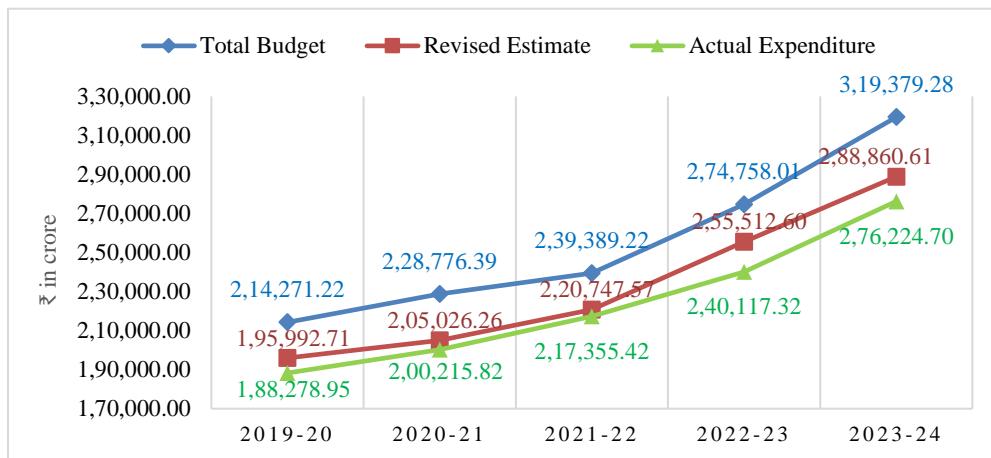
Table 3.11: Original budget, revised estimates and actual expenditure during 2019-24
(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	2,04,815.00	2,17,287.24	2,27,028.79	2,43,964.72	3,01,021.61
Supplementary Budget	9,456.22	11,489.15	12,360.43	30,793.29	18,357.67
Total Budget (Original + Supplementary) (TB)	2,14,271.22	2,28,776.39	2,39,389.22	2,74,758.01	3,19,379.28
Revised Estimates (RE)	1,95,992.71	2,05,026.26	2,20,747.57	2,55,512.60	2,88,860.61
Actual Expenditure (AE)	1,88,278.95	2,00,215.82	2,17,355.42	2,40,117.32	2,76,224.70
Net Saving (-)/excess(+)	(-) 25,992.27	(-)28,560.57	(-)22,033.80	(-)34,640.69	(-)43,154.58
Percentage of supplementary provision to original provision	4.62	5.29	5.44	12.62	6.10
Percentage of overall saving /excess to overall provision	12.13	12.48	9.20	12.61	13.51
TB-RE	18,278.51	23,750.13	18,641.65	19,245.41	30,518.67
RE-AE	7,713.76	4,810.44	3,392.15	15,395.28	12,635.91
(TB-RE) as % of TB	8.53	10.38	7.79	7.00	9.56
(RE-AE) as % of TB	3.60	2.10	1.42	5.60	3.96

Source: Annual financial statements and Appropriation Accounts of the respective years.

As can be seen from the **Table 3.11**, there was an overall savings of 13.51 *per cent* during 2023-24 as compared to 12.61 *per cent* during 2022-23. Further, supplementary provision of ₹ 18,357.67 crore during 2023-24 constituted 6.10 *per cent* of the original provision, as against 12.62 *per cent* in the previous year.

The summary of variations in Appropriation Accounts is depicted in **Chart 3.5**.

Chart 3.5: Trend showing BE, RE and Actuals

Source: Annual financial statements and Appropriation Accounts of the respective years.

It can be seen from the Chart above that over the years from 2019-20 to 2023-24, Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB was less than 10 *per cent* during the period 2019-24, except in the year 2020-21 when it was 10.38 *per cent*. Further, Actual Expenditure (AE) was always lower than the RE during the period 2019-24.

3.5.2 Missing/incomplete explanations for variations from budgeted provisions

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

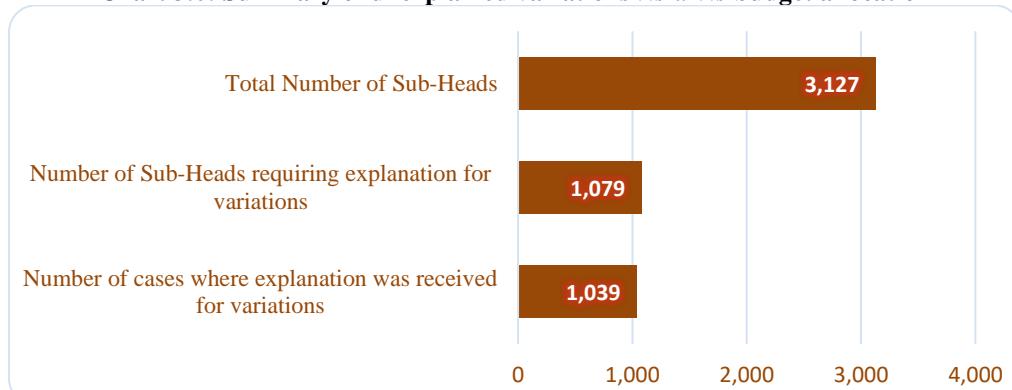
The Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/explanations for the variations in expenditure with reference to approved budgetary allocations as per the limits set by the PAC. The limits set by the Public Accounts Committee in October 1994 are shown in **Appendix – 3.7**.

Of the 191 Grants/ Appropriations, reasons for variations were required in respect of 108 Grants/Appropriations. Audit of Appropriation Accounts of 2023-24 and an analysis of the underlying accounting data revealed that the Controlling Officers did not provide explanations for the variations in expenditure *vis-à-vis* budgeted allocations in respect of 21 out of 108 Grants/Appropriations. At the Sub-Head level, explanations for variations were not provided in 40 out of 1,079 sub-heads.

The total number of Sub-Heads, number of Sub-Heads requiring explanation for variations and the number of Sub-Heads where explanations were received

are shown in **Chart 3.6**. The relevant details in this regard are indicated in **Appendix – 3.8**.

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



Source: Appropriation Accounts of 2023-24 and information provided by office of the Accountant General (A & E) Gujarat.

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

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

Several policy initiatives are taken up by the State Government for the public. These policy initiatives can be executed only after approval of scheme guidelines/modalities, for want of administrative sanction, release of budget, etc.

Appendix XI, Volume-II of Finance Accounts for the year 2023-24 gives the details of major policy decisions taken during the year or new schemes proposed in the budget. During 2023-24, 28 new schemes/major policy pronouncements were made by the State Government, of which, 17 Schemes were implemented during the year.

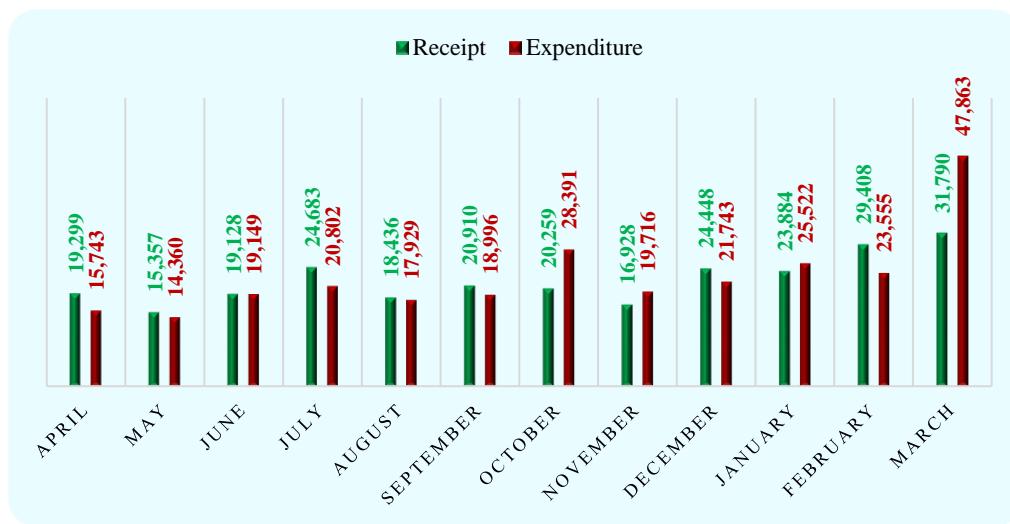
3.5.4 Rush of expenditure

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

Monthly flow of receipts into the State exchequer and disbursements during 2023-24 are shown in **Chart 3.7**.

Chart 3.7: Monthly receipts and expenditure during 2023-24

(₹ in crore)

*(Expenditure figures are net of recoveries)*

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

As may be seen from the **Chart 3.7**, receipts as well as expenditure in March was higher than that of other months during the financial year 2023-24.

Major Heads where more than 50 *per cent* of the total expenditure (more than ₹ one crore in each case) was incurred in March 2024 alone, are detailed in **Table 3.12:**

Table 3.12: Quantum of expenditure in March 2024

(₹ in crore)

Major Head	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total expr.	Expr. in March	Expr. in March to total expr. (%)
4425	Capital Outlay on Co-operation	0.00	0.00	0.00	1.45	1.45	1.45	100.00
5475	Capital Outlay on other General Economic Services	0.00	0.00	0.00	141.02	141.02	141.02	100.00
6216	Loans for Housing	0.00	0.00	0.00	1.46	1.46	1.46	100.00
4435	Capital Outlay on other Agricultural Programmes	0.00	0.00	0.91	26.80	27.71	24.82	89.57
4211	Capital Outlay on Family Welfare	17.63	10.14	14.46	287.25	329.48	279.95	84.97
2435	Other Agricultural Programmes 165 (b) Rural Development	1.40	1.25	1.33	22.71	26.69	21.59	80.89
6235	Loans for Social Security and Welfare	0.00	1.55	0.00	4.64	6.19	4.64	74.96
2075	Miscellaneous General Services 122 (f) Defence Services	0.03	18.12	10.46	90.41	119.02	84.86	71.30

Major Head	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total expr.	Expr. in March	Expr. in March to total expr. (%)
7055	Loans for other Transport Services	46.90	0.00	0.00	190.67	237.57	164.84	69.39
4070	Capital Outlay on other Administrative Services	0.00	0.11	4.30	9.04	13.45	8.90	66.17
5055	Capital Outlay on Road Transport	439.79	0.00	0.00	1,274.04	1,713.83	1,029.03	60.04
4575	Capital Outlay on other Special Areas Programmes	0.00	0.00	0.02	5.05	5.07	2.98	58.78
4711	Capital Outlay on Flood Control Projects 258 (e) Capital Account of Energy	15.79	27.83	115.84	230.47	389.93	214.92	55.12
2853	Non-ferrous Mining and Metallurgical Industries	38.14	36.46	77.32	488.33	640.25	342.92	53.56
3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	31.01	112.71	13.55	398.13	555.40	289.48	52.12
	Total	590.69	208.17	238.19	3,171.47	4,208.52	2,612.86	

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

Thus, contrary to the spirit of financial regulation, substantial expenditure was incurred by the State Government at the end of the financial year.

Further, out of an expenditure of ₹ 49,614.64 crore incurred under 2,213 Sub-Heads in March 2024, in 170 Sub-Heads, 100 *per cent* expenditure (₹ 3,195.57 crore) was incurred in March 2024. The details of 35 such Sub-Heads (out of 170), where expenditure of ₹ 10 crore or more was incurred in March 2024, are detailed in **Appendix – 3.9**.

Moreover, in case of expenditure done by Departments with respect to Grants placed at their disposal, it was observed that in nine out of 108 Grants, more than 50 *per cent* of the total expenditure was incurred in March 2024, as shown in **Table 3.13**.

**Table 3.13: Grants with more than 50 per cent expenditure in March
(Descending order of percentage)**

Sr. No.	Grant No. with description	Allocation during 2023-24	Expenditure				Total Expr.	Expr. in March	Expr. in 4 th Quarter as percent -age of total expr.	Expr. in March as percent -age of total expr.
			1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter				
1	0007-Other Expenditure Pertaining to Agriculture and Co-operation Department	26.14	0.00	0.00	0.00	23.94	23.94	23.94	100.00	100.00
2	0041-Other Expenditure Pertaining to Forest and Environment Department	1.71	0.00	0.00	0.00	1.48	1.48	1.41	100.00	95.27
3	0014-Other Expenditure Pertaining to Energy and Petro-Chemicals Department	4.57	0.11	0.22	0.27	3.92	4.52	3.71	86.73	82.08
4	0081-Compensation and Assignment (Revenue Department)	651.64	19.19	107.94	1.88	479.79	608.80	383.73	78.81	63.03
5	0055-Other expenditure pertaining to Information and Broadcasting Department	21.10	0.00	3.52	2.00	11.89	17.41	10.87	68.29	62.44
6	0028-Other Expenditure Pertaining to Forest and Environment Department	0.86	0.00	0.00	0.16	0.22	0.38	0.22	57.89	57.89
7	0072-Compensation and Assignments (Panchayats, Rural Housing and Rural Development Department)	99.81	9.46	2.32	10.23	59.60	81.61	46.93	73.03	57.51
8	0050-Mines and Minerals	646.58	38.14	36.46	77.35	488.51	640.46	342.96	76.27	53.55
9	0021-Food, Civil Supplies and Consumer Affairs Department	70.17	5.00	6.94	6.60	49.56	68.10	34.62	72.78	50.84

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

3.6 Review of selected Grants

The Gujarat Budget Manual, 1983 provides that the authority administering a Grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned Grant or Appropriation. The duties and responsibilities of the authorities include preparing the estimates in time and accurately and to ensure that the Grants placed at the disposal is spent only on the objects for which it has been provided and to surrender the savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, Audit test-checked the records of the Administrative Departments/Controlling Officers operating Grant No. 74 and 75 under Ports and Transport Department and Grant No. 105 and 106 under Women and Child Development Department for a period of three years from 2021-22 to 2023-24. The audit findings are discussed in the succeeding paragraphs.

3.6.1 Review of Grant No 74 & 75 – Ports and Transport Department

The Transport Department of the State Government is entrusted with the responsibility of providing an efficient public transportation system, control of vehicular pollution, registration of vehicles, issuance of various permits and driving licences, collection of road and motor vehicle taxes, etc.

The Additional Chief Secretary, Ports and Transport Department is the Head of the Department. The Gujarat Transport Services, Gujarat State Road Transport Corporation, Gujarat Maritime Board, Gujarat Road Safety Authority and the Commissioner of Transport, are the Controlling/subsidiary offices working under the Department.

Every year Grants are released by Finance Department to the Ports and Transport Department (P&TD) as per the approved budget estimates. In turn, the P&TD release funds to the Controlling/subsidiary offices working under it.

3.6.1.1 Budgetary Provision vis-à-vis expenditure

The budgetary allocation and expenditure incurred under revenue and capital heads of the test-checked Grants during 2021-24 is given in **Table 3.14** below:

Table 3.14: Budgetary provision and expenditure under Grant during 2021-22 to 2023-24

Year	Budgetary Provisions			Expenditure	Excess (+)/ Savings (-)	Per cent of Excess (+)/ Savings(-)			
	Original	Supplementary	Total						
Grant No. 74									
Revenue Voted									
2021-22	727.59	70.80	798.39	765.14	(-)33.25	4.16			
2022-23	787.00	1,161.31	1,948.31	1,933.23	(-)15.08	0.77			
2023-24	1,422.96	130.06	1,553.02	1,478.73	(-)74.29	4.78			

Year	Budgetary Provisions			Expenditure	Excess (+)/	Per cent of Excess (+)/
	Original	Supplementary	Total		Savings (-)	Savings(-)
Revenue Charged						
2021-22	0	1.47	1.47	1.47	0	0
2022-23	0	0.65	0.65	0.65	0.00	0.00
2023-24	-	-	-	-	-	-
Capital Voted						
2021-22	501.72	0	501.72	391.06	(-)110.66	22.06
2022-23	493.76	56.05	549.81	124.44	(-)425.37	77.37
2023-24	1,632.23	0	1,632.23	1,543.44	(-)88.79	5.44
Capital Charged						
2021-22	-	-	-	-	-	-
2022-23	0	156.39	156.39	0	(-)156.39	100
2023-24	-	-	-	-	-	-
Grant No. 75						
Revenue Voted						
2021-22	66.94	0	66.94	22.27	(-)44.67	66.73
2022-23	71.41	6.86	78.27	78.25	(-)0.02	0.03
2023-24	75.59	0	75.59	72.57	(-)3.02	4.00
Revenue Charged						
2021-22	0	4.55	4.55	4.55	0	0
2022-23	0	2.09	2.09	2.09	0	0
2023-24	-	-	-	-	-	-
Capital Voted						
2021-22	23.01	0	23.01	0.01	(-)23.00	99.96
2022-23	0.02	0	0.02	0	(-)0.02	100
2023-24	0.04	0	0.04	0	(-)0.04	100

Source: Appropriation Accounts for respective years.

It can be seen from the above table that in the Grant No 74, savings ranged between 0.77 to 4.78 *per cent* in Revenue Voted Section while the range of savings in Capital Voted Section was between 5.44 to 77.37 *per cent* during the period 2021-24. During 2022-23, supplementary provision under Capital Charged was made as the Gujarat State Road Transport Corporation (GSRTC) demanded a loan under Major head 7055 for creation of a fund for Motor Accident Claim Tribunal Cases. However, the said fund was not created resulting in 100 *per cent* savings. In Grant No 75, savings under the Revenue Voted Section was more in the year 2021-22 but reduced in 2022-23 and 2023-24. On the other hand, savings was 100 *per cent* in Capital Voted Section.

3.6.1.2 Misclassification of expenditure relating to land at Shamlaji checkpost

As per Rule 30 of the Government Accounting Rules 1990, the expenditure incurred with the object of either increasing concrete assets of a material and permanent character should be classified as capital expenditure.

During test-check in Audit, it was observed that for decretal payment to be made to a landlord for the land acquired for RTO checkpost at Shamlaji, a Supplementary Grant amounting to ₹ 147.18 lakh (2021-22) and ₹ 64.60 lakh (2022-23) was received under Revenue Charged section of Grant No. 74 (for incurring the Revenue Expenditure). Audit observed that this was in contravention to the Rule 30 *ibid* as the aforesaid expenditure was in the nature of capital expenditure as it pertained to the acquisition of land.

Reasons for misclassification were awaited (January 2025) from the Department.

3.6.1.3 Accumulation of Liability in the Accounts of the State Government

As per Gujarat Maritime Board (GMB) Act 1981, the State Government levies various charges, fees and waterfront royalty. These are collected by GMB and deposited in the Consolidated Fund of the State. In lieu of this, the State Government pays to the GMB, administrative charges computed at the rate of five *per cent* of the State charges levied by the State Government. These charges are paid from Grant No. 75 for Port Management.

The details of the administrative charges payable by the State Government to Gujarat Maritime Board (the Board) for the years 2019-20 to 2023-2024 are as under:

Table 3.15: Administrative charges due from the State Government to the GMB during 2019-24

Year	State Charges collected by GMB	Administrative charges due (being 5 <i>per cent</i> of State charges)	Provision made by the Government as per budget	Amount paid by the GoG	Remaining amount payable by GoG to the GMB (in crore)
2019-20	1,361.26	68.06	49.87	37.40	30.66
2020-21	1,263.75	63.19	61.29	34.21	28.88
2021-22	1,308.61	65.43	61.29	20.00	45.43
2022-23	1,441.05	72.05	75.86 ³	75.86	0.00
2023-24	1,477.44	73.87	72.90	69.93	3.94
Total					108.91

Source: Finance Accounts and Appropriation Accounts of respective years.

³ Original Budget : ₹ 69.39 crore and Supplementary grant : ₹ 6.47 crore during 2022-23.

Audit observed that in the financial statements of the Board, the administrative charges were shown as receivable from the State Government and treated as income of the Board. However, as the State Government paid less amount than the actual payable in respective financial years, the remaining administrative charges are a liability on the State Government. The accumulated amount as at the end of 2023-24 was ₹ 108.91 crore. The Department needs to take the arrear amount into consideration during budget formulation.

Reply awaited from the Department (January 2025).

