



सत्यमेव जयते

GOVERNMENT OF GUJARAT

ACCOUNTS AT A GLANCE

2010 - 2011

ACCOUNTANT GENERAL
(ACCOUNTS & ENTITLEMENTS)

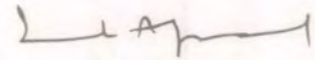
GUJARAT

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 2010-2011 as reflected in the Finance Accounts and the Appropriation Accounts. The format of the Finance Accounts has undergone significant changes, with additional statements incorporated to bring out the financial position of the Government more clearly. Consequently the Finance Accounts are issued in two Volumes, Volume-I contains the consolidated position of the state of finances and Volume-II depicts the accounts in detail. In keeping with these changes, the Accounts at a Glance has also been completely remodeled according to new format and made more comprehensive .

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



(Indu Agrawal)

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Place : Rajkot

Date : 03-01-2012

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CHAPTER - I

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 (A&E) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts

Part-1	CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Accounts, Public Debt and Loans and Advances
Part-2	CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund
Part-3	PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances Remittances and Suspense transactions. Debt and Deposit represent repayable liabilities of the Government. Advances are receivables of the Government. Remittance and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Account is prepared in two volumes, in a new format, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and disbursements of the Government of Gujarat as depicted in the Finance Accounts 2010-11 are given below :

(₹ in crore)

Receipts (Total : 67,812)	Revenue (Total : 52364)	Tax Revenue	43,018
		Non Tax Revenue	4,915
		Grants-in-aid	4,431
	Capital (Total : 15448)	Recovery of Loans and Advances	283
		Other Receipts	91
Borrowings and other liabilities		15,074	
Disbursements (Total : 67812)	Revenue	57,440	
	Capital	9,684	
	Loans and Advances	688	

- 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.
- The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs from implementation of various schemes and programmes. This year the Government of India directly released ₹ 4,451 crore (₹ 3,553 crore last year). Since these funds are not routed through the State Budget they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund or 'Voted' by the State legislature. There are two Charged Appropriation and 106 Voted Grants.

The Appropriation Act, 2010-2011, had provided for gross expenditure of ₹ 76,717 crore and reduction of expenditure (recoveries) of ₹ 859 crore. Against this, the actual gross expenditure was ₹ 72,204 crore and reduction of expenditure was ₹ 575 crore, resulting in net savings of ₹ 4,513 crore (5.88%) and an over-estimation of ₹ 284 crore (33.06 %) on reduction of expenditure.

During 2010-2011 ₹ 796 crore was transferred from the Consolidated fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year.

1.4 Sources and Application of Funds :

1.4.1 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 ₹ 2.80 crore with Reserve Bank of India. **Government of Gujarat did not avail of Ways and Means Advances in the year 2010-2011.**

1.4.2 Fund flow statement

The State had a Revenue Deficit of ₹ 5,076 crore and a Fiscal Deficit of ₹ 15,074 crore representing 0.99% and 2.93% of the Gross State Domestic Product (G.S.D.P). The Fiscal Deficit constituted 22% of the total expenditure. This deficit was met from Public Debt (₹ 12,864 crore), increase in Public Account (₹ 5,625 crore), un-recouped contribution from the Contingency Fund (₹ 47 crore) and net of opening and closing cash balance (₹ -3,462 crore). Around 40% of the revenue receipts (₹ 52,364 crore) of the State Government was spent on committed expenditure like salaries (₹ 5,394 crore), interest payments (₹ 9627 crore) and pensions (₹ 5,779 crore)

Sources and Application of Funds

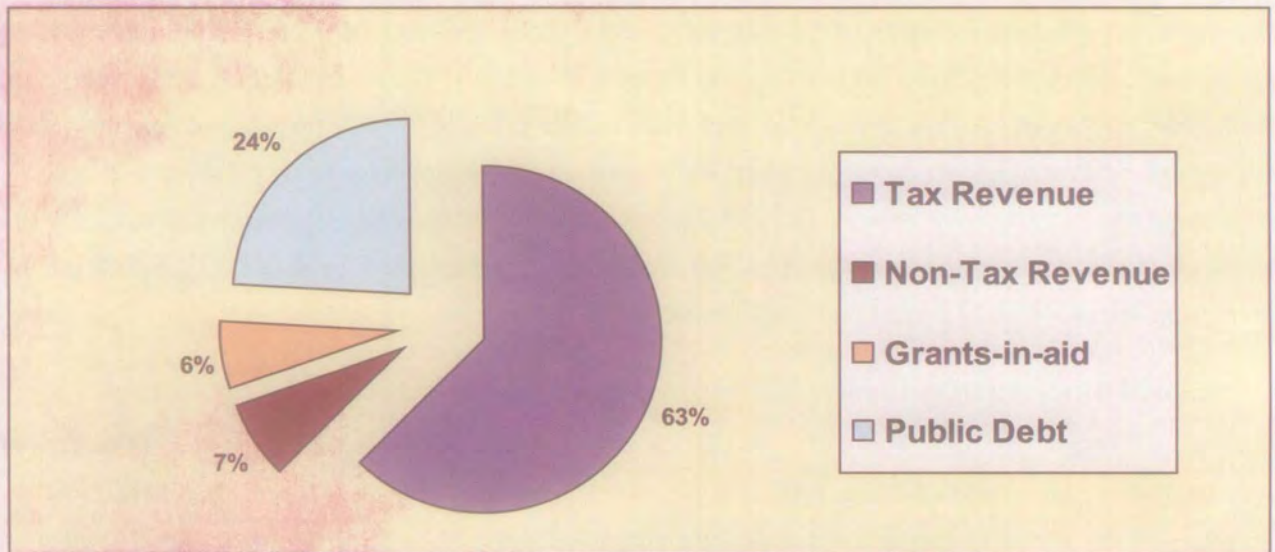
(₹ in crore)

	<i>PARTICULARS</i>	<i>AMOUNT</i>
SOURCES	Opening Cash Balance as on 1.4.2010	-126
	Revenue Receipts (including Misc Capital Receipts)	52,455
	Recovery of Loans and advances	283
	Public Debt	16,681
	Small Savings, Provident fund and others	1,743
	Reserves and Sinking Funds	1,136
	Deposits received	23,626
	Civil Advances repaid	280
	Suspense Account	1,93,844
	Remittances	9,276
	Contingency Fund	47
		TOTAL

(₹ in crore)

APPLICATION	Revenue Expenditure	57,440
	Capital Expenditure	9,684
	Loans given	688
	Repayment of Public debt	3,817
	Small Savings, Provident Fund & Others	1,039
	Reserves & Sinking fund	698
	Deposits repaid	21,093
	Civil Advances Paid	280
	Suspense Account	1,95,181
	Remittances	9,198
	Closing Cash Balance as on 31.3.2011	127
	TOTAL	2,99,245

