



सत्यमेव जयते

**STATEMENTS**  
**UNDER THE**  
**THE GUJARAT FISCAL RESPONSIBILITY ACT,**  
**2005**

**FINANCE DEPARTMENT**  
**GOVERNMENT OF GUJARAT**  
**YEAR 2006-07**

Laid in the Legislative Assembly under The Gujarat Fiscal Responsibility Act, 2005  
March - 2006

## CONTENTS

| <b>Details of Statement</b>                       | <b>Page No.</b> |
|---|-----------------|
| <b>1. Fiscal Position of the State Government</b> | <b>3</b>        |
| <b>2. Medium Term Fiscal Policy Statement</b>     | <b>16</b>       |
| <b>3. The Fiscal Policy Strategy Statement</b>    | <b>22</b>       |
| <b>4. Disclosure Forms</b>                        | <b>26</b>       |

**FISCAL POSITION OF THE STATE GOVERNMENT**  
**(As per Section 8 (a) as per the Act)**

**1. Overview of the State Economy :**

- 1.1 The size, composition and growth of the economy determine the revenue potential of the State and thus size of the budget. And the size of the budgets determines the level of public expenditure. The economy is measured in terms of Gross State Domestic Product (GSDP) both at current and constant prices. The GSDP for the year 2004-05, of Gujarat as per the quick estimates, at current prices was Rs 179544 crore and at constant prices was Rs. 107033 crore. The per capita income was Rs. 28355 at current prices and Rs. 16878 at constant prices.
- 1.2 The State of Gujarat contributed 6.29 % of the National Domestic Product in the year 1993-94 and by the year 2004-05 this contribution has gone upto 7% at constant prices.
- 1.3 The sectoral composition of the economy of the Gujarat for the year's 1993-94 and 2004-05 in presented **Table 1.1** characterizing the structure of the economy. For the purpose of analysis, the year 1993-94 is taken as the new series of GSDP started from this year as per the direction of the Central Statistical Organization (C.S.O.). The agriculture sector include animal husbandry, forestry, fishing and mining while the industrial sector consists of registered manufacturing, unregistered manufacturing, construction, electricity, gas and water supply. The services sector represent railways, other transport, storage, communications, trade, hotels, banking, insurance, real estate, public administration and other services.

**Table 1.1**  
**Comparative Structure of the Economy**

| Sector / Year | 1993-94 | 2004-05 |
|---------------|---------|---------|
| Agriculture   | 19.9 %  | 14.2 %  |
| Industries    | 28.3 %  | 29.7 %  |
| Tertiary      | 38.8 %  | 42.6 %  |

1.4 **Table 1.2** indicates the Structure of the economy in Gujarat compared to National Average.

**Table 1.2**  
**Comparative Structure of the Economy at current prices**

| Sector/ Year     | Agriculture |         | Manufacturing |         | Services (Tertiary) |         |
|------------------|-------------|---------|---------------|---------|---------------------|---------|
|                  | 1993-94     | 2003-04 | 1993-94       | 2003-04 | 1993-94             | 2003-04 |
| Gujarat          | 19.9        | 17.2    | 28.3          | 29.1    | 38.8                | 40.9    |
| National Average | 28.39       | 20.70   | 16.06         | 15.59   | 42.77               | 50.72   |

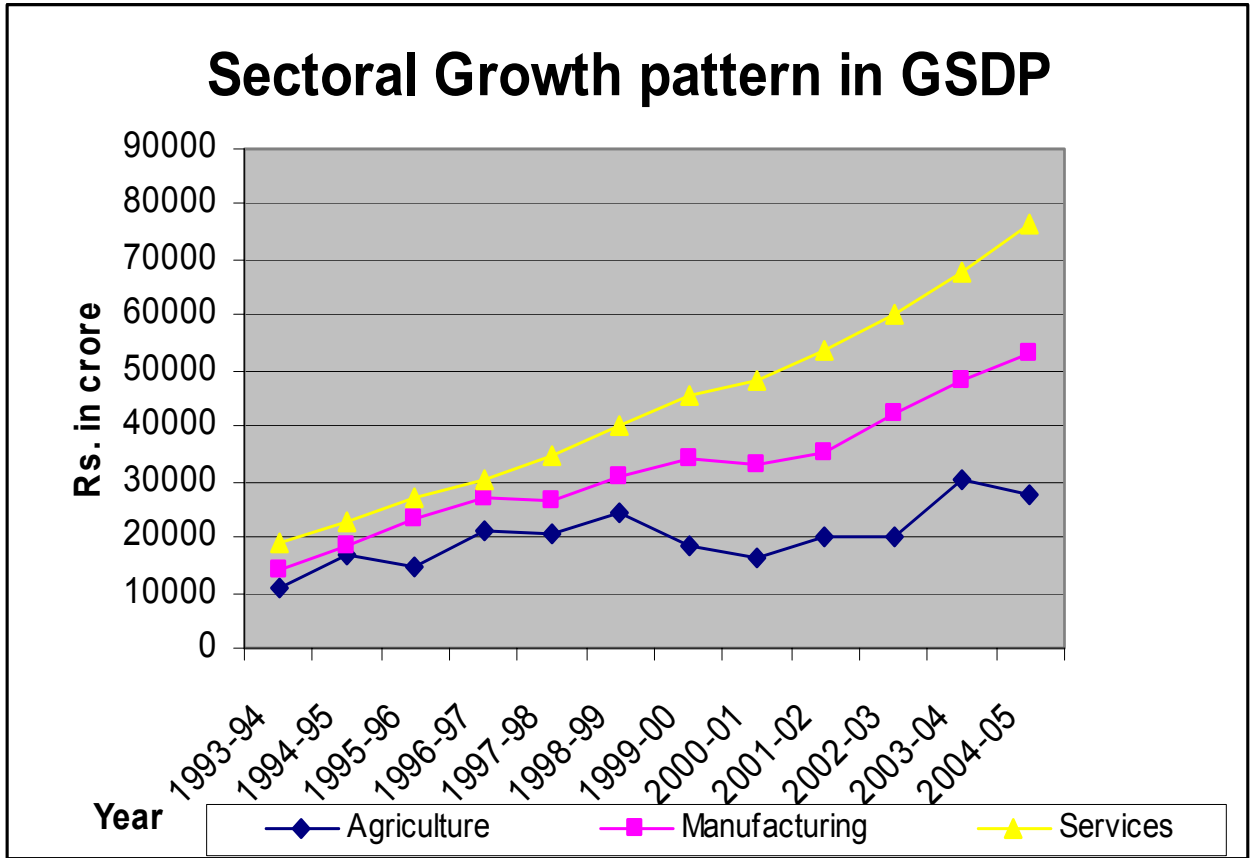
*Source: CSO, MoSP, Government of India and Socio-Economic Review of Gujarat State, 2005-06*

1.5 The share of industries in Gujarat during 2003-04 was significantly above the national level. The share of services sector has been going up. However, it still remains significantly below the national average.

