



सत्यमेव जयते

**State Finances Audit Report  
of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2018**



लोकहितार्थ सत्यनिष्ठा

**Dedicated to Truth in Public Interest**



**GOVERNMENT OF GOA**

*Report No. 1 of the year 2019*



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OF THE  
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## **PREFACE**

This Report for the year ended 31 March 2018 has been prepared for submission to the Governor of Goa under Article 151 of the Constitution of India.

This Report contains audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2018. Information has also been obtained from the Government of Goa, wherever necessary. It also provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to financial reporting during the current year.

The Report containing the findings of performance audit and audit of transactions in various Departments, Statutory Corporations, Boards and Government Companies and Revenue sector are presented separately.



# **EXECUTIVE SUMMARY**



## Executive Summary

### Background

Goa is situated in the western coastal region known as Konkan, bounded by Arabian sea in the west, Maharashtra in the north and Karnataka to the east and south. Goa is the smallest State in terms of geographical area (3,702 sq.km.) and has a coastline of about 131 km. Goa was incorporated as a Union Territory with Legislature in 1962. It was granted Statehood on 30 May 1987.

The decadal population growth of the State was 8.17 *per cent* (0.13 crore in 2001 to 0.15 crore in 2011). The density of population in the State increased from 258 persons per sq. km. to 394 persons per sq. km. in the last decade (2001-2011) as against the all India average of 382. The population below poverty line was 9.90 *per cent* as compared to 21.90 *per cent* for the Country. The State's Gross State Domestic Product (GSDP) in 2017-18 at current prices was ₹ 70,267 crore.

This Report on the finances of the Government of Goa is being brought out with a view to objectively assess the financial performance of the State during 2017-18 and to provide the State Government and the State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government's Fiscal Responsibilities and Budget Management (First Amendment) Act, 2014 and budget and revised estimates of 2017-18.

### The Report

Based on the audited accounts of the Government of Goa for the year ended March 2018, this Report provides an analytical review of the Annual Accounts of the State Government. This Report is structured in three Chapters.

**Chapter I** is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2018. It provides an insight into trends of different components of the Government's receipts, expenditure and borrowing pattern, besides giving a brief account of fiscal imbalances.

**Chapter II** is based on audit of Appropriation Accounts and gives a grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery Departments.

**Chapter III** is an inventory of the Government's compliance with various reporting requirements and financial rules.

The report also compiles the data collected from various Government Departments/Organisations in support of the findings.

## **Achievements of the State Government: A Brief Summary**

The per capita income of Goa at ₹ 4,60,467 during 2017-18 was the highest in the country, exceeding the all India average of ₹ 1,29,800 by ₹ 3,30,667.

During 2017-18, the State achieved two of the three major fiscal targets set under the Goa Fiscal Responsibility Act, 2014 (Goa FRBM Act) *i.e.* (i) it is a revenue surplus State from 2014-15 onwards, and (ii) the ratio of fiscal deficit to Gross State Domestic Product (GSDP) at 2.29 *per cent* was below the ceiling of three *per cent*. In respect of Debt-GSDP ratio fixed at 25 *per cent* by the Goa FRBM Act, 2014, the current ratio stands marginally higher at 26.40 *per cent*.

Revenue realisation increased by 26 *per cent* during 2017-18 largely on account of implementation of Goods and Services Tax in the State.

The State Government spent more on capital expenditure than the total public debt receipts, indicating not only better utilisation of borrowed funds but also use of revenue surplus for capital formation in creating productive assets. Similarly, there is an overall improvement in the ratio of revenue expenditure to capital expenditure, indicating improvement in the quality of expenditure during 2013-18.

The ratio of interest payments to revenue receipts at 11.25 *per cent* was less than the Fourteenth Finance Commission (FC XIV) norm of 12.04 *per cent*. The State Government needs to improve its Tax-GSDP ratio (6.73 *per cent*), which was lower than the normative assessment of FC XIV (8.31 *per cent*).

## **Contents of the Report**

### **Summary of Audit Findings**

#### **Chapter I**

#### **Finances of the State Government**

##### ***Fiscal correction***

The growth rate of GSDP was 12.72 *per cent* against the Fourteenth Finance Commission (FC XIV) projection of 14.52 *per cent* during the year.

During 2017-18, the State achieved two of the three major parameters specified by the FC XIV *viz.* (i) the ratio of fiscal deficit to GSDP at 2.29 *per cent* was lower than the norm of three *per cent*, and (ii) the ratio of interest payment to revenue receipt at 11.25 *per cent* was lower than the projected ratio of 12.04 *per cent*.

The third parameter of fiscal liabilities to GSDP ratio decreased from 35.34 *per cent* in 2013-14 to 26.40 *per cent* in 2017-18. This ratio of 26.40 *per cent* in 2017-18 was higher than the target fixed (25 *per cent*) in the Goa FRBM (First Amendment) Act, 2014 and 25.31 *per cent* projected by FC XIV.

The State continued to maintain revenue surplus during the period 2014-18. Revenue surplus during 2017-18 stood at ₹ 511 crore and was lower than the previous year's surplus by ₹ 188 crore.

*(Paragraphs 1.1, 1.1.3, 1.10.1 and 1.11.1)*

#### ***Resource mobilisation***

Revenue receipts at ₹ 11,054 crore during 2017-18 increased by ₹ 1,489 crore (15.56 per cent) over the previous year. Though State's own taxes increased by ₹ 471 crore, the tax-GSDP ratio (6.73 per cent) was less than the normative assessment of 8.31 per cent made by FC XIV.

The growth rate of non-tax revenue (11.84 per cent) in 2017-18 over 2016-17 was almost twice the General Category States(GCS) (5.90 per cent). The share of State's own resources comprising tax and non-tax revenue to total revenue receipts was 70 per cent while the tax devolution from GoI including grants-in-aid contributed 30 per cent.

*(Paragraphs 1.3, 1.3.1, 1.3.4 and 1.3.5)*

#### ***Expenditure management***

Revenue expenditure increased from ₹ 6,803 crore in 2013-14 to ₹ 10,543 crore in 2017-18. The year-wise growth of revenue expenditure fluctuated widely during the last five years and recorded its lowest growth rate of 5.30 per cent in 2016-17 and the highest of 18.91 per cent in 2017-18. The share of revenue expenditure in total expenditure decreased from 87.05 per cent in 2013-14 to 83.20 per cent in 2017-18, whereas, the share of capital expenditure in total expenditure increased from 12.90 per cent in 2013-14 to 16.53 per cent in 2017-18.

Financial assistance to local bodies and other institutions increased from ₹ 1,327 crore in 2016-17 to ₹ 1,639 crore in 2017-18. Expenditure on Subsidies (₹ 263 crore) constituted 2.38 per cent of revenue receipts.

As of 31 March 2018, the State Government invested ₹ 613 crore in Statutory Corporations, Joint Stock Companies and Co-operative Banks and Societies. The average return on investments in these Companies/Corporations was 0.27 per cent during 2013-18 while the Government paid an average interest ranging from 7.03 per cent to 7.59 per cent on its borrowings during the same period.

*(Paragraphs 1.6.1, 1.6.2, 1.6.3 and 1.8.3)*

#### ***Quality of expenditure***

The overall development expenditure to total expenditure decreased from 70.91 per cent in 2013-14 to 69.00 per cent in 2017-18. During 2013-14 and 2017-18, the State's share of expenditure to total expenditure in Economic Services and Health and Family Welfare was better than GCS while it was lower than GCS in Education, Sports, Art and Culture.

*(Paragraphs 1.7.1 and 1.7.2)*

### ***Transactions under reserve funds***

There were eight reserve funds earmarked for specific purposes during 2017-18 of which, four funds were inoperative with a balance of ₹ 24.68 crore. The total accumulated balance in these funds as on 31 March 2018 was ₹ 1,719.77 crore of which, ₹ 847.34 crore was invested.

***(Paragraph 1.9.3)***

### ***Debt sustainability***

The outstanding fiscal liabilities of the State increased from ₹ 12,695 crore in 2013-14 to ₹ 18,552 crore in 2017-18. The outstanding liabilities at the end of 2017-18 comprised of internal debt (₹ 12,388 crore), loans and advances from the Central Government (₹ 1,223 crore) and other liabilities (₹ 4,941 crore).

The net availability of borrowed funds for current operations after debt redemption (principal and interest payments) increased from ₹ 101 crore in 2016-17 to ₹ 484 crore in 2017-18.

***(Paragraphs 1.9.2 and 1.10.1)***

## **Chapter II**

### **Financial Management and Budgetary Control**

During 2017-18, expenditure of ₹ 14,719.23 crore was incurred against the total grants and appropriations of ₹ 18,244.66 crore resulting in savings of ₹ 3,525.43 crore. The overall savings were the net result of savings of ₹ 4,037.39 crore, offset by an excess of ₹ 511.96 crore in three grants and one appropriation. The excess expenditure of ₹ 511.96 crore requires regularisation under Article 205 of the Constitution of India. Further, excess over provisions relating to previous years (2008-09 to 2016-17) amounting to ₹ 5,353.69 crore had not been regularised.

***(Paragraphs 2.2 and 2.3.1)***

Of the total savings of ₹ 4,037.40 crore during 2017-18, savings of ₹ 100 crore or more amounting to ₹ 1,779.77 crore (44 *per cent*) had occurred in five grants pertaining to Municipal Administration (₹ 114.80 crore), Transport (₹ 105.42 crore), Public Works Department (₹ 837.61 crore), Finance (₹ 428.55 crore) and Electricity (₹ 293.39 crore).

***(Paragraph 2.3.2)***

## **Chapter III**

### **Financial Reporting**

As on 31 March 2018, 12,236 Utilisation Certificates (UCs) aggregating ₹ 1,914.70 crore for grants disbursed up to 2016-17 remained outstanding. Of 12,236 cases, 34 *per cent* (4,169 UCs) pertained to the Directorate of Art and Culture while 23 *per cent* (2,824 UCs) pertained to the Directorate of Panchayats, North Goa.

As of March 2018, 349 Detailed Contingent (DC) bills amounting to ₹ 93.22 crore drawn by various Departmental authorities on Abstract Contingent (AC) bills were pending settlement.

Pendency of UCs and DC bills for long periods was fraught with the risk of fraud and misappropriation.

***(Paragraphs 3.1 and 3.6)***

During 2017-18, expenditure aggregating ₹ 3,820.68 crore constituting 30 *per cent* of the total expenditure was classified under Minor Head '800-Other Expenditure'. Similarly, revenue receipts aggregating ₹ 352.80 crore constituting 3.19 *per cent* of total receipts were classified under Minor Head '800 – Other Receipts'. Accounting of large items of expenditure and receipts under omnibus Minor Head –800 affects transparency in financial reporting as disaggregated information on different activities of the State Government is not displayed separately in the accounts.

***(Paragraph 3.5)***



# **CHAPTER – I**

## **FINANCES OF THE STATE GOVERNMENT**



## CHAPTER I

### FINANCES OF THE STATE GOVERNMENT

#### *Profile of Goa*

Goa is situated in the western coastal region known as Konkan, bounded by Arabian sea in the west, Maharashtra in the north and Karnataka to the east and south. Goa is the smallest State in terms of geographical area (3,702 sq. km.) and has a coastline of about 131 km. Goa was incorporated as a Union Territory with Legislature in 1962. It was granted Statehood on 30 May 1987. The basic statistics of the State is given in **Appendix 1.1**.

The State population increased from 0.13 crore in 2001 to 0.15 crore in 2011 recording a decadal growth of 8.17 *per cent*. The density of population in the State increased from 364 persons per sq. km. to 394 persons per sq. km. in the last decade from 2001 to 2011 as against the all India average of 382.

The population below the poverty line was 9.90 *per cent* as compared to 21.90 *per cent* for the Country. The State's Gross State Domestic Product (GSDP) in 2017-18 at current prices was ₹ 70,267 crore<sup>1</sup>. The per capita GSDP of the State at ₹ 4,60,467 during 2017-18 was higher than the all India average of ₹ 1,29,800 during the same period. The social indicators *viz.*, literacy rate, rate of infant mortality and life expectancy were better than the all India average (**Appendix 1.1, Part A**).

#### *Gross State Domestic Product (GSDP)*

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP is an important indicator of the State economy as it indicates the standard of living of the State population. The trends in the annual growth rate of State GSDP at current prices<sup>2</sup> from 2013-18 are indicated below:

**Table 1.1: Annual growth rate of GSDP at current prices**

Year	2013-14	2014-15	2015-16	2016-17	2017-18
India's GDP (₹ in crore) <sup>3</sup>	11233522	12467959	13764037	15253714	16773145
Growth rate of GDP (in per cent)	12.97	10.99	10.40	10.82	9.96
State GSDP (₹ in crore) <sup>4</sup> (base year 2011-12)	35921	47814	54785 (P)	62336 (Q)	70267(A)
Growth rate of GSDP (in per cent)	(-)5.77	33.11	14.58	13.78	12.72

(Q) Quick estimates(P) Provisional Estimates(A) Advanced Estimates

The GSDP figures of the State grew at the rate of 12.72 *per cent* which was lower than the projection made in the Fourteenth Finance Commission

<sup>1</sup> Advanced estimates for 2017-18 provided by Directorate of Planning, Statistics and Evaluation, Government of Goa

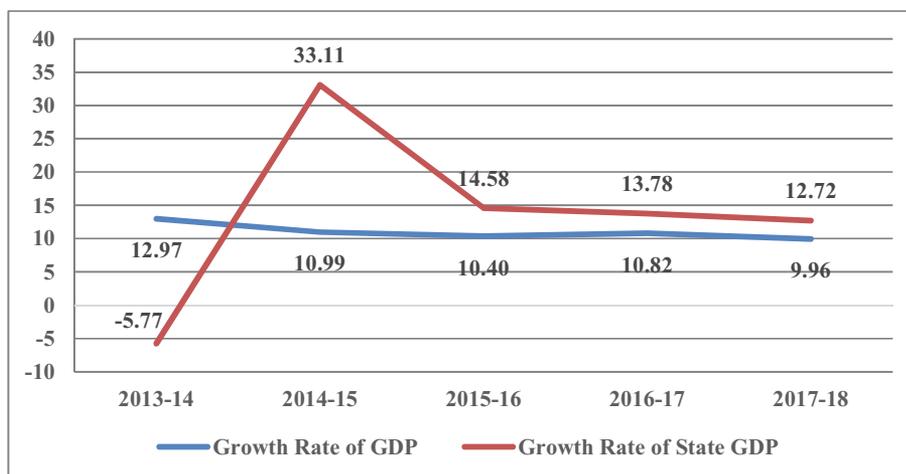
<sup>2</sup> Base year 2011-12

<sup>3</sup> Ministry of Statistics and Programme Implementation, Central Statistical Office

<sup>4</sup> Directorate of Planning and Statistical Evaluation, Government of Goa

(FC XIV) (14.52 per cent). Comparison of Country’s GDP and State’s GSDP is depicted in **Chart 1.1**.

**Chart 1.1: Comparison of growth rate of Country’s GDP to State’s GDP**

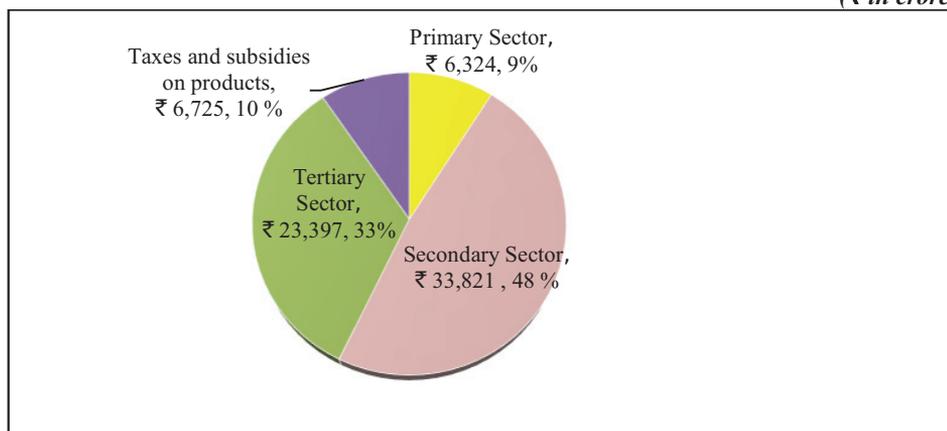


**Chart 1.1** shows that though the annual growth rate of GSDP of the State during 2013-14 recorded a negative growth, it showed a positive trend in the subsequent years. The GSDP of the State grew at a higher pace compared to India’s GDP during the period 2014-15 to 2017-18.

The sector-wise comparison of GSDP at market price by industry of origin of the State for the year 2017-18 is presented below.

**Chart 1.2: Sector-wise composition of GSDP during 2017-18**

(₹ in crore)



(Source: Department of Planning, Statistics and Evaluation)

**Chart 1.2** shows that the secondary sector and tertiary sector continued to be a dominant source of GSDP and it accounted for 48 per cent and 33 per cent respectively. Out of remaining 19 per cent, primary sector contributed nine per cent and taxes and subsidies on products contributed 10 per cent.

## 1.1 Introduction

This chapter provides a broad perspective on the finances of the Government of Goa during the current year and analyses critical changes in the major

fiscal aggregates relative to the previous year and the overall trends during the preceding five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.1, Part B** and **Part C**. The methodology adopted for assessment of the fiscal position of the State is given in **Appendix 1.2**.

**1.1.1 Summary of Fiscal Operations in 2017-18**

A summary of the State Government’s fiscal transactions during 2017-18 *vis-à-vis* previous years (2013-18) is presented in **Table 1.2** below. Details of receipts and disbursements and the overall fiscal position during 2017-18 are given in **Appendix 1.3**.

