



सत्यमेव जयते

GOVERNMENT OF GUJARAT

# ACCOUNTS AT A GLANCE

2008 - 2009

**ACCOUNTANT GENERAL**  
(ACCOUNTS & ENTITLEMENTS)  
GUJARAT



# Preface

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

'Accounts at a Glance' provides an overview of finances of the Government during 2008-2009 as reflected in the Finance Accounts and the Appropriation Accounts.

While it has been our endeavor to rely on the figures in the certified Finance Accounts and Appropriation Accounts, the certified annual accounts only should be referred to for authentic figures.



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Date : 23<sup>rd</sup> March, 2010

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## CHAPTER - 1

### AN OVERVIEW OF THE ACCOUNTS

#### 1.1 Introduction

The Annual Accounts of the Government of Gujarat namely Finance Accounts and Appropriation Accounts are prepared by the Accountant General in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

#### 1.2 Finance Accounts and Appropriation Accounts –What do they depict ?

All money received by the Government is kept in three parts viz. - Consolidated Fund, Contingency Fund and Public Account. **Finance Accounts** show the receipts and payments of all the three parts. It shows not only the receipts and outgoings of the Government but also the financial results disclosed by the revenue and capital accounts, the accounts of the public debts and liabilities and assets as worked out from the balances recorded in the accounts. **Appropriation Accounts** shows the details of expenditure incurred from the Consolidated Fund vis-à-vis expenditure sanctioned by the State Legislature in the form of voted grants and charged appropriations.

However the method of depiction of expenditure in these accounts differ. Thus the Finance accounts show the net expenditure of Rs. 51,920 Crore whereas the appropriation accounts show the gross expenditure Rs. 52,587 Crore. The reconciliation of the expenditure figures of these two accounts is shown in para 4.2.

#### 1.3 Sources and application of Funds :

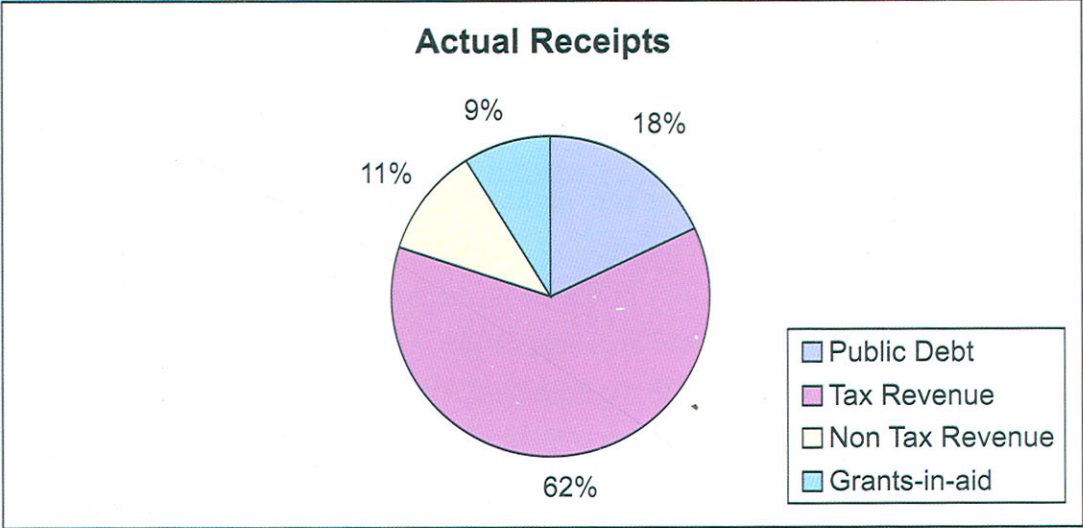
(Rs in Crore)

Source	Amount	Application	Amount
1. Revenue receipts	38,676	1. Revenue Expenditure	38,741
2. Recoveries of Loans	181	2. Loans given	354
3. Miscellaneous Capital Receipts	21	3. Capital Expenditure	10,220
4. Public Debt	10,306	4. Repayment of Public Debt	2605
5. Net effect of Contingency Fund Transactions	(-) 24		
6. Net outflow from Public Account	2,903	5. Increase in Closing Cash Balance	143
<b>Total</b>	<b>52,063</b>	<b>Total</b>	<b>52,063</b>



1.1.1 Where the Rupee came from?

The expenditure of Rs. 52,063Crore for the year 2008-09 was met by raising new public debt (20%), and revenue receipts (74%). The cumulative public debt at the end of 2008-09 stood at Rs. 87,010 Crore (discussed at para 5.2). The main sources of funds were tax revenue, public debt, non-tax revenue and Grant-in-Aid as shown below.



1.3.2 Where the Rupee went ?

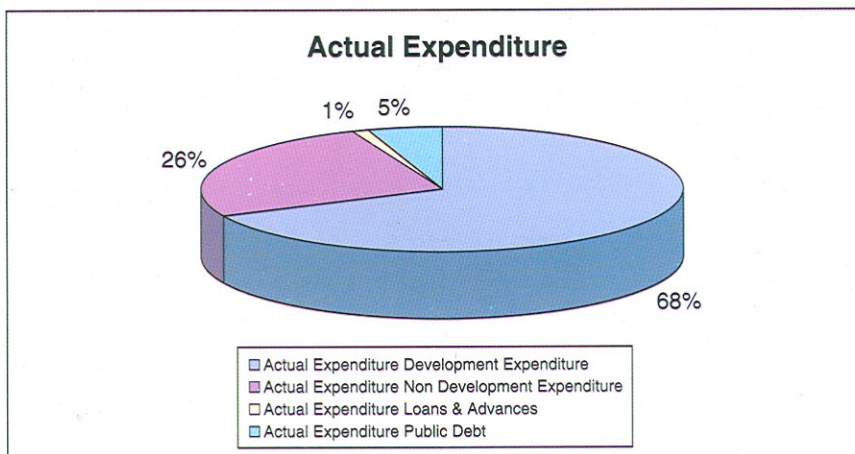
The expenditure of Rs.51,920 Crore for the year 2008-09 was spent on Development Expenditure (68%), Non Development Expenditure (26%), Loans and Advances (1%) and Public Debt (5%).

Based on the purpose of expenditure, it was classified into General Services, Social Services and Economic Services. The budget documents classify the expenditure under Social Service and Economic Services as development expenditure. The major activities of the Government under these sectors are as follows.