## **2. GSDP Growth:**

2.1 During the period 1993-94 to 2004-05, at constant prices GSDP grew at an annual rate of 9.8 %, which is above the national average of 5.83 %. This is due to impressive development in industrial and tertiary sector. In terms of sectoral growth, agriculture grew at an annual rate of 10.32%, industries at 14.32% and service at 14.17 % during the period of 1993-94 to 2004-05.

2.2 Comparative growth of agriculture, manufacturing and services is shown below.



Source : Socio-Economic Review, Gujarat State, 2005-06

2.3 The level of development of the State is generally measured in terms of per capita income. As compared to national average of Rs. 11799 in 2003-04 the per capita income (Net Domestic Product) of Gujarat at Rs. 16302 is 38% higher than the national average. In the year 2004-05 the per capita income stands at Rs. 16878. Another significant feature is the growth rate in per capita income of Gujarat is 5.53 % in comparison with all India average of 4.37 % (Table 1.3 ).

**Table 1.3**  
**Per Capita Income of Gujarat**

(Figures in Rs.)

| State          | 1993-94     | 2003-2004    | Growth Rate (%) |
|----------------|-------------|--------------|-----------------|
| <b>Gujarat</b> | <b>9796</b> | <b>16302</b> | <b>5.53</b>     |
| All India      | 7690        | 11799        | 4.37            |

Source : *Socio-Economic Review, Gujarat State, 2005-06*

### 3. Overview of State Government Finances

#### Receipts :

- 3.1 The fiscal base and fiscal health of a State are directly related to the development of the State. Public Investment in the infrastructure would expand the productive capacity of the economy and thus, expand the revenue generating potential of the State. The fiscal base is determined by the size of the economy, which can be expanded in the long run. Thus, in the medium term, the fiscal health of the State, has to be improved so that the Government can increase the development expenditure to expand the economic based.
- 3.2 The total receipts of the Government constitute the Consolidated Fund of the State and balance from the Public Account. The Consolidated Fund of the State comprises of revenue receipts, public debt and recovery of loans. The proportion of the revenue receipts in the consolidated fund during 2001-02 and 2004-05 has been varying between 71.5 % and 76.4 % (Table 1.4).

**Table 1.4****Total Receipts of the State Government** (Rs. In crore)

| Year    | Revenue Receipts (RR)<br>1 | Public Debt<br>2 | Recovery of Loans<br>3 | Consolidated Fund (C F)<br>1+2+3 | Net Public Account | Total | RR as % of CF | RR as % of Total |
|---------|----------------------------|------------------|------------------------|----------------------------------|--------------------|-------|---------------|------------------|
| 2001-02 | 15986                      | 6919             | -1977                  | 20928                            | -712               | 20216 | 76.39         | 79.08            |
| 2002-03 | 17875                      | 6335             | 174                    | 24384                            | -523               | 23861 | 73.30         | 74.91            |
| 2003-04 | 18247                      | 9612             | 2243                   | 30102                            | -624               | 29478 | 60.62         | 61.90            |
| 2004-05 | 20265                      | 7513             | 559                    | 28337                            | 1157               | 29494 | 71.51         | 68.70            |

3.3 Revenue Receipts comprises of States own revenue receipts and central devolution. The central tax devolution are determined by the Finance Commission award. The Twelfth Finance Commission (TFC) awarded 3.569 % of sharable tax excluding service tax and 3.616 % of the sharable service tax to Gujarat as against the Eleventh Finance Commission award of 2.821 % and 2.858 % respectively. Nearly 20 % of the revenue receipts come from the Centre (Table 1.5). Thus, the fiscal stability of the State is to some extent dependent on the central transfer.

**Table 1.5****Composition of the Revenue Receipts**

(Rs. In crore)

| Year    | State Own Revenue Receipts (S O R R) |                 |         | Central Devolutions |                 |        | Proportion of SORR in the Total Revenue |
|---------|--------------------------------------|-----------------|---------|---------------------|-----------------|--------|---|
|         | Tax                                  | Growth Rate (%) | Non-Tax | Tax                 | Growth Rate (%) | Grants |   |
| 2001-02 | 9242                                 |                 | 3761    | 1493                |                 | 1490   | 81.34                                   |
| 2002-03 | 9529                                 | 1.11            | 3996    | 1355                | -9.24           | 2996   | 75.66                                   |
| 2003-04 | 11181                                | 17.34           | 3272    | 1958                | 44.5            | 1837   | 79.21                                   |
| 2004-05 | 12956                                | 15.88           | 3090    | 2221                | 13.43           | 1997   | 79.18                                   |

### State's Own Tax Revenues:

- 3.4 Tax revenue of the State has shown a good buoyancy during the last three years. It has grown at an annual growth rate of 12.2 %. The buoyancy of State tax revenue with respect to GSDP is 8.64 % for the period 1993-94 to 2004-05.
- 3.5 The state's own tax revenue have been growing at a healthy rate as seen in the Table 1.6 below.

**Table 1.6**  
**Growth of State's Own Tax revenues**

(Rs. In crores)

| <b>Own Tax Revenues</b>    | <b>2001-02</b> | <b>2002-03</b> | <b>2003-04</b> | <b>2004-05</b> | <b>Trend Growth (%)</b> |
|----------------------------|----------------|----------------|----------------|----------------|-------------------------|
| Professional Tax           | 93.11          | 95.65          | 99.55          | 132.76         | 14.19                   |
| Land Revenue               | 86.95          | 95.19          | 126.79         | 234.89         | 56.71                   |
| Stamps & Registration      | 539.41         | 649.88         | 824.67         | 962.80         | 26.16                   |
| State Excise               | 47.32          | 47.11          | 46.25          | 47.09          | -0.16                   |
| Sales Tax                  | 5857.40        | 6252.13        | 7169.58        | 8308.62        | 13.95                   |
| M V Tax                    | 676.63         | 808.11         | 936.39         | 1060.93        | 18.93                   |
| Taxes on good & passengers | 99.11          | 11.09          | 171.79         | 160.11         | 20.52                   |
| Electricity Duty           | 1656.52        | 1383.84        | 1592.19        | 1829.07        | 3.47                    |
| Entertainment Tax          | 64.80          | 40.09          | 41.38          | 51.19          | -7.00                   |
| Other Tax                  | 120.08         | 145.94         | 172.50         | 168.86         | 13.54                   |
| Own Tax Revenues           | 9241.53        | 9529.02        | 11181.09       | 12956.32       | 13.40                   |



- 3.6 Amongst the state's own tax revenue, sales tax is the highest contribution at 64.13 % of the total own tax revenue in 2004-05. Sales tax has grown steadily from 2001-02 to 2004-05 at a trend growth rate of 13.95%. Land revenue has grown 3 times during the period 2001-02 to 2004-05. Revenues from stamps & registration and motor vehicles tax have also shown good growth during the year 2001-02 to 2004-05
- 3.7 Since, 2000-01, the State Government has undertaken a series of rationalisation measures with respect to various taxes.