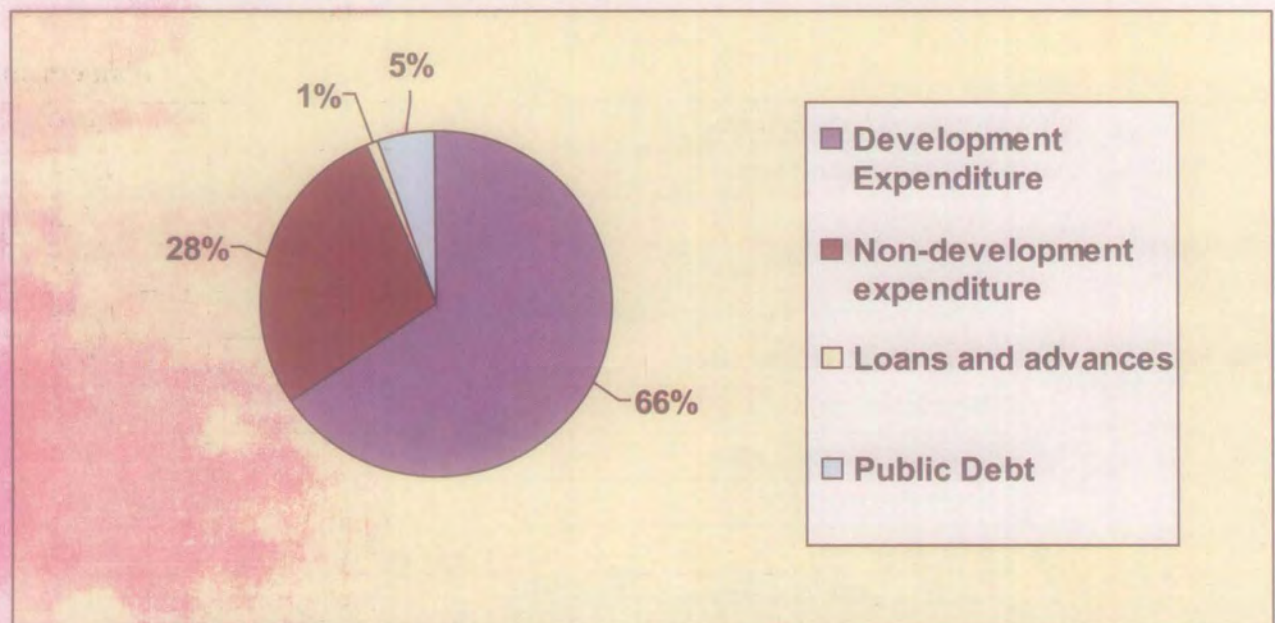
1.4.3 Where the Rupee came from ?



The main sources of funds to meet expenditure were tax revenue, public debt, non-tax revenue and Grant-in aid

1.4.4 Where the Rupee went ?

Expenditure for the year 2010-2011 was spent on Development Expenditure (66%), Non-Development Expenditure (28%), Loans and Advances (1%) and Public Debt (5%). Based on the purpose of expenditure it was classified into Social Services and Economic Services (Development expenditure) and General Services (Non-development expenditure).



1.5 Highlights of Accounts

		B.E 2010-2011	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP @
1.	Tax Revenue	36,861	43,018	117	8
2.	Non-Tax Revenue	6,184	4,915	79	1
3.	Grants in aid & contributions	6,432	4,431	69	1
4.	Revenue Receipt (1+2+3)	49,477	52,364	106	10
5.	Recovery of loans & advances	248	283	114	-
6.	Other Receipts	-	91	-	-
7.	Borrowing & other liabilities (A)	14,585	15,074	103	3
8.	Capital Receipts (5+6+7)	14,833	15,448	104	3
9.	Total Receipts (4+8)	64,310	67,812	105	13
10.	Non-Plan Expenditure *	37,972	42,013	111	8
11.	NPE on Revenue Account	37,585	41,781	111	8
12.	NPE on Interest Payments out of 11	9,865	9,627	98	2
13.	NPE on Capital Account	387	232	60	-
14.	Plan Expenditure *	26,896	25,799	96	5
15.	PE on Revenue Account	16,393	15,659	96	3
16.	PE on Capital Account	10,503	10,140	97	2
17.	Total Expenditure (10+14)**	64,868	67,812	105	13
18.	Revenue Expenditure (11+15)	53,978	57,440	106	11
19.	Capital Expenditure (13+16)(*)	10,890	10,372	95	2
20.	Revenue Deficit(4-18)	-4,502	- 5,076	113	-
21.	Fiscal Deficit (4+5+6-17)	-15,143	-15,074	101	3

@ GSDP 2010-2011 ₹ 514,750 crore (provisional)

* Expenditure includes ₹ 61 crore under Non-Plan and ₹ 627 crore under Plan which pertains to Loans and Advances

(*) Expenditure on Capital Account includes Capital Expenditure (₹ 9684 crore) and Loans and Advances disbursed (₹ 688 crore).

(A) Borrowing 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)

1.6 What do the Deficits and Surpluses 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.

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 borrowings). It is a measure of total expenditure, which is financed by borrowings. Ideally the borrowings should be invested in capital projects.

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.

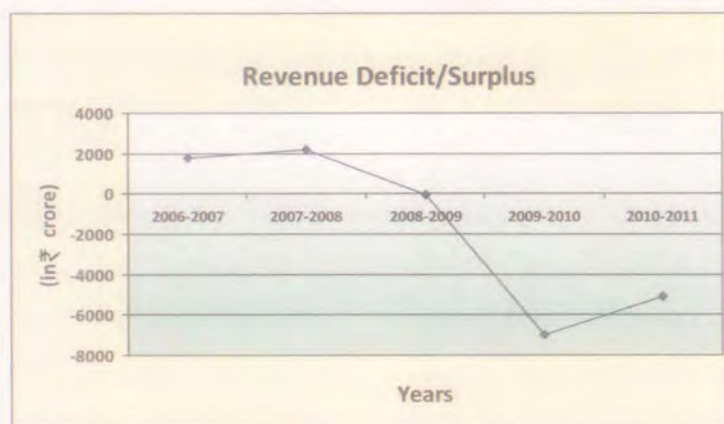
In the wake of global financial crisis, Government of India had relaxed the fiscal deficit (as a percentage of GSDP) target by 1% in FY 2009-2010 and by 0.5% in FY 2010-11 of GSDP respectively. To encourage the State Government to achieve these goals Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which successful State Governments would receive relief on repayment of principal and/or interest. The Fiscal Consolidation roadmap for Gujarat requires the State to reduce the revenue deficit to zero by FY 2011-12, to cap the total public debt of the State Government to 27.1% by the end of FY 2014-15 of estimated GSDP for the FY beginning 1st April 2011 and ending on 31st March 2015 and to cap the outstanding guarantees within the limit provided in the Gujarat State Guarantees Act, 1963.

The fiscal deficit decreased from ₹ 15,153 crore in 2009-10 to ₹ 15,074 crore in 2010-11. Also the primary deficit decreased from ₹ 6,563 crore in 2009-10 to a deficit of ₹ 5,447 crore in 2010-11. Likewise revenue deficit decreased from ₹ 6,966 crore in 2009-10 to a deficit of ₹ 5,076 crore in 2010-11.