(Rs. in Crore)

Category	Revenue Rs.	Capital Rs.	Total Rs.	Percentage
1. General Services	13,385	80	13,465	26
2. Social Services (Development Expenditure)	14,932	2,017	16,949	33
3. Economic Service (Development Expenditure)	10,256	8,123	18,379	35
4. Grants in aid and contributions	168	-	168	-
5. Loans & Advances given by State Government	-	354	354	1
6. Repayment of debt	-	2,605	2,605	5
7. Total	38,741	13,179	51,920	100





### General Services

1. Organs of State (Council of Ministers, Judiciary, Elections)
2. Fiscal Services
3. Interest payments
4. Administrative Services
5. Pensions

### Social Services

1. Education
2. Sports & youth services
3. Art & Culture
4. Medical & Public Health
5. Family Welfare
6. Water Supply & Sanitation
7. Housing
8. Welfare of SC/ST
9. Labour & Labour Welfare
10. Social welfare & Nutrition

### Economic Services

1. Agriculture
2. Rural Development
3. Special area program
4. Irrigation & flood Control
5. Energy
6. Industry & Minerals
7. Transport
8. Communication
9. Science & Technology

## 1.4 Deficits – What do they indicate?

Deficits in Government represent gaps between the revenue and expenditure. The kind of deficit, the ways of financing the deficit and application of funds are important indicators of the prudence of financial management in Government.

### 1.4.1 Three Definitions

Conceptually, deficit can be seen in three different forms viz; Revenue deficit, Fiscal deficit and Primary deficit.

**A. Revenue Deficit :** Revenue Expenditure minus Revenue Receipt

As per the traditional theory of financial management, revenue expenditure required to maintain the existing establishment of Government, should be met out of revenue receipts.

**B. Fiscal Deficit :** Total Expenditure minus Total Receipts (Revenue Receipts plus Capital Receipts excluding liabilities). It is a measure of total expenditure, which is financed by borrowings.



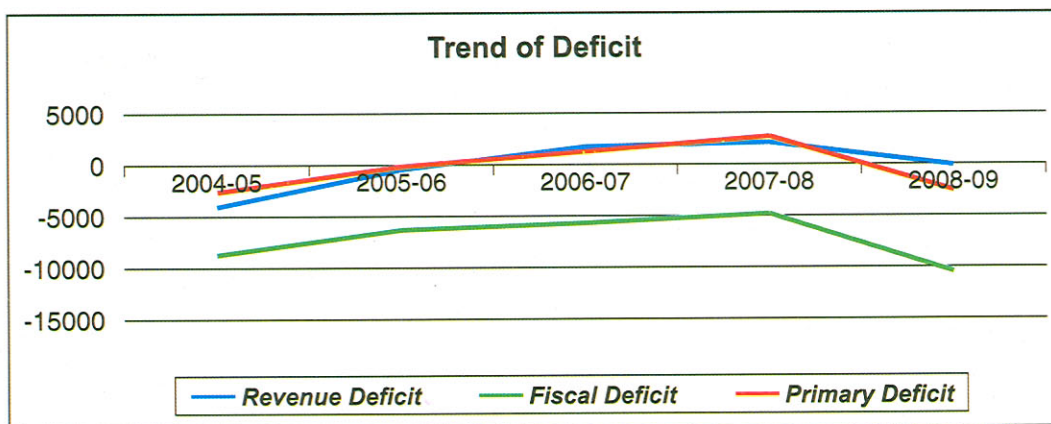
### C. Primary Deficit : Fiscal deficit minus Interest payments

It indicates the gap in availability of funds for expenditure even without taking into consideration liabilities of past years viz. interest accrued. Primary surplus indicates that funds generated in the current year, were available to service past debts. The fiscal deficit increased significantly from Rs. 4,770 crore in 2007-08 to Rs. 10,437 crore in 2008-09. Also the primary Surplus of Rs. 2,714 crore in 2007-08 has become a deficit Rs. 2,553 crore in 2008-09. Likewise Revenue surplus from Rs. 2,151 crore in 2007-2008 to a Deficit of Rs. 65 crore in 2008-2009.

#### Trend of Various deficits

(Rs. in Crore)

Year	Revenue Deficit	Fiscal Deficit	Primary Deficit
2004-2005	4,037	8,690	2,612
2005-2006	399	6,270	127
2006-2007	(+) 1,770	5,648	(+) 1,284
2007-2008	(+) 2,151	4,770	(+) 2,714
2008-2009	65	10,437	2,553



### 1.4.2 Financing the Deficits

The source and financing of the deficit is shown in the table below.

(Rs. in Crore)

No.	Receipts	Amount		Expenditure	Amount
<b>Consolidated Fund</b>					
1	Revenue Receipt	38,676	<b>Revenue Deficits = 65</b>	Revenue Expenditure	38,741
2	Misc. Capital receipts	21		Capital Expenditure	10,220
3	Recovery of Loans & Adv	181		Loans & Advances	354
	Funds available (1+2+3)	38,878	<b>Fiscal Deficit = 10,437</b>	Expenditure (1+2+3)	49,315
4	Borrowings	10,306		Repayment of Principal of loans	2,605
	<b>Total</b>	<b>49,184</b>	<b>A. Deficit in Consolidated Fund = 2736</b>	<b>Total</b>	<b>51,920</b>



Contingency Fund					
	Recoupment from Contingency Fund	10	B. Surplus /Deficit in Contingency Fund =24	Expenditure	34
Public Account					
1	PF Small savings	1,132		PF Small savings	812
2	Reserve Funds	841		Reserve Funds	460
3	Deposits & Advances	14,082		Deposits & Advances	13,284
4	Net effect of adjustment accounts (Suspense, Miscellaneous and Remittances)	1,404			
	<b>Total Public A/c</b>	<b>17,459</b>	<b>C. Net In flow in Public account =2903</b>	<b>Total Public A/c</b>	<b>14,556</b>

*Net Proceeds from Public debt = (10,306 – 2,605) = Rs. 7,701 Crore.*

*Primary deficit/surplus = FD – Interest payments = ( 10,437 – 7,884) = Rs. 2553 Crore(Deficit).*

As is evident from the table above the deficit was financed by relying not only on borrowings but using cash available under Provident Fund, Small Savings and deposits of local funds lying with the departments of State Government.

### 1.5 Highlights of Accounts (Summarised)

(Rs.in crore)

	Budget Estimates 2008-09	Actuals 2008-09	Percentage of Actuals to Budget Estimates	Percentage of Actuals to GSDP@
Revenue Receipts	38,278	38,676	101	10.69
Capital Receipts	7,142	10,639	149	2.94
Total Receipts	45,420	49,315	108	13.63
Plan Expenditure	21,139	20,754	98	5.73
Non-Plan Expenditure	30,886	28,561	92	7.89
Total Expenditure	53,025	49,315*	93	13.63
Revenue Deficit /Surplus	(-) 3,496	(-) 65		
Fiscal Deficit	(-) 14,497	(-) 10,437		
Primary Deficit	(-) 6,302	(-) 2,553		

## Detailed Highlights of Accounts

(Rs. in Crore)