3.6.2 Review of Grant No 105 and 106 - Women and Child Development Department

Women and Child Development Department (WCD), Government of Gujarat was established (2001) with the objectives to improve health and nutrition level of 0 to 6 years old children; physical, psychological and social development of children and to improve nutrition level of adolescent girls, pregnant and lactating women; and other related activities regarding welfare of needy women and children in the state.

3.6.2.1 Organizational set-up

The Secretary, Women and Child Development Department is the Head of the Department who is assisted by the Directorate of ICDS and Directorate of Women Welfare. The WCD has established one Public Sector Undertaking⁴ and three Societies⁵.

Every year, Grants are released by the Finance Department to WCD as per the approved budget estimates. In turn, WCD releases funds to the above mentioned Directorates, the SPSU and Societies.

3.6.2.2 Budgetary Provision vis-à-vis expenditure

Budget planning should be made realistically to the extent possible, so that funds can be provided for all the required objects without significant excesses or savings. The budgetary allocations and expenditure during 2021-24 in respect of the Grants test-check in audit are given in **Table 3.16** below:

⁴ Gujarat Women Economic Development Corporation

⁵ (i) Gujarat State Commission for Women; (ii) Gender Resource Centre; and (iii) State Social Welfare Board

Table 3.16: Budgetary Provision and Expenditure under Grant No.105 and 106 during 2021-24

Year	Budget provision			Expenditure	Excess (+)/ savings(-)	Percentage Excess (+)/ savings (-)			
	Original	Supplementary	Total						
Grant No. 105									
Revenue voted									
2021-22	4.82	0	4.82	3.07	(-)1.75	(-)36.31			
2022-23	4.36	0	4.36	3.87	(-)0.49	(-)11.24			
2023-24	4.79	0	4.79	4.45	(-)0.34	(-)7.10			
Grant No. 106									
Revenue voted									
2021-22	2,663.81	1,005.43	3,669.24	3,473.51	(-)195.73	(-)5.33			
2022-23	3,807.62	676.98	4,484.60	3,662.16	(-)822.44	(-)18.34			
2023-24	4,292.53	1,027.51	5,320.04	5,212.46	(-)107.58	(-)2.02			
Revenue charged									
2021-22	0.90	4.51	5.41	5.41	0.00	0.00			
2022-23	0.90	0.00	0.90	0.90	0.00	0.00			
2023-24	0.90	0.05	0.95	0.95	0.00	0.00			
Capital voted									
2021-22	42.87	0	42.87	22.20	(-)20.67	(-)48.22			
2022-23	21.90	0	21.90	12.13	(-)9.77	(-)44.61			
2023-24	182.33	14.61	196.94	186.65	(-)10.29	(-)5.22			

Source: Appropriation Accounts for respective years.

As seen from the Table above, savings under Revenue voted component in Grant 105 has reduced from 36.31 *per cent* in 2021-22 to 7.10 *per cent* in 2023-24. In case of Grant No. 106, the savings under Capital voted component reduced from 48.22 *per cent* in 2021-22 to 5.22 *per cent* in 2023-24.

3.6.2.3 Implementation of New Items in Budget

Paragraph 78 of Gujarat Budget Manual, 1983 states that in every progressive administration, there is a need for expanding the scope of Government activities and so every year Government proposes new expenditure to be incurred in addition to standing charges, which is characterized as new expenditure or expenditure on new service. Thus, before declaring a service as New item, the main criteria will be the magnitude and importance of the expenditure.

Audit observed that during 2021-24, 61 new items were proposed under Grant No.105 and 106 by the Administrative Department (WCD) and approved by Finance Department. Out of these, seven new items

(₹ 134.46 crore) were partly implemented while 10 new items (₹ 195.91 crore) were not implemented till March 2024 as detailed in **Appendix 3.10**. Various works planned included construction of 2,350 new Anganwadi centres, installation of server, verification of beneficiaries, purchase of learning kits, software development, etc. Test check in Audit of records relating to construction of 2,350 new Anganwadi centres (2050 in Rural areas and 300 in Urban areas) during 2021-24 which were provisioned as new Items revealed that only 210 Anganwadi centres were constructed (March 2024). It was further observed that the unit cost of construction of new Anganwadi centre was enhanced from ₹ 7 lakh to ₹ 12 lakh (*i.e.* by ₹ 5 lakh per Anganwadi centre) since 2023-24. Therefore, delay in construction of Anganwadi centres will result in cost escalation as well as expenditure on rented premises. The Department had not provided any reasons for delay in completion of new Anganwadis.

The Department needs to ensure implementation of all new items planned in budget so that targeted beneficiaries receive the intended benefits.

3.6.2.4 Not surrendering of unspent balance of the scheme (Grant No. 106)

Grants-in-aid are released for Development Programme of Gujarat Women Economic Development Corporation (GWEDC). As per the stipulated condition of the grant release order, the unspent balance of the grants released for implementation of the scheme was to be surrendered to grant controlling authority.

Grant-in-aid amounting to ₹ 28.12 crore released under Grant No.106 to GWEDC during 2021-24. Audit observed that GWEDC had not surrendered (October 2024) the unspent balance amounting to ₹ 21 crore relating to grants for the period up to year 2020-21. Further, GWEDC has not submitted its Annual Accounts of the period 2021-22 onwards.

General Manager of the GWEDC stated that Statutory Auditor has been appointed for audit of accounts of the Financial Year 2021-23 and audit is in progress.

3.7 Conclusion

- During 2023-24, an expenditure of ₹ 2,76,224.70 crore was incurred against total grants and appropriations of ₹ 3,19,379.28 crore, resulting in an overall savings of ₹ 43,154.58 crore. The overall savings of ₹ 43,154.58 crore were the result of savings of ₹ 43,348.45 crore, offset by an excess of ₹ 193.87 crore. Further, in Grant No. 73, there were persistent excesses since 2012-13 on superannuation and retirement benefits and family pension of Panchayat employees.
- In 22 cases under 21 Grants, there were persistent savings exceeding ₹ 100 crore in each case during the last three years (2021-24) in

respect of grants pertaining mainly to the Agriculture, Farmers' Welfare and Co-operation Department; Energy and Petrochemicals Department; Finance Department; Home Department; Industries and Mines Department; Labour and Employment Department; Narmada, Water Resources, Water Supply and Kalpsar Department; Panchayats, Rural Housing and Rural Development Department; Roads and Buildings Department; Tribal Development Department, etc.

3.8 Recommendations

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

CHAPTER IV

Quality of Accounts and Financial Reporting Practices

Chapter IV

Quality of Accounts and

Financial Reporting Practices

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

4.1 Non-discharge of interest liability towards interest-bearing Deposits

The State Government has a liability to provide and pay interest on the amounts in the interest-bearing Deposits (Major Heads 8336 and 8342). However, the State Government did not provide budgetary allocation for interest payments under Major Head 2049 (revenue expenditure), although there were balances in these Deposits as on 01 April 2023, as indicated in **Table 4.1**.

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

Sr. No.	Name of the interest-bearing Deposit	Balance as on 01 April 2023	Basis for calculation of interest	Amount of interest not provisioned (₹ in crore)
1.	Deposit bearing interest (Other than Contributory Pension Scheme)	17.50	Interest calculated taking rate applicable for the 14-Days treasury bill investment i.e. Reverse Repo Rate @ 3.35 per cent minus one per cent for the year 2023-24.	0.41
2.	State Compensatory Afforestation Deposit	975.96	3.35 % as per the circular No. F. No. 1 (9) – B (AC)/2017 dated 29.09.2023, issued by the Ministry of Finance, department of Economic Affairs (Budget Division).	34.86
3.	State Disaster Response Fund	1,159.61	Interest calculated @ 8.5 % (as per guidelines of SDMF i.e. 2% above the average WMAs).	173.91
4.	State Disaster Mitigation Fund	538.30	Interest calculated @ 8.5 % (as per guidelines of SDMF i.e. 2% above the average WMAs).	54.94
Total				264.12

Source: Finance Accounts for the year 2023-24.

Non-payment/short payment of the interest amounting to ₹ 264.12 crore has led to understatement of Revenue Expenditure by ₹ 264.12 crore.

4.2 Funds transferred directly to State Implementing Agencies

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

With effect from 01 April 2014, GoI decided to release all assistance for Centrally Sponsored Schemes/Additional Central Assistance to the State Governments. In Gujarat, however, transfer of Central funds directly to the State implementing agencies continued even during 2023-24 (**refer Appendix – VI of Finance Accounts, Volume-II**). Year-wise details of such transfers from 2019-20 to 2023-24 are shown in **Table 4.2**.

Table 4.2: Funds transferred to State implementing agencies by GoI

Direct transfers to State implementing agencies	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Funds transferred	11,659.35	14,210.99	20,496.91	26,806.33	21,845.38

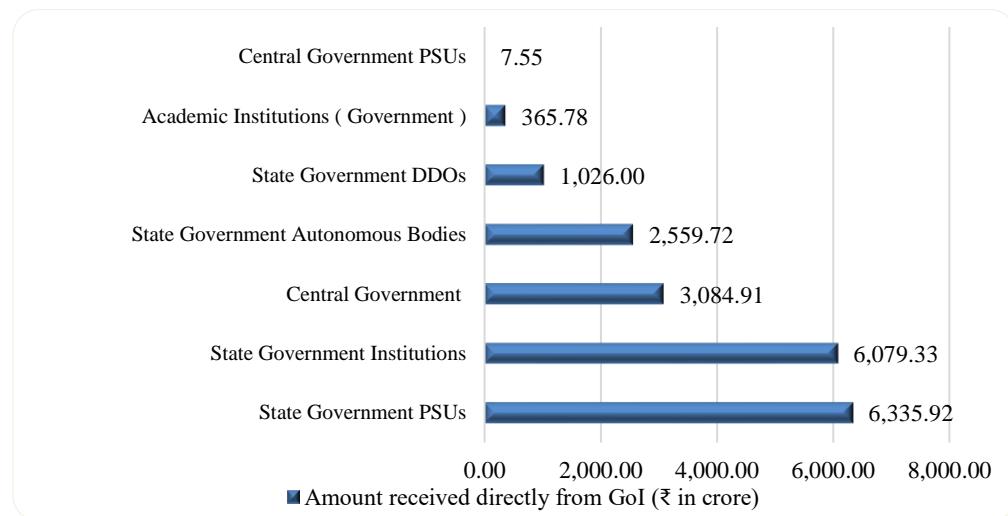
Source: Finance Accounts for the respective years.

During 2023-24, GoI released ₹ 21,845.38 crore directly to implementing agencies, of which, ₹ 19,459.21 crore was released to 'State Government Implementing Agencies' and ₹ 2,386.17 crore to 'Other than State Government Implementing Agencies'. These transfers were made as per the scheme guidelines of the respective schemes.

The Schemes involving major transfers of Central funds directly to State Implementing Agencies were, Payment for Indigenous UREA (₹ 3,316.82 crore), Pradhan Mantri Kisan Samman Nidhi (₹ 3,176.64 crore), Metro projects (₹ 2,892 crore), Payment for indigenous P and K fertilisers (₹ 2,656.13 crore), Jal Jeevan Mission/National Rural Drinking Water Mission (₹ 2,237.37 crore), and Mahatma Gandhi National Rural Employment Guarantee Scheme (₹ 1,025.99 crore).

Details of State Government Implementing Agencies receiving ₹ 19,459.21 crore directly from the GoI during 2023-24 for implementing various developmental Schemes are shown in **Chart 4.1**.

Chart 4.1: State implementing agencies that received funds directly from GoI during 2023-24



Source: PFMS data for the year 2023-24.

4.3 Deposits of Local Funds

There were 282 Personal Ledger Accounts (PLAs) being operated by 33 District Development Offices and 249 Taluka Development Offices under Panchayats, Rural Housing and Rural Development Department. The transactions under Zila Parishad Funds and Panchayat Samiti Funds during last five years (2019-24) were as shown in **Table 4.3**.

Table 4.3: Deposits in local funds

Year		2019-20	2020-21	2021-22	2022-23	2023-24
Zila Parishad Fund (MH 8448-109-11)	Opening Balance	8,263.03	8,821.48	9,646.29	8,523.79	8,847.84
	Receipts	23,210.91	24,110.28	23,921.08	26,112.92	32,875.06
	Expenditure	22,652.46	23,285.47	25,043.58	25,788.87	27,750.14
	Closing Balance	8,821.48	9,646.29	8,523.79	8,847.84	13,972.76
Panchayat Samiti Fund (MH 8448-109-12)	Opening Balance	4,138.24	4,209.52	4,153.86	5,205.75	5,067.84
	Receipts	15,349.79	15,767.41	17,538.09	18,812.77	19,676.67
	Expenditure	15,278.51	15,823.07	16,486.20	18,950.68	19,200.71
	Closing Balance	4,209.52	4,153.86	5,205.75	5,067.84	5,543.80
Closing Balance at the end of year		13,031.00	13,800.15	13,729.54	13,915.68	19,516.56

Source: Information provided by Office of the Accountant General (A&E) and Finance Accounts of respective years.

As can be seen from **Table 4.3**, PLAs had an opening balance of ₹ 13,915.68 crore as on 01 April 2023. Receipts during the year were ₹ 52,551.73 crore while disbursements were ₹ 46,950.85 crore, leaving unutilised balance of ₹ 19,516.56 crore at the end of March 2024.

4.4 Delay in Submission of Utilisation Certificates

Gujarat Financial Rules¹, 1971 read with General Financial Rules², 2017 provide that every Grants-in-aid (GIA) made for a specified object is subject to the implied conditions, such as, (i) the GIA shall be spent for the intended purpose, and within a reasonable time if no time-limit has been fixed by the sanctioning authority, and (ii) any portion of the GIA which is ultimately not required for expenditure for the purpose, shall be duly surrendered to the Government.

Rule 162 of Gujarat Financial Rules, 1971 prescribe that all financial sanctions and orders if issued by a competent officer within its own financial power shall be communicated to the Audit officer in accordance with such procedure as may be prescribed by general or special orders. Further, Rules 154 and 155 of Gujarat Financial Rules, 1971 prescribe that Utilisation Certificate (UCs) of grants provided for a specific purpose should be obtained by the Departmental officers from the grantee and after verification should be forwarded to the Accountant General (A & E) within one year from the date of their sanction unless specified otherwise.

Audit scrutiny revealed that 4,745 UCs in respect of GIA aggregating ₹ 11,869.17 crore given to 24 Departments of the State Government from 2001-02 to 2022-23 had not been submitted as of 31 March 2024. The status and age-wise details of delays in submission of UCs are shown in **Table 4.4 and 4.5** respectively.

Table 4.4: Status of submission of UCs as on 31 March 2024

Due Year ³	Number of UCs Outstanding	Amount (₹ in crore)
Up to 2022-23	2,680	3,064.05
2023-24	2,065	8,805.12
Total	4,745	11,869.17

Source: Finance Accounts of 2023-24.

Table 4.5: Age-wise arrears in submission of UCs

Sr. No.	Range of delay (in years)	UCs pending	
		No.	Amount (₹ in crore)
1.	0-1 (2022-23)	2,065	8,805.12
2.	2-3 (2020-22)	768	1,903.77
3.	4-5 (2018-20)	306	345.16
4.	6-7 (2016-18)	71	621.47
5.	8-9 (2014-16)	40	40.37
6.	10 and above (2001-14)	1,495	153.28
	Total	4,745	11,869.17

Source: Information furnished by Office of the Accountant General (A&E).

¹ Rule 154 and 155

² Rule 238 (1)

³ The year mentioned above relates to 'Due Year' i.e. after 12 months of actual drawal.

Table 4.6: Year-wise break-up of pending UCs as on 31 March 2024
 (₹ in crore)

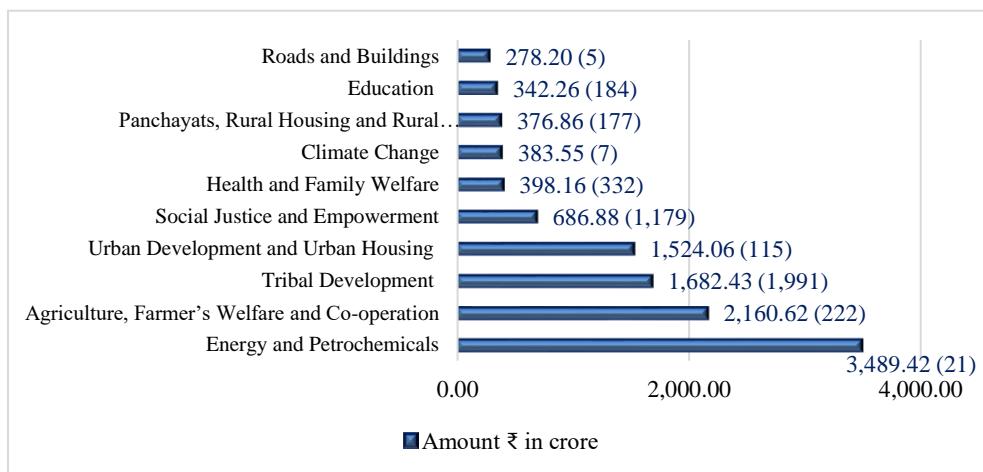
Year	No. of pending UCs	Amount
2001-02	421	37.14
2002-03	673	33.52
2003-04	189	4.67
2004-05	66	3.40
2005-06	35	2.20
2006-07	13	3.08
2007-08	22	27.18
2008-09	6	1.22
2009-10	6	4.34
2010-11	34	12.35
2011-12	6	0.27
2012-13	2	0.32
2013-14	22	23.59
2014-15	25	31.41
2015-16	15	8.96
2016-17	38	384.45
2017-18	33	237.02
2018-19	142	164.01
2019-20	164	181.15
2020-21	205	269.14
2021-22	563	1,634.63
2022-23	2,065	8,805.12
Total	4,745	11,869.17

Source: Information furnished by Office of the Accountant General (A&E).

Department-wise break-up of outstanding UCs for GIA disbursed up to 2022-23 is shown in **Appendix– 4.1**, while the status of outstanding UCs in 10 major Departments is shown in **Chart 4.2**.

The year-wise break-up of pending UCs with amount is tabulated alongside in **Table 4.6**. The Table revealed that around 27 *per cent* of outstanding UCs amounting to ₹ 75.33 crore pertained to years 2001-02, 2002-03, and 2003-04. Seventy five *per cent* of the pending UCs amounting to ₹ 8,856.53 crore pertained to four Departments *viz.* Energy and Petrochemicals (₹ 3,489.42 crore), Agriculture, Farmers' Welfare and Co-operation (₹ 2,160.62 crore), Tribal Development (₹ 1,682.43 crore), and Urban Development and Urban Housing (₹ 1,524.06 crore).

In the absence of UCs, there was no assurance that moneys disbursed have been used for the purpose for which they were given. Follow up of pending UCs is done regularly by AG (A&E) during the quarterly meeting with Finance Department. The State Government may fix responsibility for inordinate delays in submission of UCs.

Chart 4.2: Outstanding UCs in 10 major Departments for GIA paid up to 31 March 2023

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

Figures in bracket indicate number of UCs.

4.4.1 Recording of grantee institutions as “Others”

It is essential that the Government provides the details and nature of the grantee institution to which it is providing funds, in the interest of transparency of Accounts, if GIA constitute a significant portion of the total expenditure of the State.

In Gujarat, GIA constituted around 35 *per cent* of the State’s total expenditure during the last five years (2019-24). Though the Finance Accounts⁴ of the State Government for the last three years (2021-24) showed an enhanced⁵ release of GIA to various institutions classified under “Others”, the State Government did not devise any mechanism to assign codes to such institutions for monitoring the submission of UCs and verification of outstanding amount against each institution.

