

**Planning Commission
(Financial Resources Division)**

State: Gujarat

A. Economic Profile of Gujarat

Annex-I contains Tables 1 to 5. **Table 1** compares the growth performance of Gujarat with its neighboring States. **Table 2** compares the per capita GSDP of Gujarat with its neighboring States and All India average. **Table 3** gives the trends in sector-wise growth of the State. **Table 4 & 5 present** the credit deposit profile of Gujarat and its neighboring States and All-India.

B. Fiscal Overview of Gujarat

Annex-II contains Table 6 to 11. **Table 6** presents the trends in different deficits, outstanding liabilities and total expenditure of the State as % of GSDP of the State. **Table 7** indicates the trends of State's Own Tax Revenue – GSDP ratio of Gujarat and its neighboring States. **Table 8** compares the Public Expenditure ratio of Gujarat with its neighboring States. **Table 9** shows the Social Allocation ratio of Gujarat with its neighboring States. **Table 10** presents per capita Revenue Receipts (RR), Plan Expenditure and expenditure of the State. **Table 11** provides the financial overview of the State.

C. Performance of the State Plan:

Achievement of Approved Plan outlay of the Eleventh Plan is shown below:

Achievement of Plan outlay						
Rs. in crore						
Year	GSDP	GSDP	Plan Outlay			
		Growth (%)	Approved	Actual	% achieved	% GSDP
2007-08	329285	16.07	16000	15651	97.82	4.75
2008-09	367912	11.73	21000	21764	103.64	5.92
2009-10	427555	16.21	23500	22634	96.31	5.29
2010-11	513173	20.03	30000	30097	100.32	5.86
2011-12	586300	14.25	38000	38015	100.04	6.48
2012-13	671314	14.50	50599 (Proposed)			

(Source: GSDP at current prices - CSO as on 1.03.2012)

D. Assumptions for Annual Plan 2012-13

Assumptions underlying the state government projection of resources for the Annual Plan 2012-13 are as follows:

Indicators	% increase in 2012-13 over 2011-12 LE
GDP growth (nominal prices)	14.50%
Rate of Growth of share in Central Taxes	14.66%
Rate of growth of SOTR	23.45%
Annual growth in own non-tax revenues	19.15%
Interest payments	13.84%
Annual growth in pensions	4.45%
Annual growth in salaries	8.50%

E. The details of Plan grants and Non-Plan grants as rewarded by 13th Finance Commission are given in the following table:

State:Gujarat			
		Rs. in crore	
(A)	Non-Plan Grant	2011-12	2012-13
1	Local Bodies	548.3	802.3
2	Disaster Relief (including for capacity building)	401.42	421.19
3	Post Devolution Non-Plan Revenue Deficit	0	0
4	Performance Incentive	0	0
5	Environment-Water Sector Management	59	59
6	Governance		
	a) Improvement in Supply of Justice	59.95	59.95
	b) Improvement of Statistical Systems at State and District Level	5.2	5.2
	c) Employee and Pension Data Base	0	0
7	Maintenance of Roads and Bridges	287	304
	Sub-Total	1360.87	1651.64
(B)	Plan Grant		
1	Elementary Education	85	98
2	Environment-		
	a) Forest Protection	10.24	20.48
	b) Renewable Energy		
3	Governance		
	a) Reduction in Infant Mortality Rates		
	b) Incentive for issuing UIDs	18.14	18.14
	c) District Innovation Fund	13	0
4	State-specific	325	325
	Sub-Total	451.38	461.62
	Grand Total	1812.25	2113.26

F. Scheme of Financing Annual Plan 2012-13

Draft scheme of financing Annual Plan 2012-13 is given at **Annex-III** and estimates of BCR are at **Annex-V**. Share of Central Taxes has been incorporated as per allocation of the Central Budget 2011-12. Normal Central Assistance has been worked out based on Gadgil-Mukherjee formula. Scheme wise ACAs have been projected individually at **Annex-IV**.