	Budget Estimates 2008-09	Actuals 2008-09	Percentage of Actuals to Budget Estimates	Percentage of Actuals to GSDP@
<b>Total Receipts</b>	<b>45,420</b>	<b>49,315</b>	<b>108</b>	<b>13.63</b>
<b>Revenue Receipts</b>	<b>38,278</b>	<b>38,676</b>	<b>101</b>	<b>10.69</b>
Tax Revenue	29,700	29,283	99	8.09
Non-Tax Revenue	4,458	5,099	114	1.41
Grants-in-aid & Contributions	4,120	4,294	104	1.19
<b>Capital Receipts</b>	<b>7,142</b>	<b>10,639</b>	<b>149</b>	<b>2.94</b>
Recovery of Loans & Advances	251	181	72	0.05
Other Receipts	0	21	-	0.00
Borrowings and other liabilities(#)	6,891	10,437	151	2.88
<b>Total Expenditure</b>	<b>53,025</b>	<b>49,315*</b>	<b>93</b>	<b>13.63</b>
On Revenue Account	41,775	38,741	93	10.71
On Capital Account**	11,250	10,574	94	2.92
<b>Non-Plan Expenditure</b>	<b>30,886</b>	<b>28,561</b>	<b>92</b>	<b>7.89</b>
On Revenue Account	30,606	28,356	93	7.84
Of which Interest Payments	8,195	7,884	96	2.18
On Capital Account	280	205	73	0.06
<b>Plan Expenditure</b>	<b>21,139</b>	<b>20,754</b>	<b>98</b>	<b>5.73</b>
On Revenue Account	11,169	10,385	93	2.87
On Capital Account	11,970	10,369	894	2.86
<b>Revenue Deficit /Surpluas</b>	<b>(-) 3,496</b>	<b>(-) 65</b>		
<b>Fiscal Deficit</b>	<b>(-) 4,497</b>	<b>(-) 10,437</b>		
<b>Primary Deficit</b>	<b>(-) 6,302</b>	<b>(-) 2,553</b>		

\* This excludes the repayment of public debt of Rs. 2,605 Crore.

@ GSDP 2008-2009 Rs. 361846 Crore (provisional).

\*\* Expenditure on Capital Account includes Capital Expenditure (Rs.10,220 Crore) and Loans and Advances disbursed (Rs. 354 Crore).

\*\* Budget Estimates for Expenditure on Capital Account includes Capital Expenditure (Rs. 11,250 Crore) and Loans and Advances (Rs. 330 Crore).

It is evident from the forgoing table that because of higher tax and non tax receipts, the primary deficit decreased as compared to the last year.

(#) Figures for borrowings and other liabilities are net of Ways and means advances repaid during the same year.



## CHAPTER – 2

### RECEIPTS

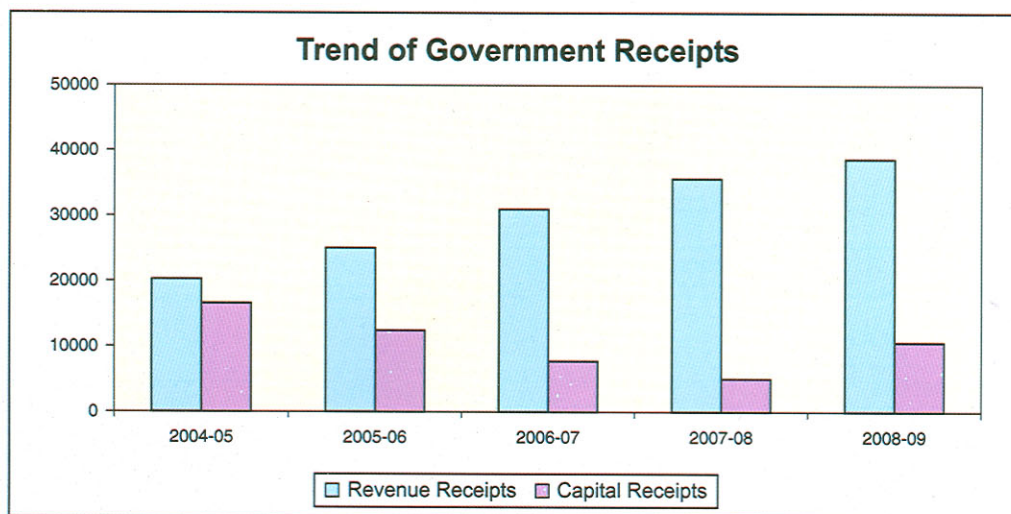
#### 1.1 Introduction

Total receipts for the current year were Rs. 49,315 Crore. Based on its source receipts of government are classified into Revenue receipts and Capital receipts. The trend in government receipts over the years is given below.

#### Trend in Government receipts

(Rs. in Crore)

Year	Revenue Receipts	Capital Receipts	Total
2004-2005	20,265	16,587	36,852
2005-2006	25,067	12,455	37,522
2006-2007	31,002	7,749	38,751
2007-2008	35,690	5,079	40,769
2008-2009	38,676	10,639	49,315



The largest item of government receipt was Revenue Receipts. The increase in receipts for the year 2008-09 as compared to the previous two years was due to more receipt in Tax Revenue.

#### 2.2 Revenue receipts

Revenue receipts are from three sources viz; tax revenue, non-tax revenue and Central assistance. The total revenue receipts of Rs. 38,676 crore for the year came from these sources as shown below:

(Rs. in Crore)

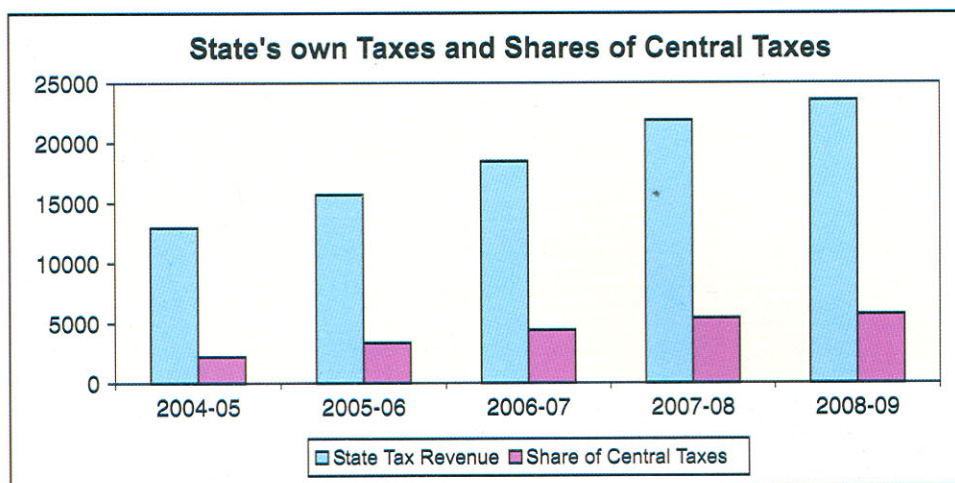
Item	Amount	Percentage
Tax Revenue	29,283	76
Non-tax Revenue	5,099	13
Central assistance	4,294	11
<b>Total</b>	<b>38,676</b>	<b>100</b>

### 2.2.1 Tax revenue

Tax revenue comprises of state taxes (80 %) and share in Central taxes (20%). The tax revenue collections for the year increased to Rs 29,283 Crore. It formed 8.09 % of G.S.D.P.