Table 4.7 below shows the details of GIA released to “Others” by the State Government during the last five years (2019-24):

Table 4.7: Details of GIA released to “Others” during 2019-24

Sl. No.	Year	Total expenditure	Total GIA released	GIA as percentage of total expenditure	(₹ in crore)	
					GIA released to “Others”	GIA released to “Others” as percentage of total GIA released
1.	2019-20	1,67,861.24	64,262.01	38.28	25,343.20	39.44
2.	2020-21	1,78,717.47	64,637.35	36.17	23,691.95	36.65
3.	2021-22	1,89,677.35	69,807.79	36.80	24,764.54	35.48
4.	2022-23	2,16,507.90	80,753.10	37.30	26,276.92	32.54
5.	2023-24	2,47,631.56	82,180.70	33.19	27,581.85	33.56

Source: Finance Accounts of respective years.

⁴ Statement No. 10 and Appendix III of Finance Accounts

⁵ From ₹ 25,343.20 crore in 2019-20 to ₹ 27,581.85 crore in 2023-24

As may be seen from **Table 4.7**, of the total GIA of ₹ 82,180.70 crore released during 2023-24, ₹ 27,581.85 crore (*33 per cent*) crore were released to various institutions classified under “Others”. Absence of grantees details adversely affects the transparency of accounts.

4.5 Abstract Contingent Bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers are not available at the time of drawal, are made on Abstract Contingent (AC) bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Contingent (DC) bills to the Accountant General (A&E) within a stipulated period of three⁶ months from the date of drawal of AC bills.

Over the years, drawal of funds on AC bills on large scale without carrying out their adjustment/settlement for long period (through submission of DC bills) has been a matter of concern.

As of 31 March 2024, 21 Departments of Government of Gujarat did not submit DC bills in respect of 2,981 AC Bills aggregating ₹ 288.68 crore as detailed in **Table 4.8**.

Table 4.8: Status of pending DC bills against AC bills as of 31 March 2024

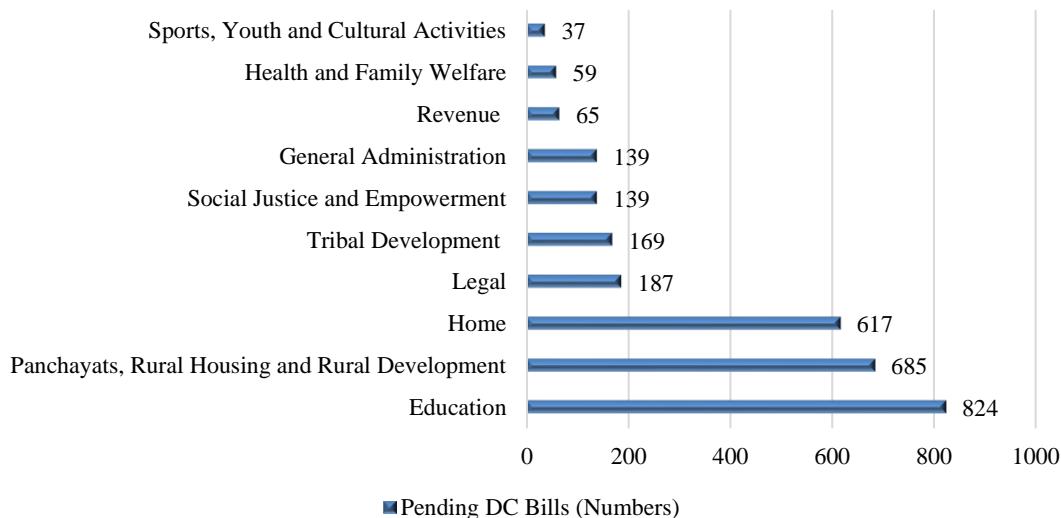
Year	Outstanding AC bills		(₹ in crore)
	No.	Amount	
Up to 2022-2023	1,752	66.79	
2023-2024	1,229	221.89	
Total	2,981	288.68	

Source: Data compiled by Office of the Accountant General (A&E).

It was observed that 5,197 AC bills for ₹ 493.87 crore were drawn in 2023-24, out of which 527 AC bills (*10.14 per cent*) for ₹ 101.44 crore (*20.54 per cent*) were drawn in March 2024. Further, out of 527 AC bills drawn in March 2024, no AC bills were drawn on the last day of the financial year.

Department-wise details and year-wise details of pending DC bills up to 2023-24 are shown in **Appendix– 4.2** and **Appendix– 4.3** respectively. The status of pending DC bills in 10 major Departments is shown in **Chart 4.3**.

⁶ As per Rule 211 of Gujarat Treasury Rules, 2000.

Chart 4.3: Pending DC Bills in 10 major Departments

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

Seventy one *per cent* of the pending DC bills pertained to three Departments viz. Education (824 Bills), Panchayats, Rural Housing and Rural Development (685 Bills) and Home (617 Bills). Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, expenditure shown in the Finance Accounts cannot be asserted as correct or final.

4.6 Personal Deposit Accounts

A Personal Deposit (PD) Account is intended to facilitate an Administrator thereof to credit receipts into and effect withdrawals for a specific purpose. PD Account may be authorised to be opened only with the prior permission of the Department of the Government concerned. Transfer of funds to PD Accounts is booked under the service Major Heads concerned as final expenditure from the Consolidated Fund of the State.

During 2023-24, seven new PD Accounts were opened and two PD Accounts closed. **Table 4.9** below provides the status of funds lying in PD Accounts on the last day of the financial year during 2019-24:

Table 4.9: Parking of funds in PD Accounts during 2019-24

Year	No. of PD Accounts at the end of the year	(₹ in crore)
		Closing Balance
2019-20	465	795.41
2020-21	470	1,003.78
2021-22	471	989.57
2022-23	471	817.82
2023-24	476	5,040.49

Source: Finance Accounts of respective years.

The closing balances under PD Accounts decreased from ₹ 1,003.78 crore in 2020-21 to ₹ 817.82 crore in 2021-22. However, during 2023-24, it has increased to ₹ 5,040.49 crore due to year-end balance of ₹ 3,949.86 crore in six new PD Accounts opened during 2023-24. There were 21 inoperative PD Account during last three years as on 31 March 2024, which had a balance of ₹ 2.14 crore. The Administrators of 460 out of 476 PD Accounts reconciled and verified their balances with the treasury figures. The Administrator of remaining 16 PD Accounts did not reconcile and verify the balances with the treasury figures (July 2024).

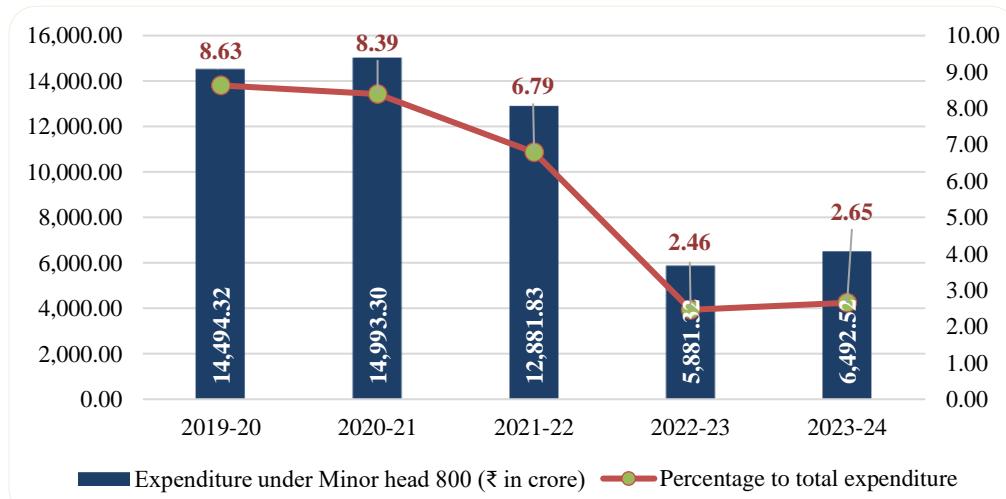
Non-transfer of unspent balances lying in the PD Accounts to the Consolidated Fund of the State entails the risk of misuse of Public Fund.

4.7 Use of Minor Head 800

The omnibus Minor Head 800 relating to Other Receipts/Other Expenditure is to be operated only in cases where the appropriate Minor Head has not been provided under a Major Head in the Accounts. Booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions.

During 2023-24, the State Government booked an expenditure of ₹ 6,492.52 crore under Minor Head 800 under 58 Major Heads of Account, constituting 2.65 *per cent* of the total Revenue and Capital expenditure⁷ of ₹ 2,44,964.94 crore. The extent of operation of Minor Head 800 – ‘Other Expenditure’ as a percentage of total expenditure during 2019-24 is as shown in Chart 4.4.

Chart 4.4: Operation of Minor Head 800 – ‘Other Expenditure’ during 2019-24



Source: Finance Accounts of the respective years.

Chart 4.4 shows that the operation of Minor Head 800 - ‘Other Expenditure’ as a percentage of total expenditure continuously decreased during 2019-23 but increased marginally during 2023-24.

⁷ The expenditure figure of ₹ 2,44,964.94 crore here will not tally with the Total Expenditure figure of ₹ 2,47,631.56 crore in **Table 1.2** due to exclusion of Loans and Advances amounting to ₹ 2,666.61 crore.

Instances of substantial proportion of expenditure (50 per cent or more) booked under Minor Head 800 – ‘Other Expenditure’ within a given Major Head during 2023-24 are given in **Table 4.10**.

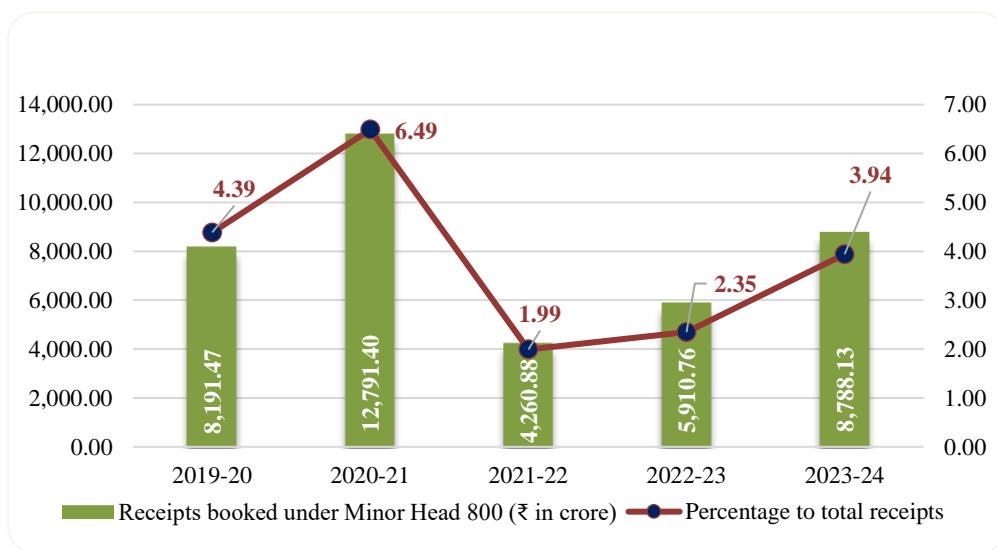
Table 4.10: Significant expenditure booked under Minor Head 800 – ‘Other Expenditure’ during 2023-24

Sr. No.	Major Head	Expenditure under Major Head	Expenditure booked under Minor Head 800	(₹ in crore) Percentage
1	4075-Capital Outlay on Miscellaneous General Services	57.39	57.39	100.00
2	4236-Capital Outlay on Nutrition	186.65	186.65	100.00
3	2075-Miscellaneous General Services	119.02	118.62	99.66
4	4851-Capital Outlay on Village and Small Industries	109.64	106.00	96.68
5	2852-Industries	4,830.74	3,781.69	78.28
6	4070-Capital Outlay on Other Administrative Services	13.45	9.84	73.16
7	4408-Capital Outlay on Food, Storage and Warehousing	19.00	13.00	68.42
8	3475-Other General Economic Services	121.91	74.23	60.89
9	4250-Capital Outlay on Other Social Services	212.54	119.05	56.01
10	4875-Capital Outlay on Other Industries	364.32	200.00	54.90

Source: Finance Accounts of 2023-24.

The extent of operation of Minor Head 800 – ‘Other Receipts’ as a percentage of total receipts during 2019-24 was as shown in **Chart 4.5**.

Chart 4.5: Operation of Minor Head 800 – ‘Other Receipts’ during 2019-24



Source: Finance Accounts of respective years.

In case of receipts, operation of Minor Head 800 during 2019-24, ranged from 1.99 *per cent* of the total receipts in 2021-22 to 6.49 *per cent* of the total receipts in 2020-21. During 2023-24, the State Government classified receipts of ₹ 8,788.13 crore pertaining to 55 Major Heads under the Minor Head 800 – ‘Other Receipts’, which constituted 3.94 *per cent* of the total Revenue Receipts of ₹ 2,22,762.73 crore. Instances of substantial proportion of receipts (50 *per cent* or more) booked under Minor Head 800 – ‘Other Receipts’ within a given Major Head during 2023-24 are given in **Table 4.11**.

Table: 4.11: Significant receipts booked under Minor Head 800 – ‘Other Receipts’ during 2023-24.

Sr. No.	Major Head	Receipts under Major Head	Receipts booked under Minor Head 800	(₹ in crore) Percentage
1.	0575-Other Special Areas Programmes	13.02	15.83	121.58 ⁸
2.	0810-Non-Conventional Sources of Energy	1,131.04	1,131.04	100
3.	0211-Family Welfare	268.72	268.72	100
4.	0801-Power	263.09	263.09	100
5.	0875-Other Industries	220	220	100
6.	1452-Tourism	213.06	213.06	100
7.	1456-Civil Supplies	78.72	78.72	100
8.	0408-Food Storage and Warehousing	8.52	8.52	100
9.	1425-Other Scientific Research	7.72	7.72	100
10.	0404-Dairy Development	0.07	0.07	100
11.	0047-Other Fiscal Services	0.06	0.06	100
12.	0802-Petroleum	0.01	0.01	100
13.	0215-Water Supply and Sanitation	494.79	493.55	99.75
14.	0235-Social Security and Welfare	24.32	24.26	99.75
15.	0515-Other Rural Development Programmes	691.71	686.43	99.24
16.	0401-Crop Husbandry	283.23	279.29	98.61
17.	1054-Roads and Bridges	56.33	54.43	96.63
18.	0217-Urban Development	730.67	693.81	94.96
19.	0702-Minor Irrigation	10.44	9.8	93.87
20.	0059-Public Works	84.5	73.58	87.08
21.	0406-Forestry and Wildlife	44.89	38.41	85.56
22.	0070-Other Administrative Services	622.18	521.05	83.75
23.	0405-Fisheries	15.59	11.98	76.84

⁸ Gross receipts in the Major Head 0575 of ₹ 15.83 crore were under the Minor Head 800. Out of this, refunds of ₹ 2.81 crore were made in the Major Head 0575 under the Minor Head 900. Therefore, the receipts under the Minor Head 800 is more than the Receipts depicted under the Major Head.

Sr. No.	Major Head	Receipts under Major Head	Receipts booked under Minor Head 800	Percentage
24.	0035-Taxes on Immovable Property other than Agricultural Land	675.87	514.63	76.14
25.	0071-Contributions and Recoveries towards Pension and Other Retirement Benefits	56	38	67.86
26.	0049-Interest Receipts	2,702.67	1,515.93	56.09

Source: Finance Accounts of 2023-24.

A few instances of use of Minor Head 800 during 2023-24 where suitable relevant Minor Heads were available are indicated **Appendix – 4.4.**

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting.

4.8 Outstanding Balances under Major Suspense and Debt, Deposit and Remittances Heads

Suspense heads are opened in Government Accounts to reflect transactions which cannot be booked to a final Head of Account for some reason or the other. These Heads of Accounts are finally cleared by minus debit or minus credit when the amounts under them are booked to their respective final Heads of Accounts. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated, resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these Heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works and Forest Divisions etc.

The net balances under major Suspense and Remittance Heads for last three years are shown in **Table 4.12.**

Table 4.12: Balances under Suspense and Remittance Heads

(₹ in crore)

Minor Head	2021-22		2022-23		2023-24	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 – Suspense						
101 - PAO suspense	140.81	1.06	139.37	(-)0.93	136.89	0.86
Net	Dr. 139.75		Dr. 140.30		Dr. 136.03	
102 - Suspense Account-Civil	(-)8.45	(-)12.41	(-)9.69	(-)29.42	28.49	22.21
Net	Dr. 3.96		Dr. 19.73		Dr. 6.28	
109 - Reserve Bank Suspense – Headquarters	0.32	(-)0.04	0.33	0.00	0.43	0.04
Net	Dr. 0.36		Dr. 0.33		Dr. 0.39	
110 - Reserve Bank Suspense - CAO	201.32	(-)0.02	201.34	4.39	300.92	(-)4.39
Net	Dr. 201.34		Dr. 196.95		Dr. 305.31	
112 - Tax Deducted at Source (TDS) Suspense	0.00	49.51	0.00	60.73	0.00	77.82
Net	Cr. 49.51		Cr. 60.73		Cr. 77.82	
123 - A.I.S Officers' Group Insurance Scheme	0.27	0.28	0.24	0.15	0.40	0.36
Net	Cr. 0.01		Dr. 0.09		Dr. 0.04	
Major Head 8782- Remittances						
102 - P.W. Remittances	19,677.19	20,581.17	20,163.07	21,106.67	25,580.59	26,919.27
Net	Cr. 903.98		Cr. 943.60		Cr. 1,338.69	
103 - Forest Remittances	1,215.40	1,345.30	1,384.39	1,491.49	1,653.02	1,719.73
Net	Cr. 129.90		Cr. 107.10		Cr. 66.71	
108 Other Remittances	90.47	105.13	96.76	109.00	112.06	121.69
Net	Cr. 14.66		Cr. 12.24		Cr. 9.63	

Source: Finance Accounts of respective years.

Pay and Accounts Office Suspense

This Minor Head is operated for settlement of inter-Departmental and inter-Governmental transactions arising in the books of Pay and Accounts Offices (PAOs) and the Accountant General (A&E). Transactions under this Minor Head represent either recoveries that have been effected or payments that have been made by an Accounts Officer on behalf of another Accounts Officer against whom the Minor Head ‘PAO Suspense’ has been operationalised. Credit under the head is cleared by ‘minus credit’ when cheque is issued by the Accounts Officer in whose books initial recovery was accounted for. Debit under ‘PAO Suspense’ is cleared by ‘minus debit’ on receipt and realisation of cheque from the Accounts Officer on whose behalf payment was made.

Outstanding debit balance under the Minor Head would mean that payment was made by the treasury of the State Government on behalf of agencies other than the State Government and the claim for which is yet to be recovered from the agency concerned. Similarly, outstanding credit balance would mean that payments have been received in state treasury from agency other than State Government, but are yet to be adjusted.

The net debit balance under this head decreased from ₹ 140.30 crore in 2022-23 to ₹ 136.03 crore in 2023-24.

Suspense Accounts (Civil)

This transitory Minor Head is operated for accounting of transactions which, for want of certain information/documents *viz.* vouchers, challans, *etc.*, cannot be taken to the final head of expenditure or receipt. This Minor Head is credited for recording receipts and debited for expenditure incurred. On receipt of the requisite information/documents, the Minor Head is cleared by minus debit or minus credit by *per contra* debit or credit to the concerned Major/Sub-Major/Minor Heads of Accounts.

Outstanding debit balance under this Head would mean that payments were made which could not be debited to the final expenditure Head for want of details like vouchers. Outstanding credit balance would mean that amounts were received which could not be credited to the final receipt head for want of details. Non-clearance of suspense balances understates receipts and expenditure of the Government which impacts the fiscal indicators.

The net debit balance as on 31 March 2024 under this Head was ₹ 6.28 crore, indicating that necessary details for classification of final receipt Head were not received.

Reserve Bank Suspense-Central Accounts Office

This Head is operated for recording inter-Governmental transactions where monetary settlement between cash balances of two Governments is done by sending advice to the Central Accounts Section of the Reserve Bank of India (RBI).

This Head is cleared by transferring the amount to the final Head of Account on receipt of intimation of the monetary settlement having been carried out by the RBI. The main transactions which get settled through this Suspense Head are grants/loans received from the GoI and their repayments, discharge of securities and interest paid thereon by the Public Debt Offices of RBI, and payments made by the Director General of Supplies and Disposals for materials supplied to Government Departments.