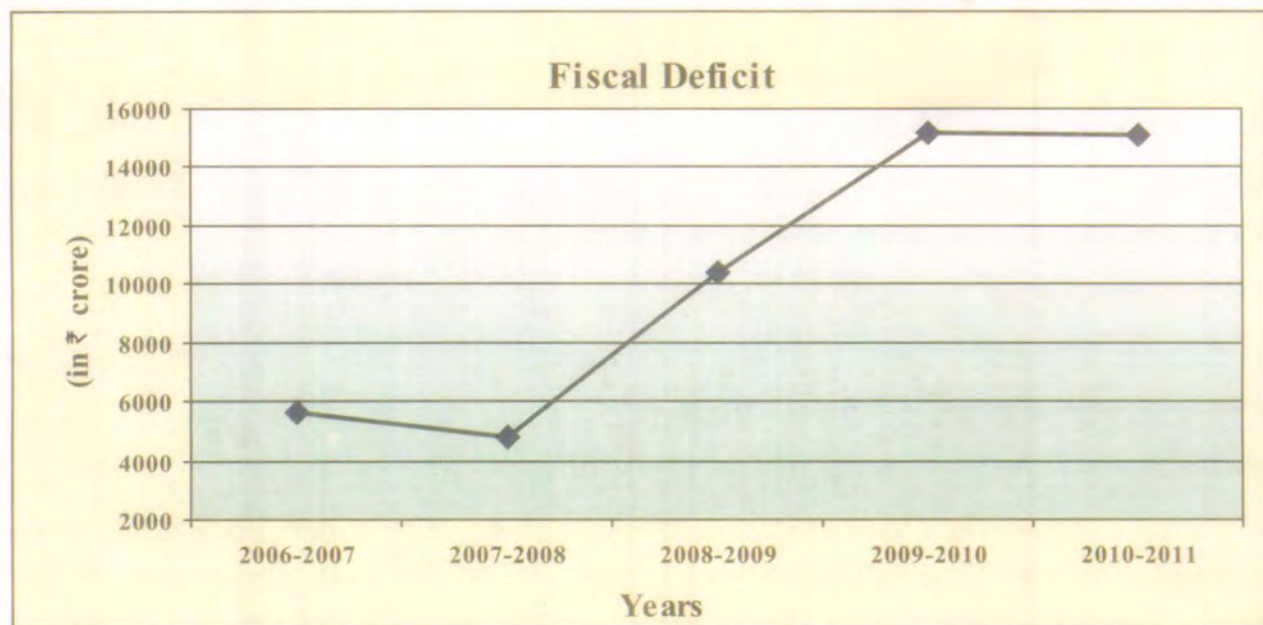
1.6.1 Trend of Revenue Deficit/Surplus

(₹ in crore)

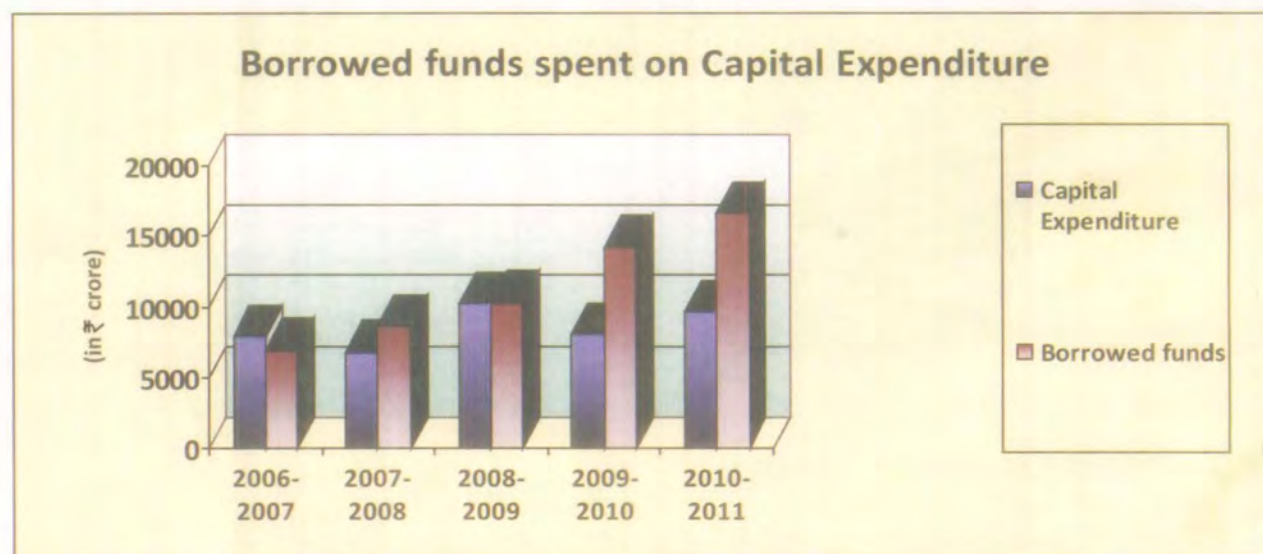
Year	Revenue Surplus/Deficit(+/-)	Fiscal Deficit	Primary Deficit
2006-2007	(+) 1,770	5,648	(+) 1,284
2007-2008	(+) 2,151	4,770	(+) 2,714
2008-2009	(-) 66	10,438	2,554
2009-2010	(-)6,966	15,153	6,563
2010-2011	(-)5,076	15,074	5,447



1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital Expenditure



It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 58 % of the borrowings of the current year (₹16,681 crore) on capital expenditure (₹9,683 crore). It would therefore appear that 42 % of the public debt (₹ 6,998 crore) was utilised on the following : to repay the principal and interest on public debt of previous years, to meet periodic shortfalls of revenues against expenditures in the current year, to maintain a positive cash balance at the end of the year and to invest in treasury bills.

CHAPTER – II**RECEIPTS****2.1 Introduction**

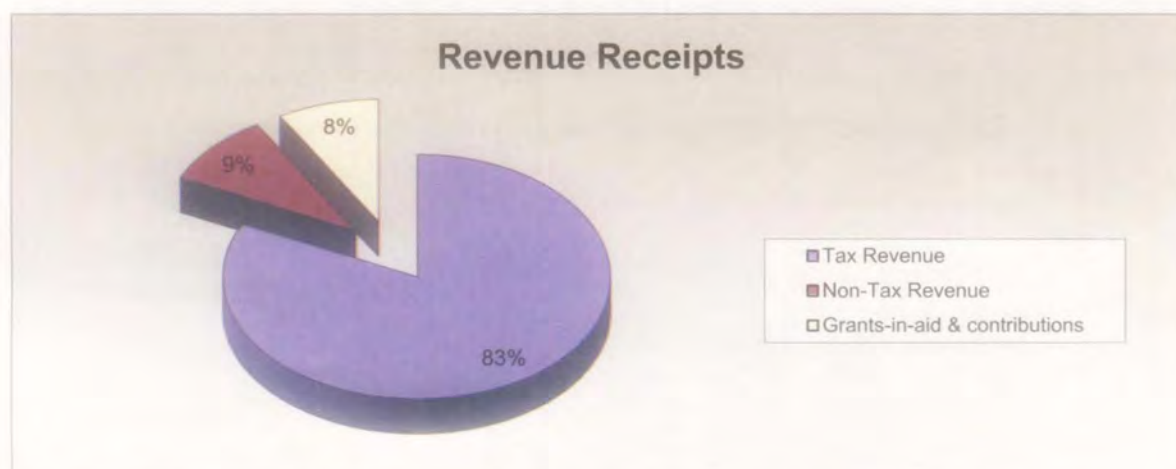
Total receipts for the current year were ₹ 67,812 crore. Based on its source receipts of Government are classified into Revenue receipts and Capital receipts.

2.2 Revenue Receipt

Tax Revenue : Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.

Non-Tax Revenue : Includes Interest receipts, dividends, profits etc.

Grants-in-aid : Essentially a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelized through the Union Government. In turn, the State Government also gives grants-in-aid to institutions like the Panchayat Raj institutions, autonomous bodies etc.