(Rs. in Crore)

Year	State tax revenue Amount	Share of Central taxes Amount	Total
2004-2005	12,958	2,219	15,177
2005-2006	15,698	3,373	19,071
2006-2007	18,464	4,426	22,890
2007-2008	21,886	5,426	27,312
2008-2009	23,557	5,726	29,283



The major contributors of state tax revenue were sales tax, electricity duties, and taxes on vehicles.

(Rs. in Crore)

State tax	Year 2007-2008		Year 2008-2009	
	Amount	Percentage	Amount	Percentage
1. Sales tax	15,105	55	16,811	57
2. Tax and Duties on Electricity	2,047	7	2,370	8
3. Taxes on vehicles	1,310	5	1,382	5

### 2.2.2 Non-tax revenue

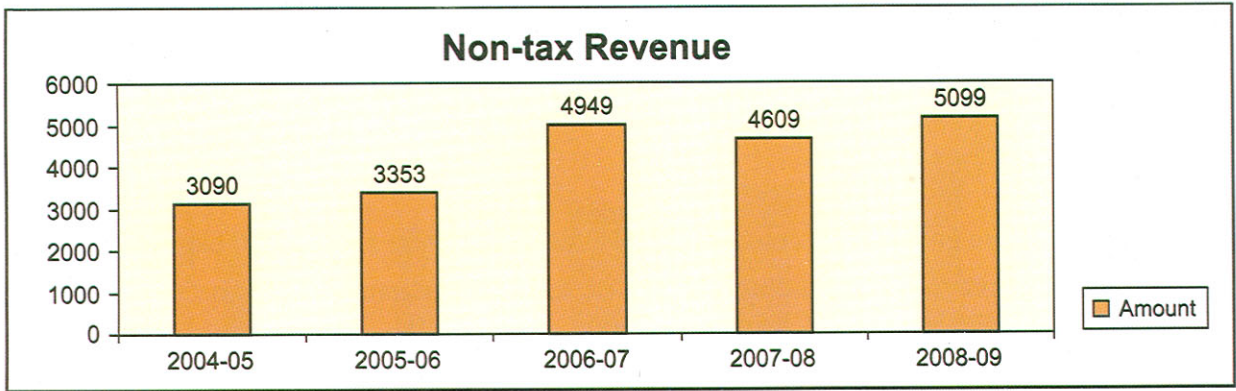
This represents receipts from services rendered and supplies made by the government. The major sources are Interest receipts, dividend and profits, royalties, rates and fees. The trend in non-tax revenue is shown below.

(Rs. in Crore)

Year	Amount
2004-2005	3,090
2005-2006	3,353
2006-2007	4,949

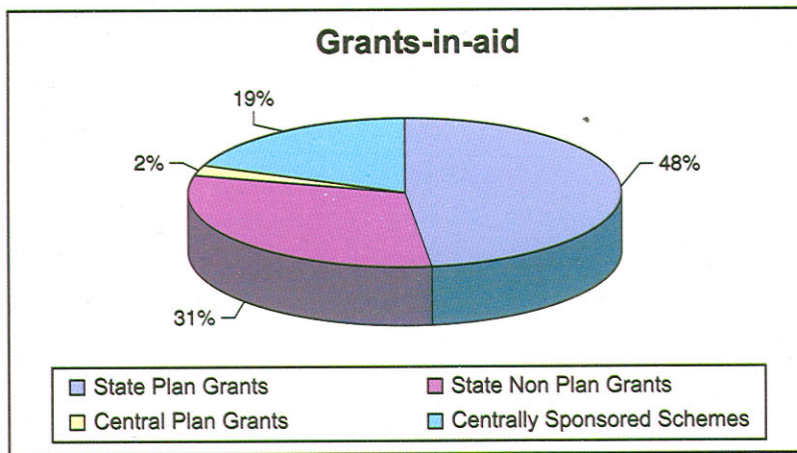
Year	Amount
2007-2008	4,609
2008-2009	5,099





### 2.2.3 Grants-in-aid / Central assistance :

This represents assistance received from Government of India in the form of grants for State Plan Schemes, Centrally Sponsored Schemes approved by Planning Commission and non-plan grants recommended by Finance Commission etc. The total receipts were Rs. 4,294 Crore as shown below:



(Rs in Crore)

Year	Amount
2004-2005	1,997
2005-2006	2,643
2006-2007	3,163

Year	Amount
2007-2008	3,769
2008-2009	4,294

Increase in 2008-09 is due to more receipt under Block Grants.

### 2.3 Capital receipts

The capital receipts are mainly borrowings; recoveries of loans & advances made by government and miscellaneous Capital receipts. The composition of the capital receipts for the year are as shown below.

(Rs. in Crore)

Item	Amount	Percentage
A. Public Debt	10,306	98
1. Internal Debt	10079	96
2. GOI Loans	227	2
B. Recovery of Loans & Advances	181	2
C. Miscellaneous receipts	21	-
<b>Total</b>	<b>10,508</b>	<b>100</b>

**CHAPTER - 3****EXPENDITURE****3.1 Introduction**

The expenditure of the government consists of Revenue expenditure and Capital expenditure. Based on the purpose and nature of expenditure, these are further segregated into plan v/s non-plan and development vs non-development as shown below.

**Plan vs. Non-Plan Expenditure**

(Rs. in Crore)

Category	Plan	Non-Plan	Public debt	Total
Revenue	10,385	28,356	-	38,741
Capital	10,369	205	2,605	13,179
<b>Total</b>	<b>20,754</b>	<b>28,561</b>	<b>2,605</b>	<b>51,920</b>

**Plan** Expenditure for a new activity / expansion of an existing activity during current plan period

**Non-Plan** Expenditure to maintain the existing level of activity

**Development Vs Non-Development (\*)**

(Rs. in Crore)

Category	Developmental Expenditure	Non Developmental expenditure	Total
Revenue	25,188	13,553	38,741
Capital	10,140	3,039	13,179
<b>Total</b>	<b>35,328</b>	<b>16,592</b>	<b>51,920</b>

Development Expenditure consists of expenditure under sector Social Services and Economic Services. While Non Development Expenditure consists of sector General Services, Loans and Advances by the State Government and Grants in Aid and Contribution.