As on 31 March 2024, debit balance under this Head was ₹ 305.31 crore.

4.9 Reconciliation of Departmental Figures

Paragraph 101 of Gujarat Budget Manual, 1983 stipulates that receipts and expenditure recorded in the books of accounts of Controlling Officers (COs) be reconciled by them every month during the financial year with those recorded in the books of the Accountant General (A&E). This enables the COs to (a) exercise effective control over expenditure, (b) manage their budgetary allocation efficiently, and (c) ensure accuracy of their accounts.

During 2022-23, 96.59 *per cent* of the Revenue receipts, 92.15 *per cent* of the Revenue expenditure, 96.35 *per cent* of Capital expenditure and 100 *per cent* of Loans and Advances given by the State Government had been reconciled. During 2023-24, reconciliation of 97.37 *per cent* of the Revenue receipts, 91.54 *per cent* of the Revenue expenditure, 96.54 *per cent* of Capital expenditure and 100 *per cent* of Loans and Advances given by the State Government was achieved.

4.10 Reconciliation of Cash Balances

As on 31 March 2024, there was a difference of ₹ 7.04 crore (Credit), between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the RBI. The difference of ₹ 7.04 crore was due to pending reconciliation between the Treasury/RBI/ Agency Banks and AG office. The discrepancies in the cash balance needs to be got settled.

4.11 Compliance with Indian Government Accounting Standards

The Government Accounting Standards Advisory Board (GASAB), set-up by the CAG in 2002, has been formulating standards for Government accounting and financial reporting, to enhance accountability mechanisms. As of March 2023, three Indian Government Accounting Standards (IGAS) have been notified.

The details of these standards and the extent of compliance to these by the Government of Gujarat in its financial statements for the year 2023-24 are given in **Table 4.13**.

Table 4.13: Compliance with IGAS

Accounting Standard	Essence of IGAS	Compliance by State Government	Deficiency
IGAS – 1 Guarantees given by Government – Disclosure requirements	This standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and	Partly complied	While the State Government disclosed the maximum amount of guarantees given during the year, Sector-wise break-up of guarantee fees receivable had not been provided by the State Government. The reconciliation of guarantees

Accounting Standard	Essence of IGAS	Compliance by State Government	Deficiency
	outstanding at the end of the year.		given had not been done by the Departments.
IGAS – 2 <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use.	Partly Complied	During 2023-24, Government of Gujarat correctly budgeted for and booked Grants-in-aid under the Revenue Section. Information regarding Grants-in-aid given in kind had not been provided by State Government to the Accountant General (A&E).
IGAS – 3 <i>Loans and Advances made by Government</i>	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices.	Partly complied	The State Government was required to confirm the loan balances and recoveries in arrears and loans sanctioned in perpetuity. Though the State Government provided information relating to recoveries of loans and advances as on 31 March 2024, it did not confirm the outstanding loan balances as well as ‘loans in perpetuity’ despite constant pursuance by the Accountant General (A&E).
IGAS – 4 <i>Prior Period Adjustments</i>	The objective of this Standard is to prescribe the manner in which Prior Period Adjustments including errors once identified shall be presented and disclosed in the current period (the financial year) under the cash basis of accounting.	Complied	During the year no prior period adjustment was done.

4.12 Submission of Accounts of Autonomous Bodies

Several Autonomous Bodies (ABs) have been set up by the State Government in the fields of development, housing, etc. These ABs are audited under Section 19(2), 19(3) and 20(1) of the C&AG's (DPC) Act, 1971. Accounts of 69 such ABs in the State are audited by the C&AG. Separate Audit Reports (SARs) in respect of each of the 69 ABs are required to be submitted to the State Government, while SARs in respect of 42 out of 69 ABs are required to be placed in the State Legislature.

Only two⁹ out of 69 ABs submitted¹⁰ their Accounts for the year 2023-24, while 266 Accounts in respect of 67 ABs were pending as of 31 July 2024, as detailed in **Appendix – 4.5**.

A break-up of delay in submission of Accounts by 67 ABs is shown in **Table 4.14**.

Table 4.14: Delay in submission of Accounts

Delay in submission of Accounts for Audit	
Period of delay (up to 31 July 2024)	No. of ABs
Up to 1 year	17
2 years	6
More than 2 years	44
Total	67

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Delay in submission of Accounts and tabling of SARs in the State Legislature was fraught with risk as it delayed scrutiny of functioning of these Bodies, where Government investments are made.

4.13 Submission of Accounts by Bodies and Authorities substantially financed through grants or loans

As on 31 March 2024, there were 281 ABs which were substantially financed through grants or loans from the Consolidated Fund of the State. All the 281 ABs attracted audit under Section 14 of the C&AG's (DPC) Act, 1971.

A total of 220 Accounts (including those of earlier years) of 123 ABs were audited during 2023-24. Four¹¹ ABs submitted their accounts for the period 2023-24. However, 814 Annual Accounts of 277 ABs, which were due up to 2023-24 in accordance with Section 14 of the C&AG's (DPC) Act, 1971 were not received as of 31 July 2024 by the Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Details of 277 ABs which did not furnish Accounts are shown in **Appendix – 4.6** while their age-wise pendency is shown in **Table 4.15**.

⁹ (i) Gujarat Electricity Regulatory Commission; and (ii) Gujarat Real Estate Regularity Authority, Gandhinagar

¹⁰ Accounts were to be submitted by the ABs within three months of closure of the financial year *i.e.* by 30 June every year.

¹¹ (i) Gujarat National Law University; (ii) Sardar Smarak Hospital, Bardoli, Surat; (iii) Shri K K School and Home for Blind Trust, Vidyanagar; (iv) Savli Technology and Business Incubator

Table 4.15: Age-wise arrears of Annual accounts due from Autonomous Bodies

Sr. No.	Pendency (in years)	No. of the Bodies/Authorities
1.	Less than one year	125
2.	2-3	89
3.	4-5	30
4.	6-10	15
5.	Above 10	18
Total		277

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Table 4.15 above shows that the accounts of 33 ABs were in arrears for more than five years. In the absence of Annual Accounts, the accounting/utilisation of grants and loans disbursed to these bodies/authorities could not be verified by Audit.

In view of provisions under Rule 238 (2) of General Financial Rules, 2017, the administrative Departments need to review the pendency of submission of accounts before release of grants in succeeding years. The Finance Department needs to keep a watch on such transfers.

4.14 Timeliness and Quality of Accounts

The Accounts of the State Government are compiled by the Accountant General (A&E) from the initial Accounts rendered by 33 District Treasuries, 159 Public Works Divisions and 73 Forest Divisions, compiled Accounts of Pay and Accounts Offices at Gandhinagar and Ahmedabad and advices of the RBI. The Accounts are compiled from the vouchers, initial and subsidiary Accounts rendered by the Treasuries and other Account-rendering units, and there was no pendency in receipt of Accounts.

4.15 Misappropriations, Losses and Defalcations

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer.

The State Government reported 183 cases of misappropriation, losses, defalcations, etc. involving Government money of ₹ 176.87 crore (up to March 2024) on which final action was pending. Department-wise/category-wise details of losses due to theft, misappropriation/loss of Government material and fire/accidents pending at the end of March 2024 are given in **Appendix – 4.7**. These are summarised in **Table 4.16**.

Table 4.16: Details of theft, misappropriation and fire cases

Category/Types	No. of cases	Amount involved (₹ in crore)
Theft	50	0.55
Misappropriation/loss of Government Material	111	174.36
Fire/Accident Cases	22	1.96
Total	183	176.87

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

The age profile of 183 pending case is summarised in **Table 4.17**.

Table 4.17: Age profile of misappropriation, losses and defalcation cases

Range in years	Number of cases	Amount (₹ in crore)
Up to 5	38	58.23
5 – 10	31	7.94
10 – 15	17	1.75
15 – 20	17	3.13
20 – 25	12	3.64
25 and above	68	102.18
Total	183	176.87

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

Out of 183 pending cases, 95 cases (*52 per cent*) pertained to three Departments *i.e.* Forest and Environment Department (42 cases); Narmada, Water Resources, Water Supply and Kalpsar Department (28 cases); and Revenue Department (25 cases).

First Information Reports (FIRs) were lodged in 133 of 183 cases. In the remaining 50 cases¹², Departmental proceedings were under progress (October 2024).

The reasons for delay/outstanding pendency cases (case-wise and amount-wise) are listed in **Table 4.18**.

¹² Forest and Environment – 24 cases; Narmada, Water Resources, Water Supply and Kalpsar – 17 cases; Roads and Buildings – 05 cases; Education – 01 case; and Panchayats, Rural Housing and Rural Development – 01 case; Revenue – 01 case, Health and Family Welfare – 01 case.

Table 4.18: Reasons for pendency of misappropriation, losses and defalcation

Sr. No.	Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in crore)
1.	Awaiting Departmental and criminal investigation	24	57.99
2.	Departmental action initiated but not finalized	28	1.96
3.	Criminal proceedings finalized but execution of certificate for the recovery of amount pending	5	0.66
4.	Awaiting orders for recovery or write off	57	105.26
5.	Pending in the courts of law	64	10.96
6.	Others	5	0.04
Total		183	176.87

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

4.16 Follow-up action on State Finances Audit Report

Though the State Finances Audit Reports of the C&AG are being prepared and presented to the State Legislature from the year 2008-09 onwards, these have not been taken up by the Public Accounts Committee for discussion.

4.17 Conclusion

- Indiscriminate operation of omnibus Minor Head 800 – Other Receipts/Other Expenditure affected transparency in financial reporting and obscured analysis of allocative priorities and quality of expenditure.
- Non-submission of 4,745 Utilisation Certificates amounting to ₹ 11,869.17 crore within the specified period weakened the financial accountability mechanism.
- Non-adjustment of AC bills for long periods was fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.
- There were delays in submission of Accounts by the Autonomous Bodies and Authorities, indicating deficient internal controls and monitoring mechanism at the Government level.

4.18 Recommendations

- The State Government needs to institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures regarding submission of Utilisation Certificates and DC bills.

- The State Government may conduct a comprehensive review of all the items currently appearing under Minor Head 800 and ensure that all receipts and expenditure are booked under the appropriate heads of account.



(BIJIT KUMAR MUKHERJEE)
Principal Accountant General (Audit-II),
Gujarat

Ahmedabad
The 13 MAY 2025

Countersigned



(K. SANJAY MURTHY)
Comptroller and Auditor General of India

New Delhi
The 15 MAY 2025

APPENDICES

Appendix 1.1

State Profile

(Reference: Paragraph 1.1)

Sr. No.	Particulars	Unit	India	Gujarat
1.	Area	Sq. Km.	32,87,469	1,96,244
2.	Population (2014)	in crore	125.90	6.33
	Population projections (2024)	in crore	140.07	7.24
3.	Density of Population (2024)	Persons per Sq. Km.	426	369
4.	Urban Population to total population (2011)	per cent	31.1	42.6
5.	Sex Ratio (2011)	Females per 1000 Males	943	919
6.	Population below poverty line (2011-12)	per cent	21.9	16.6
7.	Literacy (2011)	per cent	73.0	78.0
8.	Infant Mortality Rate (2020)	Per 1000 live births	28.0	23.0
9.	Life Expectancy at Birth (2016-20)	year	70.0	70.5
10	Population Growth (2014 to 2024)	per cent	11.26	14.38
11	GDP and GSDP (2023-24) at Current Prices (2011-12 Series)	(₹ in crore)	2,95,35,667	24,64,300

Source:

1. Forest Survey Report 2021 (Sr. No. 1)
2. Report of the Technical Group on Population projection for India and States (2011-2036) by National commission on Population, Ministry of H&FW (Sr. Nos. 2, 3 & 10)
3. Socio- Economic Review, Government of Gujarat 2023-24 (Sr. Nos. 4 & 5)
4. Ministry of Statistics and Programme Implementation (Sr. No. 6)
5. Census of India 2011 (Sr. No. 7)
6. SRS Bulletin, May 2022 (Sr. No. 8)
7. SRS Based Abridged Life Tables 2016-20, Registrar General and Census Commissioner of India (Sr. No. 9)
8. National Statistical Office Ministry of Statistics and Programme Implementation (MoSPI); and GSDP of Gujarat-Budget Publication No. 30 of Gujarat Fiscal Responsibility Act, 2005 (2024-25) (Sr. No. 11)

Appendix – 2.1
Time series data on the State Government finances
(Reference: Paragraph 2.2)

	2019-20	2020-21	2021-22	2022-23	(₹ in crore) 2023-24
PART A- Receipts					
1. Revenue receipts	1,42,844	1,28,156	1,66,830	1,99,408	2,22,763
(A) Tax revenue	99,240	90,485	1,28,784	1,57,843	1,73,498
(i) Own Tax revenue	79,008	70,266	97,678	1,24,809	1,34,214
State Goods and Service Tax (SGST)	34,107	29,459	43,487	52,154	58,010
Taxes on sales, trade, etc.(VAT/Sales Tax)	21,072	18,800	29,044	36,984	33,127
State excise	138	134	155	188	200
Taxes on vehicles	3,847	2,981	3,889	5,002	5,568
Stamps and registration fees	7,701	7,390	10,433	14,207	15,334
Land revenue	2,359	2,134	2,782	4,480	8,558
Taxes on goods and passengers	48	104	11	55	242
Taxes on electricity duty	8,774	8,319	7,013	10,593	11,514
Other taxes	962	945	864	1,146	1,661
(ii) State's share of Union taxes and duties	20,232	20,219	31,106	33,034	39,284
(B) Non tax revenue	18,104	10,493	14,018	18,434	23,708
(C) Grants in aid from Government of India	25,500	27,178	24,028	23,131	25,557
2. Miscellaneous capital receipts	106	9,968	0	0	0
3. Recoveries of loans and advances	330	155	155	254	1.376
General Services	-	-	-	-	-
Social Services	16	17	37	28	205
Economic Services	271	83	148	173	1,116
Loans to Government Servants and Miscellaneous Loans	43	56	(-) 30	53	55
4. Total revenue and non-debt capital receipts (1+2+3)	1,43,280	1,38,280	1,66,985	1,99,662	2,24,139
5. Public debt receipts	43,491	58,857	46,969¹	52,333	40,392
Internal debt (excluding ways and means advances and overdrafts)	42,694	47,508	33,293	46,463	34,902
Net transactions under ways and means advances and overdrafts	-	-	-	-	-
Loans and advances from Government of India	797	11,349	13,676 ¹	5,870	5,490
6. Total receipts in the Consolidated Fund (4+5)	1,86,771	1,97,137	2,13,954	2,51,995	2,64,531

¹ The figure of ‘Public debt receipts’ here do not tally with the figures in Table 2.15 and Table 2.42 due to rounding-off difference of ₹ 1.00 crore.

	2019-20	2020-21	2021-22	2022-23	2023-24
7. Contingency fund receipts	0.25	0	0	0	20
8. Public account receipts (Gross)	1,04,862	1,00,214	1,18,597	1,22,483	1,46,818
9. Total receipts of the State (6+7+8)	2,91,633	2,97,351	3,32,551	3,74,478	4,11,369
PART B- Expenditure/Disbursements					
10. Revenue Expenditure	1,40,899	1,50,704	1,60,421	1,79,543	1,89,286
State Fund Expenditure	1,21,874	1,30,334	1,42,028	1,65,455	1,74,094
Central assistance including CSS/CS	19,025	20,370	18,393	14,088	15,192
General services (including interest payments)	49,172	52,074	56,423	61,269	66,705
Social services	59,197	60,816	68,254	75,125	78,686
Economic services	32,115	37,424	35,332	42,672	43,340
Grants-in-aid and contributions	415	390	412	477	555
11. Capital Expenditure	25,650	26,781	28,185	35,499	55,679
State Fund Expenditure	20,539	22,322	22,391	33,970	54,180
Central assistance including CSS/CS	5,111	4,459	5,794	1,529	1,499
General services	691	485	550	820	1,152
Social services	6,175	7,040	8,373	12,804	22,269
Economic services	18,784	19,256	19,262	21,875	32,258
12. Disbursement of loans and advances	1,312	1,233	1,071	1,466	2,667
General Services	-	-	-	-	-
Social Services	884	708	924	1,139	2,362
Economic Services	379	477	114	272	238
Loans to Government Servants and Miscellaneous Loans	49	48	33	55	67
13. Total expenditure (10+11+12)	1,67,861	1,78,718	1,89,677	2,16,508	2,47,632
14. Repayments of public debt	16,702	17,922	24,436	22,159	26,136
Internal debt (excluding Ways and Means Advances and Overdrafts)	15,908	17,139	23,518	20,991	24,959
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and advances from Government of India	794	783	918	1,168	1,177
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	1,84,563	1,96,640	2,14,113	2,38,667	2,73,768
17. Contingency fund disbursements	-	-	-	20	-
18. Public account disbursements	1,02,635	1,07,893	1,13,609	1,20,935	1,35,160
19. Total disbursement by the State (16+17+18)	2,87,198	3,04,533	3,27,722	3,59,622	4,08,928

	2019-20	2020-21	2021-22	2022-23	2023-24
Part C- Deficits					
20. Revenue deficit(-) / revenue surplus (+) (1-10)	(+)1,945	(-)22,548	(+)6,409	(+)19,865	(+)33,477
21. Fiscal deficit (-)/fiscal surplus (+) (4-13)	(-)24,581	(-)40,438	(-)22,692	(-)16,846	(-)23,493
22. Primary deficit(-)/primary surplus(+) (21+23)	(-)2,133	(-)16,235	(+)2,496	(+)8,508	(+)3,683
Part D- Other data					
23. Interest payments (included in revenue expenditure)	22,449	24,203	25,188	25,354	27,176
24. Financial assistance to local bodies etc.	64,262	64,637	69,808	80,753	82,181
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means advances/ overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP)^Φ	16,17,143	16,16,106	19,28,683 (P)	22,30,609 (Q)	24,64,300 (A)
28. Outstanding fiscal liabilities (year-end)	3,15,456	3,57,892	3,80,798 ²	4,12,372 ³	4,36,907
29. Outstanding guarantees (year-end)	4,462	3,656	3,089 ⁴	1,473	1,463
30. Maximum amount guaranteed (during the year)	11,747	11,751	10,757	9,951	9,541
31. Number of Incomplete Projects	123	158	176	213	204
32. Capital blocked in Incomplete Projects	5,811	6,929	7,478	12,244	16,403
Part E- Fiscal Health Indicators					
I. Resource Mobilisation					
Own tax revenue/GSDP (per cent)	4.89	4.35	5.06	5.60	5.45
Own non-tax revenue/GSDP (per cent)	1.12	0.65	0.73	0.83	0.96
Central transfers/GSDP (per cent)	2.83	2.93	2.86	2.52	2.63
II. Expenditure Management					
Total expenditure/GSDP (per cent)	10.38	11.06	9.83	9.71	10.05
Total expenditure/revenue receipts	1.18	1.39	1.14	1.09	1.11
Revenue expenditure/total expenditure	0.84	0.84	0.85	0.83	0.76

² Decreased by ₹ 4 crore from previous year's report figure due to proforma correction.

³ Decreased by ₹ 6 crore from previous year's report figure due to proforma correction.

⁴ Increased by ₹ 45 crore from previous year's report figure due to proforma correction.