**Table 1.2: Summary of fiscal operations during 2013-14 to 2017-18**

<i>(₹ in crore)</i>					
Receipts	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Revenue receipts</b>	<b>6450</b>	<b>7689</b>	<b>8552</b>	<b>9565</b>	<b>11054</b>
Tax revenue	3582	3896	3975	4261	4731
Non-tax revenue	1662	2326	2432	2712	3033
Share of Union Taxes/Duties	848	901	1924	2299	2544
Grants from Government of India	357	566	221	293	745
<b>Capital Receipts</b>	<b>1310</b>	<b>1277</b>	<b>1857</b>	<b>1528</b>	<b>2013</b>
Miscellaneous Capital Receipts	0	0	0	0	0
Recoveries of Loans and Advances	13	10	10	9	7
Public debt receipts*	1297	1267	1847	1519	2006
<b>Appropriation from Contingency Fund</b>	<b>0</b>	<b>200</b>	<b>130</b>	<b>0</b>	<b>0</b>
<b>Public Account Receipts</b>	<b>8496</b>	<b>9290</b>	<b>10941</b>	<b>11128</b>	<b>13377</b>
<b>Opening Cash Balance</b>					
a) <b>Earmarked Balances</b>	<b>501</b>	<b>565</b>	<b>634</b>	<b>671</b>	<b>762</b>
b) <b>Cash balance</b>	<b>203</b>	<b>218</b>	<b>158</b>	<b>96</b>	<b>220</b>
<b>Total</b>	<b>16960</b>	<b>19239</b>	<b>22273</b>	<b>22987</b>	<b>27426</b>

Disbursements	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Revenue expenditure</b>	<b>6803</b>	<b>7410</b>	<b>8420</b>	<b>8866</b>	<b>10543</b>
General services	2076	2370	2560	2872	3517
Social services	1864	1929	2191	2266	2732
Economic services	1923	2091	2472	2403	2659
Grants-in-aid and Contributions	941	1020	1197	1325	1635
<b>Capital Outlay</b>	<b>1008</b>	<b>1234</b>	<b>1622</b>	<b>1639</b>	<b>2094</b>
<b>Loans and Advances disbursed</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>34</b>
<b>Repayment of Public Debt*</b>	<b>332</b>	<b>366</b>	<b>439</b>	<b>468</b>	<b>790</b>
<b>Appropriation to Contingency Fund</b>	<b>0</b>	<b>200</b>	<b>130</b>	<b>0</b>	<b>0</b>
<b>Public Account Disbursements</b>	<b>8027</b>	<b>9233</b>	<b>10893</b>	<b>11029</b>	<b>12969</b>
<b>Closing Cash Balance</b>					
a) <b>Earmarked Balances</b>	<b>566</b>	<b>634</b>	<b>671</b>	<b>763</b>	<b>848</b>
b) <b>Cash balance</b>	<b>218</b>	<b>158</b>	<b>96</b>	<b>220</b>	<b>148</b>
<b>Total</b>	<b>16960</b>	<b>19239</b>	<b>22273</b>	<b>22987</b>	<b>27426</b>

*(Source: Finance Accounts of the State Government for the years 2013-14 to 2017-18)*

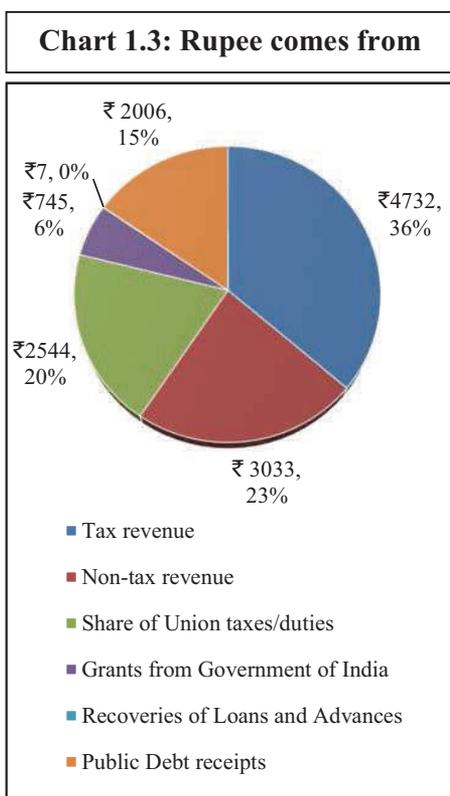
*\*Excluding net transactions under ways and means advances and overdrafts*

- Revenue receipts grew by ₹ 1,489 crore (15.56 per cent) over the previous year. All the components of revenue receipts showed an increasing trend during 2017-18. The grants from Government of India (GoI) increased by ₹ 452 crore (154.47 per cent), non-tax revenue by ₹ 321 crore (11.84 per cent), State’s share of Union taxes by ₹ 245 crore (10.65 per cent) while State’s tax revenue increased by ₹ 470 crore (11.05 per cent).
- Revenue expenditure increased by ₹ 1,677 crore (18.91 per cent) over the previous year mainly due to increase in expenditure on General Services by ₹ 645 crore (22.45 per cent), Social Services by ₹ 467 crore (20.61 per cent) and Economic Services by ₹ 256 crore (10.65 per cent). The grants-in-aid released by the State Government increased by ₹ 310 crore (23.40 per cent) over the previous year.
- Capital outlay increased by ₹ 455 crore (27.77 per cent) over the previous year and the disbursement of loans and advances also increased by ₹ 31 crore.
- The Public Debt receipts increased by ₹ 487 crore whereas, Public Debt repayments increased by ₹ 322 crore.
- The net Public Account receipts increased by ₹ 309 crore.

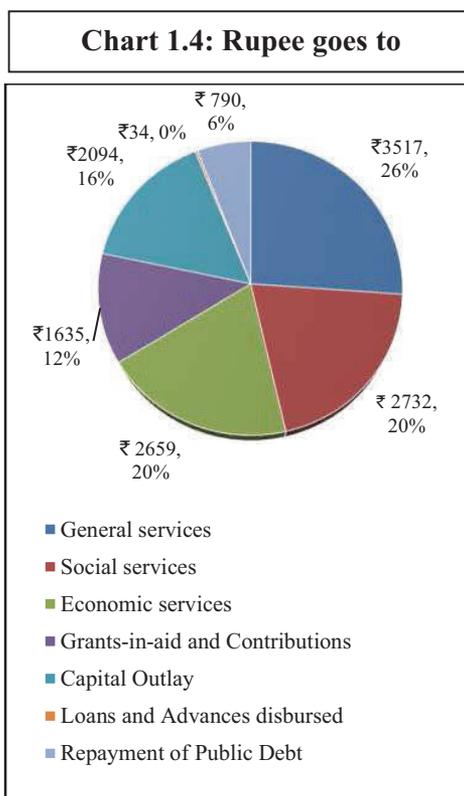
The status of other fiscal indicators *i.e.* revenue surplus, fiscal deficit and primary deficit are discussed in paragraphs 1.1.3 and 1.11 of this Report.

**1.1.2 Composition of sources and application of funds in the consolidated fund during 2017-18**

(₹ in crore)



(Source: Finance Accounts of the State)



(Source: Finance Accounts of the State)

### 1.1.3 Review of fiscal situation

In pursuance of the recommendations of the Twelfth Finance Commission, Government of Goa enacted the Goa Fiscal Responsibility and Budget Management (FRBM) Act, 2006. It came into force on 15 May 2006 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, greater transparency in fiscal operations of the Government in a medium term fiscal framework. In compliance with the Act, Goa FRBM Rules, 2007 were introduced by the Finance Department in November 2007. The Act was amended with effect from March 2014 by passing the Goa FRBM (First Amendment) Act, 2014 in March 2014.

As per the Goa FRBM Act, 2006 and Rules, 2007, the State Government, in each financial year, was required to prepare and lay before the Legislative Assembly a Medium Term Fiscal Plan (MTFP) along with the Budget. The MTFP was to include three years rolling targets in respect of the following fiscal indicators:

- Revenue deficit as a percentage of total revenue receipt;
- Fiscal deficit as a percentage of GSDP;
- Outstanding total liabilities as a percentage of GSDP; and
- Ratio of Interest payment to total revenue receipt.

However, the State Government has not prepared MTFP and set rolling targets in respect of the fiscal indicators specified above from 2011-12 onwards.

Review of fiscal position of the State further revealed the following:

- As per provision of Section 5(a) of the Goa FRBM (First Amendment) Act, 2014, the State Government was to eliminate revenue deficit<sup>5</sup> from the financial year 2014-15 and maintain at that level or generate revenue surplus thereafter. The State Government achieved this target in 2014-15 and has maintained revenue surplus since then. The budget estimates (BE), revised estimates (RE) and actual figures in respect of revenue deficit/surplus during last three years is summarised below.

**Table 1.3: Revenue deficit/surplus in last three years**

(₹ in crore)

Revenue deficit(-)/surplus(+) as per	2015-16	2016-17	2017-18
Budget estimates	408	159	203
Revised estimates	(-)137	49	309
Actuals	132	699	511

(Source: Finance Accounts and Budget documents of the State)

- Section 5(b) of the Goa FRBM (First Amendment) Act, 2014 envisaged achievement of fiscal deficit<sup>6</sup> at three *per cent* of GSDP by 2013-14 and thereafter to maintain the ratio or reduce it. The fiscal deficit to GSDP

<sup>5</sup> Revenue deficit = Revenue receipts – Revenue expenditure; (+) indicates surplus and (-) indicates deficit

<sup>6</sup> Fiscal deficit = Revenue deficit or revenue surplus + net capital expenditure + Net loans and advances

ratio was first brought below three *per cent* in 2014-15 and it remained so thereafter.

**Table 1.4: Fiscal deficit/GSDP**

	Budget estimates	Revised estimates	Actuals
2015-16	4.95	5.61	2.71
2016-17	5.23	4.78	1.50
2017-18	5.73	4.81	2.29

(Source: Finance Accounts and Budget documents of the State)

- The provisions of Section 5(d) of the Goa FRBM (First Amendment) Act, 2014 prescribed that total outstanding debt<sup>7</sup> to GSDP be brought down to 27 *per cent* by 31 March 2015 and thereafter maintained below 25 *per cent*. Over the period 2013-14 to 2016-17, the ratio of outstanding debt to GSDP reduced from 35.34 *per cent* to 26.99 *per cent*. In 2017-18, it showed a marginal decrease to 26.40 *per cent*.
- Against the primary deficit<sup>8</sup> of ₹ 2,808 crore projected in BE and ₹ 2,164 crore projected in RE of 2017-18, actual primary deficit stood at ₹ 366 crore.

#### 1.1.4 Budget estimates vis-à-vis actuals

The budget papers presented by the State Government provide estimation of revenue and expenditure for a particular fiscal year. The importance of accuracy in estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from BE are indicative of non-attainment/non-optimisation of desired fiscal objectives due to various reasons, some within the control of the Government and some beyond its control. The State Government presented its RE of financial year 2017-18 along with BE of 2018-19 on 22 February 2018.

A comparison of actuals *vis-à-vis* BE and RE for the year 2017-18 is given in **Table 1.5** and detailed comparison is shown in **Appendix 1.4**.

<sup>7</sup> Total outstanding debt includes public debt and public account liabilities. Public debt includes only internal debt and loans from GoI. Public account liability includes liabilities under small saving funds, GPF, reserve funds *etc.*

<sup>8</sup> Primary deficit = Fiscal deficit – Interest payments

**Table 1.5: Budget estimates, revised estimates and actuals for the year 2017-18***(₹ in crore)*

Fiscal parameters	Budget estimates	Revised estimates	Actuals	Difference between actuals and BE	Difference between actuals and RE
Own tax revenue	4800	4847	4732	(-)68	(-)115
Non-tax revenue	2848	2856	3033	185	177
State's share of Union taxes and duties	2551	2544	2544	(-)7	Nil
Grants-in-aid from GoI	674	674	745	71	71
Revenue receipts	10873	10921	11054	181	133
Revenue expenditure	10670	10612	10543	(-)127	(-)69
Interest payments	1276	1276	1244	(-)32	(-)32
Net Capital outlay	(-)4193	(-)3716	(-)2094	2099	1622
Net loans and advances	(-)94	(-)33	(-)27	67	06
Revenue deficit (-)/surplus (+)	203	309	511	308	202
Fiscal deficit (-)/surplus (+)	(-)4084	(-)3440	(-)1610	2474	1830
Primary deficit (-)/surplus(+)	(-)2808	(-)2164	(-)366	2442	1798

*(Source: Finance Accounts and budget documents of the State)*

The important parameters are analysed below.

### **Revenue receipts**

Revenue receipts were higher than the BE and RE by ₹ 181 crore (1.66 per cent) and ₹ 133 crore (1.22 per cent) respectively mainly due to more collections under power, taxes on vehicles *etc.* However, collections under tax revenue was lower than the BE by ₹ 68 crore and RE by ₹ 115 crore mainly due to less revenue collection under Taxes on Sales, Trade *etc.* and Taxes on Goods and Passengers.

### **Revenue expenditure**

Actual revenue expenditure was marginally less than the BE and RE by 1.19 per cent and 0.65 per cent respectively. The revenue expenditure decreased as compared to RE and BE mainly due to decline in expenditure under economic services.

### **Capital expenditure**

During 2017-18, the capital expenditure was less than BE and RE by ₹ 2,099 crore (50.06 per cent) and ₹ 1,622 crore (43.65 per cent) respectively. The shortfall in capital expenditure as compared to RE was mainly under Water Supply and Sanitation (₹ 497 crore); Energy (₹ 278 crore); Public Works (₹ 217 crore); Education, Sports, Art and Culture (₹ 145 crore); Miscellaneous General Services (₹ 111 crore); and Health and Family Welfare (₹ 73 crore).

### Deficit/surplus

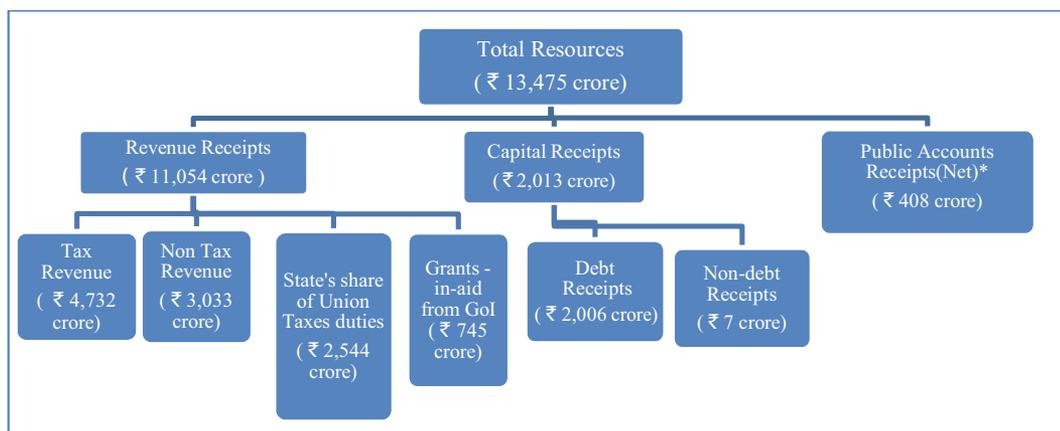
Against the projected revenue surplus of ₹ 203 crore and ₹ 309 crore in BE and RE respectively, the State had an actual revenue surplus of ₹ 511 crore. Against primary deficit of ₹ 2,808 crore and ₹ 2,164 crore as projected in BE and RE respectively, the State had primary deficit of ₹ 366 crore. In 2017-18, fiscal deficit stood at ₹ 1,610 crore which was lower than estimates in BE and RE by ₹ 2,474 crore and ₹ 1,830 crore respectively.

## 1.2 Resources of the State

### 1.2.1 Resources of the State as per Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the GoI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Besides, the funds available in the Public Accounts after disbursement is also utilised by the State Government to finance its deficits. **Table 1.2** presents the receipts and disbursements of the State during the current year as recorded in the Annual Finance Accounts. **Chart 1.5** depicts the components and sub-components of resources during the year 2017-18.

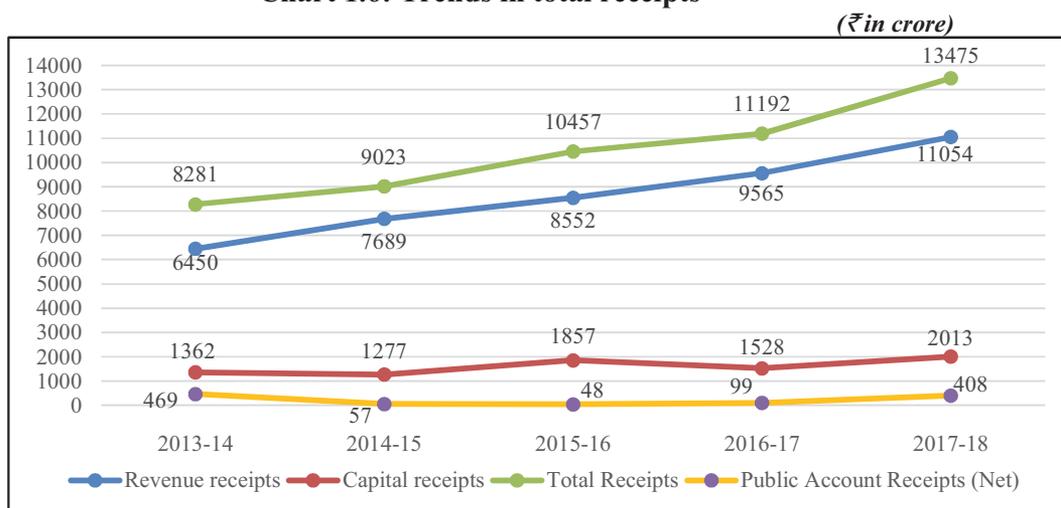
**Chart 1.5: Components and sub-components of resources in 2017-18**



\* Public account receipts-Public account disbursements (₹ 13377 - ₹ 12969= ₹ 408) crore

**Chart 1.6** depicts the trends of various components of receipts of the State during the period 2013-18.

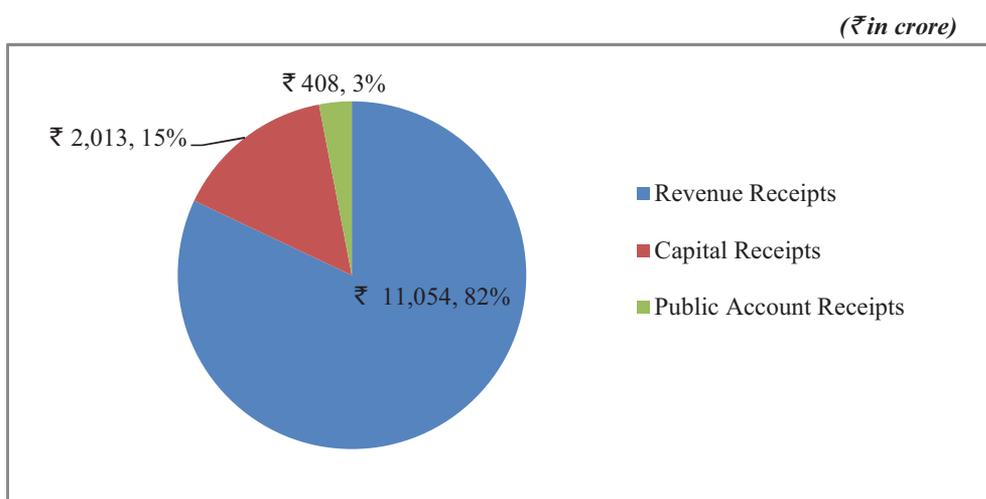
Chart 1.6: Trends in total receipts



(Source: Finance Accounts of the State for respective years)

Chart 1.7 depicts the composition of resources of the State in total receipts during the current year 2017-18.

Chart 1.7: Composition of Receipts during 2017-18



(Source: Finance Accounts of the State)

The total receipts of the State increased from ₹ 8,281 crore in 2013-14 to ₹ 13,475 crore in 2017-18 showing an increase of 62.72 per cent during the last five years. During 2017-18, the total receipts increased by ₹ 2,283 crore (20 per cent) over the previous year.

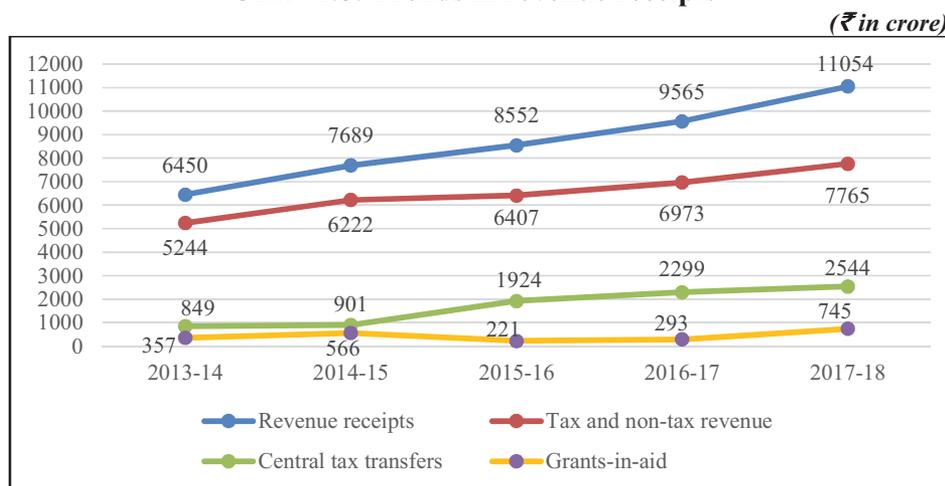
The share of revenue receipts in total receipts was 82 per cent during 2017-18. The net public account receipts (₹ 408 crore) accounted for three per cent of total receipts during 2017-18.