**State's Non Tax Revenues:**

**Table 1.7**  
**Composition of State's Non Tax Revenues** (Rs. In crore)

| <b>Non Tax Revenue</b>                      | <b>2001-02</b> | <b>2002-03</b> | <b>2003-04</b> | <b>2004-05</b> |
|---|----------------|----------------|----------------|----------------|
| Fiscal Services including Interest Receipts | 1621.85        | 1727.35        | 927.12         | 505.66         |
| General Services                            | 796.39         | 562.14         | 298.03         | 406.74         |
| Social services                             | 263.65         | 241.76         | 195.06         | 181.63         |
| Economic Services                           | 1079.05        | 1464.33        | 1851.75        | 1996.46        |
| <b>Non Tax Revenue</b>                      | <b>3760.94</b> | <b>3995.58</b> | <b>3271.96</b> | <b>3090.49</b> |

- 3.8 Non tax revenues of the states have gone down from Rs. 3995.68 crore in the year 2002-03 to Rs. 3090.49 crore in the year 2004-05. This, is mainly due to removal of the adjustment entry of interest on investment in major and medium irrigation. Receipts from non ferrous mining mainly royalty constitute the largest share in non – tax revenue.
- 3.9 The State has taken several steps to rationalise and revise the user charges.

**Expenditure:**

- 3.10 Public expenditure is an instrument through which the Government provides social and physical infrastructure for the

development of the State. Thus, the size, composition and productivity of public expenditure are important parameters to assess the effectiveness of public expenditure in accelerating growth impulses of the economy. The basic categorisation of public expenditure is plan and non plan.

- 3.11 Plan expenditure has grown at annual compound growth rate of 32.5 % as shown in table 1.8.

**Table 1.8**  
**Plan and Non Plan Expenditure**

(Rs. In crore)

| <b>Year</b>     | <b>Plan with NBR</b> | <b>Growth (%)</b> | <b>Non Plan</b> | <b>Growth (%)</b> | <b>Total Expenditure with NBR</b> | <b>NBR</b> | <b>% of plan to total Exp.</b> |
|-----------------|----------------------|-------------------|-----------------|-------------------|-----------------------------------|------------|--------------------------------|
| 2002-03         | 4951                 |                   | 19676           |                   | 24627                             | 500        | 20.10%                         |
| 2003-04         | 8212                 | 65.87%            | 19878           | 1.03%             | 28090                             | 500        | 29.23%                         |
| 2004-05         | 9441                 | 14.97%            | 20720           | 4.24%             | 30161                             | 1019       | 31.30%                         |
| 2005-06<br>(RE) | 11033                | 16.86%            | 21957           | 5.97%             | 32990                             | 1019       | 33.44%                         |

- 3.12 More appropriate classification of the public expenditure is capital and revenue expenditure. The level of capital expenditure indicates the level of public investment, which not only creates public assets but also accelerate private investment. It is important to reduce the revenue expenditure and increase the capital expenditure.

**Table 1.9**  
**Revenue Expenditure**

| Year    | Revenue Expenditure<br>(Rs. n crore) |
|---------|--------------------------------------|
| 2001-02 | 22717                                |
| 2002-03 | 21440                                |
| 2003-04 | 21954                                |
| 2004-05 | 24302                                |

The Growth in revenue expenditure over the period of 2001-02 to 2004-05 was 6.98% (simple average) where as in the same period the Revenue Receipts has grown at 26.70% (simple average).

- 3.13 Revenue Expenditure is the area where State Government is focusing its attention. Salaries, Pensions, interest payments and subsidies, are the major components of revenue expenditure. (Table 1.10)

**Table 1.10**  
**Composition of Revenue Expenditure**

(Rs in crore)

|                         | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|-------------------------|---------|---------|---------|---------|
| 1                       | 2       | 3       | 4       | 5       |
| Revenue Expenditure     | 15986   | 17875   | 18247   | 20265   |
| of which                |         |         |         |         |
| Salaries                | 5872.68 | 6030.62 | 6289.49 | 6393.13 |
| Pension                 | 1502.17 | 1588.33 | 1733.94 | 1891.60 |
| Interest on public debt | 3597.44 | 4260.76 | 5140.88 | 5435.79 |

### 3.14 Subsidies

(Rs in crore)

| <b>Particular</b>             | <b>2001-02</b> | <b>2002-03</b> | <b>2003-04</b> | <b>2004-05</b> |
|-------------------------------|----------------|----------------|----------------|----------------|
| Subsidies                     | 4154.58        | 2878.32        | 3315.76        | 3336.06        |
| of which -                    |                |                |                |                |
| -Energy                       | 3536.32        | 2177.36        | 2461.14        | 2055.62        |
| -Transport                    | 130.02         | 143.00         | 180.00         | 310.09         |
| -Agriculture &<br>Cooperation | 348.45         | 76.16          | 139.79         | 238.44         |
| -Food & Civil Supplies        | 91.78          | 106.61         | 170.56         | 193.29         |

### Public Debt:

3.15 Increasing public debt raises not only question of sustainability but also equity. As on 31<sup>st</sup> March, 2005, the gross public debt of the State's is estimate to be Rs. 57920 crore, which comes to 33 % of the GSDP. The composition of the gross public debt is shown in the table 1.11 below.

**Table 1.11**  
**Composition of Public Debt**

(Rs. In crore)

| <b>Source / Year</b>      | <b>As on<br/>31<sup>st</sup><br/>March<br/>2004<br/>(Acc.)</b> | <b>% to<br/>total</b> | <b>As on<br/>31<sup>st</sup><br/>March<br/>2005<br/>(Acc.)</b> | <b>% to<br/>total</b> |
|---------------------------|--|-----------------------|--|-----------------------|
| Market borrowing          | 12518  | 24.85                 | 14358  | 24.79                 |
| Centre                    | 14208  | 28.21                 | 11431  | 19.74                 |
| Financial<br>Institutions | 1686   | 3.35                  | 1521   | 2.63                  |
| Small Savings             | 21952  | 43.59                 | 30610  | 52.84                 |
| Total                     | 50364  | 100                   | 57920  | 100                   |

The Composition of the debt stock has undergone a change wherein proportion of central government loans have reduced to 19.74% of total debt stock on 31.3.2005 from 28.21% on 31.3.2004. The striking change is in ratio of Small Savings loans which has become 52.84% of total debt stock as on 31.3.2005 from 43.59% on 31.3.2004 with increase of loans of Rs. 8658 crore which is even more than the net increase in debt stock during the same period which was Rs. 7556 crores.