G. PSE Plan

The State Government has indicated resources of PSE Plan at Rs. 9000.00 crore for 2012-13. The resources for the entire PSE's Plan is to be mobilized from Extra Budgetary Resources (EBR).

H. ACA for EAPs

State Government has proposed Rs.254.87 crore for Externally Aided Projects (EAPs) including loan of Rs.2.87 crore for normal EAPs and Rs.252.00 crore for EAPs (back to back) for Annual Plan 2012-13.

I. Issues pertaining to State Finances

Desired Plan Size:

The desired Plan size for 2012-13 as per document provided by the State Government is of Rs.50599.00 crore which indicates an increase of 33.15% over the approved Plan size of 2011-12. As against the desired Plan size of Rs.50599.00 crore, resources are estimated at the same level. This is without one time ACA.

Borrowing Ceiling: MOF has set the borrowing limit for Gujarat for 2012-13 at Rs.20201.00 crore. Against this borrowing ceiling, the State Government has estimated the budgetary borrowing for the Annual Plan 2012-13 at Rs.16387.12 crore. Thus, the budgetary borrowing of the State has been kept well below the level indicated by Ministry of Finance. This available fiscal space may be utilized to bridge the resource gap along with some addition from onetime ACA.

11th Plan Achievement: The projected Outlay for 11th Plan for Gujarat was Rs. 106918.00 crore. The financial achievement in the 11th Plan has been Rs. 101736.56 crore at 2006-07 prices. The achievement of the 11th Plan has been, therefore, about 95.15% of the targeted outlay.

Basis for estimating scheme wise ACA :

- **AIBP:** The allocation of ACA under AIBP for 2012-13 is fixed at Rs.1255 crore. It was earmarked at Rs. 2000.00 crore in the Annual Plan 2011-12.
- **Roads & Bridges:** The allocation for Road & Bridges is fixed at Rs.139.42 crore for Annual Plan 2012-13.
- **RKVY:** The allocation under RKVY is fixed at Rs.602.94 crore for Annual Plan 2012-13 against Rs. 561.49 crore earmarked in the Annual Plan 2011-12.
- **NSAP:** The allocation under NSAP is fixed at Rs.166.50 crore for Annual Plan 2012-13 against the allocation of Rs. 89.98 crore in the Annual Plan 2011-12.
- **BADP:** The allocation under BADP is fixed at Rs.45.80 crore for Annual Plan 2012-13. It was Rs.41.64 crore in the Annual Plan 2011-12.
- **Ne-GAP:** The allocation under Ne-GAP is fixed at Rs.9.97 crore for Annual Plan 2012-13.
- **ACAs** for other schemes are enhanced or provided proportionately to the increase/decrease in the allocation of Union Budget 2012-13.

OTACA: One time ACA allocated to the State since 2003-04 are as follows

(Rs Crore)

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Onetime ACA	18.00 (60.00)	26.02 (86.74)	15.00 (50.00)	24.00 (80.00)	27.00 (90.00)	39.00 (130.00)	45.00 (150.00)	63.00 (147.00)	70.00 (233.33)

Note: Onetime ACA including loan component is indicated in parentheses.

Economic Profile of Gujarat

(i) Growth rate trend (2005-06 to 2010-11)

(per cent)

Table-1: Growth Rates of GSDP at constant prices						
States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Gujarat	14.95	8.39	11	6.78	10.1	10.47
Maharashtra	14.49	14.13	10.78	3.38	13.28	10.47
Madhya Pradesh	5.31	9.23	4.69	12.37	10.5	8.17
Rajasthan	6.68	11.67	5.14	9.09	5.52	10.97
All India	9.48	9.57	9.32	6.72	8.39	8.39

Source: CSO as on 1.03.2012

(ii) Per Capita NSDP

(In Rupees)