Capital receipts increased from ₹ 1,362 crore in 2013-14 to ₹ 2,013 crore in 2017-18 with an average annual growth rate of eight per cent during the period and also accounted for 15 per cent of total receipts during 2017-18.

### 1.3 Revenue receipts

The revenue receipts of the Government are detailed in Statement No. 14 of the Finance Accounts. Revenue receipts consist of the State’s own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2013-18 are presented in **Chart 1.8** and also in **Appendix 1.5**.

**Chart 1.8: Trends in revenue receipts**

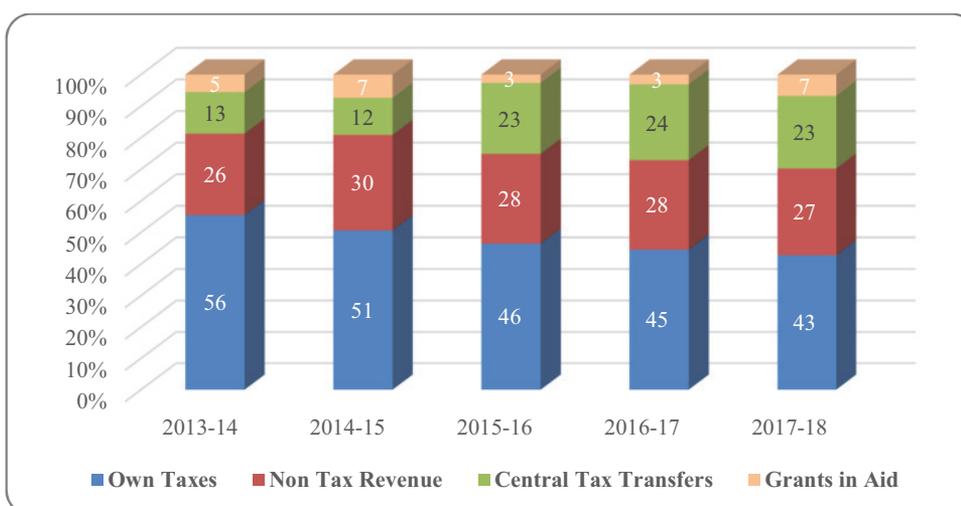


(Source: Finance Accounts of the State for respective years)

Revenue receipts grew by ₹ 1,489 crore (15.56 per cent) over 2016-17. The increase in revenue receipts was the net effect of increase in own tax revenue by ₹ 471 crore (11.05 per cent), non-tax revenue by ₹ 321 crore (11.84 per cent), share of Union taxes and duties by ₹ 245 crore (10.66 per cent) and in grants from the GoI by ₹ 452 crore (154.27 per cent).

The composition of revenue receipts over the period 2013-18 are presented in **Chart 1.9**.

**Chart 1.9: Composition of State’s revenue receipts during 2013-18**



(Source: Finance Accounts of the State for respective years)

**Chart 1.9** shows that 70 per cent of the revenue came from State’s own resources (own tax and non-tax revenue) during 2017-18 and the remaining

30 per cent came from GoI in the form of State's share of taxes and grants-in-aid. The share of own tax revenue in revenue receipts decreased substantially from 56 per cent in 2013-14 to 43 per cent in 2017-18, whereas, the share of non-tax revenue ranged between 26 and 30 per cent during 2013-18.

During 2008-09 to 2016-17, the compound annual growth rate (CAGR) of State revenue receipts (13.28 per cent) was lower than growth rate (15.10 per cent) of general category states (GCS). The growth rate of State revenue receipts during 2017-18 (15.56 per cent) was higher than GCS (11.30 per cent) (Appendix 1.1).

### 1.3.1 Trends of revenue receipts relative to GSDP

The trends in revenue receipts relative to GSDP at current prices are presented in Table 1.6.

**Table 1.6: Trends of revenue receipts relative to GSDP**

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Revenue Receipts (RR)</b> (₹ in crore)	<b>6450</b>	<b>7689</b>	<b>8552</b>	<b>9565</b>	<b>11054</b>
Rate of growth of RR (per cent)	10.35	19.21	11.22	11.84	15.56
State's own taxes (₹ in crore)	3582	3896	3975	4261	4732
Rate of growth of own taxes (per cent)	21.84	8.77	2.03	7.19	11.05
Percentage of RR to GSDP	17.96	16.08	15.61	15.34	15.73
Percentage of State's own taxes to GSDP	9.97	8.15	7.26	6.84	6.73
Percentage of State's own taxes to RR	56	51	46	45	43

*(Source: Finance Accounts of the State for respective years)*

The revenue receipts grew at an average annual growth rate of 13.64 per cent and increased from ₹ 6,450 crore in 2013-14 to ₹ 11,054 crore in 2017-18. The annual growth rate of revenue receipts fluctuated during 2013-14 to 2017-18, ranging between a high of 19.21 per cent in 2014-15 and a low of 10.35 per cent in 2013-14. GSDP at current prices increased from ₹ 62,336 crore in 2016-17 to ₹ 70,267 crore in 2017-18, representing growth of 12.72 per cent. Revenue Receipts grew by 15.56 per cent over the previous year. Revenue receipts to GSDP ratio decreased from 17.96 per cent in 2013-14 to 15.73 per cent in 2017-18. The ratio of State's own taxes to GSDP had been continuously on a decline from 2013-14 onwards, meaning that State's own taxes have not kept pace with the rate at which the GSDP grew during 2013-18.

### 1.3.2 Trends of buoyancy ratios

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. The value of more than one indicates high degree of responsiveness of a fiscal variable with respect to the base variable. As GSDP grows, the ability of the Government to mobilise revenue should also increase. The trends of buoyancy of revenue receipts with respect to change in GSDP are presented in Table 1.7.

**Table 1.7: Trends of buoyancy of revenue receipts**

Buoyancy ratios	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue buoyancy with respect to GSDP	*	0.58	0.77	0.86	1.22
State's own tax buoyancy with respect to GSDP	*	0.26	0.14	0.52	0.87
Revenue buoyancy with respect to State's own taxes	0.47	2.19	5.53	1.65	1.41

(Source: Finance Accounts of the State for respective years)

\*GSDP growth rate in 2013-14 being negative, buoyancy ratios cannot be calculated

As can be seen from the above table, though the buoyancy of revenue receipts to GSDP was less than one during the period 2014-15 to 2016-17, it improved to 1.22 in 2017-18, indicating that revenue receipts grew at a higher rate than the growth rate of GSDP. Likewise, the State's own tax buoyancy ratio to GSDP improved from 0.52 in 2016-17 to 0.87 in 2017-18.

### 1.3.3 State's own resources

The State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Union Finance Commission and central assistance for Schemes. The State's performance in mobilisation of resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

The State's actual tax and non-tax receipts for the year 2017-18 *vis-a-vis* assessment made by FC XIV and BE and RE of the State Government are given in **Table 1.8** and the growth rate of tax/non-tax revenue during 2013-18 is shown in **Table 1.9**.

**Table 1.8: Tax and non-tax revenue projections and actuals for 2017-18**

	FC XIV projection	Budget estimates	Revised estimates	Actuals
Tax revenue	6874	4800	4847	4732
Non-tax revenue	932	2848	2856	3033

(₹ in crore)

(Source: Finance Accounts 2017-18, Budget estimates, FC XIV report)

The actual tax revenue of the State in 2017-18 was lower than the projections made in the FC XIV, BE and RE. The actual tax revenue was lower than RE mainly due to less collection of Stamps and Registration Fees (₹ 71 crore) and State Goods and Services Tax (₹ 247 crore). The actual non-tax revenue was more than the BE and RE which was mainly due to increase in collections under 'Power' (₹ 300 crore).

**Table 1.9: Growth rate of tax/non-tax revenue during the period 2013-18**

	2013-14	2014-15	2015-16	2016-17	2017-18
Tax revenue (₹ in crore)	3582	3896	3975	4261	4732
Rate of growth (in per cent)	21.84	8.77	2.03	7.19	11.05
Non-tax revenue (₹ in crore)	1662	2326	2432	2712	3033
Rate of growth (in per cent)	(-)9.33	39.95	4.56	11.52	11.84

(Source: Finance Accounts of the State for respective years)

It may be seen that the rate of growth of tax revenue during 2017-18 over previous year increased by around four per cent. The rate of growth of non-tax revenue increased marginally by 0.32 per cent over the previous year.

### 1.3.4 Tax revenue

The main components of the State's tax revenue during 2013-14 to 2017-18 are given in Table 1.10.

**Table 1.10: Main components of State's tax revenue**

Revenue head	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase (+) decrease(-) during the year
	(₹ in crore)					
Goods and Services Tax <sup>9s</sup>	Not Applicable				1464	26.58
Taxes on sales, trade etc.	1708	1860	2116	2438	1622	
State Excise	236	268	319	321	410	27.73
Taxes on Vehicles	154	181	196	244	314	28.69
Stamp duty and Registration fee	396	660	525	365	530	45.21
Land Revenue	454	25	24	39	42	7.69
Taxes on goods and passengers	386	404	464	454	210	(-)53.74
Other taxes	248	498	331	400	140	(-)65.00
<b>Total</b>	<b>3582</b>	<b>3896</b>	<b>3975</b>	<b>4261</b>	<b>4732</b>	<b>11.05</b>

(Source: Finance Accounts of the State for respective years)

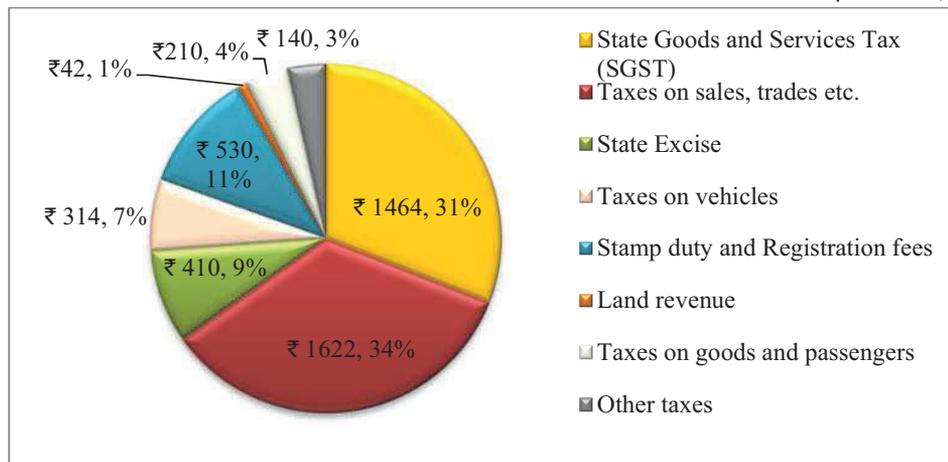
<sup>s</sup> Includes Advance apportionment from IGST and Apportionment of IGST- Transfer-in of Tax Component to SGST

<sup>9</sup> Implemented w.e.f. 01 July 2017

The components of tax revenue for the year 2017-18 are presented in **Chart 1.10**.

**Chart 1.10: Sector-wise components of tax revenue for the year 2017-18**

(₹ in crore)



(Source: Finance Accounts of the State)

The State's own tax revenue in 2017-18 increased by ₹ 471 crore (11.05 per cent) over the previous year. Taxes on Sales, Trade etc. and SGST accounted for nearly 34 per cent and 31 per cent of the total tax revenue. The 33 per cent decrease in receipts from Taxes on Sales, Trade etc. over the previous year was due to implementation of GST from 01 July 2017. The overall receipts from taxes subsumed<sup>10</sup> into GST decreased by ₹ 1,321 crore (66.07 per cent) over the previous year.

State excise increased by ₹ 89 crore (27.73 per cent) over the previous year, even as the collections under medicinal and toilet preparations containing alcohol, opium etc. declined by ₹ two crore as these were subsumed in SGST.

During 2017-18, own tax revenue as a percentage of GSDP (6.73 per cent) was lower than the normative assessment of FC XIV (8.31 per cent). Own Tax revenue relative to GSDP of the State at 6.73 per cent was better than the neighboring States of Maharashtra (6.70 per cent), Gujarat (5.40 per cent) and Karnataka (6.60 per cent).

### Implementation of Goods and Services Tax

Goa implemented GST with effect from 01 July 2017. GST is levied on *intra-State* supply of goods or services (except alcohol for human consumption and five<sup>11</sup> specified petroleum products) and its components are shared by the Centre (CGST) and the State (SGST). Further, IGST is levied and collected by the Central Government on *inter-State* supply of goods and services. The IGST so collected is apportioned between the Centre and the concerned State where the goods and services are consumed.

<sup>10</sup> Taxes on Sales, Trade etc.; entry tax; entertainment tax/luxury tax; and taxes from medicinal and toilet preparations containing alcohol, opium etc.

<sup>11</sup> Petroleum crude, High speed diesel, Motor spirit (Petrol), Natural gas and aviation turbine fuel

The GoI enacted the Goods and Services Tax (Compensation to States) Act, 2017 to compensate the States, should the share of a State falls short of the revenue earned in the pre-GST regime. The compensation was to be given by considering the base figure of revenue of a State for the year 2015-16, escalated by 14 *per cent* per annum for the next five years commencing from 01 July 2017. For the State of Goa, the audited base year (2015-16) revenue to be subsumed<sup>12</sup> by the GST regime was fixed by GoI at ₹ 2,181.38 crore. Thus, the protected revenue for Goa worked out to ₹ 2,126.19 crore<sup>13</sup> for the period 01 July 2017 to 31 March 2018.

Against the protected revenue of ₹ 2,126.19 crore, the State Government earned a revenue of ₹ 1,887.81 crore<sup>14</sup> during 01 July 2017 to 31 March 2018 and therefore, entitled to a compensation of ₹ 238.38 crore. The revenue earned was inclusive of ₹ 95 crore representing advance apportionment of unsettled IGST on *ad hoc* basis in terms of Section 11(3) of GST Settlement of Funds Rules, 2017, which was subject to adjustment in 10 installments in next financial year *i.e.* 2018-19 against the amount finally apportioned.

GoI released compensation of ₹ 357.63 crore to the State in the form of grants-in-aid. The actual amount of compensation would be worked out after the amount released by GoI as provisional/advance apportionment of IGST is finally settled and the assessment of revenue on account of VAT and Central tax collected in respect of alcoholic liquor for human consumption and five specified petroleum products is completed.

During 2008-09 to 2016-17, the CAGR of tax revenue (12.22 *per cent*) was slower than the growth rate of GCS (14.90 *per cent*). Compared to 2016-17, the growth rate of own tax revenue in 2017-18 (11.05 *per cent*) was lower than the growth of GCS (12.20 *per cent*) (**Appendix 1.1**).

### **1.3.5 Non-tax revenue**

The main components of the State's non-tax revenue receipts during 2013-14 to 2017-18 are shown in **Table 1.11**.

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<sup>12</sup> Taxes that have been subsumed under GST were Value Added Tax, Central Sales Tax, Entertainment Tax, Luxury Tax, Entry tax, Cesses & Surcharges, Duties on Excise on medicinal and toilet preparations excluding VAT and CST on alcohol for human consumption and five specified petroleum products

<sup>13</sup> Base year revenue of ₹ 2,181.38 crore escalated at compound rate of 14% annually for two years (2016-17 and 2017-18) worked out to ₹ 2,834.92 crore for 2017-18. Therefore, the *pro-rata* protected revenue for nine months (01 July 2017 to 31 March 2018) was ₹ 2,126.19 crore

<sup>14</sup> Pre-GST collection (from 01/04/2017 to 30/06/2017): ₹ 424.07 crore; SGST collection by State: ₹ 918.45 crore; Provisional apportionment of IGST: ₹ 450.29 crore; Advance apportionment of IGST: ₹ 95 crore. Provisional apportionment and Advance apportionment of IGST are released by GoI

**Table 1.11: Main components of State’s non-tax revenue**

(₹ in crore)

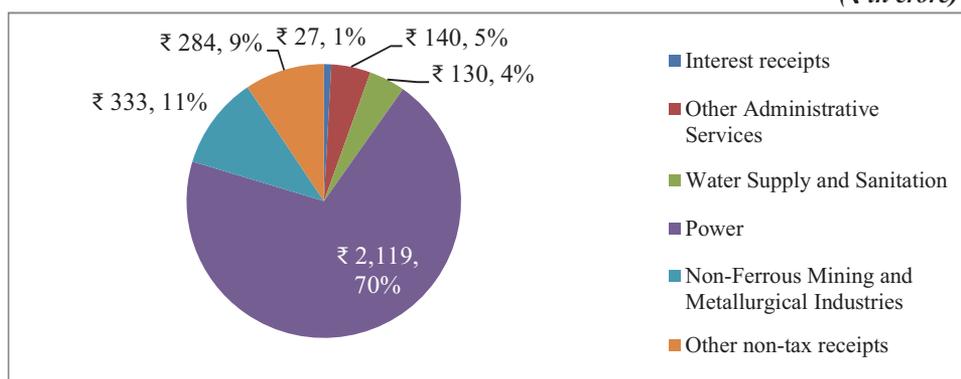
Revenue head	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase(+)/ decrease(-) in 2017-18 over 2016-17
Interest receipts	14	17	18	20	27	35.00
Other Administrative Services	88	123	109	152	140	(-)7.89
Water Supply and Sanitation	104	102	115	120	130	8.33
Power	1188	1322	1709	1766	2119	19.98
Non-Ferrous Mining and Metallurgical Industries	46	531	217	348	333	(-)4.31
Other non-tax receipts	221	231	264	306	284	(-)7.19
<b>Total non-tax revenue</b>	<b>1661</b>	<b>2326</b>	<b>2432</b>	<b>2712</b>	<b>3033</b>	<b>11.84</b>

(Source: Finance Accounts of the State for respective years)

During 2013-14 to 2017-18, non-tax revenue showed a continuous increase from ₹ 1,661 crore in 2013-14 to ₹ 3,033 crore in 2017-18. The components of non-tax revenue for the year 2017-18 are presented in **Chart 1.11** below.

**Chart 1.11: Components of non-tax revenue**

(₹ in crore)



Collection under non-tax revenue increased by 11.84 per cent from ₹ 2,712 crore in 2016-17 to ₹ 3,033 crore in 2017-18. Receipt under ‘Power’ (₹ 2,119 crore) has been the major source of non-tax revenue (70 per cent) of the State during the year. However, the net yield from ‘Power’ was ₹ 449 crore as there was an expenditure of ₹ 1,670 crore under revenue head by the Electricity Department. There was an increase of ₹ 246 crore over the last year’s net receipt of ₹ 203 crore.

During 2008-09 to 2016-17, the CAGR of non-tax revenue (10.32 per cent) was higher than the growth rate of GCS (9.50 per cent). Compared to 2016-17, the growth rate of non-tax revenue in 2017-18 (11.84 per cent) was almost twice the growth rate of GCS (5.90 per cent) (**Appendix 1.1**).

### 1.3.6 Grants-in-aid from Government of India

Details of Grants-in-aid from GoI are shown in **Table 1.12**.