3.16 The Twelfth Finance Commission (TFC) has recommended that if the State satisfies the conditionality of fiscal performance laid down, central loans contracted till 31.03.04 and outstanding on 31.03.05 will be consolidated and rescheduled for a fresh term of 20 years resulting in repayments in 20 equal installments at an interest rate of 7.5 %. Central Government loans contracted till 31.3.04 and outstanding on March 31, 2005 stood at 9497.33 crore. As the state has fulfilled the conditions of fiscal performance laid down by the TFC, the loan of Rs. 9437.33 Crore has been rescheduled by GOI. The total savings due to reschedulement on account of debt repayment and interest payment are estimated at Rs. 224.61 Crore in 2005-06 and Rs. 2689.17 Crores over a period of five years (2005-2010).

3.17 The State enacted the Gujarat Fiscal Responsibility Act, 2005 in the month of March, 2005 and it came into force with effect from 1<sup>st</sup> May, 2005. The major milestones, inter alia, are

- Eliminating revenue deficit by 2007-08.
- Reducing fiscal deficit to 3% of GSDP by 2008-09.
- Capping public debt at 30% of the estimated GSDP by 2007-08.

- Capping outstanding guarantees within the limit provided in the Gujarat State Guarantees Act, 1963.
- 3.18 In order to achieve the targets set out by the Act, a fiscal correction path has been drawn up.
- 3.19 Though the Act prescribes elimination of revenue deficit by the year 2007-08, the State may achieve the target before that. However, the fiscal deficit condition - bring down fiscal deficit as proportion of GSDP to 3 % by 2008-09 – may impose a constraint in raising debt for increasing the capital expenditure.
- 3.20 The average cost of debt for Gujarat which was 12.10% in 2001-02 is expected to further reduce to 9.42 % in the year 2005-06. This could be achieved mainly due to various measures of debt swap undertaken by the state government. An amount of Rs. 1744.42 crore bearing interest rate at 14.5 % of the Government of India loan were swapped in 2002-03. In the year 2003-04 an amount of Rs. 4116.59 crore was swapped with an interest rate in the range of 14.5% to 13.5 %. Rs. 3798.88 crore bearing interest in the range of 13.5% to 12.5 % loan were also swapped in 2004-05. The interest saved due to Debt Swap in three years is about Rs. 1007 crore. The savings would gradually taper off as the repayment progresses.

**The Debt write-off Scheme:**

- 3.21 In addition to providing general debt relief by consolidating and rescheduling at reduced rates of interest, the central loans granted to States before 31.03.04 and outstanding as on 31.03.05, the DCRF provides for a scheme of debt write-off based on fiscal performance. It is linked to the reduction of revenue deficit of States. Under the scheme, the repayments due on central loan from 2005-06 to 2009-10 after consolidation and

rescheduling will be eligible for write-off. The quantum of write-off of repayment will be linked to the absolute amount by which the revenue deficit is reduced in each successive year during the Finance Commission's award period.

- 3.22 The scheme of write-off shall be available from the year the State is qualified for the general debt relief by enacting the fiscal responsibility legislation. The TFC has further recommended that the benefit of write-off would be available only if the fiscal deficit of the state is contained to the level of 2004-05. Gujarat would be get a benefit of debt write-off of Rs. 2615.98 crores over coming five years (2005-2010) if the State achieves the fiscal targets.

**Form A – 1**  
**(See Rule 4)**

**MEDIUM TERM FISCAL POLICY STATEMENT**

**A. Fiscal Indicators – Rolling Targets**

| Sr No. | Item                                 | Previous  |           | Current                  | Current                  | Ensuing                | Targets for next 2 years |                  |
|--------|--------------------------------------|-----------|-----------|--------------------------|--------------------------|------------------------|--------------------------|------------------|
|        |                                      | Year      |           | Year                     | Year                     | Year                   | Y + 1<br>2007-08         | Y + 2<br>2008-09 |
|        |                                      | Actuals   |           | Y-1<br><br>BE<br>2005-06 | Y-1<br><br>RE<br>2005-06 | Y<br><br>BE<br>2006-07 |                          |                  |
|        |                                      | Y-3       | Y-2       |                          |                          |                        |                          |                  |
|        |                                      | 2003-04   | 2004-05   |                          |                          |                        |                          |                  |
| 1      | 2                                    | 3         | 4         | 5                        | 6                        | 7                      | 8                        | 9                |
| 1      | Revenue Deficit                      | -3707     | -4037     | -1439                    | -334.6                   | +6.3                   | 0                        | 930.94           |
| 2      | Fiscal Deficit                       | -9143     | -8691     | -7438                    | -6648                    | -6880                  | -7361                    | -6721            |
| 3      | GSDP                                 | 165705(P) | 179544(P) | 204565(Adv.)             | 204565                   | 231731                 | 262505                   | 297366           |
| 4      | Fiscal Deficit as percentage of GSDP | 5.52      | 4.84      | 3.64                     | 3.25                     | 2.96                   | 2.80                     | 2.26             |
| 5      | Public Debt as percentage of GSDP    | 30.39     | 32.26     | 31.82                    | 31.91                    | 31.30                  | 30.43                    | 29.12            |
| 6      | Government guarantee outstanding     |           | 16144     | 15735                    | 14873                    | 16000                  | 16000                    | 16000            |

P : provisional Estimate

Adv. : Advance Estimate

**B. Assumption underlying the Fiscal Indicators**

**(1) Revenue Receipts:** Revenue receipts comprise tax revenue and non tax revenue. A part of both tax and non tax revenue come from the Centre.

**a) Tax revenue-** Tax revenue consists of state own tax revenue and Central tax devolutions. The Central tax devolutions for the year 2005-06 are taken from the Twelfth Finance Commission projections. The State's own tax revenues, Rs. 18533.40 crore for the year 2005-06 (RE) are based on the assessment of the respective tax collecting Department. For later years, it



is assumed to grow at 7 % from the budget estimates of 2005-06 ( base year ).

**b) Non Tax Revenue-** Non tax comprises of state own non tax revenue and plan and non plan grants from Centre. The state own non tax revenues for the year 2005-06 (RE) are estimated at Rs. 3162.33 crore, based on departmental projections and are assumed to grow at 7 % from the base year of 2005-06. The plan grants are estimated to be Rs. 2102.91 crore and estimated to grow at 2 % from the base year of 2005-06. The non plan grants estimated to be Rs. 1329.89 crore, include the specific Twelfth Finance Commission grants as given in the report.

**(2) Capital receipts-** The gross debt is derived keeping in view the fiscal targets to be achieved by year 2008-09 as envisaged in the Gujarat Fiscal Responsibility Act, 2005. As the State would be fulfilling the conditions of the Debt Consolidations and Relief Facility (DCRF) scheme, the benefits of debt consolidation and debt write-off are taken into consideration. All due repayments during this period have been accounted for. The portfolio of the fresh loans is to be worked out on a yearly basis depending on the availability from different sources and rate of interest.

**a) Loans and Advances from Centres-** Based on the recommendations of the Twelfth Finance Commission, the Government of India has stopped giving plan loans, except in case of on going externally aided projects (EAP), to the State from the year 2005-06 and thus, for the later years the loans and advances from the Centre include only loans for on going EAP.