Table-2: Per capita NSDP (at Constant 2004-05 prices)						
States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Gujarat	36102	38568	42498	43685	48511	52708
Maharashtra	40947	46158	50532	51053	57458	62729
Madhya Pradesh	15927	17073	17572	19442	21095	22382
Rajasthan	19445	21342	21922	23356	24166	26436
All India	26015	28067	30332	31754	33843	35993

Source: CSO as on 1.03.2012

(iii) Sectoral Growth Rate

(per cent)

Table-3 :Sectoral growth rate (Real) of GSDP						
Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Agr. & allied	23.10	-0.73	8.73	-7.17	0.49	14.41
Industry	14.63	9.43	10.81	6.52	15.03	8.97
Services	12.25	11.09	12.00	11.88	8.62	10.79
Total	14.95	8.39	11.00	6.78	10.10	10.47

Source: CSO at 2004-05 prices

(iv) Credit Deposit Ratio

Table-4 :Credit Deposit Ratio of the state												
	Rs.in crore											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Deposit	48327	55049	65284	72101	84550	97688	105120	119989	150593	186882	216470	261485
Credit	23680	26702	28820	32336	35713	45390	58462	76404	100195	119008	141316	173432
CD ratio	49.00	48.51	44.15	44.85	42.24	46.46	55.61	63.68	66.53	63.68	65.28	66.33
ROG(deposit)	17.81	13.91	18.59	10.44	17.27	15.54	7.61	14.14	25.51	24.10	15.83	20.80
ROG(credit)	18.35	12.76	7.93	12.20	10.44	27.10	28.80	30.69	31.14	18.78	18.74	22.73

Source: RBI, Note -Year refers to financial year ending march, 31

Table-5 :Credit Deposit Ratio of the state including neighboring states												
	percent											
States	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gujarat	49.00	48.51	44.15	44.85	42.24	46.46	55.61	63.68	66.53	63.68	65.3	66.30
Maharashtra	86.39	86.38	92.29	93.71	81.78	94.91	102.24	96.81	93.89	91.22	82.90	81.30
Madhya Pradesh	49.09	47.61	46.59	46.55	46.87	54.66	60.53	62.00	60.14	57.40	60.60	59.70
Rajasthan	46.70	46.63	48.42	50.84	55.75	68.68	77.26	83.00	82.35	80.62	88.40	90.00
All India	56.01	56.71	58.39	59.24	58.25	65.98	72.39	74.97	74.37	72.61	73.3	75.10

Source: RBI, Note - Year refers to financial year ending march, 31

Fiscal Overview of Gujarat

(i) Fiscal Parameters

Table 6: Fiscal profile of the State (as % of GSDP at current prices)					
Indicator	2007-08	2008-09	2009-10	2010-11	2011-12 BE
Fiscal Deficit	-1.24	-2.60	-3.58	-2.52	-2.44
Revenue Deficit	0.86	0.22	-1.66	-0.57	0.08
Primary Deficit	1.03	-0.45	-1.57	-0.65	-0.60
OL	26.87	28.72	27.86	26.36	23.07
IP/RR	21.18	20.60	21.38	18.57	18.14

Source: GSDP - CSO as on 1.03.2012. Note: (-) represents deficit and (+) represents surplus

(ii) State's Own Tax Revenue (SOTR)

Table-7:SOTR as % to GSDP at current prices					
States	2007-08	2008-09	2009-10	2010-11	2011-12 BE
Gujarat	6.65	6.40	6.25	7.08	6.66
Maharashtra	7.00	6.88	6.56	7.29	7.13
Madhya Pradesh	7.44	6.93	7.61	8.24	8.01
Rajasthan	6.81	6.47	6.24	6.41	5.92

Source: GSDP - CSO as on 1.03.2012

(iii) Public Expenditure Ratio

Table-8: Public Expenditure as % to GSDP at current prices					
States	2007-08	2008-09	2009-10	2010-11	2011-12
Gujarat	12.07	13.06	13.04	12.70	12.60
Maharashtra	11.41	12.67	12.60	12.18	12.34
Madhya Pradesh	20.80	19.38	20.99	22.13	22.82
Rajasthan	18.46	17.55	17.40	15.57	16.79

Source: GSDP- CSO as on 1.03.2012
Note: Public expenditure ratio= the percentage of public expenditure (plan + non-plan) to GSDP.