**Table 1.12: Grants-in-aid from Government of India**

	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase during the year
	(₹ in crore)					
Grants for State Plan Schemes	185.88	116.55	45.21	90.95	20.47	(-77.49)
Non-Plan grants	95.60	257.23	21.19	17.16	66.20	285.78
Grants for Central Plan Schemes	6.28	40.30	28.22	26.03	23.66	(-9.10)
Grants for Centrally Sponsored Schemes	69.44	152.48	126.56	158.47	276.66	74.58
Compensation for loss of Revenue arising out of implementation of GST	Not Applicable				357.63	--
<b>Total</b>	<b>357.20</b>	<b>566.56</b>	<b>221.18</b>	<b>292.61</b>	<b>744.62</b>	<b>154.48</b>
Total grants as a percentage of Revenue Receipts	5.54	7.37	2.59	3.06	6.74	

(Source: Finance Accounts of the State for respective years)

The grants-in-aid from GoI increased by ₹ 452 crore (155 per cent) in 2017-18 over the previous year. This increase was mainly due to allocations for Smart City Mission (₹ 110 crore) and 'Compensation for loss of Revenue arising out of implementation of GST' (₹ 358 crore). The increase was partially offset by reduction in grants under Central Road Fund (₹ 14 crore) and National Cyclone Risk Mitigation (₹ 24 crore).

### 1.3.7 Central tax transfers

Consequent upon acceptance of the recommendations of the FC XIV (award period 2015-16 to 2019-20) by GoI, the devolution to States with effect from 2015-16 was increased from 32 per cent to 42 per cent. The State's share in the net proceeds of Central tax and Service tax has been fixed at 0.378 per cent and 0.379 per cent respectively. The devolution of components of the State's share of Union taxes and duties from GoI during the period 2013-14 to 2017-18 is given in **Table 1.13**.

**Table 1.13: Devolution of different components of Central taxes and duties from GoI**

	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage of increase during the year
<i>(₹ in crore)</i>						
Central GST	Not Applicable				351.48	Not Applicable
Integrated GST	Not Applicable				257.03	Not Applicable
Corporation tax	285.42	314.46	609.34	738.76	779.68	5.54
Taxes on income other than corporation tax	187.94	224.61	426.38	513.44	658.39	28.23
Taxes on wealth	0.78	0.90	0.10	1.69	(-)0.02	(-)101.18
Customs	138.46	145.69	307.39	317.78	187.65	(-)40.95
Union Excise duties	97.78	82.23	253.10	362.89	194.37	(-)46.44
Service tax	138.15	132.69	326.47	364.63	115.68	(-)68.27
Others taxes and duties on commodities and services	Nil	Nil	0.98	0.01	Nil	(-)100
<b>Total share of net proceeds of tax</b>	<b>848.53</b>	<b>900.58</b>	<b>1923.76</b>	<b>2299.20</b>	<b>2544.26</b>	<b>10.66</b>
Devolution as a percentage of revenue receipts	13.16	11.71	22.50	24.03	23.02	

(Source: Finance Accounts of the State for respective years)

In 2017-18, the State Government's share of Union taxes and duties increased by ₹ 245 crore over the previous year and constituted 23 per cent of revenue receipts.

### 1.3.8 Grants awarded by the Fourteenth Finance Commission

The FC XIV had recommended only three types of grants-in-aid to States viz. local Government, disaster management and post-devolution revenue deficit. For the period 2017-18, the State received two types of grants from GoI i.e. grants for local Government and disaster management amounting ₹ 31.43 crore. The FC XIV did not recommend the post-devolution revenue deficit grant to the State Government, being a revenue surplus State. The details of amounts awarded and received for the year 2017-18 are shown in Table 1.14.

**Table 1.14: Details of amounts awarded and received for the award period 2017-18**

<i>(₹ in crore)</i>			
Sl. No.	Transfers	Amount awarded	Amount received
<b>1</b>	<b>Local bodies</b>		
	General Basic Grants to Panchayati Raj Institutions	23.10	11.55
	General Performance Grants to Panchayati Raj	2.97	Nil
	General Basic Grants to Urban Local Bodies	33.76	16.88
	General Performance Grants to Urban Local Bodies	9.76	Nil
<b>2</b>	<b>State Disaster Relief Fund</b>	3	3
	<b>Total</b>	<b>73.59</b>	<b>31.43</b>

(Source: Information provided by Directorate of Municipal Administration and Director of Panchayats)

The local bodies received only first installment of General Basic Grants of ₹ 28.43 crore from the Central Government for the year 2017-18 due to late submission of Utilisation Certificates of previous years. Further, the local bodies also failed to meet certain conditions<sup>15</sup> prescribed by FC XIV and therefore, not eligible for General Performance Grants of ₹ 12.73 crore for the year 2017-18.

#### 1.4 Capital receipts

The capital receipts of the State include non-debt and debt receipts, whose composition is discussed in **Paragraph 1.2**. The Public debt receipt during the year (₹ 2,006 crore) comprised internal debt of ₹ 1,928 crore (96 per cent) and loans and advances from GoI ₹ 78 crore (four per cent). Market borrowings (₹ 1,800 crore) had a predominant share of 90 per cent in the total borrowings while the remaining ₹ 128 crore (six per cent) and ₹ 78 crore (four per cent) comprised of negotiated loans and loans from GoI respectively. The trends and composition of capital receipts are shown in **Table 1.15**.

**Table 1.15: Trends in growth and composition of capital receipts**

(₹ in crore)

Sources of capital receipts	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Capital receipts</b>	<b>1362</b>	<b>1277</b>	<b>1857</b>	<b>1528</b>	<b>2013</b>
Public debt receipts	1349	1267	1847	1519	2006
Non-debt capital receipts	13	10	10	9	7
Consisting of					
a) Miscellaneous capital receipts	Nil	Nil	Nil	Nil	Nil
b) Recovery of loans and advances	13	10	10	9	7
Rate of growth of capital receipts (per cent)	(-)12.24	(-)6.24	45.42	(-)17.72	31.74
Rate of growth of GSDP(per cent)	(-)5.77	33.11	14.58	13.78	12.72
Rate of growth of public debt receipts (per cent)	(-)12.23	(-)6.08	45.78	(-)17.76	32.06
Rate of growth of non-debt capital receipts (per cent)	(-)13.33	(-)23.08	Nil	(-)10.00	(-)22.22

(Source: Finance Accounts of the State for respective years)

Capital receipts increased by ₹ 485 crore (31.74 per cent) from ₹ 1,528 crore in 2016-17 to ₹ 2,013 crore in 2017-18. Non-debt capital receipts registered a negative growth of 22 per cent from ₹ nine crore in 2016-17 to ₹ seven crore in 2017-18. The share of public debt receipts to capital receipts stood at 99.65 per cent in 2017-18.

The trends in public debt receipts during the last five years are shown in **Table 1.16**.

<sup>15</sup> Completed audited annual accounts; Increase in own revenue sources; and Publishing of service level benchmarks

Table 1.16: Trends in public debt receipts

(*₹ in crore*)

Public debt receipts	2013-14	2014-15	2015-16	2016-17	2017-18
Open market borrowings	990 (76)	800 (63)	1450 (78)	1320 (87)	1800 (90)
National small savings fund	50 (4)	115 (9)	165 (9)	0.00 (0)	0.00 (0)
Loans from other financial institutions	107 (8)	149 (12)	121 (7)	107 (7)	128 (6)
<b>Total internal debt</b>	<b>1147 (88)</b>	<b>1064 (84)</b>	<b>1736 (94)</b>	<b>1427 (94)</b>	<b>1928 (96)</b>
<b>Loans and advances from GoI</b>	<b>150 (12)</b>	<b>203 (16)</b>	<b>111 (6)</b>	<b>92 (6)</b>	<b>78 (4)</b>
<b>Total public debt receipts</b>	<b>1297</b>	<b>1267</b>	<b>1847</b>	<b>1519</b>	<b>2006</b>
<b>Public debt repayments</b>	<b>385</b>	<b>366</b>	<b>439</b>	<b>468</b>	<b>790</b>

(Source: Finance Accounts of the State for respective years)

Figures in parenthesis indicate percentage to public debt receipts

The share of open market borrowings in public debt receipts has steadily increased in the last five years except in 2014-15. As per FC XIV recommendations, the involvement of the State in the National Small Savings Fund (NSSF) Scheme is limited solely to discharging the debt obligations already incurred by it till April 2015. During 2017-18, the amount discharged towards NSSF was ₹ 190.21 crore.

The share of internal debt in total public debt receipts increased from 88 per cent in 2013-14 to 96 per cent in 2017-18. The share of loans and advances by the GoI in public debt receipts decreased from 12 per cent in 2013-14 to four per cent in 2017-18 due to discharge of debt from previous loans and less receipt of loans from GoI.

During 2017-18, the public debt receipts increased by 32 per cent (₹ 487 crore) and public debt repayment increased by 69 per cent (₹ 322 crore), resulting in a net increase of ₹ 165 crore in public debt receipts over the previous year.

### 1.5 Public account receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc., which do not form part of the consolidated fund are kept in the public account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. Here, the State Government acts as a banker/trustee for public money. The balances after disbursements are the funds available with the State Government for use for various activities. The net transactions under public account covering the period 2013-18 are indicated in Table 1.17.

Table 1.17: Net transactions under public account

( $\text{₹}$  in crore)

Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Net public account receipts</b>					
a. Small savings, provident fund etc.	115	112	113	123	236
b. Reserve fund	112	128	286	169	184
c. Deposits and advances	336	110	(-72)	(-2)	177
d. Suspense and miscellaneous	(-179)	(-180)	(-185)	(-51)	(-25)
e. Remittances	85	(-113)	(-94)	(-139)	(-164)
<b>Total</b>	<b>469</b>	<b>57</b>	<b>48</b>	<b>99</b>	<b>408</b>

(Source: Finance Accounts of the State for the respective years)

The net public account receipts increased from ₹ 99 crore in 2016-17 to ₹ 408 crore in 2017-18. The net public account receipts available for use to the State Government during 2017-18 stood at ₹ 408 crore.

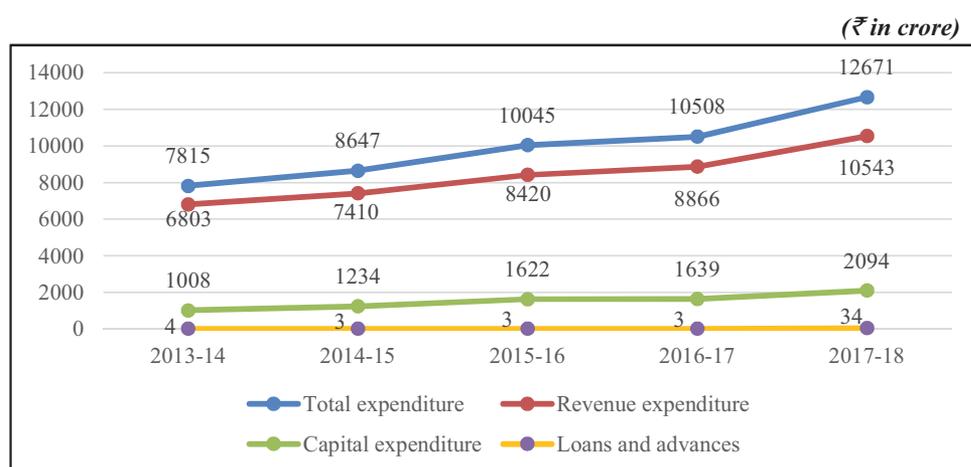
## 1.6 Application of resources

Since major expenditure responsibilities are entrusted to the State Government, allocation of expenditure at the State Government level assumes significance. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising the public expenditure financed by deficit or borrowings. It is therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially directed towards development and social sector.

### 1.6.1 Total expenditure

Chart 1.12 presents the trends in total expenditure over a period of five years (2013-18), and its composition both in terms of 'economic classification' and 'expenditure by activities' are depicted in Table 1.18 and Table 1.19 respectively.

Chart 1.12: Trends in various components of total expenditure



(Source: Finance Accounts of the State for respective years)

Total expenditure of the State increased at an average annual growth rate of 12.71 per cent during 2013-18. During 2017-18, it increased by ₹ 2,163 crore (20.58 per cent) over the previous year on account of an increase in revenue

expenditure by ₹ 1,677 crore, capital expenditure by ₹ 455 crore and disbursement of loans and advances by ₹ 31 crore.

**Table 1.18: Trends in total expenditure in terms of economic classification**

*(Share in per cent)*

Components of total expenditure	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue expenditure	87.05	85.69	83.82	84.37	83.20
Capital expenditure	12.90	14.27	16.15	15.60	16.53
Loans and advances	0.05	0.04	0.03	0.03	0.27

*(Source: Finance Accounts of the State for respective years)*

During 2013-18, the share of revenue expenditure to total expenditure decreased continuously, except for a marginal increase in 2016-17. The share of revenue expenditure to total expenditure in 2017-18 stood at 83.20 *per cent*. The share of capital expenditure to total expenditure increased continuously during 2013-18, except for a marginal decrease in 2016-17.

In term of activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. Relative share of these components in total expenditure are indicated in the **Table 1.19**.

**Table 1.19: Trends in total expenditure in terms of expenditure by activities**

*(Share in per cent)*

	2013-14	2014-15	2015-16	2016-17	2017-18
General Services	29.04	30.96	28.17	29.27	30.98
Social Services	26.05	25.52	25.23	25.68	26.73
Economic Services	32.82	31.70	34.65	32.41	29.12
Grants-in-aid	12.04	11.79	11.92	12.61	12.91
Loans and Advances	0.05	0.03	0.03	0.03	0.27

*(Source: Finance Accounts of the State for respective years)*

It may be seen from above that while share of general services, social services, loans and advances and grants-in-aid in total expenditure increased during 2017-18, there was a decrease in the share of economic services. Further, during 2013-18, economic services had the largest share amongst all three services. However, during 2017-18, the highest expenditure was under general services followed by economic services.

The share of loans and advances in total expenditure increased from 0.03 *per cent* in 2016-17 to 0.27 *per cent* in 2017-18. The increase was mainly on account of loans given to housing boards (₹ 32 crore).

The increase in social services expenditure during 2017-18 was mainly under Water Supply, Sanitation, Housing and Urban Development (₹ 398 crore); Education, Sports, Art and Culture (₹ 338 crore); and Health and Family Welfare (₹ 252 crore). Under general services, the increase was mainly under Pension (₹ 319 crore); Miscellaneous General Services (₹ 143 crore); Police (₹ 130 crore); and Interest Payments (₹ 96 crore). The decrease in economic services expenditure during 2017-18 was mainly under Industry and Minerals (₹ 31 crore).

### 1.6.2 Revenue expenditure

In the context of State finances, the quality of expenditure has always been an important issue. During the current year, revenue expenditure increased by ₹ 1,677 crore (19 per cent) over 2016-17, due to increase in expenditure on general services (₹ 644 crore), social services (₹ 810 crore) and economic services (₹ 223 crore). As compared to previous year, the growth rate of general services, social services and economic services (including grants-in-aid) was 22 per cent, 24 per cent and eight per cent respectively.

The overall revenue expenditure, its rate of growth and ratio to GSDP are indicated in **Table 1.20**.

**Table 1.20: Revenue expenditure – basic parameters**

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue expenditure (RE) (₹ in crore)	6803	7410	8420	8866	10543
Rate of growth of RE (per cent)	12.24	8.92	13.63	5.30	18.91
RE/GSDP (per cent)	18.94	15.50	15.37	14.22	15.00

(Source : Finance Accounts of the State for respective years)

Revenue expenditure increased continuously from ₹ 6,803 crore in 2013-14 to ₹ 10,543 crore in 2017-18 and grew by 18.91 per cent (₹ 1,677 crore) during 2017-18 over the previous year. The major heads that registered increase during 2017-18 include Pension and Other Retirement Benefits (₹ 319 crore), General Education (₹ 272 crore), Power (₹ 107 crore), Medical and Public Health (₹ 228 crore) and Police (₹ 130 crore).

The growth rate of revenue expenditure fluctuated widely from 5.30 per cent in 2016-17 to a high of 18.91 per cent in 2017-18. Revenue expenditure as a per cent of GSDP stood at 15 per cent during 2017-18.

### 1.6.3 Capital expenditure

Capital expenditure (₹ 2,094 crore) constituted 16.53 per cent of the total expenditure in 2017-18. The increase of ₹ 455 crore (27.76 per cent) in capital expenditure during 2017-18 over previous year was mainly on account of increase in expenditure on capital outlay on Water Supply, Sanitation, Housing, and Urban Development (₹ 185 crore); Health and Family Welfare (₹ 21 crore); and Transport (₹ 98 crore) offset by decrease in Energy (₹ 53 crore).

The percentage share of capital expenditure to total expenditure increased from 15.60 per cent in 2016-17 to 16.53 per cent in 2017-18. However, during the five year period 2013-18, capital expenditure increased by 107.73 per cent, while the total expenditure increased by 62.14 per cent during the same period. During 2017-18, capital expenditure (₹ 2,094 crore) exceeded the total public debt receipts (₹ 2,006 crore) by ₹ 88 crore.

Capital expenditure relative to GSDP of the State at 2.98 per cent was better than the neighboring States of Maharashtra (1.10 per cent), Gujarat (2.00 per cent) and Karnataka (2.70 per cent).

During 2008-09 to 2016-17, the CAGR of Capital expenditure (7.83 per cent) was lower than the growth rate of GCS (14.0 per cent). However, compared to 2016-17, the growth rate of Capital expenditure in 2017-18

(27.77 per cent) was substantially higher than the growth rate of GCS (one per cent) (Appendix 1.1).

#### 1.6.4 Subsidies

Subsidies given during the years 2013-18 are presented in Table 1.21.

**Table 1.21: Subsidies**

	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Subsidies	160.15 (2.48)	192.55 (2.50)	244.21 (2.85)	247.90 (2.59)	262.66 (2.38)
Total revenue expenditure	6803	7410	8420	8866	10543
Revenue receipts	6450	7689	8552	9565	11054

(Source: Finance Accounts of the State for respective years)  
(Figures in parenthesis indicate percentage w.r.t to revenue receipts)

The expenditure on subsidies increased by 5.95 per cent from ₹ 247.90 crore in 2016-17 to ₹ 262.66 crore in 2017-18. The major recipients of subsidy during 2017-18 were Agriculture and Allied Activities (₹ 124.58 crore) and Transport (₹ 84.67 crore). During the current year, subsidies constituted 2.38 per cent of revenue receipts and about 2.49 per cent of the total revenue expenditure.

#### 1.6.5 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. Table 1.22 and Chart 1.13 present the trends in the expenditure on these components during 2013-14 to 2017-18.