**b) Special securities issued to the NSSF-** At present NSSF is the most expensive source of financing. Annually, the NSSF component in total debt is increasing at a rate of 6% and constitutes 57% of the outstanding debt as on 31/03/06.

**c) Open market borrowing -** As per the RE of 2005-06 Rs. 602.27 Crores of open market borrowings were borrowed by the State.

**d) Recovery of loans and advances-** As per the RE of the year 2005-06, Rs. 5550.55 crore of loans and advances are outstanding. The recovery of remaining loans and advances are projected to grow at 11% average annual growth rate from the budget estimates of the year 2006-07.

**d) Borrowings from financial institutions-** The borrowing from the institutions like NABARD, HUDCO, LIC are project based and are part of the overall borrowing programme. Since, NABARD assistance is a relatively low cost resource, the State would try to maximize the utilisation of these funds.

**e) Other receipts (net) - Employees Insurance, provident funds, etc.** – This is a potential source of borrowing from public account outside the Consolidated Fund of the State. This is to be used as a gap filling instrument as a last resort. Whenever there is gap between availability of borrowing from other sources and the need for capital outlay within the fiscal deficit parameters, loans from public account are to be used. However, for the years 2005-06 onwards, these receipts are assumed to be zero.

**(3) Total Expenditure** – The total expenditure is classified into revenue and capital account. The revenue account consists of plan and non plan expenditure. Plan revenue expenditure for the year 2005-06 onwards is projected at a growth rate of 7%. Non Plan Revenue Expenditure is projected at a growth rate of 4.95%. These projections include interest relief under DCRF scheme.

**(a) Revenue account:** The revenue account mainly consists of salaries, pensions, interest payments and subsidies.

- I. Interest payments: For the year 2004-05, an average cost of borrowing was 10.02 % and this cost is estimated to come down to 9.42% in 2005-06. The same has been used for projections.

- II. Major subsidies : The growth rate assumed on General Subsidies is 7%. Power Subsidies is based on in principle approval of the Financial Restructuring Plan of GUVNL and is as per the actual.
- III. Salaries: Salaries are projected at 2 % from the year 2005-06 onwards.
- IV. Pensions: Pensions are projected at 7 % growth rate from the years 2005-06 onwards.

**(b) Capital account:**

- I. Loans and advances: Loans and advances are assumed to grow at 8 % annually.
- II. Capital Outlay: Capital outlay would be growing at an average annual rate of 8-10 %.
- III. Disbursement of Loans and advances: It is projected at 8% from the year 2005-06 onwards.

**(4) GSDP Growth-** GSDP is an important economic variable in state finances. It determines the taxable capacity of the State and thus largely determines the size of the budget. In order to make comparative assessment of the fiscal performance across time and space, all fiscal parameters are presented as a proportion of GSDP. The DCRF guidelines suggested a growth rate of 12.8% of projecting the GSDP with 2004-05 as the base year. The suggested GSDP by the DCRF guidelines for the year 2004-05 was Rs. 158067 crore. As per the quick estimate for the year 2004-05, the GSDP at nominal prices was Rs. 179544 crore. Thus, it is proposed to adopt the GSDP for the year 2004-05 from quick estimate made available by the Department of Planning, Economics and Statistics. While the DCRF has assumed 12.8 % growth for the State GSDP, in the Medium Term Fiscal Policy Statement the GSDP is estimated to grow at 13.90 % in nominal terms during 2005-06 ( Advance estimate by Directorate of Economics and Statistics ). During the period 1993-94 to 2003-04, the GSDP at current

prices grew at an annual rate of 13.28 % (calculated using trend line). Thus, it is reasonable to estimate a growth of 13.9% in nominal terms during 2005-06 and at 13.28 % during the remaining four years. However, failure of monsoon could adversely affect these projections in any given year.

**C. Assessment of Sustainability:**

**(1) The balance between receipts and expenditure in general and revenue receipts and revenue expenditure in particular:** In order to achieve the revenue deficit and fiscal deficit target envisaged in the Act, it is necessary for the revenue receipts to grow at a faster rate than the total expenditure in general and revenue expenditure in particular. The total revenue receipt to GSDP ratio is 12.28 % in the year 2005-06 and is expected to remain the same by the year 2009-10, of which the own tax GSDP ratio is 7.4 % and would reach 7.7 % in the terminal year. In order to increase the non tax revenues user charges would be reviewed periodically with a view to make them sustainable. Expenditure on non plan revenue account would be contained to 4.95 % annual growth and plan revenue expenditure would grow at 7 % to accelerate the development efforts. The expenditure on salaries and pension are the key parameters. Expenditure should not grow more than 2 % on salaries and 7 % on pensions, The subsidies have to be kept at a reasonable levels.

**(2) Debt:** The debt consolidation facility did bring interest relief and further borrowings would be made prudently to contain the interest payments. The fiscal deficit liabilities would set the limit to capital receipts through borrowing.

**(3) Contingent Liabilities:** The contingent liabilities would be kept in the limits set by the Act.

**(4) The use of capital receipts including market borrowing for generating productive assets.** As the State would be achieving the revenue surplus by the year 2006-07, large part of the capital receipts would be used for

capital formation in irrigation, power, roads and bridges as per the priorities of the Government. The Plan capital outlays in the ensuing budget for irrigation, power and roads & bridges are Rs. 3966.49crore, Rs. 592.98 crore and Rs. 977.83 crore, respectively.

**(5) The estimated yearly pension liabilities** is being worked out on actuarial basis. However, in the transitional period pension liabilities will be estimated on the basis of trend growth rates (i.e. average rate of growth of actual pension payments during the last three year for which data are available) on year to year basis. Budget estimate for 2006-07 and estimates for 2007-08 onwards are projected at 7% average growth rate.

**Form A – 2**

**(See rule 5)**

**The Fiscal Policy Strategy Statement**

**1. Fiscal Policy Overview:**

The objective of the Fiscal Policy of the State is to increase the capital expenditure to ensure higher investment and social and fiscal infrastructure. To achieve this objective, it is necessary to increase the revenue receipts of the State and contain the revenue expenditure. The Government has been attempting to increase the tax base and improve the tax collection. The State Government has been attempting and has been successful to a large extent to contain the revenue expenditure.

**2. Fiscal Policy for the ensuing year.**

The State Government would continue to pursue the policy of increasing the revenue receipts and contain the revenue expenditure as outlined above in the ensuing financial year as well.

**2.1 Tax Policy.**

The State Government endeavours to increase the tax revenue without increasing the tax rates or levying any new tax. The State Government's intention is to undertake major tax reforms, widen the tax base, increase tax compliance and make tax administration more efficient so as to result in a higher tax to GSDP ratio. The State Government would introduce VAT from 1.4.06. In the case of Stamp Duty and Electricity Duty, the attempt has been to move towards a tax system that is based on moderate rates and wider base through rationalization. The State Government has rationalized the

entertainment tax structure and luxury tax structure. Rationalization has also been attempted in the motor vehicle tax.