**Revenue Receipt Components (2010-2011)****(₹ in crore)**

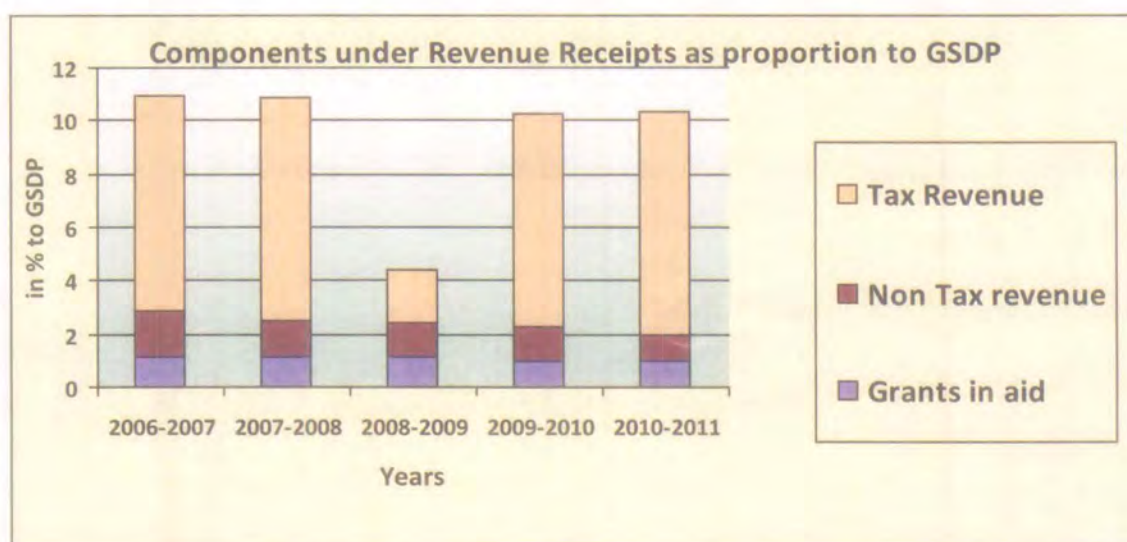
Components	Actuals
A. Tax Revenue	43,018
Taxes on Income & Expenditure	4,219
Taxes on Property & Capital Transactions	5,590
Taxes on Commodities & Services	33,209
B. Non-Tax Revenue	4,915
Interest Receipts, Dividends and Profits	518
General Services	365
Social Services	678
Economic Services	3,354
C. Grants-in-aid & Contributions	4,431
Total : Revenue Receipts	52,364

2.3 Trend of Receipts

(₹ in crore)

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Tax Revenues	22,890	27,312	29,283	32,631	43,018
Non-Tax Revenues	4,949	4,609	5,099	5,452	4,915
Grants-in-aid	3,163	3,769	4,294	3,589	4,431
Total Revenue Receipts	31,002	35,690	38,676	41,672	52,364
GSDP	2,83,693	3,29,285	3,67,745	4,29,356	5,14,750

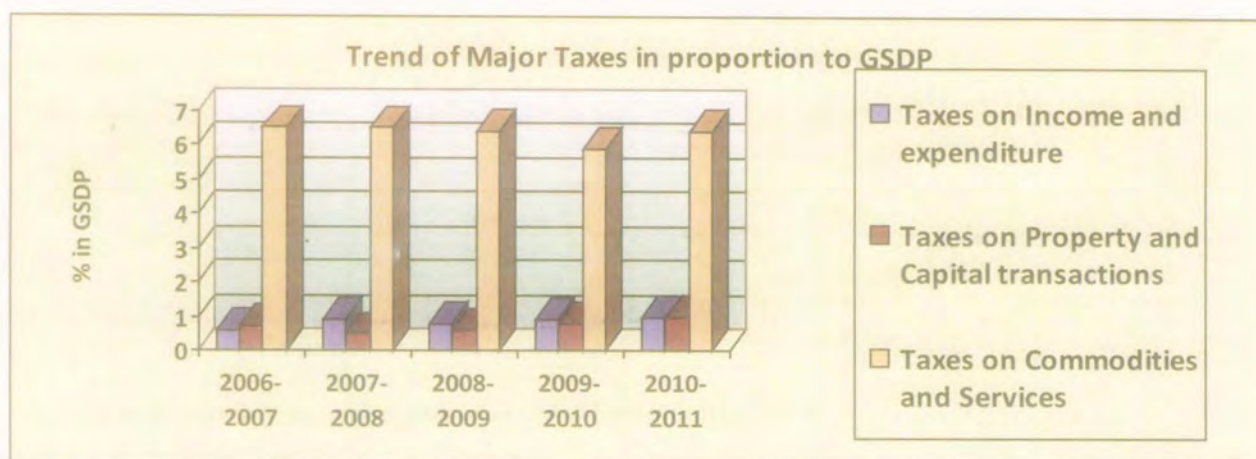
GSDP increased by 20% between 2009-2010 and 2010-2011 growth in revenue collection was only 26%. While tax revenues increased by 32%, non-tax revenues declined by 10% despite significant collections under Labour and Employment ₹ 194 crore, Medical and Public Health ₹ 118 crore and Ports & Lights Houses ₹ 361 crore. The decline under non-tax revenues was mainly on account of less receipt under Non-Ferrous mining and Metallurgical industries (₹ 2,019 crore in 2010-11 from ₹ 2,138 crore in 2009-2010), Miscellaneous .General Services (₹ 62 crore in 2010-2011 from ₹ 847 crore in 2009-2010) and Other Administrative Services (₹ 41 crore in 2010-2011 from ₹ 111 crore in 2009-2010). The State's own tax revenue under certain tax components like Taxes on Sales, Trade, etc (₹ 24,893 crore), Land revenue (₹ 1,788 crore), and Stamps & Registration Fees (₹ 3666 crore) showed a higher trend.



Sector-wise Tax Revenue

(₹ in crore)

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Taxes on Income and Expenditure	2,340	3,027	3,244	3,972	4,219
Taxes on Property and Capital Transactions	2,002	2,816	2,375	3,847	5,590
Taxes on Commodities and Services	18,548	21,469	23,665	24,812	33,209
Total Tax Revenue	22,890	27,312	29,284	32,631	43,018



2.4 Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
2006-2007	22,890	4,426	18,464	6.50 %
2007-2008	27,312	5,425	21,887	6.64 %
2008-2009	29,284	5,726	23,558	6.40 %
2009-2010	32,631	5,891	26,740	6.22 %
2010-2011	43,018	6,679	36,339	7.06 %

The State's own tax revenue has been growing at a healthy rate as seen in the Table.

2.5 Efficiency of Tax collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Revenue Collection	2,002	2,815	2,375	3,847	5,590
Expenditure on Collection	74	86	88	117	156
Efficiency of Tax collection	4 %	3 %	4 %	3 %	3 %

B. Taxes on Commodities and Services

(₹ in crore)

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Revenue Collection	18,548	21,469	23,665	24,812	33,209
Expenditure on Collection	124	154	162	211	253
Efficiency of Tax collection	1%	1%	1%	1%	1%

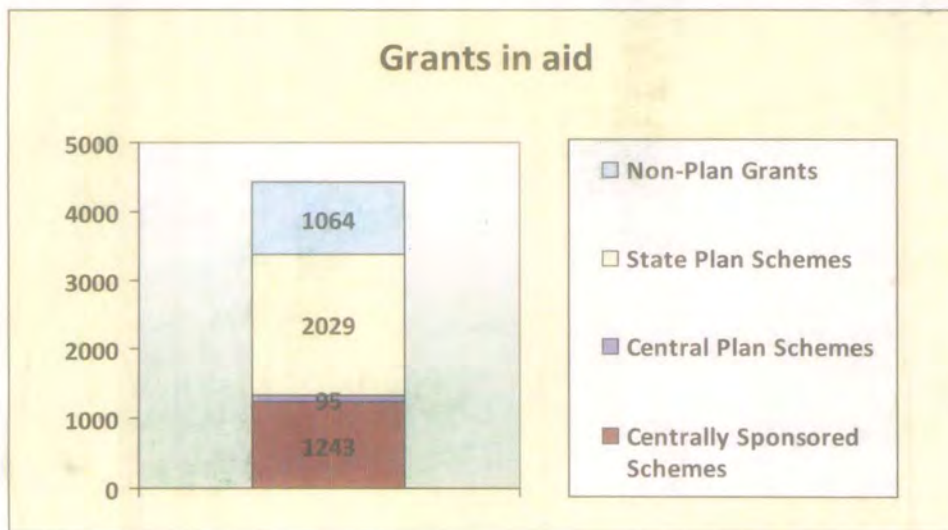
2.6 Trend in State's share of Union Taxes over the past five years.