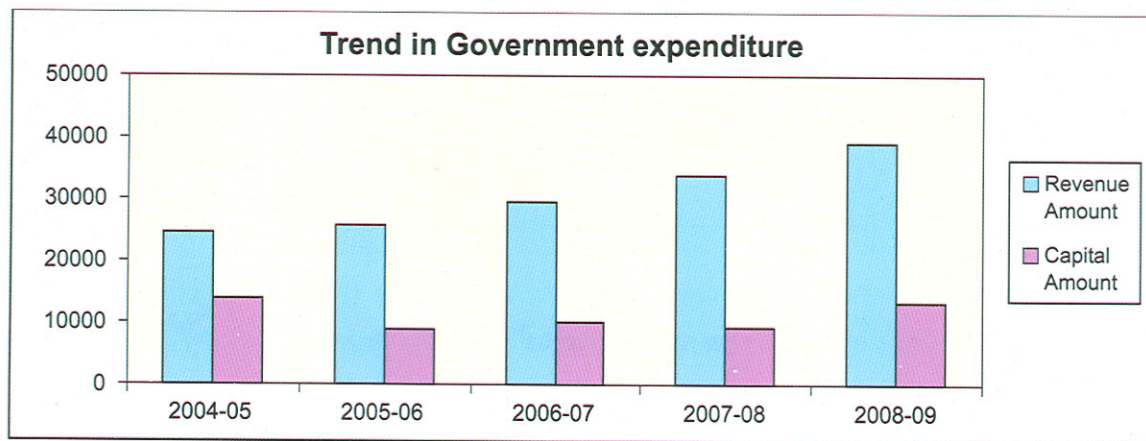
**Trend in Government expenditure**

(Rs. in Crore)

Year	Revenue Amount	Capital Amount	Total
2004-2005	24,302	13,727	38,029
2005-2006	25,465	8,791	34,256
2006-2007	29,232	9,990	39,222
2007-2008	33,539	9,164	42,703
2008-2009	38,741	13,179	51,920

(\*) Classification of expenditure as per the publication 'Budget in Brief' Director of Economics and Statistics – Government of Gujarat, June 2009 (2009-2010).





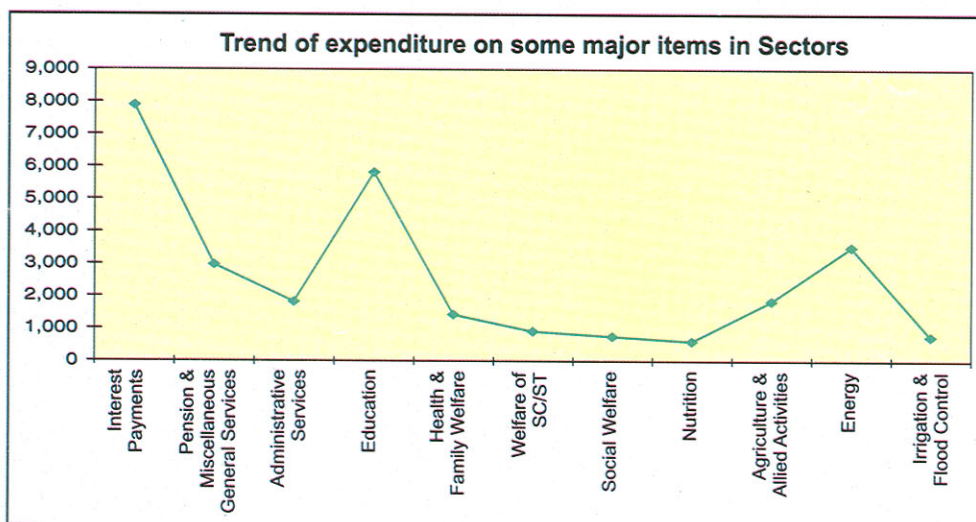
### 3.2 Revenue Expenditure

This represents the amount spent on meeting current administrative and socio-economic activities of the Government.

#### 3.2.1 Trend of expenditure on some major items in sectors

(Rs. in Crore)

Sector/Area	2004-05	2005-06	2006-07	2007-08	2008-09
I) Interest Payments	6,078	6,143	6,932	7,484	7,884
II) Pension & Miscellaneous General Services	2,094	2,254	2,551	3,083	2,970
III) Administrative Services	1,226	1,273	1,421	1,623	1,819
I) Education	3,990	4,162	4,726	5,433	5,821
II) Health & Family Welfare	945	1,043	1,091	1,285	1,429
III) Welfare of SC/ST	630	670	706	790	916
IV) Social Welfare	540	794	1,387	600	761
V) Nutrition	360	394	459	502	610
I) Agriculture & Allied Activities	936	917	1,007	1,479	1,849
II) Energy	2,623	2,074	2,003	2,395	3,528
III) Irrigation & Flood Control	375	372	521	626	761



While there was an increase in expenditure on Nutrition ranging from 26% for Agriculture and Allied Activities 22% for Energy 47 % for Irrigation & Flood control 21% outlay on Pension & Miscellaneous General services, dropped from Rs. 3,083 crore in 2007-08 to Rs. 2,970 crore in 2008-09.

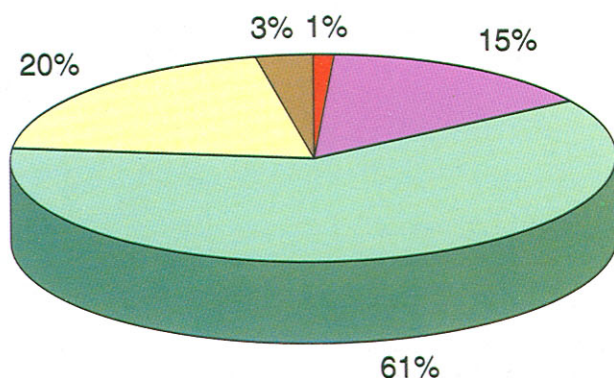
### 3.3 Capital Expenditure

This is the expenditure incurred to create durable assets or to liquidate liabilities. The capital expenditure of Rs. 13,179 crore was incurred on the following components.

(Rs. in Crore)

Sector	Amount	Percentage
1. General Services	80	1
2. Social Services	2,017	15
3. Economic Services	8,123	62
4. Repayment of Public Debt	2,605	20
a. Repayment of Internal debt	2,046	16
b. Repayment of Loans from Central Govt.	559	4
5. Loans and Advances disbursed	354	3
<b>Total</b>	<b>13,179</b>	<b>100</b>

### Capital Expenditure



General Services
Social Services
Economic Services
Repayment of Public Debt
Loans and Advances disbursed

### Trend of Capital Expenditure

(Rs. in Crore)

Year	Sector			Total
	General Services	Social Services	Economic Services	
2004-2005	85	1450	2566	4101
2005-2006	89	1819	5051	6959
2006-2007	62	1589	6,194	7,845
2007-2008	55	1,927	4,819	6,801
2008-2009	80	2,017	8,123	10,220



Year	Sector		Total
	Public debt Repayments	Loans and Advances	
2004-2005	8888	740	9628
2005-2006	1128	704	1832
2006-2007	1,771	374	2,145
2007-2008	1,934	429	2,363
2008-2009	2605	354	2959