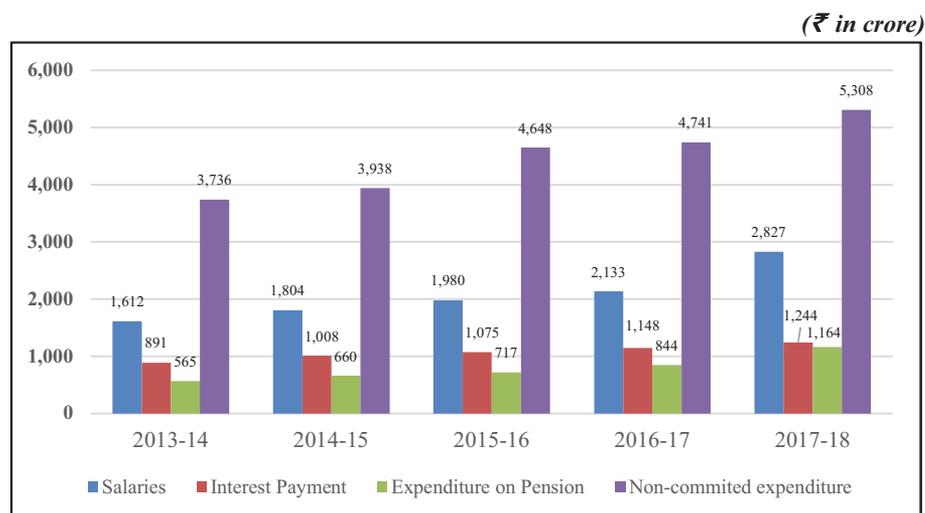
**Table 1.22: Components of committed expenditure**

	(₹ in crore)				
Components of committed expenditure	2013-14	2014-15	2015-16	2016-17	2017-18
Salaries and wages	1611.99 (24.99)	1804.25 (23.47)	1979.70 (23.15)	2132.79 (22.30)	2827.20* (25.58)
Interest payment	890.66 (13.81)	1007.53 (13.10)	1074.70 (12.57)	1148.03 (12.00)	1244.28 (11.26)
Pension	564.99 (8.76)	659.96 (8.58)	716.85 (8.38)	844.33 (8.83)	1163.59 (10.53)
<b>Total committed expenditure</b>	<b>3067.64</b> <b>(47.56)</b>	<b>3471.74</b> <b>(45.15)</b>	<b>3771.25</b> <b>(44.10)</b>	<b>4125.15</b> <b>(43.13)</b>	<b>5235.07</b> <b>(47.36)</b>
Non-committed expenditure	3735.64 (57.92)	3938.51 (51.22)	4648.31 (54.35)	4740.83 (49.56)	5307.82 (48.02)
<b>Total revenue expenditure</b>	<b>6803.28</b>	<b>7410.25</b>	<b>8419.56</b>	<b>8865.98</b>	<b>10542.89</b>
Revenue receipts	6449.77	7688.69	8552.24	9564.97	11053.52
<b>Committed expenditure as percentage of revenue expenditure</b>	<b>45.09</b>	<b>46.85</b>	<b>44.79</b>	<b>46.53</b>	<b>49.65</b>

(Source: Finance Accounts of the State for the respective years)

Figures in parentheses indicate percentage to Revenue Receipts

\*Salaries: ₹ 2797.65 crore + Wages: ₹ 29.55 crore

**Chart 1.13: Trends of committed and non-committed expenditure during 2013-18**

(Source: Finance Accounts of the State for respective years)

The committed expenditure amounted to ₹ 5,235.07 crore in 2017-18, which was 47.36 per cent of revenue receipts and 49.65 per cent of the revenue expenditure.

#### **Salaries and Wages**

The expenditure on salaries and wages during 2013-18 increased at an average annual growth rate of 14.56 per cent. In 2017-18, expenditure on salaries increased by 32.56 per cent over 2016-17, as compared to an increase of 7.73 per cent in 2016-17 over 2015-16. The increase in expenditure towards salary and wages was mainly under Administrative Services (₹ 175 crore); Education, Sports, Art and Culture (₹ 115 crore); and Health and Family Welfare (₹ 134 crore). Expenditure on salaries and wages (₹ 2,827 crore) in 2017-18 was higher by ₹ 333 crore against the projections made in RE (₹ 2,494 crore). As a percentage of revenue receipts, expenditure on salary and wages increased from 22.30 per cent in 2016-17 to 25.58 per cent in 2017-18.

#### **Pension payments**

The expenditure on pension payments during 2013-18 increased at an average annual growth rate of 19.39 per cent. There was an increase in pension payments of ₹ 319 crore (37.81 per cent) during 2017-18 over the previous year, mainly on account of implementation of seventh pay commission. Expenditure on pension in 2017-18 accounted for 10.53 per cent of the total revenue receipts of the State.

A comparative analysis of actual pension payments with the assessment/projection made by FC XIV shows that the actual pension payment (₹ 1,164 crore) during 2017-18 exceeded normative assessment of FC XIV (₹ 714 crore) by 63 per cent. Expenditure on pension and other retirement benefits to the State Government employees was 11 per cent of total revenue expenditure.

***Migration to New Pension Scheme***

In order to limit future pension liabilities, the State Government introduced the Defined Contribution Pension Scheme known as New Contributory Pension Scheme (NPS) for employees recruited after 05 August 2005. As per Scheme guidelines, it is mandatory for every employee to contribute 10 *per cent* of his/her basic pay and dearness allowance every month which is matched by the State Government and the entire amount is transferred to the designated fund manager through National Securities Depository Limited (NSDL)/Trustee Bank. The State Government signed (January 2010) an agreement with the NPS trust for fund management of the Scheme and adopted the Central framework for implementation of the Scheme.

During the year 2017-18, the State Government collected ₹ 120.07 crore from the employees as contribution towards NPS and also contributed an equal amount of ₹ 120.07 crore as its share towards the scheme. Further, against the total collected funds of ₹ 417.06 crore (including previous year's balance of ₹ 176.92 crore), the State Government transferred only ₹ 289.96 crore to the designated authority (NSDL) and did not transfer ₹ 127.10 crore to NSDL for further investment as per provisions of the Scheme. Thus, there was a short-transfer of ₹ 127.10 crore to the NSDL during 2017-18. The current liability of 2017-18 (₹ 127.10 crore) together with an interest liability of ₹ 11.10 crore (for late transfer) totaling ₹ 138.20 crore was discharged during 2018-19 in four installments between April and September 2018.

The Directorate of Accounts, Government of Goa stated (April 2019) that the process of developing software (in consultation with NIC) for enabling transfers to NSDL on a monthly basis had been taken up.

***Recommendation 1: The State Government needs to ensure that the entire contribution (made by the employees and the Government) is transferred to NSDL in a timely manner so as to avoid interest liability on the State exchequer as well as to provide an assurance to the pensioners about the returns on their investment.***

***Interest payments***

Interest payments increased at an average annual growth rate by 9.24 *per cent* from ₹ 891 crore in 2013-14 to ₹ 1,244 crore in 2017-18. During 2017-18, interest payments increased by ₹ 96 crore (8.36 *per cent*) over the previous year. Component-wise details of interest payments made by the State Government during 2013-18 are shown in **Table 1.23**.

**Table 1.23: Component-wise details of interest payments made by the State Government during 2013-18**

(₹ in crore)					
Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Interest payments</b>	<b>891</b>	<b>1008</b>	<b>1075</b>	<b>1148</b>	<b>1244</b>
Of which, interest payments made on					
<b>1. Internal debt</b>	<b>656</b>	<b>749</b>	<b>814</b>	<b>907</b>	<b>981</b>
i. Market loans	325	416	478	579	669
ii. National small savings fund (NSSF)	292	288	284	276	265
iii. National bank for agriculture and rural development (NABARD)	27	34	40	41	39
Loans from other financial institutions	11	9	7	5	5
Ways and means advances	Nil	1	4	4	1
Management of debt (payable to RBI for open market borrowings)	1	1	2	2	2
<b>2. Loans from GoI</b>	<b>23</b>	<b>23</b>	<b>21</b>	<b>19</b>	<b>18</b>
<b>Deposits, small savings and PF etc.</b>	<b>212</b>	<b>236</b>	<b>239</b>	<b>222</b>	<b>245</b>
i. Small savings and PF	140	148	159	156	172
ii. Deposits	72	88	80	66	73

(Source: Finance Accounts of the State for respective years)

Interest payments of ₹ 1,244 crore during 2017-18 constituted interest on internal debt (₹ 981 crore), loans and advances from Central Government (₹ 18 crore) and interest on small savings, PF etc. (₹ 245 crore).

The interest on internal debt increased by ₹ 74 crore (8.16 per cent) from ₹ 907 crore in 2016-17 to ₹ 981 crore in 2017-18 on account of increase in payment of interest on market loans (₹ 90 crore) offset by a decrease in payment of interest on NSSF (₹ 11 crore), NABARD (₹ two crore), ways and means advances (₹ three crore). During 2013-18, ₹ 5,366 crore had been spent on interest payments, indicating that 12.39 per cent of the total revenue receipts of last five years (₹ 43,310 crore) had been utilised on debt servicing.

#### 1.6.6 Financial assistance by State Government to local bodies and other institutions

Financial assistance to local bodies and other institutions constituted 15.55 per cent of the revenue expenditure during 2017-18.

The quantum of assistance provided by way of grants and loans to local bodies and other institutions during 2017-18 relative to the previous years is presented in Table 1.24 below.

**Table 1.24: Financial assistance to local bodies and other institutions**

(₹ in crore)						
Sl. No.	Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
1	Panchayati Raj Institutions (PRIs)	65.57	36.35	81.18	96.62	92.31
2	Urban Local Bodies (ULBs)	50.55	49.81	59.09	75.52	180.48
3	Public Sector Undertakings	42.49	49.79	63.43	73.65	60.25
4	Autonomous Bodies	641.53	701.83	768.23	862.18	990.41
5	Others	144.90	184.75	227.10	219.12	315.54
	<b>Total</b>	<b>945.04<sup>16</sup></b>	<b>1022.53<sup>17</sup></b>	<b>1199.03<sup>18</sup></b>	<b>1327.09<sup>19</sup></b>	<b>1638.99*</b>
	Assistance as percentage of RE	13.89	13.80	14.24	14.97	15.55

(Source: Finance Accounts of the State for respective years)

\* Excludes ₹ 3.74 crore pertaining to refund of grants-in-aid of previous years

<sup>16</sup> Excludes ₹ 4.02 crore pertaining to refund of grants-in-aid of the previous years

<sup>17</sup> Excludes ₹ 2.99 crore pertaining to refund of grants-in-aid of the previous years

<sup>18</sup> Excludes ₹ 2.45 crore pertaining to refund of grants-in-aid of the previous years

<sup>19</sup> Excludes ₹ 1.79 crore pertaining to refund of grants-in-aid of the previous years

Financial assistance to local bodies and other institutions continuously increased from ₹ 945.04 crore in 2013-14 to ₹ 1,638.99 crore in 2017-18. The assistance in 2017-18 increased by 23.50 *per cent* compared to previous year. As a percentage of revenue expenditure, the assistance increased from 13.89 *per cent* in 2013-14 to 15.55 *per cent* in 2017-18.

During the year 2017-18, financial assistance given to ULBs increased by ₹ 105 crore mainly due to release of more financial assistance to Municipal Corporation and Municipal Councils.

#### **1.6.6.1 State Finance Commission**

The Second State Finance Commission (SSFC) recommended (December 2007) devolution of all the 11 functions to ULBs for economic development and social justice as listed in the Goa Municipalities Act, 1968. However, only seven functions and one activity in one function have been transferred as of July 2019. In addition, the function of Urban Poverty Alleviation and the activity of Solid Waste Management under Public Health and Sanitation not recommended by SSFC have also been transferred to ULBs.

Similarly, the SSFC recommended devolution of all the 28 functions and 74 activities to Village Panchayats (VPs) and 25 functions and 47 activities to Zilla Panchayats (ZPs) for economic development and social justice as listed in Schedule I and II of the Goa Panchayat Raj Act, 1994 respectively.

The Government constituted a Committee of Group of Ministers (February 2013) to study/examine the recommendations of the SSFC on activity mapping and prepare explanatory memorandum on the recommendations of the SSFC. The report of the Committee was awaited (July 2019).

The Third State Finance Commission was constituted (January 2017); it was to submit its report within one year. The report of the commission was awaited (July 2019).

#### **1.6.6.2 Audit arrangements**

The audit of ULBs and VPs is carried out by the Comptroller and Auditor General (CAG) of India under Section 14 of CAG's (Duties, Powers and Conditions of Service) Act, 1971. The Government of Goa has entrusted Technical Guidance and Supervision over accounts and audit of Local Bodies to the CAG in November 2006. By virtue of Section 194 of the Goa Panchayat Raj Act, 1994, the CAG is the sole auditor for ZPs. The audit is conducted under Section 20 (1) of the CAG's DPC Act, 1971.

## **1.7 Quality of expenditure**

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in quality of expenditure basically involves three aspects *viz.*, adequacy of the expenditure, efficiency of expenditure use and its effectiveness.

### 1.7.1 Adequacy of public expenditure

Expenditure responsibilities relating to social sector and the economic infrastructure are assigned to the State Governments as these are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health *etc.* Low fiscal priority is attached to a particular sector, if it is below the respective national average. **Table 1.25** shows the fiscal priority of the State with regard to aggregate expenditure, development expenditure, social sector expenditure, economic sector expenditure and capital expenditure *vis-à-vis* GCS during 2013-18.

**Table 1.25: Fiscal priority of the State in 2013-14 and 2017-18**

Fiscal priority by the State	Aggregate expenditure/ GSDP	Development expenditure# / Aggregate Expenditure	Social sector expenditure / Aggregate Expenditure	Economic sector expenditure / Aggregate Expenditure	Capital expenditure / Aggregate expenditure	Education, sports, art and culture/ Aggregate expenditure	Health and family welfare/ Aggregate expenditure
General category states Average (Ratio) 2013-14	14.70	66.50	37.60	28.90	13.60	17.20	4.50
Goa's Average (Ratio) 2013-14	21.75	70.91	35.92	35.00	12.90	16.41	5.91
General Category States Average (Ratio) 2017-18	16.10	67.90	36.70	29.60	14.40	15.50	4.90
Goa's Average (Ratio) 2017-18	18.03	69.00	38.21	30.79	16.53	15.07	7.28

(Source: Finance Accounts of the State for 2013-14 and 2017-18)

# Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed

Analysis of the fiscal priorities of the State as shown in **Table 1.25** reveals the following:

- The ratio of Aggregate Expenditure (AE) to GSDP for Goa in 2013-14 and 2017-18 was higher as compared to GCS. This meant that Goa was spending more as a proportion of its GSDP when compared to GCS.
- Development expenditure (DE) as a proportion of AE for Goa was higher than GCS in 2013-14 and 2017-18. DE consists of both economic sector expenditure and social sector expenditure. The ratio of social sector expenditure to AE was lower in 2013-14 but improved in 2017-18 as compared to GCS. The expenditure on economic sector as a proportion of AE in the State was higher than the GCS average in 2013-14 and in 2017-18.
- Capital expenditure (CE) increases the asset creation which will generate opportunities for higher growth. In respect of CE to AE, the State improved its position during 2017-18 compared to GCS.

- Goa’s spending on Education, Sports, Art and Culture as a proportion of AE was less than GCS in 2013-14 and 2017-18.
- The State Government has given higher fiscal priority to health and family welfare during 2013-14 and 2017-18, as their ratios to AE were significantly higher than that of GCS.

### 1.7.2 Efficiency of expenditure use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public<sup>20</sup> and merit goods<sup>21</sup>. Apart from improving the allocation towards development expenditure<sup>22</sup>, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to AE (and/or GSDP) and proportion of revenue expenditure on operation and maintenance of the existing social and economic services. The higher the ratio of these components to AE (and/or GSDP), the better would be the quality of expenditure. **Table 1.26** presents the trends in DE relative to the AE of the State during the period 2013-18.

**Table 1.26: Development expenditure**

(₹ in crore)

Components of development expenditure	2013-14	2014-15	2015-16	2016-17	2017-18
a) Development revenue expenditure	4727 (60.48)	5040 (58.28)	5856 (58.30)	5993 (57.03)	7026 (55.45)
b) Development capital expenditure	815 (10.42)	928 (10.73)	1351 (13.45)	1435 (13.66)	1685 (13.30)
c) Development loans and advances	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	32 (0.25)
<b>Development expenditure (a+b+c)</b>	<b>5542 (70.91)</b>	<b>5968 (69.01)</b>	<b>7207 (71.75)</b>	<b>7428 (70.69)</b>	<b>8743 (69.00)</b>
<b>Total expenditure</b>	<b>7815</b>	<b>8647</b>	<b>10045</b>	<b>10508</b>	<b>12671</b>

(Source: Finance Accounts of the State for respective years)

Figures in the parentheses indicate the percentage to total expenditure

### Development expenditure

Development expenditure comprises revenue expenditure, capital expenditure and loans and advances on social and economic services. During 2017-18, growth rate of total expenditure was 20.58 per cent while the growth rate of

<sup>20</sup> Core public goods are those which all citizens enjoy in common in the sense that each individual’s consumption of such goods leads to no subtractions from any other individual’s consumption of those goods, e.g. enforcement of law and order, security and protection of citizen’s rights, pollution free air and other environmental goods and road infrastructure etc.

<sup>21</sup> Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

<sup>22</sup> The expenditure data is segregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances are categorised into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

development expenditure was 17.70 *per cent* over the previous year. As a percentage of total expenditure, it decreased from 70.91 *per cent* during 2013-14 to 69 *per cent* during 2017-18. Of the total expenditure incurred during 2017-18, development revenue expenditure accounted for 55.45 *per cent* and development capital expenditure accounted for 13.30 *per cent*.

***Development revenue expenditure***

Development revenue expenditure increased by ₹ 1,033 crore (17.24 *per cent*) from ₹ 5,993 crore in 2016-17 to ₹ 7,026 crore in 2017-18. The increase was due to increase of expenditure under social services by ₹ 810 crore and economic services by ₹ 223 crore. In Social Services, the increase was mainly under sub-sectors Education, Sports and Art and Culture (₹ 325 crore) and Health and Family Welfare (₹ 230 crore).

Out of the total development revenue expenditure of ₹ 7,026 crore incurred during 2017-18, salaries and wages accounted for ₹ 1,452 crore (20.67 *per cent*).

***Development capital expenditure***

The development capital expenditure increased by ₹ 250 crore (17.42 *per cent*) from ₹ 1,435 crore in 2016-17 to ₹ 1,685 crore in 2017-18. The increase in development capital expenditure was mainly seen under Water Supply, Sanitation, Housing and Urban Development (₹ 185 crore) and Energy (₹ 53 crore).

***Development loans and advances***

Development expenditure in respect of loans and advances during 2017-18 was ₹ 32.06 crore as against the projected BE of ₹ 102 crore and RE of ₹ 42 crore for the year 2017-18.

***1.7.2.1 Efficiency of expenditure use in select social and economic services***

**Table 1.27** shows the share of capital expenditure in total expenditure and that of salaries in revenue expenditure during 2016-18 in select sub-sectors under social and economic services.

**Table 1.27: Efficiency of expenditure use in select social and economic services**

*(in per cent)*

Social/Economic Services	2016-17		2017-18	
	Share of CE to TE in the sub-sector	Share of salaries in RE	Share of CE to TE in the sub-sector	Share of salaries in RE
<b>Social Services (SS)</b>				
Education, Sports, Art and Culture	6.69	25.03	6.19	26.90
Health and Family Welfare	8.84	71.37	8.72	67.71
Water supply, Sanitation, Housing and Urban Development	40.39	10.92	42.69	9.29
<b>Total (SS)</b>	<b>11.43</b>	<b>27.93</b>	<b>13.60</b>	<b>29.26</b>
<b>Economic Services (ES)</b>				
Agriculture and Allied Activities	19.07	35.28	16.86	42.95
Irrigation and Flood Control	52.72	34.88	47.53	37.13
Energy	12.45	14.65	9.19	19.53
Transport	58.64	25.04	60.33	29.34
<b>Total (ES)</b>	<b>27.48</b>	<b>19.57</b>	<b>26.42</b>	<b>24.76</b>
<b>Total (SS+ES)</b>	<b>19.32</b>	<b>24.24</b>	<b>19.35</b>	<b>27.42</b>

(Source: Finance Accounts of the State for 2016-17 and 2017-18)

TE: Total expenditure in the concerned sub-sector; CE: Capital Expenditure; RE: Revenue Expenditure

The trends presented in **Table 1.27** reveal that development capital expenditure as a percentage to total expenditure in select sub-sectors showed a marginal increase from 19.32 *per cent* in 2016-17 to 19.35 *per cent* in 2017-18. The share of salaries in revenue expenditure showed an increase from 24.24 *per cent* in 2016-17 to 27.42 *per cent* in 2017-18.