	2019-20	2020-21	2021-22	2022-23	2023-24
Expenditure on social services/total expenditure	0.39	0.38	0.40	0.41	0.41
Expenditure on economic services/total expenditure	0.30	0.32	0.29	0.30	0.31
Capital expenditure/total expenditure	0.15	0.15	0.15	0.16	0.22
Capital expenditure on social and economic services/total expenditure	0.15	0.15	0.15	0.16	0.22
III. Management of fiscal imbalances					
Revenue deficit or surplus/GSDP (<i>per cent</i>)	0.12	(-)1.40	0.33	0.89	1.36
Fiscal deficit/GSDP (<i>per cent</i>)	(-)1.52	(-)2.50	(-)1.18	(-)0.76	(-)0.95
Primary deficit (-) or surplus (+) /GSDP (<i>per cent</i>)	(-)0.13	(-)1.00	0.13	0.38	0.15
Revenue deficit/fiscal deficit	(-)0.08	0.56	(-)0.28	(-)1.18	(-)1.42
IV. Management of fiscal liabilities					
Fiscal liabilities/GSDP (<i>per cent</i>)	19.51	21.57 ⁵	18.59 ⁶	17.49 ⁶	16.83 ⁶
Fiscal liabilities/RR (<i>per cent</i>)	220.84	272.07 ⁵	214.91 ⁶	195.63 ⁶	186.14 ⁶
Primary deficit <i>vis-à-vis</i> quantum spread (<i>per cent</i>)	(-)82.01	69.99	5.86	26.72	25.36
V. Other Fiscal Health Indicators					
Return on investment (<i>per cent</i>)	0.09	0.12	0.12	0.08	0.56
Financial assets/liabilities	0.99	0.92	0.94	1.00	1.07

Source: Statement under Gujarat Fiscal Responsibility Act, 2005
(Budget Publication No.30 of 2023-24).

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

⁵ As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received during 2020-21 has not been considered as public debt here.

⁶ As per Department of Expenditure, GoI, the borrowings under the special window will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc. Hence the back to back loans in lieu of shortfall of GST compensation of ₹ 9,222 crore received during 2020-21 and ₹ 13,040 crore received during 2021-22 have not been considered as public debt here.

Appendix – 2.2
Details of expenditure charged to SDRF.
(Reference: Paragraph 2.6.2.2)

(₹ in crore)		
Major Head of Account	Minor Head of Account	Expenditure during 2023-24
2245- Relief on Account of Natural Calamities 01- Drought	104- Supply of Fodder	0.17
Subtotal 01		0.17
2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101- Gratuitous Relief	17.88
	104-supply of fodder	0.03
	105- Veterinary care	6.17
	111- Ex-gratia payments to bereaved families	12.91
	112- Evacuation of population	7.53
	113- Assistance for repairs/reconstruction of Houses	9.39
	196- Assistance to Zilla Parishads / District level Panchayats	371.60
	800 other expenditure	618.13
	911- Deduct Recovery of Overpayments	(-)0.04
	Subtotal 02	1,043.60
2245- Relief on Account of Natural Calamities 80- General	001-Direction and Administration	2.56
	102-Management of Natural Disasters, Contingency Plans in disaster prone areas	7.84
	800-Other Expenditure	38.85
	911- Deduct Recovery of Overpayments	(-)0.00
Subtotal 80		49.25
Total (Sub Major Head 01, 02 and 80 under MH 2245)		1,093.02
2245- Relief on Account of Natural Calamities 05-State Disaster Response Fund	101- Transfer to Reserve funds/ Deposit Accounts-State Disaster Response Fund	1,519.60
	901- Deduct - Amount met from State Disaster Response Fund	(-)1,051.17
Subtotal 05		468.43
2245- Relief on Account of Natural Calamities 08-State Disaster Mitigation Fund	797- Transfer to Reserve fund Deposit Accounts	185.30
Subtotal 08		185.30
Grand Total – 2245		1,746.75

Source: Finance Accounts of the State Government for the year 2023-24.

Appendix 3.1

Glossary of important Budget related terms

(Reference: Paragraph 3.1)

- 1.** *'Accounts' or 'Actuals' of a year.* - are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
- 2.** *'Administrative approval' of a scheme, proposal or work.* - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
- 3.** *'Annual financial statement'* – Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
- 4.** *'Appropriation'* - means the amount authorized by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
- 5.** *'Charged Expenditure'* - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
- 6.** *'Consolidated Fund of India/ State'*- All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
- 7.** *'Contingency Fund'* is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
- 8.** *'Controlling Officer (budget)'*- means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
- 9.** *'Drawing and Disbursing Officer' (DDO)* – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function.
- 10.** *'Excess Grant'* – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires

regularization by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.

11. '**New Service**' – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
12. '**New Instrument of Service**'- means relatively large expenditure arising out of important expansion of an existing activity.
13. '**Public Account**'- means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
14. '**Reappropriation**' - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
15. '**Revised Estimate**' - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
16. '**Supplementary Demands for Grants**'- means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
 - a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State.
 - b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilize the savings of one of the Sections for any other Section.
 - c) **Token Supplementary** allows to utilize the savings within the same section of the grant.
17. '**Major Head**' - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
18. '**Sub-Major Head**' - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.

19. '**Minor Head**' - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
20. '**Sub-Head**' - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
21. '**Major Work**' - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
22. '**Minor Work**' - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
23. '**Modified Grant or Appropriation**' - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
24. '**Supplementary or Additional Grant or Appropriation**' - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
25. '**Schedule of New Expenditure**' - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
26. '**Token demand**' - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

Appendix – 3.2

Unnecessary Re-appropriations

(Reference: Paragraph 3.3.2)

Sl. No.	Grant No.	Nomenclature and classification	Original provision	Reappro- priation	Actual expenditure	Savings (-) /Excess (+) (₹ in lakh)
1	2	3	4	5	6	7 (6-4)
1	0009	2203 00 112 01 TED-5 Development of Government Engineering Colleges	31,196.16	174.34	31,129.67	66.49
2	0020	2049 01 101 22 Loans to be raised on or after April 2022 during the Financial Year 2022-23	3,43,509.00	65,680.06	3,29,422.39	14,086.61
3	0040	2211 00 101 04 Rural Family Planning Welfare Sub-Centres (60-40 Partially Centrally Sponsored Scheme)	56,338.14	103.26	56,172.24	165.90
4	0040	4211 00 102 02 Urban Health and Wellness Centres (Finance Commission)	52,349.72	1,099.28	26,073.00	26,276.72
5	0040	4211 00 106 01 Post Partum Centres	607.94	0.72	582.44	25.50
6	0095	2202 02 110 01 EDN-18 Regulated growth of Non-Government Secondary Schools	3,523.18	16.77	3,222.48	300.70
7	0096	2225 02 796 91 VKY-2 Govt. of India Pre Matric Scholarship for Std. IX & X (75-25 Centrally Sponsored Scheme)	5,600.00	238.38	4,438.38	1,161.62
8	0096	2230 01 796 15 EMP-12 Special provision for labour and employment under Tribal Sub-Plan	400.00	1.72	374.87	25.13
9	0096	2236 02 796 12 NTR-02 Dudh Sanjivni Yojana, Spot Feeding programme etc. (100% State Scheme)	25,890.12	4.97	22,636.63	3,253.49
10	0098	2205 00 102 08 ART-8 Cultural Activities of Commissionerate of Youth Services and Cultural Activities	3,707.06	206.13	3,640.95	66.11
11	0085	2216 05 053 01 Construction	60.00	(-)0.70	166.69	(-)106.69
12	0096	2225 02 796 17 VKY-26 Finance Assistance to various educational / professional activities	411.50	(-)34.25	456.00	(-)44.50

Source: Appropriation Accounts 2023-24.

Appendix – 3.3

Statements of Grants/Appropriations showing large savings (₹ exceeding 100 crore) after surrenders during 2023-24

(Reference: Paragraph 3.3.3.1)

Sr. No.	Grant No.	Grant name	Classification	Total budget	Actual expenditure	Saving	Surrenders	(₹ in crore) Savings after surrenders
1	09	Education	Revenue Voted	42,901.38	41,727.65	1,173.73	1,051.45	122.28
2	13	Power Projects	Capital Voted	7,504.27	3,782.30	3,721.97	2,833.22	888.75
3	20	Repayment of Debt Pertaining to Finance Department and its servicing	Revenue Charged	27,153.22	25,758.42	1,394.80	1,083.16	311.64
4	39	Medical and Public Health	Capital Voted	2,933.65	2,693.38	240.27	0.85	239.42
5	40	Family Welfare	Capital Voted	622.11	329.49	292.62	0.00	292.62
6	86	Roads and Bridges	Revenue Voted	4,630.44	3,868.28	762.16	91.05	671.11
7	102	Urban Development	Capital Voted	8,022.92	7,827.78	195.14	3.92	191.22
				93,767.99	85,987.30	7,780.69	5,063.65	2,717.04

Source: Appropriation Accounts of 2023-24.

Appendix – 3.4

Statement of Grants/Appropriations showing persistent savings during 2021-24

(Reference: Paragraph 3.3.3.1)

(₹ in crore)

Sr. No.	Name of Grant and nomenclature	Classification	2021-22	2022-23	2023-24
1.	2- Agriculture	Revenue-Voted	1,313.78	1,184.76	2,985.04
2.	6- Fisheries	Capital-Voted	109.76	185.51	148.59
3.	13- Power Projects	Capital-Voted	134.45	131.75	3,721.97
4.	18- Pension and other Retirement Benefits	Revenue-Voted	800.18	944.12	1,703.93
5.	19- Other Expenditure Pertaining to Finance Department	Revenue-Voted	8,509.32	13,661.08	10,921.05
6.	20- Repayment of Debt pertaining to Finance Department and its Servicing	Revenue-Charged	762.86	1,622.05	1,394.80
7.	43- Police	Revenue-Voted	878.39	212.63	187.19
8.	49- Industries	Capital-Voted	151.13	450.17	312.17
9.	57- Labour and Employment	Revenue-Voted	200.25	245.14	258.70
10.	65- Narmada Development Scheme	Capital-Voted	662.48	645.72	1,043.96
11.	66- Irrigation and Soil Conservation	Capital-Voted	2,412.89	730.87	2,134.19
12.	70- Community Development	Revenue-Voted	957.52	123.36	1,052.34
13.	85- Residential Buildings	Capital-Voted	113.85	159.45	148.18
14.	86- Roads and Bridges	Revenue-Voted	220.79	211.04	762.17
15.	87- Gujarat Capital Construction Scheme	Capital-Voted	114.81	183.03	111.25
16.	92- Social Security and Welfare	Revenue-Voted	170.59	379.71	245.51
17.	95- Scheduled Castes Sub Plan	Revenue-Voted	472.58	527.33	359.98
18.	96- Tribal Areas Sub Plan	Capital-Voted	388.35	148.47	1,182.61
19.	96- Tribal Areas Sub Plan	Revenue-Voted	1,091.15	1,454.06	1,384.10
20.	102- Urban Development	Revenue-Voted	1,209.22	942.51	930.29
21.	106- Other Expenditure pertaining to Women and Child Development Department	Revenue-Voted	195.73	822.44	107.57
22.	108- Other Expenditure Pertaining to Climate Change Department	Revenue-Voted	193.61	405.40	593.88
Total			21,064.69	25,370.60	31,689.47

Source: Appropriation Accounts of 2021-24.

Appendix – 3.5

Statements of Grants/Appropriations in which savings were not surrendered

(Reference: Paragraph 3.3.3.1)

Sr. No.	Grant No.	Name of Grant	Classification	Total Grant	Expenditure	Savings	(₹ in crore)
1.	04	Animal Husbandry	Revenue charged	18.83	18.71	0.12	
2.	07	Other Expenditure Pertaining to Agriculture and Co-operation Department	Revenue charged	26.14	23.94	2.20	
3.	14	Other Expenditure Pertaining to Energy and Petro-Chemicals Department	Capital Voted	3.59	3.55	0.04	
4.	38	Health and Family Welfare Department	Revenue Voted	14.00	13.13	0.87	
5.	39	Medical and Public Health	Revenue Voted	7,829.21	7,790.49	38.72	
6.	40	Family Welfare	Capital Voted	622.11	329.49	292.62	
7.	40	Family Welfare	Revenue Voted	3,650.72	3,643.58	7.14	
8.	103	Compensation, Assignment and Tax Collection Charges	Revenue Voted	434.20	422.20	12.00	
Total				12,598.80	12,245.09	353.71	

Source: Appropriation Accounts of 2023-24.

Appendix – 3.6

Excess expenditure of previous years requiring regularisation

(Reference: Paragraph 3.3.4.3)

Year	No. of Grants/ Appropriations	Grant No./Appropriation No.	(₹ in crore) Amount of excess
2009-10	38-Grants	Revenue Voted – 1, 3, 5, 9, 10, 12, 17, 18, 21, 23, 26, 32, 39, 41, 43, 45, 46, 48, 55, 57, 61, 62, 64, 66, 69, 73, 75, 80, 84, 86, 87, 88, 96, 97, 101, 102 Capital Voted – 65, 93 Revenue Charged – 20, 32, 43, 68, 84 Capital Charged – 81, 86	1,010.86
	07-Appropriations		
2010-11	13-Grants	Revenue Voted – 10, 41, 51, 62, 66, 72, 73, 82, 86, 87, 88, 105 Capital Voted- 13 Revenue Charged- 71 Capital Charged- 81	120.25
	02-Appropriations		
2011-12	06-Grants	Revenue Voted- 10, 18, 51, 82, 86 Capital Voted- 87 Revenue Charged – 26, 96 Capital Charged – 20, 81, 96	660.62
	04-Appropriations		
2014-15	04-Grants	Revenue Voted – 73, 85, 88 Capital Voted – 26 Revenue Charged – 19, 43, 81	144.45
	03-Appropriation		
2015-16	01 Grants	Revenue Voted – 73 Revenue Charged – 26, 39 Capital Charged – 20	299.09
	03 Appropriations		
2016-17	06 Grants	Revenue Voted – 9, 67, 73, 83 Capital Voted – 10, 41 Revenue Charged – 74, 96, 106 Capital Charged – 96	278.11
	04 Appropriations		
2017-18	02 Grants	Revenue Voted – 73 Capital Voted – 3 Revenue Charged - 18	333.99
	01 Appropriation		
2018-19	04 Grants	Revenue Voted – 9, 13, 73, 86 Revenue Charged - 18	2,394.24
	01 Appropriation		
2019-20	03 Grants	Revenue Voted - 9, 73, 86 Capital Charged - 20,	1,466.84
	01 Appropriation		
2020-21	03 Grants	Revenue Voted - 9, 73 Capital Voted - 88 Capital Charged - 20, 66, 96	1,718.52
	03 Appropriations		
2021-22	03 Grants	Revenue Voted - 9, 73, 79 Revenue Charged - 26	3,511.09
	01 Appropriation		
2022-23	04 Grants	Revenue Voted - 73,90 Capital Voted – 68,98 Revenue Charged - 18	64.48
	01 Appropriation		
Total			12,002.54

Source: Appropriation Accounts of respective years.

Appendix – 3.7

Limits set by the State PAC in October 1994

(Reference: Paragraph 3.5.2)

Saving	<p>1. If a grant / appropriation has an overall saving of less than 5 per cent of the total provision made there under, no notes or comments on savings/excesses are necessary under individual sub-heads. For this purpose Revenue (Voted), Revenue (Charged), Capital (Voted) and Capital (Charged) should be treated as separate grant / appropriation.</p> <p>2. Even in case; where the overall saving is 5 per cent or more under a grant / appropriation</p> <ul style="list-style-type: none"> A. No explanation is necessary for saving/excess in respect of the sub-heads where the saving/excess is 10 per cent of the provision made there under or less; B. Even if the saving/excess under sub-head is more than 10 percent of the total provision made there under, no explanation need be given in the Appropriation Accounts :- <p>i. if the total provision under 'Revenue Voted' below a grant is:</p> <ol style="list-style-type: none"> 1. more than ₹ 30 crores and the saving/excess under sub-head is less than ₹ 30 lakhs; 2. between ₹ 10 crores and ₹ 30 crores and the saving/excess under a sub-head is less than ₹ 20 lakhs; 3. less than ₹ 10 crores and savings/excess under a sub-head is less than ₹ 10 lakhs. <p>ii. if the total provision under 'Capital Voted' below grant is:</p> <ol style="list-style-type: none"> 1. more than ₹ 20 crores and the savings/excess under a sub-head is less than ₹ 25 lakhs; 2. between ₹ 10 crores and ₹ 20 crores and the saving/excess under sub-head is less than ₹ 20 lakhs; 3. less than ₹ 10 crores and he saving/excess under a sub -head is less than ₹ 10 lakhs. <p>iii. In respect of 'Revenue Charged' and 'Capital Charged' if the saving/excesses under a sub-head is less than ₹ 5 lakhs.</p>
Excess	<p>If under a grant/appropriation expenditure incurred is more than the provision made there under, the excess requires regularisation.</p> <p>However, in the Appropriation Accounts explanations for excesses/savings under sub-heads need be given only as provided below;</p> <p>1. Explanation need be given if the excess under a sub-head exceeds 10 per cent of the provision made there- under and the excess is more than ₹ 5 lakhs.</p> <p>In the following cases even if the excess is less than 10 per cent provision explanation may be given in the Appropriation Accounts:-</p> <p>A. If the total provision under 'Revenue Voted' below a grant is:</p> <ol style="list-style-type: none"> i. More than ₹ 30 crores and excess under a sub-heads is more than ₹ 30 lakhs; ii. Between ₹ 10 crores and ₹ 30 crores and the excess under a sub-head is more than ₹ 20 lakhs; iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs. <p>B. If the total provision under 'Capital Voted' below a grants is:</p> <ol style="list-style-type: none"> i. More than ₹ 20 crores and excess under a sub-heads is more than ₹ 25 lakhs; ii. Between ₹ 10 crores and ₹ 20 crores and excess under a sub head is more than ₹ 15 lakhs; iii. Less than ₹ 10 crores and the excess under a sub-head is more than ₹ 5 lakhs. <p>C. In respect of 'Revenue Charged' and 'Capital Charged', if the excess under a subhead is more than ₹ 5 lakhs.</p> <p>2. Explanations for savings under sub-heads may be given as per the forgoing provision for giving explanations for savings under sub-heads under a grant/appropriation where there is an overall saving.</p>

Appendix – 3.8

Sub-Heads with variations beyond PAC specified limits and status of explanation

(Reference: Paragraph 3.5.2)

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
01 Agriculture and Co-Operation Department	2	0	0
02 Agriculture	94	56	56
03 Minor Irrigation, Soil Conservation and Area Develop	3	2	0
04 Animal Husbandry	39	22	22
05 Co-operation	42	3	3
06 Fisheries	16	9	9
07 Other Expenditure Pertaining to Agriculture and Co-operation Department	5	2	0
08 Education Department	2	0	0
09 Education	126	15	14
10 Other Expenditure Pertaining to Education Department	8	1	1
11 Energy and Petro-Chemicals Department	3	1	1
12 Tax Collection Charges (Energy and Petro-Chemicals Department	1	0	0
13 Power Projects	32	9	8
14 Other Expenditure Pertaining to Energy and Petro-Chemicals Department	6	0	0
15 Finance Department	2	1	1
16 Tax Collection Charges (Finance Department)	7	4	4
17 Treasury and Accounts Administration	6	3	3
18 Pension and Other Retirement Benefits	15	5	5
19 Other Expenditure Pertaining to Finance Department	18	8	7
20 Repayment of Debt Pertaining to Finance Department	44	18	14
21 Food, Civil Supplies and Consumer Affairs Department	4	0	0
22 Civil Supplies	25	8	8
23 Food	12	4	4
24 Other Expenditure Pertaining to Food, Civil Supplies and Consumer Affairs Department	2	0	0
25 Forests and Environment Department	2	0	0
26 Forests	46	9	8
27 Environment	5	3	3
28 Other Expenditure Pertaining to Forest and Environment Department	2	1	1
29 Governor	14	0	0
30 Council of Ministers	1	1	1
31 Elections	10	5	5
32 Public Service Commission	2	0	0
33 General Administration Department	14	0	0
34 Economic Advice and Statistics	6	0	0
35 Other Expenditure Pertaining to General Administration Department	20	3	3
36 State Legislature	4	3	3
37 Loans and Advances to Government Servants in Gujarat Legislature Secretariat	2	1	1