(iv) **Social Allocation Ratio**

Table-9 : Social Allocation Ratio* of the state including neighboring state									
(Per cent)									
State	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (RE)	2010-11 (BE)
Gujarat	30.4	27.3	29.0	32.1	33.4	34.9	35.0	38.6	38.6
Madhya Pradesh	37.7	28.4	24.7	32.5	35.3	35.7	36.7	36.7	39.5
Maharashtra	33.3	30.9	28.1	35.3	37.3	37.0	36.8	42.3	44.3
Rajasthan	37.3	35.7	34.1	40.1	39.5	38.9	45.2	44.8	42.4
All States	32.6	28.4	29.6	33.7	33.9	35.3	37.6	39.1	39.2

*The Social Allocation Ratio=the percentage of Public Expenditure(Plan + Non-Plan) earmarked for social services
Source: RBI-Budget Documents of the State Governments.

(v) **Per Capita Profile**

(In Rupees)

Table-10 :Per capita Profile Of Gujarat (at current prices)					
Year	2007-08	2008-09	2009-10	2010-11	2011-12 BE
Per Capita Total Expenditure	7119.87	8482.21	9706.87	11189.33	12513.79
Per Capita Revenue Receipts	6330.79	6759.53	6994.41	8902.02	10048.95
Per Capita Plan Exp.	2625.34	3665.27	3771.54	4430.26	5311.84
Per Capita SOTR	3921.48	4160.05	4655.82	6240.32	6615.71
Per Capita GSDP	59003.19	64972.27	74442.84	88125.60	99339.23

(vi) Financial Overview

Rs. in crore

Sl. No	Item	Eleventh Plan				
		2007-08	2008-09	2009-10	2010-11	2011-12 B.E.
1	2	3	4	5	6	7
1	Tax Revenue	27311.66	29282.89	32631.15	43018.07	46318.90
1a	State's Own Tax Revenue	21885.01	23556.70	26740.25	36338.63	39045.90
1b	Share in Central Taxes	5426.65	5726.19	5890.90	6679.44	7273.00
2	Non Tax Revenue	8019.21	8993.63	7540.53	8820.20	12990.03
2a	State's Own Non Tax Revenue	4250.33	4700.13	4984.48	4389.65	5438.63
2b	Grants	3768.88	4293.50	2556.05	4430.55	7551.40
3	Total Revenue Receipts	35330.87	38276.52	40171.68	51838.27	59308.93
4	Non Debt Capital Receipts	308.47	201.71	286.97	374.28	268.35
5	Total Receipts	35639.34	38478.23	40458.65	52212.55	59577.28
6	Revenue Expenditure of which	32504.80	37457.84	47276.13	54786.15	58865.49
	i) Subsidies					
6a	Plan Expenditure of which	7600.05	10385.65	13478.62	15658.56	16625.41
	i) Salaries					
6b	Non Plan Revenue Expenditure of which	24904.75	27072.19	33797.51	39127.59	42240.08
	i) Interest Payments	7484.45	7884.05	8590.09	9627.32	10760.61
	ii) Pensions	2979.38	2962.81	4513.00	5779.43	5370.52
	iii) Salaries	7353.21	7353.21	7353.21	15205.33	16791.54
	vi) Others	7087.71	8872.12	13341.21	8515.51	9317.41
7	Capital Expenditure (8+9)	7229.79	10573.50	8474.33	10371.55	14990.89
7a	Plan (8a + 9a)	7051.43	10369.33	8182.84	10139.71	14725.06
7b	Non Plan (8b + 9b)	178.36	204.17	291.49	231.84	265.83
8	Capital Outlay	6801.03	10219.76	8046.73	9683.55	14271.48
8a	Plan	6669.71	10087.24	7832.46	9512.54	14075.89
8b	Non Plan	131.32	132.52	214.27	171.01	195.59
9	Loans & Advances (9a+9b)	428.76	353.74	427.60	688.00	719.41
9a	Plan	381.72	282.09	350.38	627.17	649.17
9b	Non Plan	47.04	71.65	77.22	60.83	70.24
10	Total Expenditure (6+7)	39734.59	48031.34	55750.46	65157.70	73856.38
10a	Plan (6a+7a)	14651.48	20754.98	21661.46	25798.27	31350.47
10b	Non Plan (6b+7b)	25083.11	27276.36	34089.00	39359.43	42505.91
11	Revenue Deficit (3-6)	2826.07	818.68	-7104.45	-2947.88	443.44
12	Fiscal Deficit (11-7+4)	-4095.25	-9553.11	-15291.81	-12945.15	-14279.10
13	Primary [12+6(b)(i)]	3389.20	-1669.06	-6701.72	-3317.83	-3518.49
14	Total Outstanding Liabilities (at the end of the year)	88491.00	105651.00	119115.00	135256.00	135256.00