## **2.2 Levy of User Charges.**

The State Government has been attempting to recover the user charges to the extent possible. It is realized that in several areas of service delivery, full recovery of cost is not possible. However, attempts would continue to be made to recover at least the O&M costs to the extent possible.

## **2.3 Borrowings and other liabilities.**

As the Budget (without taking into consideration the tax benefits given in Part B of the Budget Speech) has indicated a revenue surplus in the year 2006-07, reliance on borrowing would reduce. The fiscal deficit target would limit the level of borrowing. The consolidated debt Sinking Fund which has been set up would continue to be augmented to take care of the pay-out at the time of maturity of the market borrowings.

## **2.4 Expenditure Policy.**

The State Government had taken several initiatives to contain the non-plan revenue expenditure. Some of these measures includes abolition of vacant posts, re-deployment of existing staff so as to avoid filling up of vacant posts, recruitment of essential staff mostly on fixed pay basis, introduction of Defined Contribution Pension Scheme for employees joining service on or after 1.4.05. These measures had resulted in containing the revenue expenditure, especially the non-plan revenue expenditure during the last 4 years. The State Government would continue to make efforts to contain the growth of revenue

expenditure. In addition, the State Government would make attempts to improve the quality of expenditure. As a part of such attempt, the State Government has announced linking release of grants to grant-in-aid institutions to their performance.

### **2.5 Contingent and other liabilities.**

Attempts have been made to reduce the guarantee given by the State Government which has resulted in limiting the outstanding Government guarantees at a much lower level than what is fixed in Gujarat State Guarantee Act, 1963. A Guarantee Redemption Fund has been set up to take care of any contingent liabilities arising out of the State Government guarantees. The Guarantee Redemption Fund would continue to be augmented from the guarantee fees received.

### **3. Strategic priorities for the ensuing year.**

Priority of the State Government is to ensure a smooth transitions to VAT regime and improve the tax buoyancy. Rationalization of various tax rates and structures would continue to get a higher priority. Ensuring quality in expenditure would be an area of priority. Debt management and contingent liability management would continue to get a high priority.

### **4. Rationale for Policy changes.**

As Government of India has decided to stop the block loan, the State Government has to raise its own borrowings. The objective is to raise the borrowings at the lowest possible cost. This is possible only if the State has healthy fiscal parameters. A combination of market borrowings, NSSF loan and loan from NABARD has been resorted to. The new external loans after 1.4.2005 would be available to the State



only on back to back basis. This implies that the State Government has to bear the risks of both the interest rates and the foreign exchange fluctuations. This calls for a new policy with respect to hedging etc., to minimize the risk.

#### **5. Policy evaluation.**

The assumptions underlined to fiscal policy are based on the past data. All necessary disclosure statements have been provided, except certain entries in Forms No. B-7, B-8 and B-9 for which information is being collected and complied. The present Fiscal Policy is within the parameters enunciated in the Act.

**Form B -1**  
**(See Rule 7)**  
**FISCAL INDICATORS**

| SR No. | Item  | Previous Year Actuals |          | Current Year | Current Year | Ensuing Year   |
|--------|---|-----------------------|----------|--------------|--------------|----------------|
|        |   | Y-3                   | Y-2      | Y-1 BE       | Y-1 RE       | Y BE           |
|        |   | 2003-04               | 2004-05  | 2005-06      | 2005-06      | 2006-07        |
| (1)    | (2)   | (3)                   | (4)      | (5)          | (6)          | (7)            |
| 1      | Revenue Deficit   | -3706.61              | -4036.86 | -1438.66     | -334.59      | 6.3            |
| 2      | Fiscal Deficit  | -9143.30              | -8690.54 | -7438.00     | -6648.06     | -6879.95       |
| 3      | Public Debt   | 50364.00              | 57920.00 | 65098.00     | 65283.00     | 72540.00       |
| 4      | Revenue Deficit as percentage of GSDP                             | 2.24                  | 2.25     | 0.70         | 0.16         | 0.00           |
| 5      | Fiscal Deficit as percentage of GSDP                              | 5.52                  | 4.84     | 3.64         | 3.25         | 2.96           |
| 6      | Public Debt as percentage of GSDP                                 | 30.39                 | 32.26    | 31.82        | 31.91        | 31.30          |
| 7      | Own Revenue Receipts to Revenue Expenditure                       | 0.74                  | 0.74     | 0.81         | 0.85         | 0.86           |
| 8      | Capital Outlay as percentage of Gross Fiscal Deficit              | 35.12                 | 47.18    | 72.17        | 87.48        | 94.53          |
| 9      | Interest Payment on public debt as percentage of Revenue Receipts | 28.17                 | 26.82    | 23.60        | 23.02        | 24.57          |
| 10     | Salary Expenditure as percentage of Revenue Receipt               | 34.47                 | 31.54    | 28.75        | 26.56        | Being Compiled |
| 11     | Pension Expenditure as percentage of Revenue Receipt              | 9.50                  | 9.33     | 7.51         | 7.25         | 7.26           |
| 12     | Total Direct Subsidy  | 3315.76               | 3336.06  | 2848.66      | 3581.25      | 3178.78        |

**Form B -2 (A)**  
**(See Rule 7)**

**A. COMPONENTS OF STATE GOVERNMENT LIABILITIES**

(Rs. Crores)

| SR. No. | Category  | Raised during the Fiscal Year       |                               | Repayment / Redemption during the year Fiscal Year |                               | Outstanding Amount (End-March)      |                               |
|---------|---|-------------------------------------|-------------------------------|--|-------------------------------|-------------------------------------|-------------------------------|
|         |   | Previous Year (Y-2) Actuals 2004-05 | Current Year (RE) Y-1 2005-06 | Previous Year (Y-2) Actuals 2004-05                | Current Year (RE) Y-1 2005-06 | Previous Year (Y-2) Actuals 2004-05 | Current Year (RE) Y-1 2005-06 |
| (1)     | (2)   | (3)                                 | (4)                           | (5)  | (6)                           | (7)                                 | (8)                           |
| 1       | Special Securities issued to the NSSF                       | 8787.75                             | 7062.96                       | 129.75   | 129.75                        | 30609.81                            | 37543.03                      |
| 2       | Loans from Centre   | 1818.12                             | 981.81                        | 4595.07  | 1590.35                       | 11431.41                            | 10822.88                      |
| 3       | Market Borrowings   | 2020.46                             | 602.27                        | 179.92   | 235.11                        | 14358.24                            | 14725.40                      |
| 4       | Borrowings from Financial Institutions / Banks              | 702.15                              | 964.01                        | 837.89   | 292.79                        | 1520.71                             | 2191.94                       |
|         | <b>Public Debt (1 to 4)</b>                                 | <b>13328.48</b>                     | <b>9611.05</b>                | <b>5742.63</b>                                     | <b>2247.99</b>                | <b>57920.18</b>                     | <b>65283.24</b>               |
| 5       | WMA / OD from RBI   | 3072.52                             | 1000.00                       | 3114.96  | 1000.00                       | 0.00                                | 0.00                          |
| 6       | Small Savings, Provident Fund, of Govt. Employees etc.      | 825.13                              | 1024.27                       | 594.68   | 1024.27                       | 3871.73                             | 3871.73                       |
| 7       | Pension Liabilities (*)                                     | -                                   | -                             | -  | -                             | -                                   | -                             |
| 8       | Reserve Fund / Deposits & provident fund of other employees | 11285.42                            | 14630.66                      | 10822.31   | 14980.67                      | 9290.73                             | 8940.73                       |
| 9       | Other Liabilities   | -                                   | -                             | -  | -                             | 982.41                              | 982.41                        |
|         | <b>Total Liabilities (1 to 9)</b>                           | <b>28511.55</b>                     | <b>26265.98</b>               | <b>20274.58</b>                                    | <b>19252.93</b>               | <b>72065.05</b>                     | <b>79078.11</b>               |