(₹ in crore)

Major Head Description	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Corporation Tax	1,370	1,722	1,878	2,424	2,611
Taxes on Income other than Corporation Tax	839	1,155	1,179	1,351	1,380
Taxes on Wealth	2	2	2	6	5
Customs	865	1,025	1,094	824	1,168
Union Excise Duties	933	979	954	664	849
Service Tax	416	542	619	622	666
Other Taxes and duties on Commodities and Services	1	-	-	-	-
State share of Union taxes	4,426	5,425	5,726	5,891	6,679
Total Tax Revenue	22,890	27,312	29,284	32,631	43,018
% of Union Taxes to Total Tax revenue	19	20	19	18	16

2.7 Grants in Aid

Grants in Aid represents assistance received from Government of India and comprises Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-Plan Grants recommended by the Finance Commission. Total receipts during 2010-2011 under Grants-in-aid were ₹ 4,431 crore as shown in the table :



The share of non plan grants decreased from 50% during 2009-2010 to 24 % in 2010-2011 while the share of grants for plan schemes increased from 23 % in 2009-2010 to 46 % in 2010-2011.

2.8 Public Debt

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Internal Debt	61,629	68,651	76,685	88,162	1,01,490
Central Loans	11,003	10,658	10,325	9,848	9,384
Total Public Debt	72,632	79,309	87,010	98,010	1,10,874

In 2010-2011 thirteen loans totaling ₹ 11,500 crore at interest rates varying from 8.09% to 12% and redeemable in the years 2020-2021 were raised at par.

Against the total internal debt of ₹ 16,522 crore of the State Government in 2010-2011 and the central loan component of ₹ 159 crore received during the period, capital expenditure was only ₹ 9,684 crore (58%) indicating that the rest of the public debt was used for non-developmental purposes.

CHAPTER - III

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organization. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Service	Includes Justice, Police, Jail, PWD, Pension etc.
Social Service	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc
Economic Services	Includes, Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 57,440 crore for 2010-2011 exceeded budget estimates by ₹ 3,622 crore due to less disbursement under Plan Expenditure and Non-Plan Expenditure. The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below :

(₹ in crore)

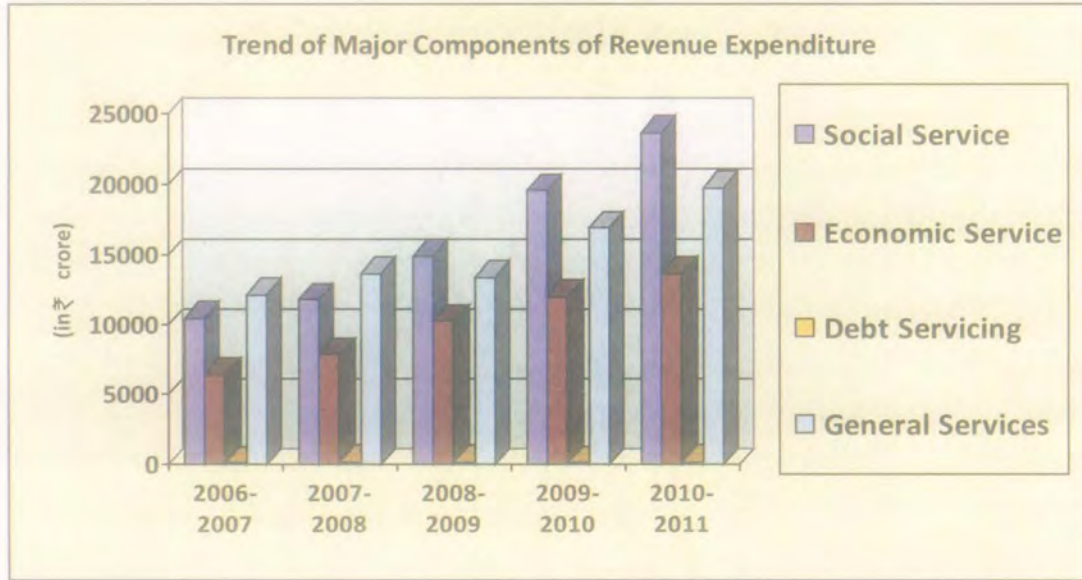
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Budget Estimates	30,588	34,286	42,299	50,773	61,062
Actuals	29,232	33,539	38,741	48,638	57,440
Gap	1,356	747	3,558	2,135	3,622
% of gap over BE	4.43	2.18	8.41	4.20	5.93

3.2.1 Sectoral distribution of Revenue Expenditure (2010-11)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	412	1
(i) Collection of Taxes on Property and Capital transactions	156	-
(ii) Collection of Taxes on Commodities and Services	254	-
(iii) Other Fiscal Services	2	-
B. Organs of State	482	1
C. Interest Payments and Servicing of debt	10,127	18
D. Administrative Services	2,927	5
E. Pensions and Miscellaneous General Services	5,892	10
F. Social Services	23,702	41
G. Economic Service	13,713	24
H. Grants-in-aid and Contributions	185	-
Total Expenditure (Revenue Account)	57,440	100

3.2.2. Major components of Revenue Expenditure (2006-2011)



General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

There has been a steady increase in expenditure on all services.

3.3 Capital Expenditure

Capital disbursements for 2010-11 at 2% of GSDP were less than Budget Estimates by ₹ 518 crore (less disbursement of ₹ 363 crore under Plan expenditure and ₹ 155 under Non-Plan Expenditure)

3.3.1 Sectoral distribution of Capital Expenditure

During 2010-11 the Government spent ₹ 3,526 crore on various projects (₹ 2,356 on Major Irrigation (of which ₹ 2,192 crore was spent on Narmada project) ₹ 487 on Medium Irrigation, and ₹ 683 crore on Minor Irrigation). Apart from above, the Government spent ₹ 509 crore on Medical and Public Health, ₹ 1106 crore on Water Supply and Sanitation and ₹ 735 crore on Power Projects.

