

A STUDY OF FISCAL LIABILITY ANALYSIS BY E-GOVERNANCE IN GOVERNMENT FINANCIAL SYSTEM OF THE GUJARAT STATE

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ABSTRACT: E-governance originated in India during the seventies with a focus on in-house government applications in the areas of defense, economic monitoring, planning and the deployment of ICT to manage data intensive functions related to elections, census, tax administration etc. The efforts of the National Informatics Center (NIC) to connect all the district headquarters during the eighties was a watershed. Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficits are financed and the resources raised and applied are important pointers to its fiscal health.

Key Words: E-Governance, Fiscal Liability Analysis

Introduction

In the existing Government accounting system, comprehensive accounting of the fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. As per the disclosure form B-2(A) under the Gujarat Fiscal Responsibility Act, 2005, the State Government liabilities comprise the following components:

- ❖ Special securities issued to the National Small Savings Fund
- ❖ Loans and advances from Central Government
- ❖ Market loans
- ❖ Loans from financial institutions/banks
- ❖ Ways and means advances/overdraft from RBI
- ❖ Small savings, provident fund of Government employees etc.
- ❖ Pension liabilities
- ❖ Reserve fund/deposits and provident fund of other employees
- ❖ Other liabilities

OBJECTIVE OF THE STUDY

Present article is based on the Study of Fiscal Liability analysis by E-Governance in Government Financial System of the Gujarat State.

PERIOD OF STUDY

The study period is to be converted 5 years; from 2012-13 to 2016-17.

NO. OF SAMPLE

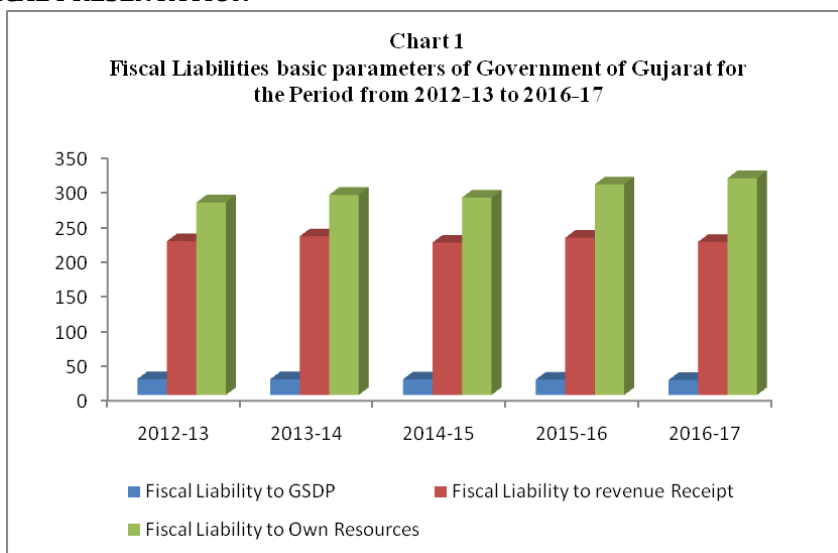
Researcher has considered State of Gujarat as a Universe for the present study Researcher has considered only Fiscal Liability Analysis from Finance base parameters for present study.

Particular	2012-13	2013-14	2014-15	2015-16	2016-17	Average
Fiscal Liabilities (Rs. in Crore)	166667	183057	202313	221090	243146	203254.60
Rate of Growth (in %)	10.53	9.83	10.52	9.28	9.98	10.03
RATIO OF FISCAL LIABILITY TO -						

Particular	2012-13	2013-14	2014-15	2015-16	2016-17	Average
GSDP (in %)	23.00	22.67	22.60	22.24	21.60	22.42
Revenue Receipt (in %)	222.00	229.00	220.00	227.00	221.00	223.80
Own Resources (in %)	278.00	289.00	285.00	304.00	313.00	298.80
BUOYANCY RATIO						
Particular	2012-13	2013-14	2014-15	2015-16	2016-17	Average
Fiscal Liability to GSDP	0.60	0.86	0.97	0.84	0.76	0.81
Fiscal Liability to RR	0.54	1.56	0.70	1.55	0.79	1.03
Fiscal Liability to Own Resources	0.50	1.69	0.89	3.35	1.47	1.58

Source: www.cag.gov.in (Annual Report on State Finance by CAG 2012-17)

➤ GRAPHICAL PRESENTATION

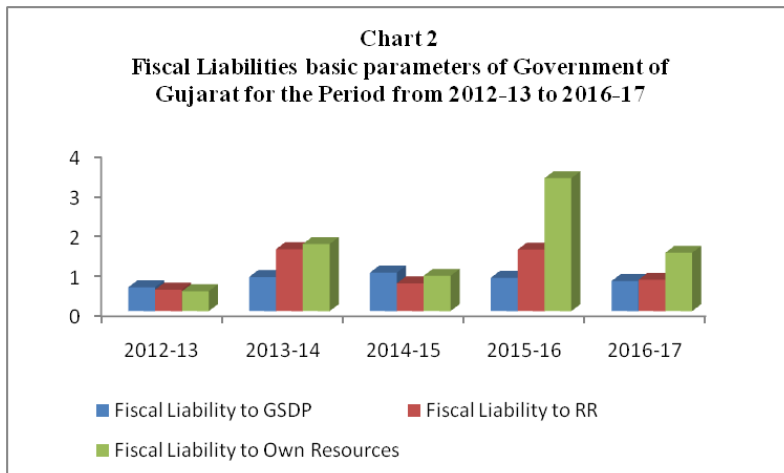


(a) Ratio of fiscal liability to GSDP, Revenue Receipt and own Resources

From the above table it is evident that Fiscal liability of Government of Gujarat in GSDP is showing an average 22.4 percentage during research period while Fiscal liability to revenue receipt is showing an average 225 percentages and own resources is showing an average 300 percentages during research period.

(b) Buoyancy Ratio

➤ GRAPHICAL PRESENTATION



Buoyancy ratio is one of the parameter to measure the finance system parameters on the physics base economic model. If Buoyancy ratio is showing greater than 1 for any period it shows the reflective tendency towards reference parameters under study on the base of studied parameters and if it shows less

than 1 for any period it shows the non-reflective tendency towards reference parameters under study on the base of studied parameters.

Growth rate of GSDP is reflective towards Growth rate of Revenue Receipt and on Own Resources during research period on the base of averaging concepts while Growth rate of GSDP is non-reflective towards Growth rate of fiscal liability during research period on the base of averaging concepts.

Conclusion

For the present study researcher has attempted to study the fiscal liability analysis by E-governance in Government Financial System of Gujarat State It is found Growth rate of GSDP is reflective towards Growth rate of Revenue Receipt and on Own Resources during research period on the base of averaging concepts while Growth rate of GSDP is non-reflective towards Growth rate of fiscal liability during research period on the base of averaging concepts.

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