(\*) Pension Liabilities are being estimated on actuarial basis.

**Form B -2 (B)**  
**(See Rule 7)**

**B. WEIGHTED AVERAGE INTEREST RATES ON STATE  
GOVERNMENT LIABILITIES**

(per cent)

| Sr. No | Category                                       | Raised during the Fiscal Year   |                           | Outstanding Amount (End-March)  |                           |
|--------|--|---------------------------------|---------------------------|---------------------------------|---------------------------|
|        |  | Previous Year (Actuals) 2004-05 | Current Year (RE) 2005-06 | Previous Year (Actuals) 2004-05 | Current Year (RE) 2005-06 |
| (1)    | (2)  | (3)                             | (4)                       | (5)                             | (6)                       |
| 1      | Special Securities issued to the NSSF          | 10.39                           | 9.50                      | 30609.81                        | 37543.03                  |
| 2      | Loans from Centre                              | 11.35                           | 9.00                      | 11431.41                        | 10822.87                  |
| 3      | Market Borrowings                              | 8.28                            | 7.70                      | 14358.24                        | 14725.40                  |
| 4      | Borrowings from Financial Institutions / Banks | 8.89                            | 6.50                      | 1520.71                         | 2191.94                   |
|        | <b>Public Debt(Total 1 to 4)</b>               | <b>10.02</b>                    | <b>9.04</b>               | <b>57920.18</b>                 | <b>65283.24</b>           |
| 5      | WMA / OD from RBI                              | -                               | -                         | -                               | -                         |
| 6      | Small Savings, Provident Fund, etc.            | 8.16                            | 8.00                      | 3871.73                         | 3871.73                   |
| 7      | Pension Liabilities (*)                        | -                               | -                         | -                               | -                         |
| 8      | Reserve Fund / Deposits                        | 0.18                            | -                         | 9290.73                         | 8940.73                   |
| 9      | Other Liabilities                              | -                               | -                         | 982.41                          | 982.41                    |
|        | <b>Total Liabilities (1 to 9)</b>              |                                 |                           | <b>72065.05</b>                 | <b>79078.11</b>           |

(\*) Pension Liabilities are being estimated on actuarial basis.

**Form B -3**  
**(See Rule 7)**  
**THE CONSOLIDATED SINKING FUND**

(Amount in Rs. crore)

| Outstanding balance in CSF at the beginning of the previous year | Additional during the previous year | Withdrawals from CSF during the previous year | Outstanding balance in CSF at the end of previous year/ beginning of current year | Col. 4 Outstanding stock of SLR Borrowings (%) | Addition during the current year | Withdrawals from CSF during the current year | Outstanding balance in CSF at the end of current year/ beginning of the ensuing year | Col. (8)/ Outstanding stock of SLR Borrowings (%) |
|--|-------------------------------------|---|---|--|----------------------------------|--|--|---|
| 2004-05  | 2004-05                             | 2004-05                                       | 2004-05/<br>2005-06   |  | 2005-06                          | 2005-06                                      | 2005-06 /<br>2006-07   |   |
| (1)  | (2)                                 | (3)   | (4)   | (5)  | (6)                              | (7)  | (8)  |   |
| 70   | 250                                 | 0   | 320   | 2.53 %   | 1301                             | 0  | 1621   | 12.47 %   |

Reporting year 2004-05

**Form B -4**  
**(See Rule 7)**  
**GUARANTEES GIVEN BY THE GOVERNMENT**

(Rs. crore)

| Category (No. of Guarantees within bracket) | Maximum Amount Guaranteed during the year | Outstanding at the beginning of the year | Additional during the year 2004-05 | Reductions during the year (other than invoked during the year) | Invoked during the year (Rs. crore) 2004-05 |                | Outstanding at the end of the year | Guarantee Commission or Fee (Rs. crores) 2004-05 |          | Remarks |
|---|---|--|------------------------------------|---|---|----------------|------------------------------------|--|----------|---------|
|   |   |  |                                    |   | Discharged                                  | Not discharged |                                    | Receivable                                       | Received |         |
|   |   |  |                                    |   |   |                |                                    |  |          |         |
| (1)   | (2)                                       | (3)                                      | (4)                                | (5)   | (6)   | (7)            | (8)                                | (9)  | (10)     | (11)    |
| (85)  | 17624                                     | 17624                                    | 1383                               | 3325  | 0   | 0              | 15683                              | 167  | 167      |         |

Reporting year 2004-05

**Form B -5**  
**(See Rule 7)**  
**OUTSTANDING RISK - WEIGHTED GUARANTEES**  
**(Rs. crores)**

| Default Probability      | Risk Weights (per cent) | Amount Outstanding in |         | Risk weighted outstanding guarantee in |         |
|--------------------------|-------------------------|-----------------------|---------|--|---------|
|                          |                         | 2003-04               | 2004-05 | 2003-04                                | 2004-05 |
| Direct Liabilities       | 100                     | 11                    | 229     | 11                                     | 229     |
| High Risk                | 75                      | 60                    | 192     | 45                                     | 144     |
| Medium Risk              | 50                      | 56                    | 56      | 28                                     | 28      |
| Low Risk                 | 25                      | 7504                  | 1731    | 1876                                   | 433     |
| Very Low Risk            | 5                       | 229                   | 587     | 11                                     | 29      |
| <b>Total Outstanding</b> |                         | 7860                  | 2795    | 1971                                   | 863     |