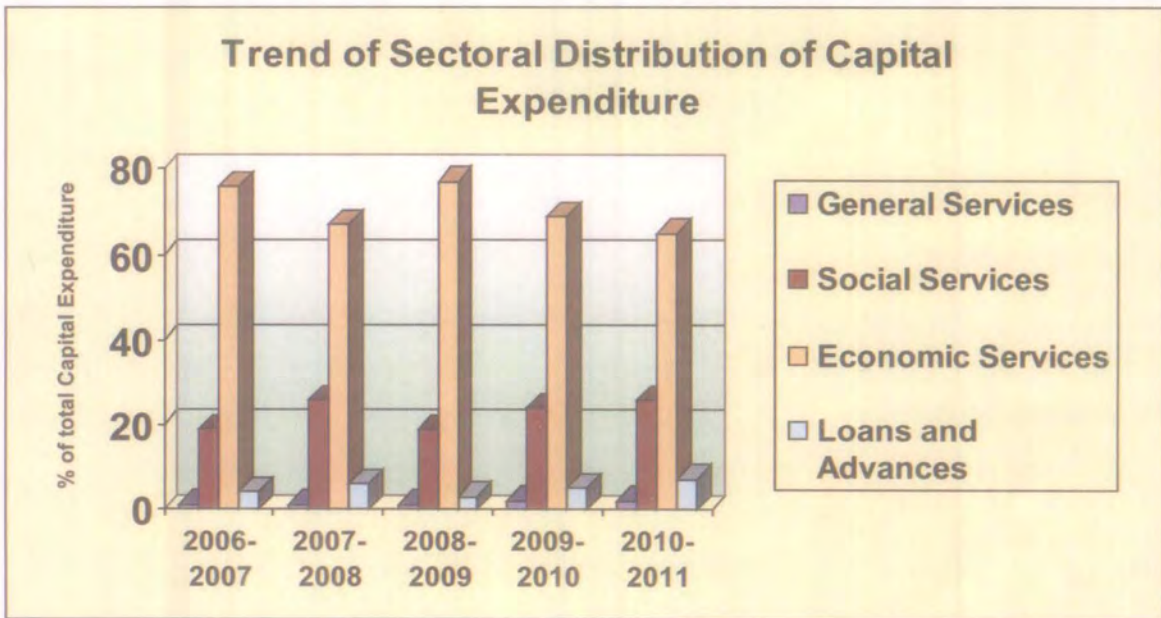
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services-Police, Land Revenue etc.	243	2
2.	Social Services-Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.,	2,682	26
3.	Economic Services-Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries , Transport etc.,	6,759	65
4.	Loans and Advances Disbursed	688	7
Total		10,372	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

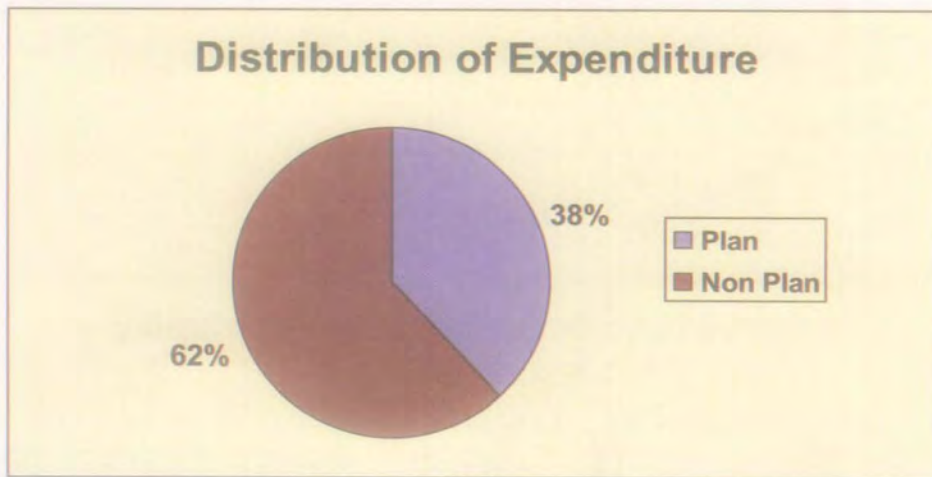
Sl.No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1.	General Services	63	55	80	189	243
2.	Social Services	1,589	1,927	2,017	2,038	2,682
3.	Economic Services	6,194	4,819	8,123	5,820	6,759
4.	Loans and Advances	374	429	354	427	688
Total		8,220	7,230	10,574	8,474	10,372



CHAPTER - IV

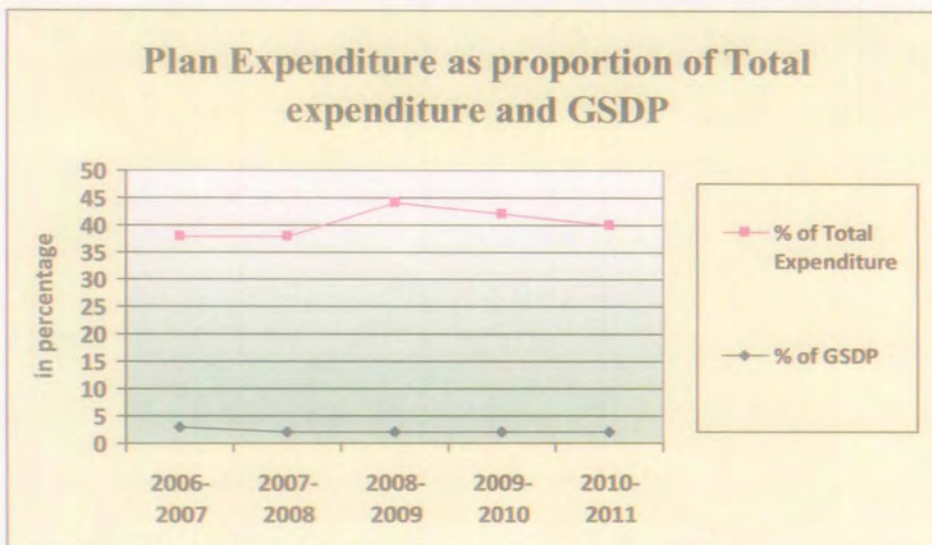
PLAN & NON PLAN EXPENDITURE

4.1 Distribution of expenditure (2010-2011)



4.2 Plan expenditure

During 2010-2011 Plan expenditure representing 38 % of total disbursements was ₹ 25,799 crore (₹ 18,350 crore under State Plan, ₹ 6,782 crore under Centrally Sponsored Schemes and ₹ 667 crore under Loans and Advances).



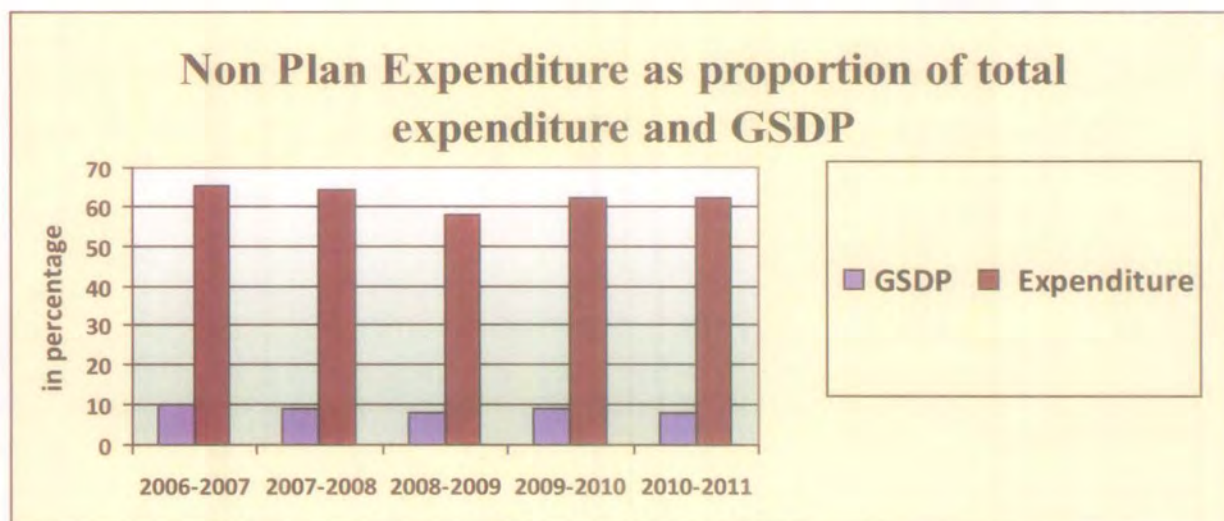
4.2.1 Plan expenditure under Capital Account