Annex-II(A)

Release of Central Funds for Plan Schemes to Gujarat in 2011-2		
		Rs. in crore
1	Central Assistance to State Plan	2151.14
2	Centrally Sponsored Schemes	5599.16
	<i>Total</i>	<i>7750.30</i>

Annex-III

Scheme of Financing for the Annual plan 2012-13

(Rs. in crore)

Sl. No.	Item	Annual Plan			
		2011-12 A.P.	2011-12 R.E.	2012-13 B.E	2012-13 FR. Est.
	1	2	3	4	5
A.	States Government Resources (1+2+3)	34457.00	34088.48	42052.98	41599.00
1	States Own Resources	14496.20	16594.81	21266.20	21616.76
a	Balance from Current Revenues	14428.31	15012.48	18648.26	18620.91
b	Miscellaneous Capital Receipts (Net)	-1525.49	1130.95	2156.32	2156.32
c	Plan Grants under TFC (a+b)	451.38	451.38	461.62	461.62
d	ARM	1142.00	0.00	0.00	0.00
e	Adjustment of opening balance	0.00	0.00	0.00	377.91
2	State Borrowings (i-ii)	15489.79	14367.16	16387.12	16387.12
(i)	Gross Borrowings (a to g)	20293.85	19169.87	22839.12	22839.12
a	State Provident Fund	-465.00	660.00	729.25	729.25
b	Net Small Savings	5000.00	500.00	2000.00	2000.00
c	Gross Market Borrowings	14249.98	16500.00	18600.00	18600.00
d	Negotiated loans	1254.00	1254.00	1254.00	1254.00
e	Bonds/Debentures (Non-SLR Based)	0.00	0.00	0.00	0.00
f	Loans potion of ACA for EAPs	2.87	2.87	2.87	2.87
g	Loans for EAPs	252.00	252.00	252.00	252.00
h	Other Loans	0.00	1.00	1.00	1.00
(ii)	Repayment	4804.06	4802.71	6452.00	6452.00
3	CENTRAL ASSISTANCE (a+b+c)	4471.01	3126.51	4399.66	3595.12
a	Normal Central Assistances	392.53	392.53	392.53	443.39
b	ACA for Externally Aided Projects	1.35	1.35	0.00	0.00
c	Others	4077.13	2732.63	4007.13	3151.73
B.	Resources of Public Sector Enterprises				
a	Internal Resources				
b	Extra Budgetary Resources	5742.00	6612.00	9000.00	9000.00
c	Budgetary support				
	Total (a+b+c)	5742.00	6612.00	9000.00	9000.00
C.	Resources of Local Bodies				
(i)	Urban Local Bodies				
	Total (a+b+c)	0.00	0.00	0.00	0.00
(ii)	Rural Local Bodies				
	Total (a+b+c)	0.00	0.00	0.00	0.00
	Total -C. Local Bodies (i+ii)	0.00	0.00	0.00	0.00
D.	Aggregate Plan Resources (A +B+C)	40199.00	40700.48	51052.98	50599.00