### 3.4 Tenth Five Year Plan

Tenth Five Year Plan commenced in April 2002. The financial progress is depicted below :

(Rs. in Crore)

Name of Department	Total 10 <sup>th</sup> plan outlay	2008-09		Total up to 2009	Percentage
		Annual Plan outlay	Actual plan expenditure	Total plan expenditure	
Agriculture & Co-operation Department	4,169	1,605	254	4,011	96
Rural Development	1,600	682	0	3,572	223
Irrigation & Flood Control	10,350	5,605	6,520	20,576	199
Energy	7,071	830	393	6,391	90
Industries & Minerals	2,430	773	2	1,183	49
Transport	2,175	1,857	848	5,451	251
Communication	40	0	0	0	0
Science, Technology & Environment	383	127	4	218	57
General Economics Services	986	498	10	343	35
Social Services	17,727	8,856	1,980	26,746	151
General Services	24	36	76	1,162	4,841
Border Area Development Programme	45	131	0	0	0
<b>Grand Total</b>	<b>47,000</b>	<b>21,000</b>	<b>10,089</b>	<b>69,653</b>	<b>148</b>

## CHAPTER- 4

## APPROPRIATION ACCOUNTS

## 4.1 What is the importance of Appropriation accounts?

Appropriation Act passed by the State provides the authority to withdraw specified sums from the Consolidated Fund of State for the specified activities of the State Government. The Appropriation Accounts compare the amounts spent during the year with the sums specified in the Appropriation Act. The State Legislature had authorised withdrawal of Rs. 56,945 Crore in two Appropriation Acts through 104 voted grants and two charged appropriations for the year 2008-2009.

## 4.2 Actual Expenditure - Reconciliation between the two accounts

The actual expenditure fell short of the estimated expenditure by Rs. 2,907 corer.

(Rs in Crore)

Details	Appropriation Act	Actual expenditure	Excess/Savings
Gross Expenditure authorized	56,945	52,587	(-) 4,358
Recoveries	760	667	(-) 93
<b>Net Expenditure (as per Finance Accounts)</b>	<b>56,185</b>	<b>51,920</b>	<b>(-) 4,265</b>

Analysis of the excesses and savings is shown below.

Nature of expenditure	Total grant	Actual expenditure	Savings(-) Excesses(+)
Revenue	41,775	38,742	(-) 3,033
Capital	10,856	10,220	(-) 636
Public Debt	3,160	2,605	(-) 555
Loans and Advances	394	353	(-) 41

A detailed analysis of the excesses and savings is shown below.

## Excess and savings

(Rs. in Crore)

Sr. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Total	Actual Expenditure	Savings (-) Excesses (+)
<b>1</b>	<b>Revenue</b>					
	Voted	29,999	3,490	33,489	30,776	(-) 2,713
	Charged	8,227	59	8,286	7,966	(-) 320
<b>2</b>	<b>Capital</b>					
	Voted	7,740	3,107	10,848	10,212	(-) 636
	Charged	-	8	8	8	-
<b>3</b>	<b>Public Debt</b>					
	Charged	3,160	-	3,160	2,605	(-) 555
<b>4</b>	<b>Loans and Advances</b>					
	Voted	330	64	394	353	(-) 41
	Charged	-	-	-	-	-
<b>5</b>	<b>Inter State Settlement</b>					
	Charged	-	-	-	-	-
	<b>Total</b>	<b>49,456</b>	<b>6,729</b>	<b>56,185</b>	<b>51,920</b>	<b>(-) 4,265</b>



Grants which the Government could not spend to the full extent voted by the legislature included Pension and Other Retirement Benefits(Revenue) Rs. 400 crore mainly due to finalization of less number of pension cases and non-finalization of New Defined Contribution Pension Scheme with NSDL, Other expenditure pertaining to Finance Department (Revenue) Rs. 1,989 mainly due to shifting of provision of Dearness Allowance under the various sub heads of respective departments and reduction in the contribution of Guarantee Redemption Fund looking to the outstanding guarantees issued and reasonable & sufficient balance of Guarantee Redemption Fund is available to met the contingent liability arise, Repayment of Debt pertaining to Finance Department and its servicing (Revenue) Rs. 309 crore & (Capital) Rs. 554 crore mainly due to non- drawal of Ways and Means Advance during the year and less repayment of loans made during 2008-2009, Narmada Development Scheme (Capital) Rs. 139 crore due mainly to non- receipt of fund from beneficiary states, Community Development (Revenue) Rs. 123 Crore mainly due to receipt of less proposals from the District Panchayats, reduction imposed in Revised Estimates and non-receipt of administrative approval, Non-residential Buildings (Capital) Rs. 253 crore mainly due to implementation of model code of conduct for the election, disturbance in the construction activities on account of heavy rain etc.

### 4.3 Persistent Savings

In the case of Narmada Development Scheme, Government could not fully spend the budgeted amount persistently in all of the previous years. The position is as follows:-

#### Text-Summary

( Rs. in Crore )

Grant No.	Year	Total allocation	Percentage of Savings to total grant
			Saving
65- Narmada Development Scheme	2004-2005	2,015	30
65- Narmada Development Scheme	2005-2006	1,820	19
65- Narmada Development Scheme	2006-2007	2,853	9
65- Narmada Development Scheme	2007-2008	2,234	7
65- Narmada Development Scheme	2008-2009	5,126	3

### 4.4 Contingency Fund

The Government has a Contingency Fund of Rs. 200 Crore to meet unforeseen expenditure. During the current year Rs. 165 Crore was drawn from Contingency Fund and Rs. 131 Crore was recouped to the fund leaving a balance of Rs. 34 Crore to be recouped.

**CHAPTER – 5****ASSETS AND LIABILITIES****5.1 Assets**

Government has valuable assets in the form of land, buildings, factories etc. Most of these assets of the government do not easily lend themselves to an accurate valuation and government account do not exhibit comprehensive valuation of fixed assets like land, buildings etc. However, the government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. A list of the major assets created out of the expenditure as on 31<sup>st</sup> March 2009 is given below :

(Rs. in Crore)

Assets	Amount	
Gross Capital outlay on Fixed assets		64,344
Investments in shares of companies, corporations etc	26,542	
Other Capital outlay	37,802	
Loans and Advances		4,629
Loans for Power Projects	843	
Other Development loans	3,544	
Loans to Govt servants and miscellaneous loans	242	
Advances		1
Departmental Cash balances including permanent advances and investment of earmarked funds		4,554
Cash Balance investments		8,565
<b>Total</b>		<b>82,093</b>

Current Assets	Amount	
Cash Balance		99
Cash in treasuries	0	
Deposit with Reserve Bank	82	
Remittances in transit local	17	
<b>Total</b>		<b>99</b>

**5.2 Composition of Debts & Liabilities**

The liabilities of the State Government comprising of Public Debt under Consolidated Fund and liabilities under Public Account increased by Rs. 34,569 Crore from Rs. 71,083 Crore in 2004-2005 to Rs. 1,05,652 Crore in 2008-09 as shown below.