(₹ in crore)

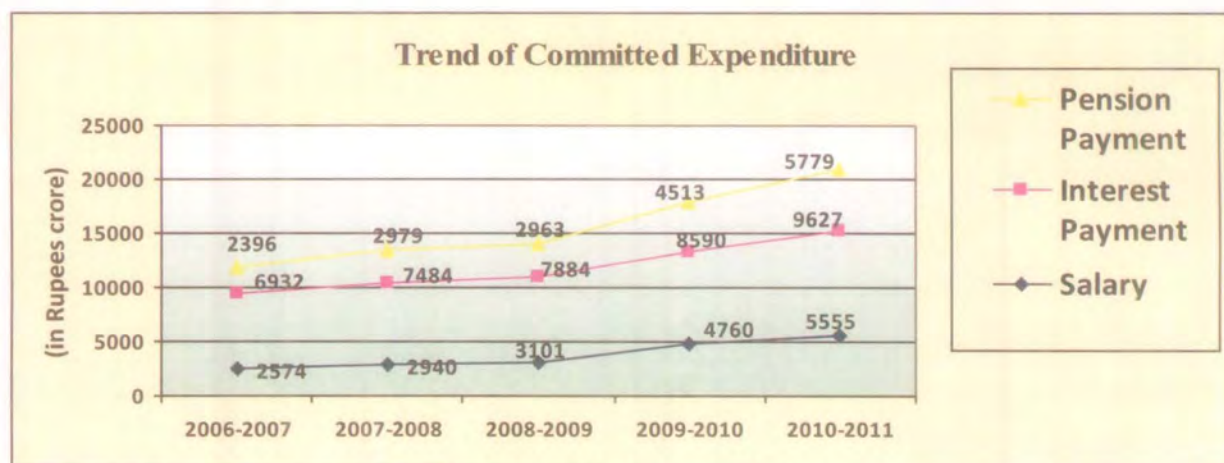
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Total Capital Expenditure	8,220	7,230	10,574	8,474	10,372
Capital Expenditure (Plan)	7,841	7,051	10,369	8,183	10,140
% of Capital Expenditure (plan) to Total Capital Expenditure	95	98	98	97	98

4.3 Non-Plan expenditure

During 2010-2011 Non-Plan expenditure representing 62 % of total disbursements was ₹ 42,013 crore (₹ 41,781 crore under Revenue, ₹ 232 crore under Capital).



4.4 Committed expenditure



(₹ in crore)

Component	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Committed Expenditure	11,902	13,403	13,948	17,863	20,961
Revenue Expenditure	29,232	33,539	38,741	48,638	57,440
% of committed Expenditure to Revenue Receipts	38	38	36	43	40
% of committed Expenditure to Revenue Expenditure	41	40	36	37	36

CHAPTER-V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2010-2011

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual Expenditure	Saving (-) Excess (+)
1.	Revenue Voted Charged	47,681.87 10,388.12	6,345.28 94.46	(-) 3,031.94 (-) 415.84	50,995.21 10,066.74	48,139.81 9,718.13	(-) 2,855.40 (-) 348.61
2.	Capital Voted Charged	11,592.61 0.02	543.35 22.58	(-) 1,099.45 (-) 0.01	11,036.51 22.59	9,818.29 22.08	(-) 1,218.22 (-) 0.51
3.	Public Debt Charged	3,857.66	-	(-) 20.09	3,837.57	3,817.53	(-) 20.04
4.	Loans & Advs Voted Charged	659.17 0.01	147.02 -	(-) 47.50 -	758.69 0.01	687.99 -	(-) 70.70 (-) 0.01
	Total	74,179.46	71,52.69	-4,614.83	76,717.32	72,203.84	(-) 4513.49

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2006-2007	(-) 894	(-) 759	(-) 1,608	(-) 404	(-) 3,665
2007-2008	(-) 310	(-) 916	(-) 1,627	(-) 54	(-) 2,907
2008-2009	(-) 3,033	(-) 636	(-) 555	(-) 41	(-) 4,265
2009-2010	(-) 1,542	(-) 420	(-) 01	(-) 36	(-) 1,999
2010-2011	(-) 3,204	(-) 1,219	(-) 20	(-) 70	(-) 4,513

5.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes / programmes.

Some grants with persistent and significant savings are given below :

(₹ in crore)

Grant	Nomenclature	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
19	Other Expenditure Pertaining to Finance Department	23.05 %	38.17 %	89.58 %	71.20 %	59.88 %
20	Repayment of Debt Pertaining to Finance Department	47.59 %	45.68 %	17.54 %	5.02 %	2.61 %
84	Non-Residential Buildings	7.87 %	42.76 %	57.89 %	45.69 %	26.48 %

During 2010-2011, Supplementary grants totaling ₹ 4,917.31 crore (6.8 % of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below :

(₹ in crore)

Gr. No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
40	Family Welfare	Revenue	369.49	16.72	353.12
49	Industries	Revenue	849.98	9.96	742.29
60	Administration of Justice	Revenue	561.57	166.18	395.09
71	Rural Housing and Rural Development	Revenue	987.76	19.92	142.25
74	Transport	Revenue	634.25	14.23	579.30
79	Relief on Account of Natural Calamities	Revenue	602.03	81.51	594.25
95	Scheduled Castes Sub-plan	Revenue	1,306.72	2.29	1,220.29
09	Education	Capital	298.16	34.50	226.73
39	Medical and Public Health	Capital	473.57	2.00	397.67
46	Other Expenditure pertaining to Home Department	Capital	212.33	57.94	150.05
86	Roads and Bridges	Capital	1,311.78	65.33	1,276.66

CHAPTER – VI

ASSETS AND LIABILITIES

6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investment as share capital in Statutory Corporations, Govt. Companies, Rural Banks, Joint Stock Companies, Co-operatives and Public Sector Undertakings (PSUs) stood at ₹ 34,496 crore at the end of 2010-2011. However dividends received during the year were 114 crore (i.e 0.33 %) on investment. During 2010-2011 investments increased by ₹ 3,445 crore while dividend income increased by ₹ 38 crore .

Cash balances with RBI stood at (-) ₹ 126 crore on 31st March 2010 and increased to ₹ 127 crore at the end of March 2011.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated fund of the State within such limits if any as may be from time to time fixed by the State Legislature.