The percentage of capital expenditure to total expenditure on social services in the sub-sector increased from 11.43 *per cent* in 2016-17 to 13.60 *per cent* in 2017-18. The increase was mainly seen under Water Supply, Sanitation, Housing and Urban Development. The percentage of capital expenditure to total expenditure on Economic Services in the sub-sector decreased from 27.48 *per cent* in 2016-17 to 26.42 *per cent* in 2017-18. The decrease was mainly seen under Irrigation and Flood Control and Energy.

## 1.8 Analysis of Government expenditure and investments

The State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also to meet its capital expenditure/investment (including loans and advances) requirements. In addition, instead of complete dependence on market-based resources, State Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the State Government during the current year *vis-à-vis* previous years.

### 1.8.1 Financial results of irrigation works

The financial results in respect of irrigation works have not been worked out by the State Government. The State Government incurred an expenditure of ₹ 79.58 crore on maintenance of irrigation projects in the State during 2017-18, which was ₹ 12.64 crore more than the maintenance expenditure incurred during the previous year (₹ 66.94 crore).

### 1.8.2 Incomplete projects

Department-wise information of incomplete projects is given in Table 1.28.

**Table 1.28: Department-wise profile of incomplete projects**

(₹ in crore)			
Department	Number of incomplete projects	Initial budgeted cost	Cumulative actual expenditure as on 31 March 2018
Roads, Bridges and Buildings	111	437.47	331.34
Irrigation, Water Supply and Sanitation	42	434.99	872.88
<b>Total</b>	<b>153</b>	<b>872.46</b>	<b>1204.22</b>

(Source: Finance Accounts of the State and information received from Water Resources Department)

As of 31 March 2018, there were 153 incomplete projects valuing more than ₹ one crore each on which ₹ 1,204.22 crore had already been spent. Significant time and cost escalation was noticed in Tillari Irrigation project (a joint venture of Government of Maharashtra and Government of Goa) which remained incomplete due to delay in land acquisition. The cost escalation (if any) in other projects was not provided by Directorate of Accounts in the Finance Accounts.

**Recommendation 2: As delay in completion of projects entail the risk of cost escalation and denial of intended benefits to the beneficiaries, the State Government may re-evaluate the cost of all incomplete projects and evolve a mechanism for timely completion of projects.**

### 1.8.3 Investments and returns

Statement No. 19 of the Annual Finance Accounts contains the details of investments made by the State Government in Statutory Corporations, Joint Stock Companies and Co-operative Banks and Societies. As of 31 March 2018, the State Government invested ₹ 613 crore in these entities (Table 1.29).

The average return on investments was 0.27 per cent during 2013-18 while the State Government paid an average interest rate of 7.03 per cent to 7.59 per cent on its borrowings during the same period.

**Table 1.29: Return on investment**

Investment/Return/Cost of borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Investment at the end of the year (₹ in crore)	449.13	488.00	525.00	560.94	613.02
Return (₹ in crore)	1.10	1.82	1.43	0.86	1.96
Return (in percentage)	0.24	0.37	0.27	0.15	0.32
Average rate of interest on Government borrowings (in percentage)	7.44	7.59	7.30	7.09	7.03
Difference between interest rate and return (in percentage)	7.20	7.22	7.03	6.94	6.71

(Source : Finance Accounts of the State for respective years)

The table shows that during 2013-18, the State Government's investments increased by ₹ 164 crore. The increase in investments by ₹ 52.08 crore during 2017-18 over the previous year was mainly on account of increased capital

contributions in Kadamba Transport Corporation Limited (KTCL) (₹ 13.81 crore), Konkan Railway Corporation limited (₹ 18.60 crore) and Apex Co-operative Bank (₹ 15 crore). In respect of KTCL, it was seen that its net worth eroded to the extent of (-) ₹ 118.61 crore as on 31 March 2018. However, the State Government invested ₹ 13.81 crore during the year. This should have been accounted for as a grant-in-aid rather than capital expenditure.

The State Government acquired shares totaling ₹ 3.60 lakh in Joint Stock Companies during the takeover of assets of the Hospicio Trust. The acquired shares include shares of several different companies like Associated Cement Company, M/s Mahindra and Mahindra, Hindustan Unilever Limited, Forbes Gokak Limited, Bombay Dyeing, Bombay Suburban Electricity Supply Company Limited, Wimco Limited *etc.* The State Government has not earned any return on these investments<sup>23</sup> as it has failed to get the shares acquired transferred to its name.

***Recommendation 3: Since the chances of obtaining return on investment, made in Companies incurring losses and where the accumulated losses has resulted in erosion of the net-worth, are remote, the State Government should consider making future payments to these Companies in form of Grants instead of Share Capital so as to reduce the disparity in investment vis-à-vis return.***

#### **1.8.4 Departmental commercial undertakings**

There are two departmentally managed quasi-commercial undertakings viz., the Electricity Department and the River Navigation Department in the State. **Table 1.30** depicts the Department-wise position of investments made by the State Government up to the year for which proforma accounts have been audited, net profits/loss as well as return on capital invested in these undertakings.

**Table 1.30: Summarised financial Statement of departmentally managed quasi-commercial undertakings**

<i>(₹ in crore)</i>									
Sl. No.	Name of the under-taking	Period of accounts audited	Amount invested by Government	Turn-over/ income	Net profit/ loss	Accumulated profit/ loss	Interest on capital	Total return	Percentage of return on capital
1	Electricity Department	2014-15	1357.52	1245.49	(-)203.18	(-)323.13	-	(-)203.18	(-)14.97
2	River Navigation Department	2005-06	108.29	1.07	(-) 10.53	(-) 106.68	0.41	(-) 10.12	Nil

An amount of ₹ 1,465.81 crore had been invested by the State Government in the Electricity Department and the River Navigation Department (RND) at the end of the financial year up to which their accounts were finalised. As per the accounts for the year 2014-15, the Electricity Department suffered a net

<sup>23</sup> Except for dividends received from Laxmi Mills Company Limited and Peria Karmalai Tea and Produce Company Limited during 2016-17

loss of ₹ 203.18 crore against a capital investment of ₹ 1,357.52 crore, thereby yielding negative return of 15 per cent.

The RND was incurring losses every year and the accumulated loss as at the end of the year 2005-06 was ₹ 106.68 crore against the total investment of ₹ 108.29 crore.

**Recommendation 4: The State Government needs to review the working of the departmentally managed quasi-commercial undertakings so as to wipe out their losses in the short run and to make them self-sustaining in the medium to long-term.**

### 1.8.5 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the State Government has also been providing loans and advances to many of these institutions/organisations. **Table 1.31** presents the outstanding loans and advances as on 31 March 2018, interest receipts *vis-à-vis* interest payments during the last three years.

**Table 1.31: Average interest received on loans and advances given by the State Government**

	(₹ in crore)		
Quantum of loans/interest receipts/cost of borrowings	2015-16	2016-17	2017-18
Opening Balance	83.65	76.14	71.03
Amount advanced during the year	2.69	3.41	33.93
Amount repaid during the year	10.20	8.52	7.15
<b>Closing Balance</b>	<b>76.14</b>	<b>71.03</b>	<b>97.81</b>
of which, Outstanding balance for which terms and conditions have been settled	-	-	-
Net addition	(-)7.51	(-)5.11	26.78
Interest Receipts	2.58	2.30	1.79
Interest receipts as <i>per cent</i> to average of outstanding Loans and advances	3.22	3.12	2.12
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.90	6.82	6.71
Difference between interest payments and interest receipts ( <i>per cent</i> )	(-)3.68	(-)3.70	(-)4.59

(Source: Finance Accounts of the State for respective years)

The total amount of outstanding loans and advances increased from ₹ 76.14 crore in 2016-17 to ₹ 97.81 crore in 2017-18. Loans advanced during the year increased from ₹ 3.41 crore in 2016-17 to ₹ 33.93 crore in 2017-18 mainly on account of loans and advances (₹ 32.00 crore) disbursed to Housing Boards in the State and ₹ 1.87 crore to Government Servants for purchase of motor conveyances and computers. The average interest earned by the State on loans decreased from 3.22 per cent to 2.12 per cent during 2015-18 while the State Government paid an average interest of 6.71 per cent to 6.90 per cent on its borrowings.

Interest spread on Government borrowings was negative during the period 2015-18 which indicated that the State borrowings were more expensive than the loans advanced by it.

1.8.6 Cash balances and investment of cash balances

Table 1.32 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.32: Cash balances and investment of cash balances

(₹ in crore)			
	Opening balance on 1 April 2017	Closing balance on 31 March 2018	Increase(+)/ Decrease (-)
<b>(a) General Cash Balance</b>			
Cash in Treasuries	0.00	0.00	0.00
Deposits with Reserve Bank	(-)126.49	(-)6.51	119.98
Remittances in transit - Local	0.00	0.00	0.00
Investments held in cash balance investment account	344.25	153.16	(-)191.09
<b>Total (a)</b>	<b>217.76</b>	<b>146.65</b>	<b>(-)71.11</b>
<b>(b) Other cash balances and investments</b>			
Cash with departmental officers viz., Public Works Department Officers, Forest Department Officers, District Collectors etc.	1.48	1.48	0.00
Permanent advances for contingent expenditure with departmental officers	0.29	0.30	0.01
Investment of earmarked funds	762.67	847.34	84.67
<b>Total (b)</b>	<b>764.44</b>	<b>849.12</b>	<b>84.68</b>
<b>Grand total (a)+ (b)</b>	<b>982.20</b>	<b>995.77</b>	<b>13.57</b>
Interest realised	3.78	8.99	5.21

(Source: Finance Accounts of the State)

The State Government's cash balances of ₹ 996 crore at the end of the current year showed an increase of ₹ 13.57 crore (1.38 per cent) over the previous year. During the year, the State Government invested ₹ 153 crore in GoI Treasury Bills which earned an interest of ₹ 8.99 crore. Further, ₹ 847 crore was invested in earmarked/reserve funds which earned an interest of ₹ 54.67 crore<sup>24</sup> during the year. The transactions under earmarked/reserve funds are discussed in Paragraph 1.9.3.

There was also an outstanding balance under 'Cheques and Bills' amounting to ₹ 15.15 crore. Hence, the resultant effective cash balance of the State Government as on 31 March 2018 was ₹ 133.28 crore<sup>25</sup> which was 1.05 per cent of the total expenditure of the State Government (₹ 12,671 crore) during the year.

During 2017-18, the State Government obtained ways and means advances on 88 occasions totaling ₹ 1,155.07 crore. This was repaid to RBI during the year. The State Government paid ₹ 0.80 crore as interest on these ways and means advances. No overdrafts were availed of by the State Government during the year.

<sup>24</sup> State Disaster Response Fund: ₹ 2.19 crore; Consolidated Sinking Fund: ₹ 35.53 crore; Guarantee Redemption Fund: ₹ 16.95 crore

<sup>25</sup> Cash balance (₹ 995.77 crore)- Investment in earmarked funds (₹ 847.34 crore)- Outstanding balance under 'Cheques and bills' (₹ 15.15 crore)

### 1.8.7 Outstanding balances under the head ‘Cheques and Bills’

The Major Head-8670-Cheques and Bills is an intermediary account head for initial record of transactions representing the amount of un-encashed cheques which are to be cleared eventually. As on 31 March 2018, there was an outstanding balance of ₹ 15.15 crore under this Major Head. The outstanding balance in the current year reduced by ₹ 24.47 crore compared to the previous year.

## 1.9 Assets and Liabilities

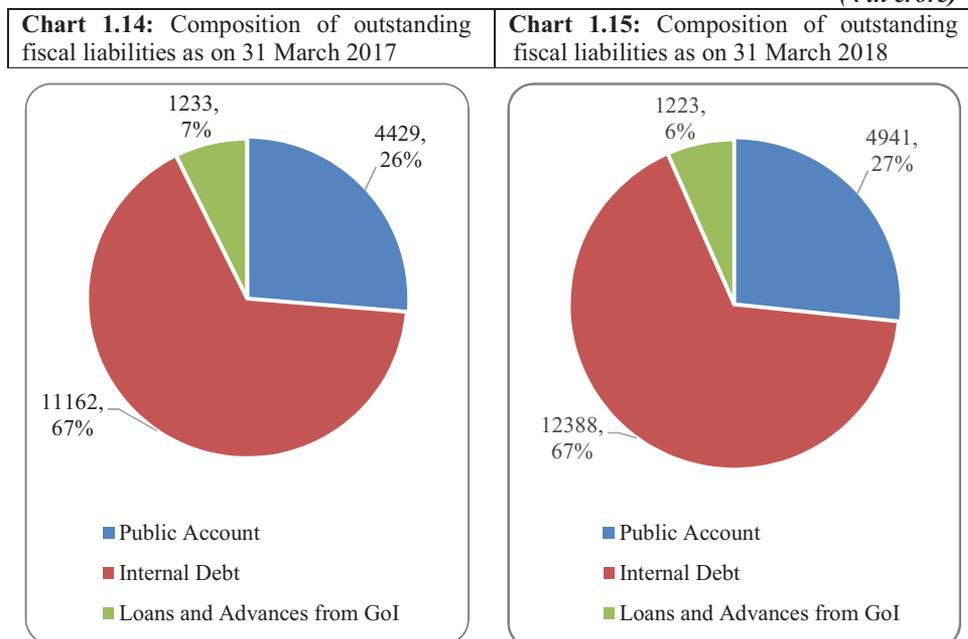
### 1.9.1 Growth and composition of assets and liabilities

In the existing Government accounting system, comprehensive accounting of 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. **Appendix 1.3, Part B** gives an abstract of such liabilities and the assets as on 31 March 2018, compared with the corresponding position as on 31 March 2017. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the public account and reserve funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

### 1.9.2 Fiscal liabilities

The composition of fiscal liabilities<sup>26</sup> during 2017-18 *vis-à-vis* the previous year is presented in **Charts 1.14 and 1.15**.

(₹ in crore)



(Source: Finance Accounts of the State)

<sup>26</sup> Internal debt (market loans, loans from NSSF, ways and means advances and loans from other financial institutions), loans and advances from GoI, liabilities arising from the transactions in the Public Account of the State

**Chart 1.15** shows that the outstanding fiscal liabilities of the State Government at the end of financial year 2017-18 (₹ 18,552 crore) comprised internal debt of ₹ 12,388 crore (67 per cent), public account of ₹ 4,941 crore (27 per cent) and loans and advances from GoI of ₹ 1,223 crore (six per cent). The internal debt largely comprised of market loans (₹ 9,160 crore), special securities issued to NSSF (₹ 2,540 crore) and NABARD (₹ 620 crore).

The trends in fiscal liabilities related to GSDP, revenue receipts and own resources are shown in **Table 1.33**.

**Table 1.33: Fiscal liabilities – basic parameters**

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Fiscal liabilities (₹ in crore)</b>	12695	13877	15575	16824	18552
Rate of growth (per cent)	13.03	9.31	12.24	8.02	10.27
<b>Ratio of fiscal liabilities to:</b>					
GSDP (per cent)	35.34	29.02	28.43	26.99	26.40
Revenue receipts (per cent)	196.82	180.48	182.12	175.89	167.83
Own resources (per cent)	242.09	223.03	243.09	241.27	238.93
<b>Buoyancy of fiscal liabilities to</b>					
GSDP (ratio)	*	0.28	0.84	0.58	0.81
Revenue receipts (ratio)	1.25	0.48	1.09	0.68	0.66
Own resources (ratio)	1.32	0.50	4.12	0.91	0.90

(Source: Finance Accounts of the State for respective years)

\*Growth rate of GSDP being negative for 2013-14, buoyancy cannot be calculated

**Table 1.33** shows that the overall fiscal liabilities of the State increased by 10.27 per cent from ₹ 12,695 crore in 2013-14 to ₹ 18,552 crore at the end of 2017-18. Over a period of five years, the ratio of fiscal liabilities to GSDP reduced from 35.34 per cent in 2013-14 to 26.40 per cent in 2017-18. This was only marginally higher than the target fixed (25 per cent) in the Goa FRBM (First Amendment) Act, 2014 and 25.31 per cent projected by FC XIV. The fiscal liabilities were nearly 1.68 times the revenue receipts and more than twice the State's own resources during 2017-18.

### 1.9.3 Transactions under reserve funds

There were eight reserve funds earmarked for specific purposes during 2017-18 of which, four funds were inoperative with a balance of ₹ 24.68 crore. The total accumulated balance in these funds as on 31 March 2018 was ₹ 1,719.77 crore of which, ₹ 847.34 crore was invested. Transactions under reserve fund during 2017-18 are shown in **Appendix 1.6**. An account of these funds is included in Statement No. 22 of Finance Accounts 2017-18.

**Recommendation 5: The State Government may review the inoperative reserve funds and take necessary action to close these inoperative reserve funds.**

#### 1.9.3.1 State disaster response fund

As per recommendation of the Thirteenth Finance Commission, the State Government had been operating the 'State disaster response fund' with effect from 2010-11. In terms of GoI guidelines (September 2010), the Central and

State Governments were required to contribute to the fund in the ratio of 75:25.

As on 01 April 2017, the fund had an opening balance of ₹ 40.39 crore. During 2017-18, the State Government transferred ₹ 6.19 crore (Central share: ₹ three crore, State share: ₹ one crore and interest: ₹ 2.19 crore) to the fund. Of the total available balance of ₹ 46.58 crore, an expenditure of ₹ 0.42 crore was incurred during the year, leaving a balance of ₹ 46.16 crore in the fund at the end of March 2018. Out of ₹ 46.16 crore, the Government invested ₹ 27.89 crore during the year and the remaining ₹ 18.27 crore was held in cash.

### **1.9.3.2 Consolidated sinking fund**

The State Government constituted a consolidated sinking fund from 1999-2000 for amortisation of outstanding liabilities. The Scheme for ‘Constitution and Administration of the Consolidated Sinking Fund of Government of Goa’ notified on 17 December 2009 provided for a minimum annual contribution by the State Government at 0.5 per cent of the outstanding liabilities at the end of the previous financial year.

The fund had an opening balance of ₹ 491.01 crore on 01 April 2017. The State Government made a contribution ₹ 20 crore to the fund during 2017-18. Interest credited to the fund during the year was ₹ 35.53 crore. The fund had a balance of ₹ 546.54 crore as on 31 March 2018.

### **1.9.4 Contingent liabilities**

#### **Status of guarantees**

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of defaults by borrowers for whom guarantees have been extended by the State Government. The maximum amount for which guarantees were given by the State Government and outstanding guarantees for the last three years is given in **Table 1.34**.

**Table 1.34: Guarantees given by the Government of Goa**

<b>Guarantees</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Ceiling limit on Government guarantees	1500.00	1500.00	1500.00
Maximum amount guaranteed	712.65	932.01	961.75
Outstanding amount of guarantees	622.55	841.91	740.94
Percentage of outstanding amount of guarantees to total revenue receipts	7.28	8.80	6.70

*(Source: Finance Accounts of the State for respective years)*

The Goa Legislature fixed (September 2015) a limit of ₹ 1,500 crore on the outstanding guarantees. The outstanding guarantees at ₹ 741 crore during 2017-18 were well within the ceiling limit specified by the Legislature. Of the total outstanding guarantees of ₹ 741 crore, ₹ 372 crore (50.20 per cent) pertained to Goa State Infrastructure Development Corporation, and ₹ 69 crore (9.31 per cent) pertained to Sewage and Infrastructure Development Corporation. The outstanding guarantees accounted for 6.70 per cent of the total revenue receipts of the State Government

(₹ 11,054 crore). The State Government has exempted the borrowing institutions from the payment of guarantee fee.