(Rs in Crore)

Year	Total Public Debt	Total Public Account	Total Liabilities	GSDP	% of total liability to GSDP
2004-2005	57,920	13,163	71,083	1,89,118	38
2005-2006	67,455	13,913	81,368	2,19,780	37
2006-2007	72,632	15,339	87,971	2,54,533	35
2007-2008	79,309	17,142	96,451	2,80,086	34
2008-2009	87,010	18,640	1,05,652	361846	30



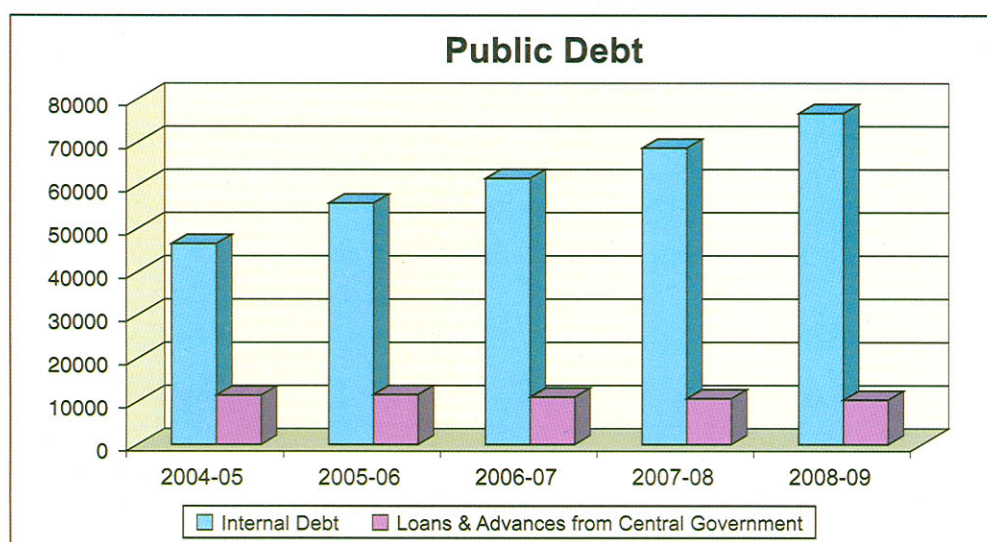
### 5.3 Public Debt:

The revenue receipts and other capital receipts are not sufficient to meet the expenditure of the government. Therefore, government resorts to borrowing to meet the shortage. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by Rs. 29,090 Crore from Rs. 57,920 Crore in 2004-2005 to Rs. 87,010 Crore by the end of the current year are as follows.

(Rs. in Crore)

Year	Internal Debt	Loans & Advances from Central Government	Total Public Debt
2004-2005	46,489	11,431	57,920
2005-2006	55,888	11,567	67,455
2006-2007	61,629	11,003	72,632
2007-2008	68,651	10,658	79,309
2008-2009	76,685	10,325	87,010

No ceiling on borrowings as envisaged in the Article 293 of the Constitution of India has been fixed by the State legislature. The State Legislature has passed the Fiscal Responsibility Act in may 2005.



#### 5.3.1 Internal Debt

Details of transactions in respect of Internal Debt are shown in the following table:-

(Rs. in Crore)

Year	Opening Balance	Receipts	Payments	Closing Balance
2004-2005	36,198	14,583	4,292	46,489
2005-2006	46,489	9,941	542	55,888
2006-2007	55,888	6,653	912	61,629
2007-2008	61,629	8,402	1,380	68,651
2008-2009	68,651	10,079	2,046	76,685

### 5.3.2 Loans and advances from the Central Government

The details of transactions in respect of Loans and advances from the Central Government are shown in the following table.

(Rs. in Crore)

Year	Opening Balance	Receipts	Payments	Closing Balance
2004-2005	14,208	1,818	4,595	11,431
2005-2006	11,431	722	587	11,566
2006-2007	11,567	295	859	11,003
2007-2008	11,003	209	554	10,658
2008-2009	10,658	226	559	10,325

### 5.4 Public Account

The State also acts as a trustee in respect of deposits like small savings collections, provident funds and deposits. There was an overall liability of Rs.18,640 Crore in respect of these items by the end of 2008-2009 as shown below.

(Rs. in Crore)

Year	Insurance and Pension Fund	Provident Funds	Others	Total
2004-2005	750	3122	9291	13163
2005-2006	814	3316	9783	13913
2006-2007	881	3534	10923	15338
2007-2008	953	3898	12292	17143
2008-2009	1027	4144	13469	18640

#### 5.4.1 State Provident Fund

The details of transactions from the State Provident Fund are shown in the following table.

(Rs. in Crore)

Year	Opening Balance	Receipts	Payments	Net accretion	Closing Balance	Interest charged on balance
2004-2005	2,955	715	548	167	3,122	212
2005-2006	3,122	768	574	194	3,316	251
2006-2007	3,316	816	598	218	3,534	263
2007-2008	3,534	1,027	663	364	3,898	357
2008-2009	3,898	995	749	246	4,144	391

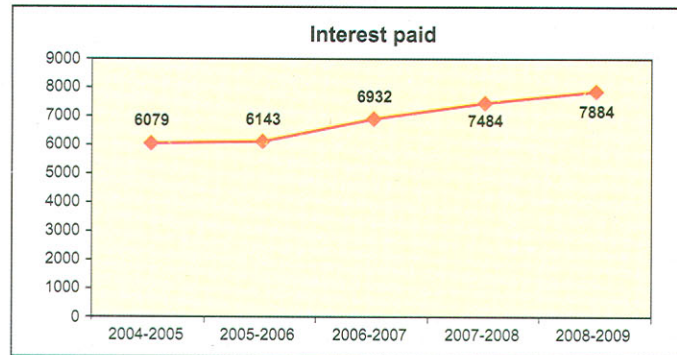
### 5.5 Interest payments

Interest payments on debt and other liabilities totaling Rs. 7,884 Crore constituted 20 percentage of revenue expenditure of Rs. 38,741 Crore during 2008-2009. Break up of the Interest Payments of Rs.7,884 Crore was Internal debt Rs. 6,222 Crore, loans and advances from Central Governments Rs. 849 Crore and Rs. 813 Crore on other liabilities. Expenditure on account of interest payments increased by Rs. 246 Crore during 2008-2009 in comparison to previous year. Growth in Interest Payments during the past five years was as under :



(Rs. in Crore)

Year	Interest paid	Percentage increase over previous year
2004-2005	6,079	3
2005-2006	6,143	1
2006-2007	6,932	13
2007-2008	7,484	8
2008-2009	7,884	3



(Rs. in Crore)

Year	Interest paid	Interest paid as percentage of Revenue Expenditure	Interest paid as percentage of Revenue Receipts
2004-2005	6,079	25	30
2005-2006	6,143	24	25
2006-2007	6,932	24	22
2007-2008	7,484	22	21
2008-2009	7,884	20	20

## 5.6 Utilisation of borrowed funds

The receipts from debt/ other obligations constitute 59% of the total receipts of the Government.