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
38 Health and Family Welfare Department	3	0	0
39 Medical and Public Health	160	19	19
40 Family Welfare	30	3	2
41 Other expenditure pertaining to Health and Family Welfare Department	4	1	1
42 Home Department	5	0	0
43 Police	34	0	0
44 Jails	7	0	0
45 State Excise	4	1	1
46 Other expenditure Pertaining to Home Department	50	20	20
47 Industries and Mines Department	2	1	1
48 Stationery and Printing	7	2	2
49 Industries	61	4	4
50 Mines and Minerals	6	1	1
51 Tourism	12	2	2
52 Other Expenditure Pertaining to Industries and Mines Department	16	6	6
53 Information and Broadcasting Department	2	0	0
54 Information and Publicity	7	1	1
55 Other expenditure pertaining to Information and Broadcasting Department	3	3	3
56 Labour and Employment Department	1	0	0
57 Labour and Employment	35	18	18
58 Other expenditure Pertaining to Labour and Employment Department	2	0	0
59 Legal Department	2	0	0
60 Administration of Justice	23	3	3
61 Other expenditure Pertaining to Legal Department	11	5	5
62 Legislative and Parliamentary Affairs Department	3	2	2
63 Other expenditure Pertaining to Legislative and Parliamentary Affairs Department	2	0	0
64 Narmada, Water Resources, Water Supply and Kalpsar Department	1	1	1
65 Narmada Development Scheme	12	8	7
66 Irrigation and Soil Conservation	157	84	82
67 Water Supply	16	4	4
68 Other Expenditure Pertaining to Narmada, Water Resources, Water Supply and Kalpsar Department	3	1	1
69 Panchayats, Rural Housing and Rural Development	3	1	1
70 Community Development	41	14	14
71 Rural Housing and Rural Development	52	32	32
72 Compensation and Assignments	12	6	6
73 Other expenditure Pertaining to Panchayats, Rural Housing and Rural Development Department	14	6	6
74 Transport	11	2	1
75 Other Expenditure Pertaining to Ports and Transports Department	5	0	0
76 Revenue Department	6	3	3
77 Tax Collection Charges (Revenue Department)	39	19	19

Grant	Total Sub-Heads	Sub-Heads requiring explanation	Sub-Heads where explanations were given
78 District Administration	9	4	4
79 Relief On Account of Natural Calamities	97	27	27
80 Dang District	36	0	0
81 Compensation and Assignment	15	0	0
82 Other Expenditure Pertaining to Revenue Department	5	4	4
83 Roads and Building Department	4	2	2
84 Non-Residential building	54	13	12
85 Residential Building	17	9	8
86 Roads and Bridges	44	33	30
87 Gujarat Capital Construction Scheme	8	6	6
88 Other Expenditure Pertaining to Roads and Building Department	8	4	4
89 Science and Technology Department	6	0	0
90 Other expenditure pertaining to Science and Technology Department	28	4	4
91 Social Justice and Empowerment	3	2	2
92 Social Security and Welfare	96	28	28
93 Welfare of Scheduled Tribes	48	13	12
94 Other Expenditure Pertaining to Social Justice and Empowerment Department	2	2	2
95 Scheduled Castes Sub-Plan	349	130	127
96 Tribal Area Sub-Plan	526	282	272
97 Sports Youth and Cultural Activities Department	4	1	1
98 Youth Services and Cultural Activities	40	1	0
99 Other Expenditure Pertaining to Sports, Youth and cultural Activities Department	2	0	0
100 Urban Development and Urban Housing Department	1	1	1
101 Urban Housing	29	10	10
102 Urban Development	95	25	25
103 Compensation Assignment and Tax Collection Charges	5	0	0
104 Other Expenditure Pertaining to Urban Development and Urban Housing Department	1	1	1
105 Women and Child Development Department	2	0	0
106 Other Expenditure Pertaining to Women and Child Development Department	80	2	2
107 Climate Change Department	1	1	1
108 Other Expenditure Pertaining to Climate Change Department	6	4	1
Total	3,127	1,079	1,039

Source: Appropriation Accounts of 2023-24.

Appendix – 3.9**Sub-Heads where 100 per cent expenditure (₹ 10 crore and above) was incurred in March 2024**

(Reference: Paragraph 3.5.4)

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure (₹ in Crore) incurred during March
1	0002	2401 00 110 06-Farmers Accidental death/Permanent disability insurance Scheme	18.78
2	0005	2435 01 101 09-Providing incentive assistance to market committee	167.72
3	0007	2049 60 101 01-Interest on Provident Fund of the establishment of Agricultural Universities	16.50
4	0009	2049 60 101 01-Interest on Provident Fund of the establishment of Agricultural Universities	22.09
5	0009	2049 60 101 02-Interest on Provident Fund Deposit for Various Veterinary and Dairy Colleges Under Kamdhenu University Officers and Employees	50.08
6	0009	2049 60 101 03-Interest on Provident Fund Deposit for Various Fisheries Colleges Under Kamdhenu University Officers and Employees	100.00
7	0013	4801 05 190 20-Share Capital Contribution of GUVNL for installing Flue Gas Desulphurisation (FGD) system in GSECL Power Plants	2,000.00
8	0013	4801 05 190 23-Share Capital to GUVNL for Conversion of Existing Overhead Distribution Network into Underground Cable Network across the State	493.42
9	0020	2049 03 104 01-Interest on General Provident Fund (Other than Class-IV employees)	32.27
10	0020	2049 03 104 02-Interest on General Provident Fund of Class IV employees	16.60
11	0020	2049 03 104 07-Interest on Provident Fund of Rojamatdar Employees	137.04
12	0020	2049 03 108 01-Interest on State Government Employee's Group insurance Scheme 1981 - Insurance Fund	20.60
13	0020	2049 03 108 02-Savings Fund	142.16
14	0020	2049 03 108 03-Interest on Balance of Insurance Fund	142.16

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure incurred during March (₹ in Crore)
15	0039	2210 06 101 33-National Programme for Prevention and Control of Cancer, Diabetes Cardiovascular Diseases and Stroke (PCSS)(State Share 40 %)	70.90
16	0040	4211 00 102 02-Urban Health and Wellness Centers (Finance Commission)	20.26
17	0057	4250 00 203 01-IT Infrastructure and e-Governance Under Capital Outlay	21.53
18	0065	4700 33 190 02-IRG-1 Share Capital Contribution to Sardar Sarovar Narmada Nigam Limited- Pradhan Mantri Krishisinchayee Yojana- AIBP (Accelerated Irrigation Benefit Programme) (14.85% Central) (14.85-85.15 Partially	152.84
19	0071	2049 60 101 01-Interest on Provident Fund of the establishment of Agricultural Universities	40.20
20	0081	5475 00 050 01-Expenditure related to acquired Land	18.80
21	0085	2216 80 001 05-Expenditure transferred on Prorata basis from	26.00
22	0086	3054 80 001 05-Expenditure Transferred on Prorata basis from Major head-2059	40.00
23	0086	3054 80 797 11-Transfer to deposit Accounts of Central Road Fund Allocation	479.17
24	0086	5054 80 190 01-Equity Participation of Government of Gujarat in Special Purpose vehicle for implementation of Gandhidham-Palanpur gauge conversion project.	30.45
25	0092	2225 03 277 43-PM YASAVI - Pre Matric Scholarship For OBC, EBC & DNT Students (40% State Sponsored Scheme)	14.55
26	0092	2235 02 102 09-SSW-04 Mission Vatsalya (60% Central) (60-40 Partially Centrally Sponsored Scheme)	11.35
27	0096	2225 02 796 06-VKY-20 Article 275(1)	148.81
28	0096	2225 02 796 83-VKY benefit of various scheme to the beneficiaries of forest right act 2006 (100% State)	22.07
29	0096	4702 00 796 04-Pradhan Mantri Krishi Sinchayee Yojana, Har Khet Ko Pani - Ground Water Irrigation (60% Central) (60-40 Partially Centrally Sponsored Scheme)	17.66

Sr. No.	Grant No.	Head of Account (Up to Sub-Head)	100% expenditure incurred during March (₹ in Crore)
30	0101	2049 60 101 01-Interest on Provident Fund of the establishment of Agricultural Universities	260.73
31	0101	2049 60 101 02-Interest on Provident Fund Deposit for Various Veterinary and Dairy Colleges Under Kamdhenu University Officers and Employees	17.49
32	0101	2049 60 101 03-Interest on Provident Fund Deposit for Various Fisheries Colleges Under Kamdhenu University Officers and Employees	32.40
33	0102	2215 02 105 18-Grant in aid to Municipalities for IEC & BC under Swachh Bharat Mission (Urban) (60% Central)	727.05
34	0102	4217 03 192 03-Assistance to Municipalities for Construction and Maintenance of Fire Station Building	141.02
35	0103	2202 01 797 01-Transfer to Education Cess Fund	57.71

Source: Appropriation Accounts of 2023-24.

Appendix – 3.10**New Items not implemented in Women and Child Development Department**

(Reference: Paragraph 3.6.2.3)

Sr. No.	Description of Item	Administrative Approval ₹ in lakh)	Physical Target	Grant Released ₹ in lakh)	Expenditure ₹ in lakh)	Present Status	Remarks / Reason for non-implementation
2021-22							
1	Construction of New Anganwadi in rural area.	800	400 AWCs to be constructed.	800	800	Partially Implemented	157 AWC completed. Grant has been distributed at district level.
2	Construction of Anganwadi in Urban Area.	1,050	Construction of 150 AWCs in Urban Area.	1,050	1,050	Partially Implemented	34 AWCs completed. Grant has already been distributed at district level.
2022-23							
3	To provide facilities for monitoring and control in various shelters under women welfare	115	CCTV Intrusion Solution Base Software and High-grade server and required hardware to be purchased for Shelter Home, Sakhi One stop Center.	115	0	Not implemented	Procurement was to be done through GIL but the bidding process was delayed. So the Grant was auto surrendered on 31 March 2023 through IFMS in Budget head 103-2235-02-103-44
4	Construction of sector offices of ICDS in the state.	185.55	Construction of 15 sector offices.	185.55	185.55	Not implemented	Grant has already been distributed at district level.
5	To construct 50 Anganwadi centers in the Municipal Corporation and Municipality areas of the state	350	Construct 50 Anganwadi centers in the Municipal Corporation and Municipality areas of the state.	350	350	Partially Implemented	10 AWCs completed. Grant has already been distributed at district level.

Sr. No.	Description of Item	Administrative Approval (₹ in lakh)	Physical Target	Grant Released (₹ in lakh)	Expenditure (₹ in lakh)	Present Status	Remarks / Reason for non-implementation
2023-24							
6	Annual verification of beneficiaries of Ganga Swarupa Aarthik Sahay yojana.		300	Expenditure to be incurred on Annual verification of more than 14 lakh beneficiaries of Ganga Swarupa Aarthik Sahay yojana.	300	0	Not implemented
7	To initiate 03 new Shakti Sadan under the Mission Shakti guideline.		169.92	03 new Shakti Sadan under the Mission Shakti guideline.	101.95	0	Application for 03 new Shakti Sadan is pending for approval from state level monitoring committee under Mission Shakti and SOP of scheme is not provided by GOI till date. Thus, grant was surrendered through IFMS.
8	To initiate 10 new Sakhi Niwas under the Mission Shakti guideline.		154.86	10 new Sakhi Niwas under the Mission Shakti guideline.	92.92	23.23	Not implemented
9	Strengthening of Poshan Umbrella for Supply Chain Through Tech-Innovation (PUSHTI 2.0).		500	Installation of Hardware, Software, API & MIS, Network & Security, Management Cost for Last mile tracking of beneficiary.	500	0	GIL has been consulted for procurement after getting approval from IT and SPC (IT) committees. But the process was delayed and could not be completed before 31st March. Hence, Grant was surrendered.

Sr. No.	Description of Item	Administrative Approval (₹ in lakh)	Physical Target	Grant Released (₹ in lakh)	Expenditure (₹ in lakh)	Present Status	Remarks / Reason for non-implementation
10	Gyan Punj (Holistic Development of Children).	3,000	Purchase of learning kits (Holistic Development of Children).	3,000	0	Not implemented	The first tender was scrapped, and the second tender was delayed. The grant for FY 2023-24 was surrendered and the payment is to be done from budget 2024-25.
11	Software based content development under Mission Balam Sukham.	350	Software based content development under Mission Balam Sukham.	350	0	Not implemented	The tender was scrapped and bidding process delayed. The grant for FY 2023-24 was surrendered.
12	Construction of Anganwadi Centers in convergence with MGNREGA.	13,800	Construction of 1650 AWCs and 1600 Dilapidated AWCs under MNREGA.	13,800	13,800	Not implemented	Grant has already been distributed at district level.
13	Upgradation of AWC as Saksham AWC.	1,250	1250 AWCs to be upgraded with LED Screen, Rain water harvesting, RO / water purifier, Wifi-Pendrive, ECCE activities.	609.45	937.5	Not implemented	Grant was revised to ₹ 1,250 lakh and ₹ 937.5 lakh has already been distributed at district level for renovation of AWCs and remaining amount of ₹ 312.50 lakh lying in SNA account.
14	Maintenance and repairing of Aanganwadis in the state.	5,000	Maintenance and repairing of 2500 Aanganwadis.	5,000	5,000	Partially Implemented -3.5%	89 AWCs completed. Grant has already been distributed at district level.
15	Construction of 100 Anganwadi Centre in Municipal Corporations and Municipalities in the state.	1,200	Construction of 100 Anganwadi Centre in Municipal Corporations and Municipalities in the state.	1,200	1,200	Partially Implemented -9%	9 AWCs completed. Grant has already been distributed at district level.

Sr. No.	Description of Item	Administrative Approval (₹ in lakh)	Physical Target	Grant Released (₹ in lakh)	Expenditure (₹ in lakh)	Present Status	Remarks / Reason for non-implementation
16	Minor Repairs of Aanganwadi Centers.	3,605.78	35980 AWCs	3,605.78	3,058.3	Partially Implemented -15%	5,378 AWCs completed. Grant has already been distributed at district level.
17	To purchase Growth Monitoring Devices at AWCs.	1,440	Growth Monitoring Devices like Infantometer, Stedimeter, Weight Measuring equipment at AWCs.	1,440	607.51	Partially Implemented	Infantometer – 18,000, Stedimeter-18,000, Weight scale (Mother & Child)-18,000, Weight Scale (Infant)-18,000 were purchased. As per the guidelines of the Government of India, MWCD approved unit cost for purchase of GMD (4 items) is ₹ 8,000 + GST. So that for the first phase a total provision of ₹ 1,440.00 lakh was made for 18,000 Anganwadi centers at ₹ 8,000+GST per unit. But at the time of purchase from GEM Portal and post competitive bidding, all the 4 items were available at lower price. Grant was revised to ₹ 740 lakh and ₹ 607.51 lakh is parked in GSFS to be utilised in 2024-25

Source: Information provided by Women and Child Development Department.

Appendix – 4.1**Department-wise break-up of outstanding UCs for GIA
disbursed up to 2022-23**

(Reference: Paragraph 4.4)

(₹ in crore)

Sr. No.	Name of Department	No. of pending UCs	Amount
1	Agriculture, Farmer's Welfare and Co-operation	222	2,160.62
2	Climate Change	7	383.55
3	Education	184	342.26
4	Energy and Petrochemicals	21	3,489.42
5	Food, Civil Supplies and Consumer Affairs	92	1.4
6	Forests and Environment	5	9.11
7	General Administration	2	0.31
8	Health and Family Welfare	332	398.16
9	Home	12	26.73
10	Industries and Mines	47	68.13
11	Information and Broadcasting	2	0.17
12	Labour and Employment	18	4.36
13	Legal	8	0.23
14	Narmada, Water Resources, Water Supply and Kalpsar	19	259.64
15	Panchayats, Rural Housing and Rural Development	177	376.86
16	Ports and Transport	4	7.82
17	Revenue	2	119.93
18	Roads and Buildings	5	278.20
19	Science and Technology	1	3.25
20	Social Justice and Empowerment	1,179	686.88
21	Sports, Youth and Cultural Activities	114	16.24
22	Tribal Development	1,991	1,682.43
23	Urban Development and Urban Housing	115	1,524.06
24	Women and Child Development	186	29.41
Total		4,745	11,869.17

Source: Information provided by O/o the Accountant General (A&E), Gujarat.

Appendix – 4.2

Department-wise details of pending DC bills as on 31 March 2024

(Reference: Paragraph 4.5)

Sr. No.	Name of Department	No. of pending DC bills	Amount (₹ in crore)
1	Agriculture, Farmers' Welfare and Cooperation	8	0.10
2	Climate Change	1	0.00*
3	Education	824	16.43
4	Finance	22	0.26
5	Food, Civil Supplies and Consumer Affairs	4	0.06
6	Forest And Environment	2	0.00*
7	General Administration	139	25.16
8	Gujarat Legislature Secretariat	1	0.00*
9	Health and Family Welfare	59	0.59
10	Home	617	62.48
11	Industries and Mines	3	0.38
12	Labour and Employment	1	0.00*
13	Legal	187	3.13
14	Narmada, Water Resources and Water Supply	2	6.01
15	Panchayats, Rural Housing and Rural Development	685	11.38
16	Ports and Transport	2	0.10
17	Revenue	65	3.45
18	Social Justice and Empowerment	139	2.07
19	Sports, Youth and Cultural Activities	37	2.64
20	Tribal Development	169	4.09
21	Women and Child Development	14	150.35
Total		2,981	288.68

Source: Information provided by Office of the Accountant General (A&E), Gujarat.

* Amount is less than ₹ 50,000; hence rounded-off to zero.

Appendix – 4.3**Year-wise details of pending DC bills as on 31 March 2024**

(Reference: Paragraph 4.5)

Year	No. of pending DC bills	Amount (₹ in crore)
2000-01	110	9.15
2001-02	133	2.52
2002-03	161	3.39
2003-04	192	1.00
2004-05	86	0.90
2005-06	94	1.33
2006-07	127	1.06
2007-08	67	2.22
2008-09	63	0.70
2009-10	47	0.93
2010-11	95	2.81
2011-12	61	12.88
2012-13	28	1.04
2013-14	37	0.74
2014-15	13	0.42
2015-16	43	1.79
2016-17	27	2.22
2017-18	13	0.96
2018-19	15	0.44
2019-20	58	0.83
2020-21	29	0.31
2021-22	72	11.48
2022-23	181	7.67
2023-24	1,229	221.89
Total	2,981	288.68

Source: Information provided by Office of the Accountant General (A&E), Gujarat.