ACA Components of other Schemes/Programmes for Annual Plan 2011-12			
		(Rs. in crore)	
Sl. No.	ITEMS	2011-12	2012-13
		AP	Estimated
1	AIBP	2000.00	1255.00
2	JNNURM	900	628.27
3	NSAP	89.98	166.50
4	NPAG		
5	BADP	41.64	45.80
6	APDRP		
7	Roads and Bridges	132.58	139.42
8	RSVY/BRGF	107.31	115.64
9	TSP	68.53	84.48
10	RKVY	561.49	602.94
11	NE-GAP	11.7	9.97
12	Grants Under Article 275 (1)	93.9	103.71
13	Onetime ACA	70.00	
	Total	4077.13	3151.73

Annex-V

Balance from Current Revenues for Annual Plan 2012-13

(Rs. in crore)

Sl. No.	Items	XII Plan Proj. at 2010-11 prices	Annual Plan						
			2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 R.E.	2012-13 B.E.	2012-13 FR Est.
	1	2	3	4	5	6	7	8	9
I.	Non-Plan Revenue Receipts (1 to 4)	412619.20	32358.76	35359.42	38383.98	48180.12	56072.79	68350.61	68323.26
1	Share in Central Taxes	62214.06	5426.65	5726.19	5890.90	6679.44	8023.75	9227.31	9199.91
2	State's own Tax Revenue	302720.09	21885.01	23556.70	26740.25	36338.63	41498.65	51231.21	51231.21
3	State's own Non Tax Revenue	35964.46	4250.33	4700.13	4984.48	4389.65	5153.65	6140.50	6140.50
4	Non-Plan Grants from Centre (4.1 to 4.4)	11720.59	796.77	1376.40	768.35	772.40	1396.74	1751.59	1751.64
4.1	Revenue Gap Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.2	Central Share of Calamity Relief Fund	2254.39	48.57	315.28	224.25	376.59	401.42	421.19	421.19
4.3	Grants for Local Bodies	5077.00	269.00	403.50	194.48	336.99	548.36	802.34	802.30
4.4	Other Non-Plan Grants	4389.20	479.20	657.62	349.62	58.82	446.96	528.06	528.15
II.	Non-Plan Revenue Expenditure (5 to 8)	315506.15	24904.75	27072.19	33797.51	40012.83	41060.31	49702.35	49702.35
5	Non Development Expenditure (5.1 to 5.4)	160039.92	13008.65	12481.07	15709.58	18322.55	18856.24	24748.05	24748.05
5.1	Interest Payment	72672.11	7484.45	7884.05	8590.09	9627.32	10948.23	12463.52	12463.52
5.2	Pension Payment	44540.39	2979.38	2962.81	4513.00	5779.43	5977.61	6243.35	6243.35
5.3	Salaries (including DA revision etc.)	12166.97	1520.00	1520.00	1520.00	1520.00	1680.00	1822.80	1822.80
5.4	Others	30660.45	1024.82	114.21	1086.49	1395.80	250.40	4218.38	4218.38
6	Development Expenditure (6.1+6.2)	148266.23	11896.10	14591.12	18087.93	21690.28	22204.07	24954.30	24954.30
6.1	Salaries (including DA revision etc.)	109441.49	13685.33	13685.33	13685.33	13685.33	15111.54	16396.02	16396.02
6.2	Others	38824.74	-1789.23	905.79	4402.60	8004.95	7092.53	8558.28	8558.28
7	Pay and DA revision (Not included in 5.3 & 6.1)	7200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Transfer of Local Bodies & PSEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III	BCR (I-II)	97113.04	7454.01	8287.23	4586.47	8167.29	15012.48	18648.26	18620.91