### Comparison of new liabilities to total receipts

(Rs. in Crore)

1. Addition in Public debt	10,306
2. Additions in other liabilities (Total of a to c)	15,801
a. Small savings, Provident fund & Other Funds	1,132
b. Deposits	13,828
c. Reserve funds	841
3. Total Addition of debts & Liabilities (1 + 2)	26,107

Out of the total receipts of debts/liabilities of Rs. 26,107 Crores, Rs. 24,791 Crores have been consumed in repayments and interest payments as shown below :

### Amount available after servicing obligation

(Rs. in Crore)

Item	Principal repaid	Interest	Total	Amount Collected	Amount Available
1. Public Debt	2,605	7,071	9,676	10,306	630
a. Internal Debt	2,046	6,222	8,268	10,079	1,811
b. Loans from GOI	559	848	1,408	227	- 1,181
2. Other Liabilities	14,302	813	15,115	15,801	686
<b>Total</b>	<b>16,907</b>	<b>7,884</b>	<b>24,791</b>	<b>26,107</b>	<b>1,316</b>

### 5.7 Ways and Means advances

The State Government, in order to maintain and sustain its liquidity position, takes Ways and Means Advances from the Reserve Bank of India and thereafter, draws upon overdraft, whenever there is shortfall in the agreed minimum cash balance in its account with the Reserve Bank of India. The State Government is required to maintain a minimum cash balance of Rs. 280 lakhs with Reserve Bank of India. The larger the amount and greater the number of times such ways and means advances are taken or draws made, the more it reflects over the adverse position of the cash balance of the State Government.

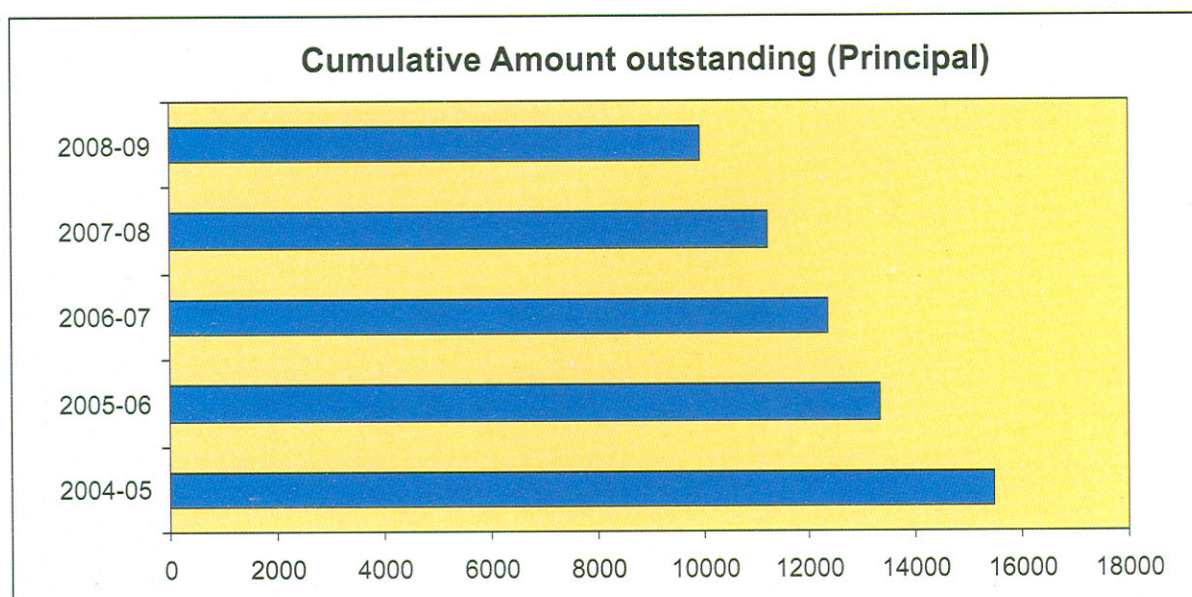
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
i) Number of days on which minimum balance was maintained					
a) Without obtaining any advance	141	238	365	365	365
b) By obtaining Ways and Means Advance	203	127	--	--	--
ii) Number of days on which overdraft was taken	21	--	---	---	--

### 5.8 Guarantees

In addition to borrowings, the State Government also gives substantial guarantees to various public sector and other undertakings, statutory corporation, companies, etc. The position of guarantees given by the State Government is given below:-

(Rs. in Crore)

At the end of the year	Cumulative Amount Guaranteed (Principal)	Cumulative Amount outstanding (Principal)
2004-2005	16,122	15,587
2005-2006	13,965	13,430
2006-2007	12,983	12,448
2007-2008	11,843	11,308
2008-2009	10,561	10,027





## CHAPTER – 6

### OTHER ITEMS

#### 6.1 Investments and returns

Rs. 26,542 and Rs. 49 crore represent Government Investment in Public Sector as well as Other Joint stock companies, Co-operative societies and the dividend/interest received there on (i.e 0.02 % on the investment). During 2008-2009, investments in PSUs increased by Rs. 5,426 Crore, and dividend increased by Rs.1 Crore as compared to the previous year.

#### 6.2 Loans and advances by the State Government

Total loans and advances given by the State Government at the end of 2008-2009 stood at Rs. 4,628 Crore. The principal amount of Rs. 181 Crore and interest amount of Rs. 84 Crore were recovered during the year 2008-2009.

The recovery of principal amount of Rs. 661 Crore and interest amount of Rs. 66 Crore are in arrears as on 31<sup>st</sup> March 2009 from Government Corporations/Companies, non-Government Institutes, Local bodies, etc.

#### 6.3 Financial assistance to local bodies and others

Financial Assistance includes “Grants-in-aid” and “Subsidies” given to Panchayats, Local Bodies and other institutions. Total assistance given during the year was Rs 20,353 Crore (Grant-in-aid Rs. 16,370 and Subsidy Rs. 3,983 Crore).

#### 6.4 Commitments on account of incomplete capital works

Total 266 project pertaining to Roads and Buildings as well as Irrigation Departments costing Rs 1,11,862 Crore were incomplete as on 31<sup>st</sup> March 2009 after incurring expenditure of Rs. 1,780 Crore and the period of delay ranged between one to five years.

## **CHAPTER – 7**

### **AUDIT REPORTS**

Audit comments in these accounts as well as on the working of different departments of Government of Gujarat by Comptroller and Auditor General of India are contained in Reports submitted separately on “Civil”, “Revenue” and “Commercial” matters to the State Legislature.

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