Appendix - 4.4

Instances of inappropriate use of Minor Head 800 where suitable Minor Head was available during 2023-24

(Reference: Paragraph 4.7)

Grant No.	Budget Classification	Suitable Minor Head and remarks
2	2401.00.800.01-Soil testing Laboratory and Soil Survey (Gypsum) Land analysis	There is specific Major head 2402 with Minor head 101 Soil survey and testing
8	2251.00.800.01-EDN-128-Training	Minor Head 003-Training
9	2202.80.800.08-Expenditure for promotion of Education amongst Educationally Backward Class	2225 03 277
9	2202.80.800.12-Miscellaneous Grants (To Directorate of Primary Education for promotion of Education	Sub Major Head 01 Minor Head 001- Direction and Administration
9	2202.80.800.13-Miscellaneous Grants (Commissionerate of Higher Education	Sub Major Head 03 Minor Head 001- Direction and Administration
9	2202.80.800.20-Miscellaneous Grants (Commissionerate of Schools)	Minor Head 001- Direction and Administration
9	2202.80.800.22-EDN-48 Information and Technology	Minor Head 001- Direction and Administration
11	3451.00.800.01-PWR-17 Information Technology	Minor Head 001- Direction and Administration
11	3451.00.800.02-PWR-40 Expenditure for Training	Minor head 003-Training
13	2801.80.800.03-PWR-25-Assistance to Sardar Patel Renewable Energy Research Institute	Major head 2810 Minor head 188 Assistance to Autonomous body
13	2801.80.800.06-PWR-06 Subsidy to Gujarat Urja Vikas Nigam Ltd for electrification of hutment situated in Urban and Rural Area	Major head 2810 Minor head 190 Assistance to Public Sector
13	2801.80.800.16-PWR-16 Assistance for Energy Conservation	Minor head 103- Administration of Energy Conservation Act, 2001
13	2801.80.800.26-PWR-48 Subsidy to GUVNL for Sagarkhedu Sarvangi Vikas Yojna	Minor head 190 Assistance to Public Sector
19	4070.00.800.02-Purchase of Vehicles and I.T related Items	Minor Head 001- Direction and Administration
21	3451.00.800.01-PDS-11 Information Technology	Minor Head 001- Direction and Administration
21	3451.00.800.02-Expenditure to Training	Minor head 003-Training
23	4408.02.800.01-Construction of Godown	Minor Head 101- Rural Godown Programmes
25	3451.00.800.01-FST-2 Information and Technology	Minor Head 001- Direction and Administration
26	2406.01.800.06-Departmental working of Coupes and Depots	Minor Head 111 Departmental working of forest coupes and depots
26	2406.02.800.01-FST-26 Grant-in-Aid to Gujarat Ecological Education	Minor head 188 Assistance to ABs
40	2211.00.800.01-HLT-71 Awards	Minor Head 198- Assistance to Gram Panchayat
40	4211.00.800.42-Buildings	There is one specific Minor Head 102 Urban Family Welfare Services use of this Minor Head may be reviewed as this activity is construction of urban community health center, primary health centers.
42	2052.00.800.01-MEP-8 Information Technology	Minor Head 001- Direction and Administration

Grant No.	Budget Classification	Suitable Minor Head and remarks
43	2055.00.800.08-Police Sub Inspector Recruitment Board	Major head 2051 Minor head 103 for recruitment board purpose
43	2055.00.800.10-MEP-27 Coastal Security	Under Major Head 4055, Minor Head 215 is for Coastal Security. Same Minor Head should be opened under Major Head 2055
43	2055.00.800.11-Purchase of Ammunition-General	Minor Head 001- Direction and Administration
45	2039.00.800.01-Establishment of CPD Warehouse at Ahmedabad	Minor Head 001- Direction and Administration
46	4055.00.800.03-Purchase of Arms - General	Minor head 207 State Police
46	4055.00.800.04-Payment of Compensation for Land Acquisition	Minor head 201 Acquisition of land under Sub major head 01 Office buildings or 80 General.
46	4055.00.800.09-For the Purchase of vehicle and equipment for Prison	Minor head 207 State Police
46	4055.00.800.10-Purchase of equipment, vehicle for Prohibition Off	Major head 4047 Minor head 039 State excise
49	2851.00.800.09-IND-23 Assistance to Index-C	Index-C is an Autonomous Body, 188 Assistance to Autonomous bodies
49	2852.80.800.09-IND-40 Gujarat Infrastructural Development Board	It is an Autonomous Body, 188 Assistance to Autonomous bodies
49	2852.80.800.20-IND-47 Promotion Efforts for trade and commerce and creation of database for Marketing Assistance	Minor Head 104- Industrial Promotion

Source: Scheme details as per budget estimates and List of Major and Minor Heads.

Appendix – 4.5

Statement showing pendency in submission of Accounts by ABs (Section 19 and 20 cases; Status as on 31 July 2024)

(Reference: Paragraph 4.12)

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2024
Legal Department						
1.	Gujarat State Legal Service Authority, Ahmedabad	Not required	19 (2)	2020-21	2020-21	3
2	District Legal Services Authority, Porbandar	Not required	19 (2)	2019-20	2019-20	4
3	District Legal Services Authority, Anand	Not required	19 (2)	2019-20	2019-20	4
4.	District Legal Services Authority, Navsari	Not required	19 (2)	2015-16	2015-16	8
5.	District Legal Services Authority, Kheda Nadiad	Not required	19 (2)	2015-16	2015-16	8
6.	District Legal Services Authority, Himatnagar	Not required	19 (2)	2017-18	2017-18	6
7.	District Legal Services Authority, Bharuch	Not required	19 (2)	2015-16	2015-16	8
8.	District Legal Services Authority, Dahod	Not required	19 (2)	2017-18	2017-18	6
9.	District Legal Services Authority, Bhavnagar	Not required	19 (2)	2015-16	2015-16	8
10.	District Legal Services Authority, Amreli	Not required	19 (2)	2018-19	2018-19	5
11.	District Legal Services Authority, Valsad	Not required	19 (2)	2017-18	2017-18	6
12.	District Legal Services Authority, Vadodara	Not required	19 (2)	2014-15	2014-15	9
13.	District Legal Services Authority, Tapi Vyara	Not required	19 (2)	2018-19	2018-19	5
14.	District Legal Services Authority, Surendranagar	Not required	19 (2)	2017-18	2017-18	6
15.	District Legal Services Authority, Rajpipla-Narmada	Not required	19 (2)	2015-16	2015-16	8
16.	District Legal Services Authority, Palanpur	Not required	19 (2)	2015-16	2015-16	8
17.	District Legal Services Authority, Jamnagar	Not required	19 (2)	2017-18	2017-18	6
18.	District Legal Services Authority, Jamkhambhaliya	Not required	19 (2)	2018-19	2018-19	5
19.	District Legal Services Authority, Aravali	Not required	19 (2)	No Accounts received till date		7

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2024
20.	District Legal Services Authority, Gir Somnath	Not required	19 (2)	No Accounts received till date		7
21.	District Legal Services Authority, Mahisagar	Not required	19 (2)	No Accounts received till date		6
22.	District Legal Services Authority, Chhotauddepur	Not required	19 (2)	No Accounts received till date		7
23.	District Legal Services Authority, Botad	Not required	19 (2)	No Accounts received till date		5
24.	District Legal Services Authority, Morbi	Not required	19 (2)	2020-21	2020-21	3
25.	District Legal Services Authority, Junagadh	Not required	19 (2)	2021-22	2021-22	2
26.	District Legal Services Authority, Godhra	Not required	19 (2)	2019-20	2019-20	4
27.	District Legal Services Authority, Ahmedabad Rural	Not required	19 (2)	2019-20	2019-20	4
28	District Legal Services Authority, Kachchh, Bhuj	Not required	19 (2)	2020-21	2020-21	3
29	District Legal Services Authority, Mehsana	Not required	19 (2)	2021-22	2021-22	2
30.	District Legal Services Authority, Rajkot	Not required	19 (2)	2020-21	2020-21	3
31.	District Legal Services Authority, Surat	Not required	19 (2)	2022-23	2022-23	1
32.	District Legal Services Authority, Patan	Not required	19 (2)	2022-23	2022-23	1
33.	District Legal Services Authority, Gandhinagar	Not required	19 (2)	2022-23	2022-23	1
Forests and Environment Department						
34	Compensatory Afforestation Management Authority	Not required	19 (2)	2013-14	2013-14	10
Energy and Petro-chemicals Department						
35	Gujarat Electricity Regulatory Commission	Not required	19 (2)	2023-24	2023-24	No Arrears
Ports and Transport Department						
36.	Gujarat Maritime Board	2026-27	20 (1)	2022-23	2022-23	1
Labour and Employment Department						
37.	Gujarat Building and other Construction Workers' Welfare Board, Ahmedabad	Not required	19 (2)	2019-20	2018-19	4
Social Justice and Empowerment Department						
38.	Gujarat State Fund for person with disabilities, Gandhinagar	Not required	19 (2)	2022-23	2022-23	1
Urban Development and Urban Housing Department						
39	Gujarat Real Estate Regularity Authority, Gandhinagar	Not required	19 (2)	2023-24	2022-23	No Arrears

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2024
40	Gujarat Housing Board, Ahmedabad	2026-27	19 (3)	2022-23	2022-23	1
41	Gujarat Slum Clearance cell	2026-27	19 (3)	2020-21	2020-21	3
42	Gujarat Municipal Finance Board, Gandhinagar	2028-29	20 (1)	2022-23	2022-23	1
43.	Ahmedabad Urban Development Authority	2026-27	20 (1)	2022-23	2022-23	1
44.	Vadodara Urban Development Authority	2026-27	20 (1)	2022-23	2022-23	1
45.	Rajkot Urban Development Authority	2026-27	20 (1)	2022-23	2022-23	1
46.	Surat Urban Development Authority	2026-27	20 (1)	2022-23	2022-23	1
47.	Jamnagar Area Development Authority	2026-27	20 (1)	2022-23	2022-23	1
48.	Bhavnagar Area Development Authority	2026-27	20 (1)	2021-22	2021-22	2
49.	Bhuj Area Development Authority	2026-27	20 (1)	2018-19	2018-19	5
50.	Rapar Area Development Authority	2026-27	20 (1)	2020-21	2020-21	3
51.	Gandhinagar Urban Development Authority	2026-27	20 (1)	2022-23	2022-23	1
52.	Anjar Area Development Authority	2026-27	20 (1)	2019-20	2019-20	4
53.	Bhachau Area Development Authority	2026-27	20 (1)	2021-22	2021-22	2
54.	Junagadh Area Development Authority	2026-27	20 (1)	2020-21	2020-21	3
55.	Alang Area Development Authority	2026-27	20 (1)	2020-21	2020-21	3
56.	Bharuch / Ankleshwar Urban Area Development Authority.	2026-27	20 (1)	2019-20	2019-20	4
57.	Morbi / Vankaner Urban Area Development Authority	2026-27	20 (1)	2016-17	2016-17	7
58.	Anand / Vallabh Vidyanagar / Karamsad Urban Area Development Authority.	2026-27	20 (1)	2017-18	2017-18	6
59.	Surendranagar / Dudhrej / Wadhavan Urban Area Development Authority.	2026-27	20 (1)	2022-23	2022-23	1
60.	Himatnagar Urban Area Development Authority	2026-27	20 (1)	2017-18	2017-18	1* +6
61.	G.I.F.T. Urban Area Development Authority	2026-27	20 (1)	2022-23	2022-23	1

Sr. No.	Name of Body/Authority	Period of entrustment (up to)	Audited under Section of DPC Act	Year up to which Accounts submitted to Audit	Period up to which SAR issued to the State Government	No. of accounts pending as of 31 July 2024
62.	Shamlaji Urban Area Development Authority	2026-27	20 (1)	2021-22	2021-22	2
63.	Khambhalia Urban Area Development Authority	2026-27	20 (1)	2019-20	2019-20	4
64.	Navsari Area Development Authority, Navsari	2026-27	20 (1)	2020-21	2020-21	3
65.	Bardoli Area Development Authority, Bardoli	2026-27	20 (1)	2022-23	2022-23	1
66.	Khajod Area Development Authority, Khajod	2026-27	20 (1)	2017-18	--	6
67.	Gandhidham Development Authority, Gandhidham	2024-25	20(1)	2020-21	2020-21	3
Panchayats, Rural Housing and Rural Development Department						
68.	Gujarat Rural Housing Board	2027-28	19 (3)	2021-22	2021-22	2
Narmada, Water Supply, Water Resources and Kalpsar Department						
69.	Water and Sanitation Management Organisation, Gandhinagar	2025-26	20 (1)	2022-23	2022-23	1
Total						266

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

*Sr. No. 60: Accounts of Himatnagar Urban Area Development Authority for the year 2013-14 to 2017-18 were received in July 2019. However, Accounts for the year 2012-13 were still pending.

Appendix – 4.6

Statement showing pendency in submission of Accounts by ABs (Section 14 cases; Status as on 31 July 2024)

(Reference: Paragraph 4.13)

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
Agriculture, Farmer's Welfare and Co-operation			
1	Gujarat Horticulture Mission, Gandhinagar	2021-22 onwards	3
2	Gau Sewa Ayog & Gaucher Vikas Board, Gandhinagar	2022-23 onwards	2
3	Anand Agriculture University, Anand	2022-23 onwards	2
4	Sardar Krushinagar Dantiwada Agricultural University, Sardarkrushinagar, Dantiwada Taluka, Banaskantha	2023-24 onwards	1
5	Gujarat Livestock Development Board, Gandhinagar	2023-24 onwards	1
6	Junagadh Agriculture University, Junagadh	2023-24 onwards	1
7	Navsari Agriculture University, Navsari	2023-24 onwards	1
Climate change			
8	Gujarat Energy Development Agency (GEDA), Gandhinagar	2022-23 onwards	2
Education			
9	Gujarat Council of Education Research & Technology, Gandhinagar	2006-07 onwards	18
10	Bala Hanuman Ayurved Mahavidyalaya, Mansa, Gandhinagar	2013-14 onwards	11
11	School of Architecture, CEPT University, Ahmedabad	2013-14 onwards	11
12	School of Building Science & Technology, CEPT University, Ahmedabad	2013-14 onwards	11
13	School of Interior Design, CEPT University, Ahmedabad	2013-14 onwards	11
14	School of Planning CEPT University Ahmedabad	2013-14 onwards	11
15	P.D. Malviya College of Commerce, Rajkot	2016-17 onwards	8
16	Gujarat ayurveda University, Jamnagar	2017-18, 2020-21 onwards ¹	5
17	Institute for Post Graduate Teaching & Research in Ayurveda (IPGTRA), Jamnagar	2018-19 onwards	6
18	State Literacy Mission Authority, Gandhinagar	2018-19 onwards	6
19	Gujrat Council of Elementary (Primary) Education, Sarva Shiksha Abhiyan mission (SSA), Sector 17, Gandhinagar.	2018-19 onwards	6
20	B.V. Patel Pharmaceutical Education Research Development (PERD) Centre, Ahmedabad	2019-20 onwards	5
21	Gujarat Institute of Educational Technology, Ahmedabad.	2019-20 onwards	5
22	Gujarat Knowledge Society, Directorate of Technical Education, Gandhinagar	2019-20 onwards	5
23	Gujarat School Quality Accreditation Council Gandhinagar	2019-20 onwards	5
24	Gujarat Secondary and Higher Secondary Education Board, Gandhinagar	2019-20 onwards	5

¹ Account for 2017-18 has not been received but accounts of 2018-19 and 2019-20 have been finalised.

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
25	R K M Technical Institute, Borsad, Anand	2020-21 onwards	4
26	Saurashtra University, Rajkot	2020-21 onwards	4
27	Bhavnagar University, Sardar Vallabhbhai Patel Campus, Bhavnagar	2021-22 onwards	3
28	Centre for Social Studies, Veer Narmad South Gujarat University, Surat	2021-22 onwards	3
29	Ebrahim Bawany Technical Institute, Ajwa, Vadodara	2021-22 onwards	3
30	Vitthalbhai Patel & Rajratna P.T. Patel Science College, Vallabh Vidyanagar, Anand	2021-22 onwards	3
31	Bhavan's Shri Swaminarayan Technical Institute, Dakor Kheda	2022-23 onwards	2
32	Dharmsinh Desai Institute of Technology, Nadiad	2022-23 onwards	2
33	Hemchandracharya North Gujarat University, Patan	2022-23 onwards	2
34	Shree Somnath Sanskrit University, Somnath	2022-23 onwards	2
35	Children's University, Gandhinagar	2022-23 onwards	2
36	Gujarat Council of School Education	2022-23 onwards	2
37	Bayad People Education Trust, Bayad Sabarkantha	2022-23 onwards	2
38	Gujarat Technological University Ahmedabad	2022-23 onwards	2
39	Jan Shikshan Sansthan, Surat	2022-23 onwards	2
40	Gujarat University, Ahmedabad	2022-23 onwards	2
41	Dr. V.H. Dave Homoeopathic Medical College & Hospital, Anand	2023-24 onwards	1
42	Anand Technical Institute, Anand	2023-24 onwards	1
43	Indian Institute of Teachers Education, Gandhinagar	2023-24 onwards	1
44	Krantiguru Shyamji Krishna Verma Kutch University, Kachchh	2023-24 onwards	1
45	Matrushri V B Manvar Technical Institute, Dumiyani, Upleta	2023-24 onwards	1
46	Sardar Patel Institute of Economic & Social Research, Thaltej Road, Ahmedabad	2023-24 onwards	1
47	Tolani Institute of Pharmacy, Adipur, Kutch	2023-24 onwards	1
48	A. R. College of Pharmacy & G. H. Patel Institute of Pharmacy, Anand	2023-24 onwards	1
49	Bhailalbhai & Bhikhambhai Institute of Technology, Anand	2023-24 onwards	1
50	Birla Vishwakarma Mahavidyalaya Engineering College, Anand	2023-24 onwards	1
51	C. L. Patel Technical Institute, Kheda	2023-24 onwards	1
52	Chimanlal Nagindas Technical Centre, Ahmedabad	2023-24 onwards	1
53	Dr. Dayaram Patel Pharmacy College, Surat	2023-24 onwards	1
54	International Centre for Entrepreneurship and Career Development, Ahmedabad	2023-24 onwards	1
55	L. M. College of Pharmacy, Ahmedabad.	2023-24 onwards	1
56	Methodist Technical Institute, Vadodara	2023-24 onwards	1
57	R. B. Patel Technical Institute, Navsari	2023-24 onwards	1
58	R. K. Patel Technical Institute, Kheda	2023-24 onwards	1
59	Sardar Patel University, Vallabh Vidyanagar, Anand	2023-24 onwards	1

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
60	Shri B M Shah College of Pharmacy, Modassa	2023-24 onwards	1
61	Shri C U Shah Technical Institute, Wadhwan City	2023-24 onwards	1
62	The Lady Navajibai Ratan Tata Technical Institute, Nargol, Valsad	2023-24 onwards	1
63	Tolani Foundation Gandhidham Polytechnic, Adipur, Kutch	2023-24 onwards	1
64	Xavier Technical Institute, Sevasi, Vadodara	2023-24 onwards	1
65	Gujarat State Board Text book Gandhinagar	2023-24 onwards	1
66	Maharaja Sayajirao University, Fatehgunj, Vadodara	2023-24 onwards	1
67	Veer Narmad South Gujarat University, Surat	2023-24 onwards	1
68	D.S. Patel Technical Institute, Sunav, Anand	2023-24 onwards	1
69	Society for Creation of Opportunity through Proficiency in English (SCOPE), Ahmedabad	2023-24 onwards	1
70	Knowledge Consortium of Gujarat, Ahmedabad	2023-24 onwards	1
71	M.N. College of Pharmacy, Anand	2023-24 onwards	1
72	Shanti Lal Shah College of Pharmacy, Bhavnagar	2023-24 onwards	1
73	Gujarat Homoeopathic Medical Collage, Smalaya-Sivil Road, Near old Bus Stand, Savli	2023-24 onwards	1
74	Shri K K School and Home for Blind Trust, Vidyanagar	No pendency	0
Food, Civil Supplies and Consumer Affairs			
75	Consumer Affairs and Protection Agency of Gujarat	2023-24 onwards	1
Forests and Environment			
76	Forest Development Agency, Rajkot	2008-09 onwards	16
77	Forest Development Agency, Jamnagar	2009-10 onwards	15
78	Forest Development Agency, Kutch-East	2015-16 onwards	9
79	Forest Development Agency, S. K. Himmatnagar (South)	2016-17 onwards	8
80	Forest Development Agency, Banaskantha	2019-20 onwards	5
81	Forest Development Agency, Bhavnagar	2020-21 onwards	4
82	Forest Development Agency, Devgadhbaria (Dahod)	2020-21 onwards	4
83	Forest Development Agency, Godhra	2020-21 onwards	4
84	Forest Development Agency, Surendranagar	2020-21 onwards	4
85	Forest Development Agency, Ahwa Dang (South)	2021-22 onwards	3
86	Forest Development Agency, Chhota Udepur	2021-22 onwards	3
87	Forest Development Agency, Dang North	2021-22 onwards	3
88	Forest Development Agency, Junagadh	2021-22 onwards	3
89	Forest Development Agency, Kutch-West	2021-22 onwards	3
90	Forest Development Agency, Narmada (Rajpipla EAST)	2021-22 onwards	3
91	Gujarat State Biodiversity Board (GSBB)	2021-22 onwards	3
92	Forest Development Agency, Surat	2021-22 onwards	3
93	Forest Development Agency, Gir-East	2022-23 onwards	2
94	Forest Development Agency, Gir-West	2022-23 onwards	2
95	Forest Development Agency, Kheda	2022-23 onwards	2

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
96	Forest Development Agency, S. K. Himmatnagar (North)	2022-23 onwards	2
97	Forest Development Agency, Valsad South	2022-23 onwards	2
98	Forest Development Agency, Valsad(North)	2022-23 onwards	2
99	Gujarat Ecology Commission, G'nagar	2022-23 onwards	2
100	Gujarat Environment Management Institute, Gandhinagar (GEMI)	2022-23 onwards	2
101	Gujarat Marine National Park and Marine Sanctuary Conservation Society	2022-23 onwards	2
102	Gujarat Pollution Control Board (GPCB)	2022-23 onwards	2
103	Gujarat State Lion Conservation Society, Wild Life Circle, Sardarbagh, Junagadh	2022-23 onwards	2
104	Forest Development Agency, Aravalli, Modassa	2022-23 onwards	2
105	Forest Development Agency, Vyara	2022-23 onwards	2
106	Gujarat Forest Research Foundation (GFRF)	2023-24 onwards	1
107	Gujarat Ecology Education & Research (GEER) Foundation, Gandhinagar	2023-24 onwards	1
108	Forest Development Agency, Gandhinagar	2023-24 onwards	1
109	Forest Development Agency, Patan	2023-24 onwards	1
110	Sakkar baug Zoo Management Advisory Society	2023-24 onwards	1
111	State Forest Development Agency	2023-24 onwards	1
112	Gujarat Wildlife Board	2023-24 onwards	1
GAD			
113	Gujarat State Non-Resident Gujaratis' Foundation (GSNRF) Gandhinagar.	2022-23 onwards	2
114	Gujarat Social Infrastructure Development Society (GSIDS) Gandhinagar.	2023-24 onwards	1
115	Gandhinagar Gymkhana	2023-24 onwards	1
116	Gujarat Information Commission	2023-24 onwards	1
117 ²	Sardar Patel Institute of Public Administration, Ahmedabad	2021-22 onwards	3
Health & Family Welfare			
118	G.K. General Hospital Society, Kachch	2006-07 onwards	18
119	Narayan Eye Hospital (Arogya Dham Sanchalit) Halol Panchmahal	2008-09 onwards	16
120	Mandvi Taluka Kshaya Nivaran Sangh, Kachchh	2009-10 onwards	15
121	Gujarat Medicinal Plants Board, Gandhinagar	2013-14 onwards	11
122	Sentinel Surveillance Unit, Surat	2013-14 onwards	11
123	State Health Society, Commissionerate of Health, Medical Services and Medical Education, Gandhinagar	2013-14 onwards	11
124	Sanjivani Hospital, Surat	2016-17 onwards	8
125	Smt. A.J. Savla Homeopathic Medical College, Mehsana	2016-17 onwards	8

² Account for 2017-18 has not been received but accounts of 2018-19 and 2019-20 have been finalised.