**Note:-** The risk weights have been pre-specified for various categories.

Reporting year 2004-05

**Form B -6**  
**(See Rule 7)**  
**GUARANTEE REDEMPTION FUND (GRF)**

(Rs. crores)

| Sr. No | Outstanding invoked guarantees at the end of the previous year | Outstanding amount in GRF at the end of the previous year | Amount Guarantees Likely to be invoked during the current year | Addition to GRF during the current year | Withdrawal from the GRF during the current year | Outstanding amount in GRF at the end of the current year |
|--------|--|---|--|---|---|--|
|        | <b>2004-05</b>   | <b>2004-05</b>  | <b>2005-06</b>   | <b>2005-06</b>                          | <b>2005-06</b>                                  | <b>2005-06</b>   |
|        | <b>(1)</b>   | <b>(2)</b>  | <b>(3)</b>   | <b>(4)</b>                              | <b>(5)</b>                                      | <b>(6)</b>   |
|        | Nil  | 811   | Nil  | 213                                     | Nil   | 1024   |

Reporting year 2004-05  
Current year 2005-06



**Form B -7**  
**(See Rule 7)**  
**TAX REVENUE RAISED BUT NOT REALISED (PRINCIPAL TAXES)**  
(As at the end of the reporting year)

| Major Head | Description                  | Amount under disputes (Rs. in crores) |                                    |                                     |               |         | Amount not under disputes (Rs. in crores) |                                    |                                     |               |        | Grand Total |
|------------|------------------------------|---------------------------------------|------------------------------------|-------------------------------------|---------------|---------|---|------------------------------------|-------------------------------------|---------------|--------|-------------|
|            |                              | Over 1 year but less than 2 years     | over 2 years but less than 5 years | over 5 years but less than 10 years | Over 10 years | Total   | Over 1 year but less than 2 years         | over 2 years but less than 5 years | over 5 years but less than 10 years | Over 10 years | Total  |             |
| (1)        | (2)                          | (3)                                   | (4)                                | (5)                                 | (6)           | (7)     | (8)                                       | (9)                                | (10)                                | (11)          | (12)   | (13)        |
|            | Taxes on Professions         | 0.01                                  | 0                                  | 0                                   | 0             | 0.01    | 1.79                                      | 1.55                               | 1.09                                | 2.88          | 7.31   | 7.32        |
|            | Land Revenue                 | Information is being collected.       |                                    |                                     |               |         |   |                                    |                                     |               |        |             |
|            | Stamps and Registration fees | 16.78                                 | 59.08                              | 46.68                               | 8.75          | 131.29  | 95.06                                     | 72.21                              | 108.92                              | 78.77         | 354.96 | 486.25      |
|            | Gujarat Sales Tax            | 1379.41                               | 1771.01                            | 590.07                              | 11.33         | 3751.75 | 468.16                                    | 340.44                             | 56.97                               | 23.22         | 888.79 | 4640.50     |
|            | Central Sales Tax            | 325.34                                | 498.79                             | 170.82                              | 141.68        | 1136.63 | 88.95                                     | 48.79                              | 23.49                               | 8.80          | 170.03 | 1306.66     |
|            | Tax on Motor Spirit          | 0                                     | 0                                  | 0                                   | 0             | 0       | 0   | 0                                  | 0                                   | 0             | 0      | 0           |
|            | Surcharge on Sales Tax       | 42.03                                 | 94.42                              | 24.92                               | 14.30         | 175.67  | 3.16                                      | 4.73                               | 3.36                                | 2.17          | 13.42  | 189.09      |
|            | State Excise                 |                                       |                                    |                                     |               |         |   |                                    |                                     |               |        |             |
|            | Taxes on Vehicles            | 0.02                                  | 0.03                               | 0.02                                |               | 0.06    | 13.00                                     | 26.99                              | 7.06                                | 1.49          | 48.55  | 48.61       |
|            | Electricity Duty             | 37.71                                 | -                                  | 370.23                              | 13.92         | 421.86  | -   | -                                  | -                                   | -             | -      | 421.86      |
|            | Other Taxes                  |                                       |                                    |                                     |               |         |   |                                    |                                     |               |        |             |
|            | <b>Total</b>                 |                                       |                                    |                                     |               |         |   |                                    |                                     |               |        |             |

**Note:-**Reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.

**Form B -8**  
**(See Rule 7)**  
**STATEMENT OF MISCELLANEOUS LIABILITIES:OUTSTANDING**  
**(Rs. crores)**

|   | <b>Department</b> | <b>Outstanding Amount<br/>As on<br/>31-03-2005</b> |
|---|-------------------|--|
| Committed Liabilities in respect of Major Works and contracts | 1. R&B            | 1630.68  |
|   | 2.Narmada         | 276.21   |
|   | 3. NWRWS&KD       | 174.60   |
|   | 4.Water Supply    | 300.00   |
| Claims in respect of Unpaid bills on works and supplies       | 1. R&B            | 32.78  |
|   | 2. Narmada        | 17.94  |
|   | 3. NWRWS&KD       | 37.41  |
|   | 4.Water Supply    | 235.16   |
| Committed liabilities in respect of land acquisition charges  | 1. R&B            | 39.74  |
|   | 2. Narmada        | 34.18  |
|   | 3. NWRWS&KD       | 12.08  |
|   | 4.Water Supply    | 0.75   |

The outstanding amount pertains to the end-March position for the year before the current year.

**Form B -9**  
**(See Rule 7)**  
**NUMBER OF EMPLOYEES AND PENSIONERS AND EXPENSE ON**  
**SALARIES AND PENSION**

| Sr. No.                       | Category                            | Number        |              |                                 | Salaries/Pension (Rs.crore) |              |                                 |
|-------------------------------|-------------------------------------|---------------|--------------|---------------------------------|-----------------------------|--------------|---------------------------------|
|                               |                                     | Previous year | Current year | Ensuing year (Budget Estimates) | Previous year               | Current year | Ensuing year (Budget Estimates) |
|                               |                                     | Y-2           | Y-1          | Y                               | Y-2                         | Y-1          | Y                               |
| (1)                           | (2)                                 | (3)           | (4)          | (5)                             | (6)                         | (7)          | (8)                             |
| <b>A. Salaries</b>            |                                     |               |              |                                 |                             |              |                                 |
| <b>1</b>                      | Employees in Government department  | 228426        | 229988       |                                 | 6393.13                     | 6674.69      |                                 |
| <b>2</b>                      | Employees in aided institutions     | 376316        | 361019       |                                 |                             |              |                                 |
| <b>3</b>                      | Employees in Public Sector *        | 132474        |              |                                 |                             |              |                                 |
|                               | <b>Total</b>                        | <b>737216</b> |              |                                 |                             |              |                                 |
| <b>B. Pension Liabilities</b> |                                     |               |              |                                 |                             |              |                                 |
| <b>1.</b>                     | Pensioners in Government department | 295667        | 310167       | 323167                          | 1891.60                     | 1823.00      | 1910.00                         |
| <b>2.</b>                     | Pensioners in aided institutions    |               |              |                                 |                             |              |                                 |
| <b>3.</b>                     | Pensioners in Public Sectors *      | -             | -            | -                               | -                           | -            | -                               |
|                               | <b>Total Pensioners liabilities</b> |               |              |                                 |                             |              |                                 |

\* Remaining information are being collected