The State Government set up a guarantee redemption fund during 2003-04 with the objective of meeting payment obligations arising out of guarantees issued by it. At the beginning of the year, ₹ 245.96 crore was available in the fund. With contribution of ₹ 10 crore and interest received on the investment at the end of the year (₹ 16.95 crore), the closing balance in the fund was ₹ 272.91 crore. The entire balance of ₹ 272.91 crore was reinvested in Government securities. During 2017-18, no amount was paid by the State Government on account of invocation of guarantees.

## 1.10 Debt management

### 1.10.1 Debt sustainability

Debt sustainability implies State's ability to service the debt in future. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. Analysis of various debt sustainability indicators for the period from 2013-14 to 2017-18 is given in **Table 1.35**.

**Table 1.35: Debt Sustainability: Indicators and trends**

Indicators of debt sustainability	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Interest Payment	891	1008	1075	1148	1244
Burden of interest payment in <i>per cent</i> (IP/RR)	13.81	13.11	12.58	12.00	11.25
Debt repayment	880	2075	3595	3183	2888
Debt receipts	2343	3257	5293	4432	4616
Net debt available to the State	572	174	623	101	484

(Source: Finance Accounts of the State for the respective years)

### Net availability of borrowed funds

Net availability of borrowed funds is defined as the ratio of the debt redemption (principal and interest payments) to total debt receipts and indicates the extent to which the debt receipts were used for redemption of old debts. During 2017-18, net availability of borrowed funds increased from ₹ 101 crore in 2016-17 to ₹ 484 crore in 2017-18.

### Interest burden

The ratio of interest payments to revenue receipts is one of the indicators that determine the debt sustainability of the State. The ratio of interest payments to revenue receipts, during the year 2017-18 was 11.25 *per cent*. This was less than the projected ratio (12.04 *per cent*) prescribed by the FC XIV.

### Servicing of Public Debt

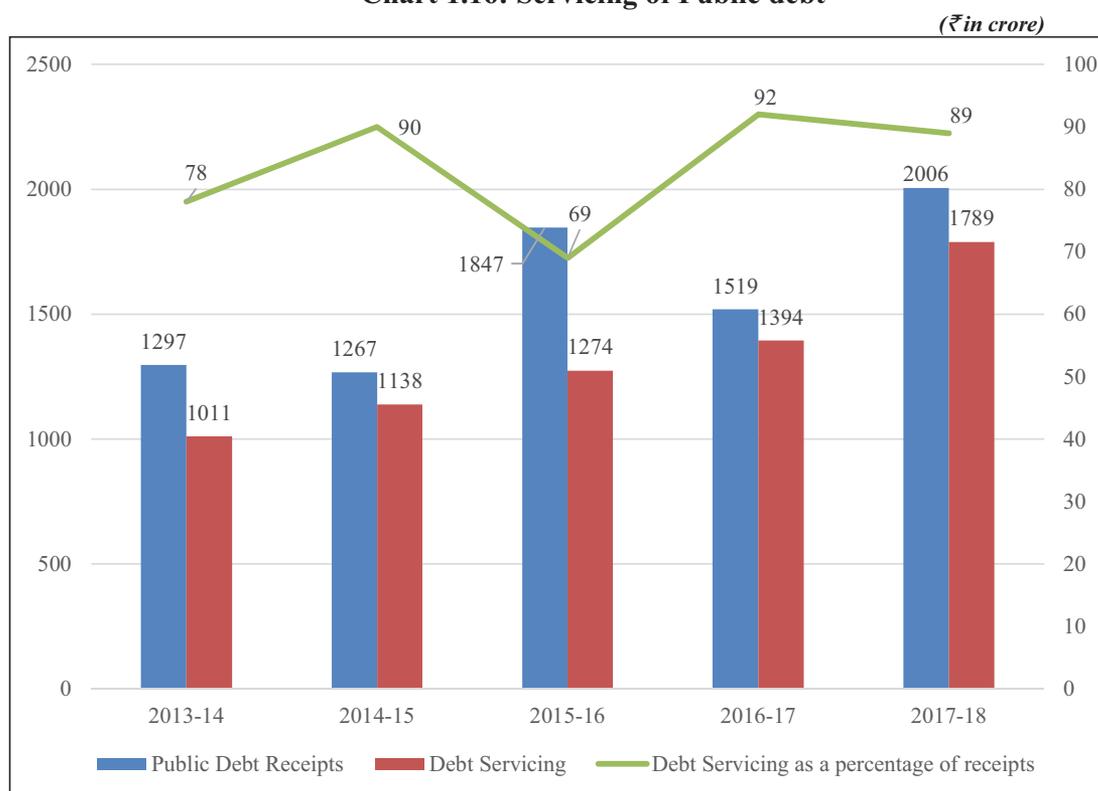
The interest payment and repayment of principal on public debt for the period from 2013-14 to 2017-18 is given in **Table 1.36**.

Table 1.36: Servicing of Public Debt

Period	Public Debt									Debt servicing			As a percentage of receipts
	Public Debt Receipts			Repayment of Principal			Interest payment			(Repayment of principal + interest payment)			
	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	
2013-14	1147	150	1297	306	26	332	656	23	679	962	49	1011	78
2014-15	1064	203	1267	338	28	366	749	23	772	1087	51	1138	90
2015-16	1736	111	1847	412	27	439	814	21	835	1226	48	1274	69
2016-17	1427	92	1519	441	27	468	907	19	926	1348	46	1394	92
2017-18	1928	78	2006	702	88	790	981	18	999	1683	106	1789	89
<b>Total</b>			<b>7936</b>			<b>2395</b>			<b>4211</b>			<b>6606</b>	<b>83</b>

(Source: Finance Accounts of the State for the respective years)

Chart 1.16: Servicing of Public debt



It can be seen from **Table 1.36** and **Chart 1.16** that during 2013-18, 78 per cent to 92 per cent of the public debt receipts were used for debt servicing. In 2017-18, the debt servicing out of public debt receipts was 89 per cent as against 92 per cent in 2016-17. Thus, the average expenditure on debt servicing during 2013-18 was ₹ 1,321 crore which accounted for 83 per cent of average public debt receipts (₹ 1,587 crore) during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth. However, increase in public account balances provides the other source to meet the deficit.

### 1.10.2 Debt maturity profile

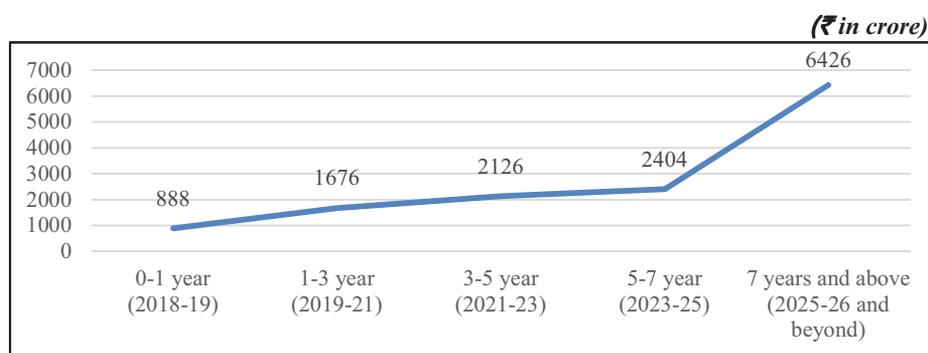
Of the total outstanding liabilities of ₹ 18,552 crore as at the close of 2017-18, ₹ 4,941 crore pertained to ‘Other Liabilities’. The maturity profile of the remaining public debt (₹ 13,611 crore) is shown in **Table 1.37** and **Chart 1.17**.

**Table 1.37: Maturity profile of State debt**

Maturity Profile (in years)	Amount (₹ in crore)	Per cent
0 – 1	887.53	6.52
1 – 3	1676.06	12.31
3 – 5	2125.89	15.62
5 – 7	2403.93	17.66
7 and above	6426.39	47.22
Loans pertaining to Ex-Union Territory	91.30	0.67
<b>Total</b>	<b>13611.10</b>	<b>100</b>

(Source: Finance Accounts of the State)

**Chart 1.17: Maturity profile of the State debt**



(Source: Finance Accounts of the State)

The maturity profile of the State debt indicates that the liability of the State to repay the debt during the periods 2018-19, 2019-21 and 2021-23 would be ₹ 888 crore, ₹ 1,676 crore and ₹ 2,126 crore respectively, which may put a strain on the Government budget during that period. Further, ₹ 7,093.41 crore *i.e.* 52.11 *per cent* of the total public debt would be repayable within the next seven years. Therefore, the State Government would have to work out a well-thought out borrowing-repayment strategy to avoid falling into a debt trap.

**Recommendation 6:** *The State Government may consider developing a debt sustainability framework for achieving improved long-term sustainability in fiscal deficit management and to guide the borrowing decisions of the State in a way that matches their financing needs with current and prospective repayment.*

### 1.11 Fiscal Imbalances

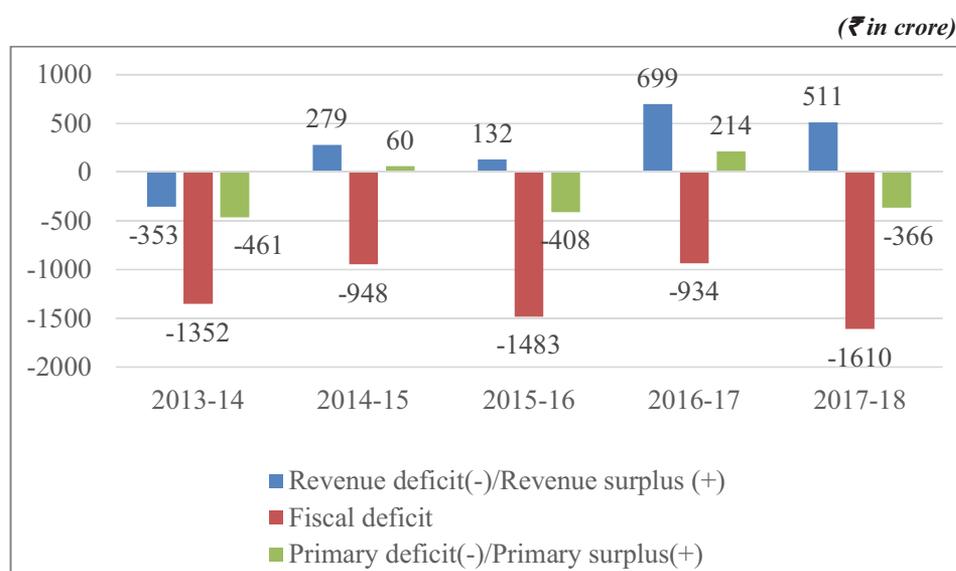
Three key fiscal parameters *viz.*, ‘revenue, fiscal and primary deficits’ indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government

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. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* the targets set under Goa FRBM (First Amendment) Act, 2014.

### 1.11.1 Trends in deficits

Chart 1.18 presents the trends in deficit indicators over the period 2013-18.

Chart 1.18: Trends in deficit indicators



The revenue surplus of ₹ 132 crore in 2015-16 increased to ₹ 699 crore in 2016-17 and decreased to ₹ 511 crore during 2017-18. The decrease in revenue surplus during the current year was on account of increase of ₹ 1,677 crore (18.91 *per cent*) in the revenue expenditure against increase of ₹ 1,489 crore (15.56 *per cent*) in revenue receipts.

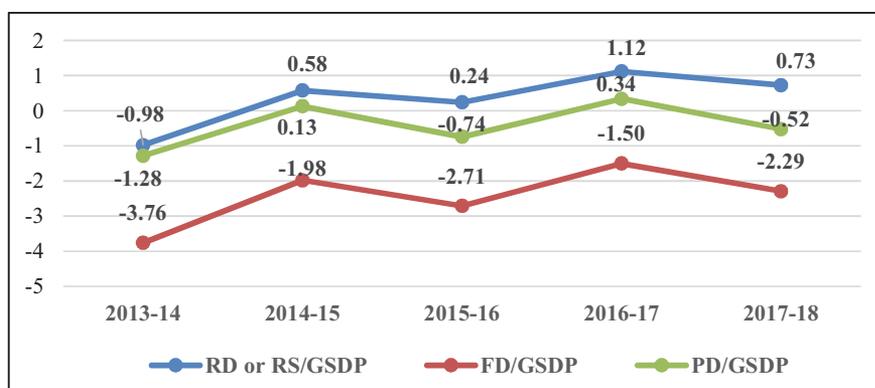
Fiscal deficit normally represents the net incremental liabilities of the Government or its additional borrowings. The shortfall could be met either by additional public debt (internal or external) or by the use of surplus funds from Public Account. The fiscal deficit showed a fluctuating trend during the last five years. It declined from ₹ 1,352 crore in 2013-14 to ₹ 948 crore in 2014-15. Thereafter, the fiscal deficit increased to ₹ 1,483 crore in 2015-16 and again decreased to ₹ 934 crore in 2016-17. During 2017-18, the fiscal deficit (₹ 1,610 crore) increased by ₹ 676 crore (72.38 *per cent*) over the previous year on account of increase in capital expenditure by ₹ 455 crore, net loans and advances by ₹ 33 crore and decrease in revenue surplus by ₹ 188 crore.

However, the fiscal deficit as a percentage of GSDP (2.29 *per cent*) in the current year was within the limit of three *per cent* fixed by the Goa FRBM (First Amendment) Act, 2014 and the FC XIV.

An increase of ₹ 676 crore in fiscal deficit during 2017-18 together with an increase of ₹ 96 crore in interest payment over the previous year turned the primary surplus of ₹ 214 crore in 2016-17 to primary deficit of ₹ 366 crore in 2017-18.

Chart 1.19 shows the trends in deficit indicators related to GSDP.

**Chart 1.19: Trends in deficit indicators relative to GSDP**



(Source: Finance Accounts of the State for respective years)

RD: Revenue deficit; RS: Revenue surplus; FD: Fiscal deficit; PD: Primary deficit

### 1.11.2 Composition of fiscal deficit and its financing pattern

The financing pattern of fiscal deficit during 2013-18 is reflected in Table 1.38.

**Table 1.38: Components of fiscal deficit and its financing pattern**

(₹ in crore)

	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Composition of fiscal deficit*</b>		<b>(-1352)</b>	<b>(-948)</b>	<b>(-1483)</b>	<b>(-934)</b>	<b>(-1610)</b>
1	Revenue deficit(-)/surplus(+)	(-353)	279	132	699	511
2	Net capital expenditure <sup>27</sup>	(-1008)	(-1234)	(-1622)	(-1639)	(-2094)
3	Net loans and advances	9	7	7	6	(-27)
<b>Financing pattern of fiscal deficit*</b>						
1	Market borrowings	881	667	1285	1171	1400
2	Special securities issued to NSSF	(-83)	(-15)	11	(-194)	(-190)
3	Loans from financial institutions	41	74	28	9	16
4	Loans from GoI	124	175	84	65	(-10)
5	Small savings, PF etc.	115	112	113	122	236
6	Deposits and advances	336	110	(-72)	(-2)	177
7	Suspense and miscellaneous	(-179)	(-180)	(-186)	(-51)	(-25)
8	Remittances	86	(-114)	(-93)	(-139)	(-164)
9	Reserve fund	111	128	286	169	184
10	Contingency fund	(-1)	-	-	-	-
11	<b>Total (1 to 10)</b>	<b>1431</b>	<b>957</b>	<b>1456</b>	<b>1150</b>	<b>1624</b>
12	Increase(+)/Decrease(-) in cash	79	9	(-27)	216	14

(Source: Finance Accounts of the State Government for respective years)

\*Figures are net of disbursements/outflows during the year

<sup>27</sup> Net capital expenditure is the total of miscellaneous capital receipts minus capital expenditure

**Table 1.38** reveals that during the last five years, market borrowings and net accretions to Public Account (small savings, reserve fund *etc.*) had been the main sources utilised by the State Government to finance fiscal deficit. During 2017-18, net market borrowings (₹ 1,400 crore) and net accretions to small savings, PF *etc.* (₹ 236 crore) were used for bridging the fiscal deficit of the State.

During 2017-18, the State Government raised ₹ 1,800 crore as market loans at an average rate of 7.70 *per cent*, ₹ 128 crore from NABARD at 4.78 *per cent*. The State Government also received loans amounting to ₹ 78 crore from GoI during the year for externally aided projects.

#### **Quality of deficit/surplus**

The ratio of revenue deficit to fiscal deficit and the bifurcation of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) indicate the quality of deficit in the State’s finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Persistent high ratio of revenue deficit to fiscal deficit indicates that the asset base of the State is continuously shrinking and a part of the borrowings (fiscal liabilities) did not have adequate assets backup.

The bifurcation of the primary deficit (**Table 1.39**) indicated the extent to which the deficit was on account of increase in capital expenditure, which may be desirable to improve the productive capacity of the State’s economy.

**Table 1.39: Primary deficit/surplus – bifurcation of factors**

(₹ in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and advances disbursed	Primary expenditure	Primary revenue deficit(-)/surplus(+)	Primary deficit (-)/surplus (+)
1	2	3	4	5	6(3+4+5)	7(2-3)	8(2-6)
2013-14	6463	5912	1008	4	6924	551	(-)461
2014-15	7699	6402	1234	3	7639	1297	60
2015-16	8562	7345	1622	3	8970	1217	(-)408
2016-17	9574	7718	1639	3	9360	1856	214
2017-18	11061	9299	2094	34	11427	1762	(-)366

(Source: Finance Accounts of the State for respective years)

Non-debt receipts of the State were sufficient to meet the primary expenditure requirements under revenue account. During 2013-14, 2015-16 and 2017-18, non-debt receipts were insufficient to meet the primary expenditure resulting in primary deficit. However, during 2014-15 and 2016-17, incremental non-debt receipts were sufficient to meet the primary expenditure resulting in primary surplus in these two years.

#### **1.12 Follow up**

The State Finances Audit Report is being presented to the State Legislature from 2008-09 onwards. The Public Accounts Committee (PAC) discussed the paragraphs from the State Finances Audit Reports for the years 2008-09 and 2009-10, and recommendations of the PAC have been issued for these Reports.



# **CHAPTER – II**

## **FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**



## CHAPTER II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Appropriation accounts are the accounts of expenditure of the Government for each financial year, compared with the amounts of the grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act. These accounts depict distinctly the original budget estimates, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation accounts, thus, facilitate understanding of utilisation of funds and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

**2.1.2** Audit of appropriation accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the laws, relevant rules, regulations and instructions.

**2.1.3** The Finance Department of the State Government is responsible for preparation of the annual budget by obtaining estimates from various Departments. The Departmental estimates of receipts and expenditure are prepared by controlling officers on the advice of the heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department scrutinises the estimates and prepares the detailed estimates called 'Demand for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of the utmost foresight both in estimating revenue and anticipating expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in budgetary control are discussed in the subsequent paragraphs.

#### 2.2 Summary of appropriation accounts

There are 59 Departments in the State at the Secretariat level each headed by a Principal Secretary/Secretary. Each Department is operating one or more demands and the demand for grant generally reflects the allocation for a Department. The summarised position of actual expenditure during 2017-18 against 85 grants/appropriations is as given in **Table 2.1**.