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
126	Gujarat Medical Education and Research Society (GMERS), Gandhinagar	2017-18 onwards	7
127	Institute of Kidney Diseases & Research Centre, Ahmedabad	2022-23 onwards	3
128	Shri Pragna Chakshu Mahila Sevakunj, Surendranagar	2019-20 onwards	5
129	AIDS Control Society, Behind Lal Bungalow, Near Navarangpura Telephone Exchange, .G. Road, Ahmedabad	2019-20 onwards	5
130	Akshar Purushottam Arogya Mandir (Muni Seve Ashram), Taluka-Vaghodia, Post-Goraj, Vadodara	2020-21 onwards	4
131	Lions Cancer Detection Centre Trust, Surat	2020-21 onwards	4
132	Medical College Development Committee, Surat	2020-21 onwards	4
133	C.U. Shah T. B. Hospital, Surendranagar	2020-21 onwards	4
134	Medical College Development Society, SSG Hospital Campus, Roupura, Vadodara	2021-22 onwards	3
135	Rogi Kalyan Samiti, New Civil Hospital, Surat	2021-22 onwards	3
136	Anand Homoeopathic Medical college & Research institute, Anand	2021-22 onwards	3
137	B.S. Nathwani T.B. Hospital, Keshod, Junagadh	2022-23 onwards	2
138	Rogi Kalyan Samiti, Government Spine Institute & Physiotherapy College, New Civil Hospital, Ahmedabad	2022-23 onwards	2
139	Seth Vadilal Sarabhai General Hospital & Seth Chinai Maternity Hospital, Ahmedabad	2022-23 onwards	2
140	Gujarat State AIDS Control Society, Ahmedabad	2022-23 onwards	2
141	Indian Red Cross Society, Ahmedabad	2022-23 onwards	2
142	Bhagubhai Mafatlal Hospital (Sevashram), Bharuch.	2023-24 onwards	1
143	Gandhi Lincoln Hospital, Near Municipal Graden, Deesa	2023-24 onwards	1
144	Samjulaxmi Maternity Hospital, Pij Bhagol, Nadiad	2023-24 onwards	1
145	Shree Somabhai J.Patel Sarvajanik Hospital Paliad Ta. Kalol, Dist.: Gandhinagar	2023-24 onwards	1
146	Smt. Savitaben Ramabhai Dahyala Shah Sarvajanik Hospital & Prashutigruh, AT, & Po Ambasan, Ta. & Dist. Mehsana	2023-24 onwards	1
147	Rogi Kalyan Samiti, Sir T. General Hospital, Bhavnagar	2023-24 onwards	1
148	Cambay General Hospital, Khambhat	2023-24 onwards	1
149	Dr. Rasiklal Shah Sarvajanik Hospital, Sabarkantha	2023-24 onwards	1
150	Janak Smarak Hospital, Vyara, Tapi	2023-24 onwards	1
151	Kashiben Gordhandas Patel Children Hospital, Vadodara	2023-24 onwards	1
152	Shree Gathani General Jain Hospital, Visavadar	2023-24 onwards	1
153	Trimurti Hospital, Bavla, Ahmedabad	2023-24 onwards	1
154	Kacheria Mojilal Gordhandas General Hospital, Kheda	2023-24 onwards	1
155	Revabai General Hospital, Gandhinagar	2023-24 onwards	1
156	Shivanand Mission, Saurashtra Central Hospital, Rajkot	2023-24 onwards	1
157	Smt. S.C. & Sheth D.M. Sarvajanik Hospital & Maternity Home, Mahesana	2023-24 onwards	1

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
158	U. N. Mehta Institute of Cardiology and Research Centre, Ahmedabad	2023-24 onwards	1
159	Gujarat Cancer & Research Center, Ahmedabad	2023-24 onwards	1
160	Kaka-Ba Hospital, Bharuch	2023-24 onwards	1
161	O. H. Nazar Ayurved Mahavidalaya and Ayurved Hospital, Surat	2023-24 onwards	1
162	Ravishankar Maharaj Eye Hospital, Gujarat Blind Relief & Health Association, Anand	2023-24 onwards	1
163	Rogi Kalyan Samiti, Civil Hospital Asarwa Ahmedabad	2023-24 onwards	1
164	Rogi Kalyan Samiti, Rajkot	2023-24 onwards	1
165	Shamlaji Hospital, CHC Shamlaji, Taluka Bhiloda, Dist. Arvalli	2023-24 onwards	1
166	Shree Bhogilal Mohanlal Bhatt General Hospital, Gandhinagar	2023-24 onwards	1
167	Shri K K Shah Sabarkantha Arogya mandal, Sabarkantha	2023-24 onwards	1
168	Gujarat State Council for Blood Transfusion,	2023-24 onwards	1
169	Rogi Kalyan Samiti, I D Hospital Vadodara	2023-24 onwards	1
170	Rogi Kalyan Samiti Guru Gobindsinh, Jamnagar	2023-24 onwards	1
171	Sardar Smarak Hospital, Bardoli, Surat	No pendency	0
Home			
172	Surakhsa Setu Society, Ahmedabad City	2022-23 onwards	2
173	Suraksha Setu Society, Amreli	2022-23 onwards	2
174	Suraksha Setu Society, Dangs-Ahwa	2022-23 onwards	2
175	Suraksha Setu Society, Devbhumi Dwarka	2022-23 onwards	2
176	Suraksha Setu Society, Mehsana	2022-23 onwards	2
177	Suraksha Setu Society, Nadiad, Dist-Kheda	2022-23 onwards	2
178	Suraksha Setu Society, Narmada	2022-23 onwards	2
179	Suraksha Setu Society, Rajkot	2022-23 onwards	2
180	Suraksha Setu Society, State Level, Gandhinagar	2022-23 onwards	2
181	Suraksha Setu Society, Surendranagar	2022-23 onwards	2
182	Suraksha Setu Society, West-Kutch	2022-23 onwards	2
183	Suraksha Setu Society, Ahmedabad Rural	2022-23 onwards	2
184	Suraksha Setu Society, Palanpur	2023-24 onwards	1
185	Suraksha Setu Society, Bhavnagar	2023-24 onwards	1
186	Suraksha Setu Society, Gir Somnath	2023-24 onwards	1
187	Suraksha Setu Society, Godhara	2023-24 onwards	1
188	Suraksha Setu Society, Himmatnagar	2023-24 onwards	1
189	Suraksha Setu Society, Kutch (East)	2023-24 onwards	1
190	Suraksha Setu Society, Surat	2023-24 onwards	1
191	Suraksha Setu Society, Vadodara City	2023-24 onwards	1
192	Suraksha Setu Society, Dahod	2023-24 onwards	1
193	Suraksha Setu Society, Jamnagar	2023-24 onwards	1
194	Suraksha Setu Society, Mahisagar	2023-24 onwards	1

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
195	Suraksha Setu Society, Morbi	2023-24 onwards	1
196	Suraksha Setu Society, Navsari	2023-24 onwards	1
197	Suraksha Setu Society, Rajkot Rural	2023-24 onwards	1
198	Suraksha Setu Society, Vadodara Rural	2023-24 onwards	1
Industries and Mines			
199	Gujarat Rajya Khadi Gramodhyog Board	2021-22 onwards	3
200	Centre for Entrepreneurship Development Gandhinagar	2022-23 onwards	2
201	Dholera Special Investment Region Authority	2022-23 onwards	2
202	Electrical Research Development Agency Vadodara	2022-23 onwards	2
203	Gujarat Industrial Development Board Gandhinagar	2022-23 onwards	2
204	Gujarat Industrial Research & Development agency, Vadodara	2022-23 onwards	2
205	Gujarat Matikam Kalalari & Rural Technology Institute Gandhinagar	2022-23 onwards	2
206	INDEXT-B Gandhinagar	2022-23 onwards	2
207	INDEXT-C Gandhinagar	2022-23 onwards	2
208	Gujarat Pavitra Yatradham Vikas Board	2022-23 onwards	2
209	Electronic Quality Development Centre	2023-24 onwards	1
210	Gujarat Mineral Research Development Society	2021-22 onwards	3
Information and Broadcasting			
211	Gujarat Press Academy	2023-24 onwards	1
Labour & Employment			
212	Gujarat Rural Workers Welfare Board Gandhinagar	2016-17 onwards	8
213	Unorganised Labour Welfare Board Gandhinagar	2016-17 onwards	8
214	Gurjareshwar Kumarpal Jain Sarvoday Technical Institute, Vadodara	2016-17 onwards	8
215	Gujarat State Social Security Board, Gandhinagar	2018-19 onwards	6
216	Employment Extension Bureau, Gandhinagar	2019-20 onwards	5
217	Gujarat Council of Vocational Training, Gandhinagar	2019-20 onwards	5
218	Gujarat Skill Development Society, Gandhinagar	2020-21 onwards	4
219	Bhavan's Shri C.T. Sutaria ITI Dakor Taluka Thasra, Kheda	2021-22 onwards	3
220	ITI College, Lunawada	2021-22 onwards	3
221	Sadvichar Pariwar Viklang Punarvas Kendra Sanchalit ITC, Ubarsad, Gandhinagar	2021-22 onwards	3
222	ITI College, Varadhari, Lunawada.	2022-23 onwards	2
223	GIA (Grant-in-Aid) Industrial Training Center, Morva-Rena, Panchmahal	2023-24 onwards	1
224	S.K. Patel Industrial Training Institute, Sarva Vidyalaya Campus, Kadi, Mehsana	2023-24 onwards	1
225	Industrial Training Centre, Karjan, Vadodara	2023-24 onwards	1
226	Maniben Pithawala I.T.I Navyug College, Surat	2023-24 onwards	1
227	Technical Training Centre, Amreli	2023-24 onwards	1

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
228	Bhagwat Vidyapith Ashok ITI, Ahmedabad	2023-24 onwards	1
229	Chikhli Education Society, Chikhali	2023-24 onwards	1
230	Excel Udyog Vidhyalaya, Himmatnagar	2023-24 onwards	1
231	K.V. Patel I.T.I, Chansama, Patan	2023-24 onwards	1
232	Mahatma Gandhi Labour Institute, Ahmedabad	2023-24 onwards	1
233	R.K. Technical (ITI), Anand	2023-24 onwards	1
234	Veraval People's Cooperative Bank Silver Jubilee Industrial Training Centre, Veraval	2023-24 onwards	1
235	Smt. B. H. Shah (Karjanwala) Industrial Training Institute, Kamrej Char Rasta, Surat	2023-24 onwards	1
Legal			
236	Gujarat National Law University (AB)	No pendency	0
Narmada, Water Resources, Water Supply & Kalpsar			
237	Water and land management Institute, Anand	2020-21 onwards	4
238	Gujarat Water Supply and Sewerage Board, Gandhinagar	2021-22 onwards	3
Panchayats, Rural Housing and Rural Development			
239	Gujarat Landless Laborers & Halpati Housing Board, Gandhinagar	2013-14 onwards	11
240	Gujarat State Watershed Management Agency (GSWMA), Gandhinagar	2016-17 onwards	8
Revenue			
241	Gujarat State Disaster Management Authority	2023-24 onwards	1
Science and Technology			
242	Gujarat State Biotechnology Mission	2022-23 onwards	2
243	Gujarat Biotechnology University	2022-23 onwards	2
244	Gujarat Council of Science & Technology	2022-23 onwards	2
245	Institute of Seismological Research	2022-23 onwards	2
246	Gujarat Biotechnology Research Centre	2023-24 onwards	1
247	Gujarat Council of Science City, Ahmedabad	2023-24 onwards	1
248	Gujarat State Electronic Mission	2022-23 onwards	2
249	Savli Technology and Business Incubator	No pendency	0
Social Justice & Empowerment			
250	Gujarat Scheduled Castes Development Corporation, Gandhinagar	2013-14 onwards	11
251	Gujarat State Social Welfare Board, Ahmedabad	2015-16 onwards	9
252	Gujarat Backward Classes Development Corporation, Gandhinagar	2019-20 onwards	5
253	Gujarat State Child Protection Society, Birsa Munda Bhavan, Gandhinagar	2020-21 onwards	4
254	Gujarat Samras Chatralay Society Gandhinagar	2021-22 onwards	3
255	Seth J B Upadhyaya Deaf-Mute School, Sabarkantha	2021-22 onwards	3
256	Disable Welfare Trust of India, Surat	2023-24 onwards	1

Sr. No.	Name of AB and year from which accounts not received (up to 2023-24)	Year since which Accounts not submitted	No. of accounts pending as of 31 July 2024
257	Blind welfare council, Dahod	2023-24 onwards	1
258	Society for Education Welfare & Action (Rural), Bharuch	2023-24 onwards	1
259	Blind Men's/Peoples Association, Ahmedabad	2023-24 onwards	1
260	Rajesh Mehta Technical School for Blind, C/o Blind People's Association, Ahmedabad	2023-24 onwards	1
261	Adult Training Centre (Trust) for the Blind, Ahmedabad	2023-24 onwards	1
262	Apang Manav Mandal, Ahmedabad	2023-24 onwards	1
263	Sharda School for the Mentally Retarded Children, Ashram Road, Ahmedabad	2023-24 onwards	1
264	Andh Apang Kalyan Kendra, Ahmedabad	2023-24 onwards	1
265	Andh Kanya Prakash Gruh, Ahmedabad	2023-24 onwards	1
266	B. M. Institute of Mental Health, Ahmedabad	2023-24 onwards	1
267	School for Deaf - Mutes Society, Ashram Road, Ahmedabad	2023-24 onwards	1
268	Shri Kathiawar Nirashrit Balashram, Rajkot	2023-24 onwards	1
Sports, Youth and Cultural Activities			
269	Sports Authority of Gujarat, Gandhinagar	2008-09 onwards	16
270	Sardar Vallabhbhai Patel Memorial Society Ahmedabad	2013-14 onwards	11
271	Gujarat State Sangeet Natak Academy, Gandhinagar	2019-20 onwards	5
272	Gujarat Sahitya Academy, Gandhinagar	2020-21 onwards	4
273	Sabarmati Ashram Preservation & Memorial Trust, Ahmedabad	2020-21 onwards	4
274	Rajkot Rajya Foundation, Rajkot	2021-22 onwards	3
275	Sardar Vallabhbhai Patel Rashtriya Ekta Trust, Statue of Unity, Kevadia	2021-22 onwards	3
276	Gujarat State Lalit Kala Academy, Ahmedabad	2021-22 onwards	3
Tribal Development			
277	Development Support Agency of Gujarat, Gandhinagar	2020-21 onwards	4
278	Gujarat State Tribal Education Society, Birsa Munda Bhavan, Sector 10/A, Gandhinagar	2020-21 onwards	4
279	Tribal Research and Training Institute, Ahmedabad	2023-24 onwards)	1
280	Gujarat Tribal Development Corporation, Birsa Munda Bhavan, Ground Floor, Sector 10/A, Gandhinagar	2023-24 onwards	1
Urban Development & Urban Housing			
281	Gujarat Urban Development Mission, Gandhinagar	2022-23 onwards	2

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II).

Appendix – 4.7

**Department-wise/category-wise details of losses due to theft, misappropriation/loss of
Government material and fire/accidents as on 31 March 2024**

(Reference: Paragraph 4.15)

Sr. No.	Name of Department	Theft cases		Misappropriation/ Loss of Government material		Fire/Accident cases		Total	
		No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)
1	Agriculture, Farmer's Welfare and Co-operation	1	3.21	1	1.41	0	0.00	2	4.62
2	Education	9	5.08	10	533.94	0	0.00	19	539.02
3	Food, Civil Supplies and Consumer Affairs	1	0.10	1	61.65	0	0.00	2	61.75
4	Forests & Environment	12	7.01	9	200.92	21	187.55	42	395.48
5	GAD	0	0.00	0	0.00	0	0.00	0	0.00
6	Health and Family Welfare	6	2.91	6	147.35	0	0.00	12	150.26
7	Home	0	0.00	13	123.89	0	0.00	13	123.89
8	Industries and Mines	1	0.46	2	77.62	0	0.00	3	78.08
9	Labour and Employment	2	9.13	0	0.00	0	0.00	2	9.13
10	Legal	2	12.93	5	3.53	1	8.00	8	24.46
11	Narmada, Water Resources, Water Supply and Kalpsar	11	6.46	17	37.69	0	0.00	28	44.15
12	Panchayats, Rural Housing and Rural Development	0	0.00	8	156.80	0	0.00	8	156.80
13	Ports and Transport	1	0.20	3	6.66	0	0.00	4	6.86
14	Revenue	0	0.00	25	10,144.18	0	0.00	25	10,144.18
15	Roads and Buildings	3	1.57	4	347.39	0	0.00	7	348.96
16	Science and Technology	0	0.00	1	699.05	0	0.00	1	699.05
17	Social Justice and Empowerment	0	0.00	1	14.87	0	0.00	1	14.87
18	Sports, Youth & Cultural Activities	1	6.00	0	0.00	0	0.00	1	6.00
19	Tribal Development	0	0.00	3	4,854.85	0	0.00	3	4,854.85
20	Urban Development and Urban Housing	0	0.00	2	24.39	0	0.00	2	24.39
	Total	50	55.06	111	17,436.19	22	195.55	183	17,686.80

Source: Information compiled by Offices of the Accountant General (Audit – I) and Principal Accountant General (Audit – II) from data furnished by the Departments concerned.

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