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

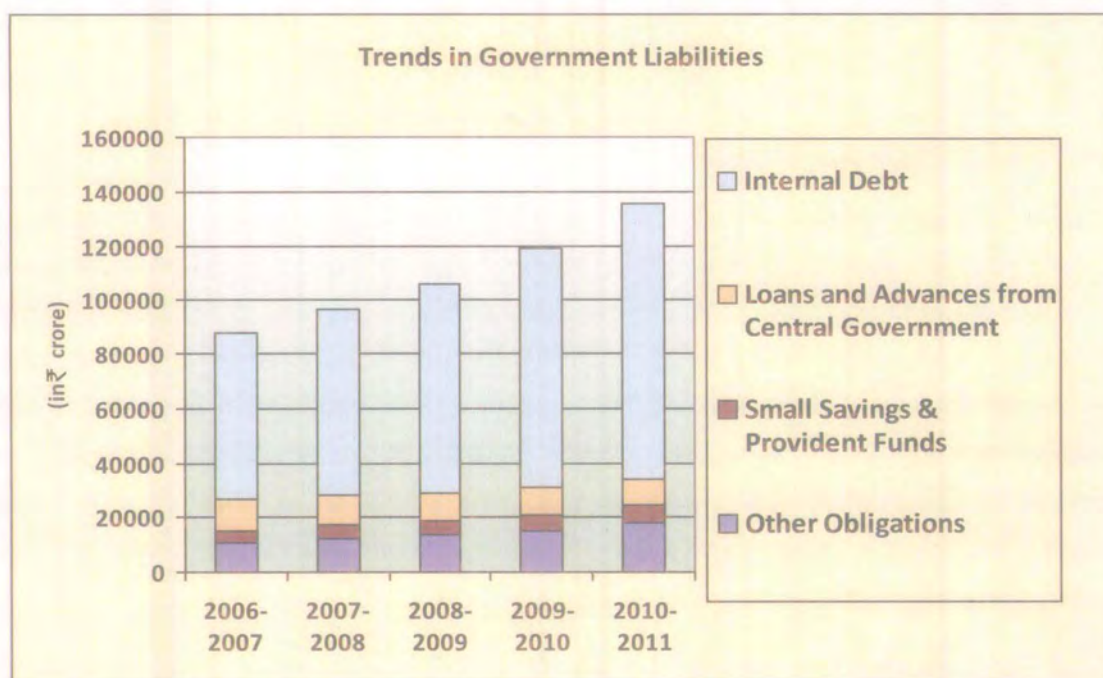
(₹ in crore)

Year	Public Debt	% of GSDP	Public Account (*)	% to GSDP	Total liabilities	% to GSDP
2006-2007	72,632	26	15,339	5	87,991	31
2007-2008	79,309	24	14,142	4	93,452	28
2008-2009	87,010	24	18,642	5	1,05,652	29
2009-2010	98,010	23	21,107	5	1,19,117	28
2010-2011	1,10,874	22	24,782	5	1,35,656	26

(*) Excludes suspense and remittance balances

Note : figures are progressive balances to end of the year.

There is a net increase of ₹ 16,539 crore (14 %) in Public Debt and other liabilities as compared to 2009-2010.



6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations Cooperative Societies etc is given below.

(₹ in crore)

At the end of the year	Maximum amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2011 (Principal only)
2006-2007	12,983	12,448
2007-2008	11,843	11,308
2008-2009	10,562	10,027
2009-2010	10,202	9,667
2010-2011	10,382	8,661

CHAPTER – VII**OTHER ITEMS****7.1 Adverse Balances under Internal Debt**

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raised loans, State Governments also guaranteed loans raised by Government Companies and corporations from the market and financial institutions for implementation of various Plan Schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Department and do not appear in the books of the Department. However the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on March 31st 2011 there is an adverse balance of ₹158 crores under Major Head 6003-109 Loan from HUDCO under internal Debt.

7.2 Loans and Advances by the State Government

Total loans and Advances made by the State Government outstanding at the end of 2010-2011 was ₹ 5,310 crore. During the year 2010-2011 the State Government had paid loans and advances amounting to ₹ 688 crore and recovered outstanding loans amounting to ₹ 283 crore. 13 statements were received out of 30 statements from the Controlling Officers maintaining detailed accounts. Accordingly recovery of principal amount aggregating to ₹ 0.92 crore and interest on loan amounting to ₹ 0.52 crore were in arrears at the end of 31st March 2011. In respect of loans advanced to Government Corporations/companies, non-Government institutes, local bodies etc recovery of principal amount of ₹ 778 crore and interest amount of ₹ 132 crore are in arrears as on 31st March 2011.

7.3 Financial Assistance to local bodies and others

Assistance given to local bodies during 2010-2011 was ₹ 25,872 crore. It increased from ₹ 8,582 crore in 2006-2007 to ₹ 25,872 crore in 2010-2011 which was a 200 % increase in the last 5 years. During 2010-2011 a major portion of the total grant was consumed by Municipalities and other Panchayat Raj Institutions.

7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 st April 2010	As on 31 st March 2011	Net Increase (+)/ decrease (-)
Cash Balances	(-) 126	127	253
Investments from cash balances (GOI Treasury bills)	6,598	9,246	2,648
Investments from earmarked balances	5,028	5,588	560
(i) Sinking Fund	3,966	4,526	560
(ii) Guarantee Redemption Fund	761	811	50
(iii) Other funds	301	251	(-) 50
Interest realised	320	311	(-) 9

State Government had a positive Cash Balance at the end of 2010-2011 despite utilizing its Cash Balance and Earmarked fund balances towards investments. Interest receipts on these investments decreased by 9 crore.

7.5 Reconciliation of Accounts

Timely Reconciliation of Accounts (figures of Accountant General with that of Government) ensures accuracy and reliability of accounts. Such reconciliation has been completed for ₹ 51,594 crore (98.53%) in respect of receipt against total receipt of Government amount to ₹ 52,364 crore and for a value of ₹ 67,360 crore (99.52 %) of expenditure against total expenditure of Government amounting to ₹ 67,685 crore.

7.6 Submission of accounts by Treasuries

During 2010-11 delay in rendition of accounts by treasuries ranged between one to six days . However Monthly Civil Accounts were compiled and sent to State government by the due date.

7.7 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

The Controlling and disbursing Officers are authorized to draw sums of money by presenting Abstract Contingency Bill by debiting Service Heads , and they are required to present Detailed Contingency (vouchers in support of final expenditure) to the Accountant General (A&E) within three months from the date of drawl of the Abstract contingency Bills as per Rule 211 of Gujarat Treasury Rules,2000. At the end of 31st March 2011 Abstract Contingency Bills worth ₹ 262 crore were outstanding .

7.8 Commitments of accounts of incomplete works.

A total expenditure of ₹ 511.70 crore was incurred upto 31st March 2011 by the State Government on various incomplete projects costing ₹ 10 crore or more taken up by the Road and Building Department and the Narmada Water Resources, Water Supply and Kalpsar Department .

7.9 Rush of expenditure

The financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However the expenditure incurred under certain heads of account during March 2011 ranged between 50.25 % and 100 % of the expenditure during the year indicating a tendency to utilize the budget at the close of the financial year . The flow of expenditure during the four quarters of 2010-2011 in the above mentioned heads was as given in the table:

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2011 w.r to total expenditure of 2010-2011
		₹ in crore						
2015	Elections	3.31	4.58	7.41	46.17	61.47	38.68	62.93
2853	Non-Ferrous Mining and Metallurgical Industries	4.07	5.25	15.21	58.98	83.51	55.76	66.77
4055	Capital Outlay on Police	-	6.44	4.96	36.50	48	35.88	74.75
4210	Capital Outlay on Medical and Public Health	0.20	27.53	91.53	389.28	508.54	356.50	70.10
4211	Capital Outlay on Family Welfare	-	0.50	-	2.00	2.50	1.50	60.00
4801	Capital Outlay on Power Projects	107.07	82.07	82.07	464.06	735.26	369.50	50.25
4851	Capital Outlay on Village and Small Industries	0.01	0.02	0.00	0.62	0.64	0.61	95.31
4856	Capital Outlay on Petrochemical Industries	-	-	-	500.00	500.00	500.00	100.00
6217	Loans for Urban Development	-	-	-	3.00	3.00	3.00	100.00
6801	Loans for Power Projects	25.00	30.00	-	204.25	259.25	151.75	58.53
6851	Loans for Village and Small Industries	-	-	-	0.61	0.62	0.61	98.38
6858	Loans for Engineering Industries	-	-	-	43.50	43.50	43.50	100.00