**Table 2.1: Summarised position of actual expenditure vis-à-vis original/supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess(+)
<b>Voted</b>	I. Revenue	9436.69	942.69	10379.38	9334.68	(-)1044.70
	II. Capital	4287.26	508.24	4795.50	2116.34	(-)2679.16
	III. Loans and advances	104.63	0.70	105.33	33.93	(-)71.40
<b>Total voted</b>		<b>13828.58</b>	<b>1451.63</b>	<b>15280.21</b>	<b>11484.95</b>	<b>(-)3795.26</b>
<b>Charged</b>	I. Revenue	1321.24	32.33	1353.57	1286.98	(-)66.59
	II. Capital	0.00	3.70	3.70	2.14	(-)1.56
	III. Public debt	877.18	730.00	1607.18	1945.16	337.98
<b>Total charged</b>		<b>2198.42</b>	<b>766.03</b>	<b>2964.45</b>	<b>3234.28</b>	<b>269.83</b>
<b>Grand total</b>		<b>16027.00</b>	<b>2217.66</b>	<b>18244.66</b>	<b>14719.23</b>	<b>(-)3525.43</b>

(Source: Appropriation Accounts 2017-18)

*Note: The expenditure includes the recovery adjusted as reduction of expenditure under revenue expenditure amounting to ₹78.77 crore and capital expenditure amounting to ₹24.41 crore as detailed in Appendix II of Appropriation Accounts*

Supplementary provisions of ₹ 2,217.66 crore obtained during the year constituted 13.84 per cent of the original provision against 8.19 per cent in the previous year.

The overall savings of ₹ 3,525.43 crore were the result of savings of ₹ 4,037.39 crore in 80 grants and three appropriations under the Revenue Section and 65 grants under the Capital Section offset by an excess of ₹ 511.96 crore in three grants and one appropriation (A2).

As may be seen from **Table 2.1**, against the original provision of ₹ 16,027 crore, the actual expenditure incurred was ₹ 14,719.23 crore (91.84 per cent).

## 2.3 Financial accountability and budget management

### 2.3.1 Excess expenditure over appropriation not regularised

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess expenditure over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to ₹ 5,865.65 crore in 14 grants and nine appropriations for the years 2008-09 to 2017-18 was yet to be regularised, as detailed in **Table 2.2**.

**Table 2.2: Excess over provision requiring regularisation**

(₹ in crore)

Year	No. of grant	No. of appropriation	Amount of excess over provision
2008-09	2	-	0.01
2009-10	1	-	7.57
2010-11	1	1	2.74
2011-12	-	1	18.88
2012-13	-	1	52.10
2013-14	3	1	97.51
2014-15	1	2	1161.23
2015-16	1	1	2330.45
2016-17	2	1	1683.20
2017-18	3	1	511.96
<b>Total</b>	<b>14</b>	<b>9</b>	<b>5865.65</b>

(Source: Appropriation Accounts of the State for respective years)

The excess expenditure of ₹ 5,865.65 crore requires regularisation under Article 205 of the Constitution of India. The major defaulting Departments during the last five years were Finance Department and Treasury and Accounts Administration, North Goa. This is in violation of Article 204 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund of State except under appropriation made by Law by the State Legislature.

### 2.3.2 Appropriations vis-à-vis allocative priorities

During 2017-18, total gross savings under various grants/appropriations amounted to ₹ 4,037.40 crore, which was 22 per cent of the total authorisation (₹ 18,244.67 crore).

Of the total gross savings of ₹ 4,037.40 crore, savings of ₹ 100 crore or more amounting to ₹ 1,779.77 crore (44 per cent) had occurred in five grants as shown in Table 2.3.

**Table 2.3: Details showing grants/appropriations where savings exceeded ₹ 100 crore**

(₹ in crore)

Sl. No.	Grant/Appropriation	Total provision	Actual expenditure	Savings
<b>Revenue (Voted)</b>				
1	55- Municipal Administration	315.44	200.64	114.80
<b>Capital (Voted)</b>				
2	13- Transport	153.15	47.73	105.42
3	21- Public Works Department	1550.07	712.46	837.61
4	32- Finance	750.00	321.45	428.55
5	76- Electricity	462.42	169.03	293.39
	<b>Total</b>	<b>3231.08</b>	<b>1451.31</b>	<b>1779.77</b>

(Source: Appropriation Accounts of the State)

The reason furnished for unspent provisions under these grants as reported in appropriation accounts of 2017-18 were as under:

**55- Municipal Administration:** The savings of ₹ 114.80 crore was attributed to non-receipt of proposal from Goa State Urban Development Authority for implementation of Schemes like Integrated Development of Major Towns and Rajiv Awas Yojana. Other reason for savings was low demand for grants from Municipal Councils.

**13- Transport:** The savings of ₹ 105.42 crore in the capital head of account was mainly attributed to less demand for investments from Kadamba Transport Corporation Limited and Konkan Railway Corporation Limited.

**21- Public Works Department:** The main reasons for savings (₹ 837.61 crore) were due to non-receipt of cash assignment from Government and non-implementation of new Schemes during the year.

**32- Finance:** The savings of ₹ 428.55 crore were mainly due to fewer claims made by Goa State Infrastructure Development Corporation against the funds provisioned by the State Government for infrastructure development.

**76- Electricity:** Main reasons for savings (₹ 293.39 crore) were non-implementation of Schemes, less works undertaken by the Electricity Department and non-finalisation of tenders in time.

### **2.3.3 Unnecessary/excessive supplementary provisions**

Supplementary provisions (₹ 10 crore or more in each case) aggregating ₹ 693.31 crore obtained in 17 cases during the year proved unnecessary. The expenditure incurred (₹ 3,700.91 crore) did not reach the levels of original provision of ₹ 5,076.09 crore as detailed in **Appendix 2.1**. Some cases are briefly discussed below.

**32- Finance Department (Revenue-Voted):** Supplementary provision of ₹ 10 crore was made to meet increased expenditure under reimbursement of infrastructure tax. However, at the end of the year, there were savings of ₹ 62.33 crore from the original provision of ₹ 65.36 crore. Hence, the supplementary provision remained un-utilised.

**47- Goa Medical College (Capital-Voted):** Supplementary provision of ₹ 21.67 crore was made. However, at the end of the year, the expenditure fell short of the original provision of ₹ 70.20 crore by ₹ 50.76 crore, resulting in unnecessary supplementary provision.

### **2.3.4 Insufficient/unnecessary re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated to another unit where additional funds are needed. Re-appropriation of funds proved injudicious in many cases in view of final excesses and savings over the grants. Instances of re-appropriation resulting in final excesses or savings of ₹ five crore or more in each case are detailed in **Appendix 2.2**.

### **2.3.5 Substantial surrenders**

While preparing the budget estimates utmost care should be taken to ensure that the estimates are as close as possible to the likely expenditure during the year. In 24 cases, out of the total provision of ₹ 3,838.84 crore, substantial surrenders amounting to ₹ 2,331.21 crore (61 per cent) were made either on

account of non-implementation or slow implementation of Schemes/Programmes. In these cases, the surrenders were above ₹ 10 crore and also more than 50 per cent of the total provisions. The details are given in **Appendix 2.3**.

### 2.3.6 Unnecessary surrenders

In four grants/appropriations, ₹ 6.58 crore was surrendered though excess expenditure of ₹ 511.96 crore was incurred, indicating lack of proper budgetary control. Details are given in **Table 2.4**.

**Table 2.4: Unnecessary surrender of grants/appropriations**

(₹ in crore)

Number and name of the grant/ appropriation	Total grant	Excess	Amount surrendered
1-Legislature Secretariat (Revenue-Voted)	24.35	0.20	0.17
8-Treasury and Accounts Administration (North Goa) (Revenue-Voted)	1059.39	173.55	0.12
A-2-Appropriation-Debt Services (Capital-Charged)	1607.18	337.98	6.10
50-Goa College of Pharmacy (Revenue-Voted)	8.99	0.23	0.19
<b>Total</b>	<b>2699.91</b>	<b>511.96</b>	<b>6.58</b>

(Source: Appropriation Accounts of the State)

The reason for surrender of grants in spite of excess expenditure against the provision, though called for, was not furnished by the Director of Accounts (March 2019).

### 2.3.7 Savings not surrendered/partly surrendered

Rule 56 of the General Financial Rules, 2005 provides that the spending Departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Further, surrender of funds should be done as soon as these are foreseen without waiting for the end of the financial year, to enable the Finance Department to utilise the funds on other Schemes.

At the close of the year 2017-18, in six cases, savings amounting to ₹ 87.04 crore was not surrendered by the concerned Departments even though these were anticipated. The details are shown in **Table 2.5**.

**Table 2.5: Grants/appropriations in which anticipated savings were not surrendered**

(₹ in crore)

Sl. No.	Number and name of grant	Saving
1	4 - District and Sessions Court - South Goa (Revenue-Voted)	1.57
2	29 - Public Grievances (Revenue-Voted)	0.91
3	33 - Revenue (Revenue-Voted)	20.00
4	33 - Revenue (Capital-Voted)	51.87
5	46 - Museum (Capital-Voted)	9.83
6	60 - Employment (Revenue-Voted)	2.86
	<b>Total</b>	<b>87.04</b>

(Source: Appropriation Accounts of the State)

Further, out of total savings of ₹ 1,743.72 crore in 23 cases, only ₹ 1,466.67 crore was surrendered, leaving ₹ 277.05 crore which was not surrendered (savings exceeding ₹ one crore in each case) during 2017-18. The details are given in **Appendix 2.4**.

Besides, in 35 cases, savings in excess of ₹ 20 crore aggregating ₹ 3,136.76 crore (**Appendix 2.5**) was surrendered in the last month of the financial year (March 2018), indicating inadequate financial control as well as denial of allocation of these funds for other development purposes.

### **2.3.8 Surrender in excess of actual savings**

In five grants during 2017-18, against the savings of ₹ 161.20 crore, an amount of ₹ 197.71 crore was surrendered, which was in excess by ₹ 36.51 crore (savings exceeding ₹ one crore in each case) indicating that the Departments failed to exercise necessary budgetary controls as shown in **Table 2.6**.

**Table 2.6: Details of surrenders in excess of actual savings**

<i>(₹ in crore)</i>					
Sl.No.	Grant No	Name of grant/appropriation	Savings	Surrender	Savings surrendered in excess
1	21 (Revenue-Voted)	Public Works	69.66	71.43	1.77
2	34 (Revenue-Voted)	School Education	59.26	75.90	16.64
3	56 (Revenue-Voted)	Information and Publicity	13.58	14.77	1.19
4	74 (Revenue-Voted)	Water Resources	3.52	18.62	15.10
5	81 (Capital-Voted)	Tribal Welfare	15.18	16.99	1.81
<b>Total</b>			<b>161.20</b>	<b>197.71</b>	<b>36.51</b>

*(Source: Appropriation Accounts of the State)*

### **2.3.9 Unexplained re-appropriations**

As per paragraph 1(d) of Appendix III of the Comptroller and Auditor General’s Manual of Standing Orders (Accounts and Entitlement), general terms of re-appropriation should not be employed. For example, it is not an adequate explanation of a saving in the provision of purchases of stores to state that ‘fewer stores were purchased’. The reasons for the smaller purchases should be given.

Scrutiny of 405 re-appropriation orders issued by various Departments during 2017-18 revealed that in 174 orders (43 *per cent*), general expressions such as, “due to inadequate budget”, “due to economy measures”, “due to less expenditure than anticipated”, “due to non-filling of vacant posts”, *etc.* were used.

## **2.4 Outcome of review of selected grants**

The authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing the estimates timely and accurately and also to ensure that the grants placed at their disposal are spent only on the objects for which it has been provided and to surrender savings if no longer required.

With a view to ascertaining how far the authorities were adhering to these instructions, Audit selected the following two grants:

**Grant No. 35- Higher Education:** The Directorate of Higher Education is responsible for release of salary and maintenance grants to Goa University, six State Government colleges and 22 Non-Government aided colleges affiliated to Goa University. This grant includes five Major Heads namely 2075-Miscellaneous General services, 2202-General Education, 2205-Art and Culture, 2235-Social Security and Welfare and 4202-Capital Outlay on Education, Sports, Art and Culture.

**Grant No. 48- Health Services:** The Directorate of Health Services performs an important role in health delivery by providing preventive, promotive, curative and rehabilitative health services to the people through primary health care. This Grant consists of three Major Heads namely 2210-Medical and Public Health, 2211-Family Welfare and 4210-Capital Outlay on Medical and Public Health.

#### 2.4.1 Budget and expenditure

The overall budget provision, actual disbursement and savings under the functional Heads of these two grants for the years 2015-16 to 2017-18 are given in **Table 2.7**.

**Table 2.7: Summary of budgetary provisions and actual expenditure under Grant No. 35 and 48**

(₹ in crore)						
Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of savings
<b>Grant No. 35: Higher Education (Revenue-voted)</b>						
2015-16	199.44	28.63	228.07	210.83	17.25	7.56
2016-17	227.51	15.00	242.51	221.63	20.88	8.61
2017-18	245.06	64.73	309.79	306.70	3.09	1.00
<b>Grant No. 35: Higher Education (Capital-voted)</b>						
2015-16	12.50	0.00	12.50	12.09	0.41	3.28
2016-17	8.50	0.00	8.50	8.00	0.50	5.88
2017-18	10.25	0.18	10.43	10.43	0.00	0.00
<b>Grant No. 48: Health Services (Revenue-voted)</b>						
2015-16	360.60	0.37	360.97	261.70	99.27	27.50
2016-17	442.90	63.00	505.90	305.25	200.65	39.66
2017-18	448.84	70.34	519.18	450.05	69.13	13.32
<b>Grant No. 48: Health Services (Capital-voted)</b>						
2015-16	22.90	8.10	31.00	17.08	13.93	44.94
2016-17	29.81	92.50	122.31	20.98	101.33	82.84
2017-18	64.25	29.90	94.15	54.33	39.82	42.29

(Source: Appropriation Accounts of the State for respective years)

It may be seen from **Table 2.7** that there were persistent savings ranging from 13 per cent to 40 per cent (under revenue section) and 42 per cent to 83 per cent (under capital section) during 2015-18 in Grant No. 48. Further, unnecessary supplementary provisions were made under this grant even though actual expenditure did not come up to the level of original provisions under revenue section (2015-17) and capital section (2015-18).

### 2.4.2 Non-utilisation of entire provision

In seven sub-heads (Revenue-voted) under Grant No. 35 and four sub-heads (Revenue-voted) under Grant No. 48, there were 100 per cent savings against the provisions made during 2015-18. The provisioned amount remained unutilised due to non-implementation of Schemes/Programmes and the entire amount was surrendered at the end of March 2018, as shown in **Table 2.8**.

**Table 2.8: Non-utilisation of entire provision**

(₹ in lakh)

Sl. No.	Name of the Scheme	Budget provision			Reasons for surrender
		2015-16	2016-17	2017-18	
<b>Grant No. 35 (Revenue-voted)</b>					
1	2202-03-103-02-State Council for Higher Education/State Awards for Meritorious College Teachers	10.00	10.00	10.00	Selection not held (15-16); No claims received (16-17); Non-implementation of Scheme (17-18).
2	2202-03-800-12- Establishment of Smart Class Rooms	20.00	20.00	20.00	Non-implementation of Scheme (all three years).
3	2202-03-800-17- State Innovation Council	20.00	20.00	20.00	Non-implementation of Scheme (15-16 & 16-17); Non-receipt of applications from beneficiaries (17-18).
4	2202-03-800-20- Goa Institute of Administrative Careers	25.00	25.00	25.00	Non-implementation of Scheme (15-16 & 16-17); No claims received (17-18).
5	2202-03-800-28- Financial Assistance to Students- One Semester Abroad	--	30.00	30.00	These schemes were introduced during 2016-17 but not implemented during that year. In 2017-18, no claims were received.
6	2202-03-800-29-Engaging Resourceful Retired Teachers	--	25.00	25.00	
7	2202-03-800-30-Scheme for Evening Colleges	--	20.00	20.00	
<b>Total</b>		<b>75.00</b>	<b>150.00</b>	<b>150.00</b>	
<b>Grant No. 48 (Revenue-voted)</b>					
1	2210-06-101-19 National Mental Health Programme	--	7.62	20.19	Transfer or retirement of staff and non-filling of vacant posts.
2	2210-06-101-23 Goa State Illness Assistance Society	--	60.00	60.00	Non-implementation of Scheme.
3	2210-80-800-22 New Born Babies Screening	--	50.00	10.00	Non-receipt of claims.
4	2210-80-800-23 Blood Bank/NAT Test	--	10.00	5.00	Non-implementation of Scheme.
<b>Total</b>		<b>--</b>	<b>127.62</b>	<b>95.19</b>	

(Source: Appropriation Accounts of the State for respective years)

### 2.4.3 Inappropriate re-appropriations

In six sub-heads under Major Head-4210 in Grant No. 48 (capital section), budget allocations by re-appropriation at the end of the year was less than the final expenditure which resulted in expenditure exceeding the available allocations by ₹ 107.65 lakh. The details are shown in **Table 2.9**.

**Table 2.9: Inappropriate re-appropriations***(₹ in lakh)*

Sl. No.	Year	Head of account	Original budget	Funds after re-appropriation	Final expenditure	Excess expenditure
<b>Grant No. 48 (Capital-voted)</b>						
1	2015-16	4210-01-110-01 Buildings	100.00	425.40	446.96	21.56
2	2015-16	4210-01-103-01 Buildings (Health Services)	85.00	12.47	37.00	24.53
3	2015-16	4210-01-104-01 Buildings (Health Services)	10.01	0.00	6.08	6.08
4	2015-16	4210-80-789-01 Scheduled Caste Dev. Scheme	10.01	0.00	6.17	6.17
5	2016-17	4210-02-103-01 Buildings (Health Services)	230.00	67.31	69.90	2.59
6	2017-18	4210-01-110-01 Buildings	700.00	348.38	395.10	46.72
<b>Total</b>			<b>1135.02</b>	<b>853.56</b>	<b>961.21</b>	<b>107.65</b>

*(Source: Appropriation Accounts of the State for the respective years)*

### 2.5 Personal Deposit Accounts

The Personal Deposit (PD) Accounts/Personal Ledger Accounts (PLA) are Deposit Accounts kept in Treasuries in the name of the Administrators<sup>1</sup> of the Accounts. The money is placed under 8443-Civil Deposits, 106-Personal Deposit. These accounts can be opened with the approval of the Finance Department. As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, the Administrators are entitled to credit receipts into and effect withdrawals directly from the Treasury account for a specific purpose. The Administrators thereof shall only be Government officers acting in their official or any other capacity. Every PLA/PD Account so authorised to be opened will form part of the Government account under the Public Account.

The year-wise position of PLA/PD Accounts from 2015-16 to 2017-18 is given in **Table 2.10**.

**Table 2.10: Year-wise details of PLA/PD Accounts during 2015-18***(₹ in crore)*

Year	Opening balance	Receipts	Disbursements	Closing balance
2015-16	21.63	47.28	31.85	37.06
2016-17	37.06	114.69	85.15	66.60
2017-18	66.60	77.71	59.62	84.69

*(Source: Finance Accounts of the State for respective years)*

A sum of ₹ 84.69 crore was held under 119 PLA/PD Accounts by 16 Departments which was not transferred to the Consolidated Fund of the State (CFS) before the closure of the financial year. These balances have also not been reconciled with the Administrators of the Accounts. Of the 119 Accounts, 18 Accounts held by nine Departments having a balance of ₹ 0.16 crore were inoperative for over five years.

Non-transfer of unspent balances lying in PD Accounts to CFS before the closure of financial year and non-reconciliation of balances in PD Accounts periodically entails the risk of misuse of public funds, fraud and misappropriation.

<sup>1</sup> PD Account holders

## 2.6 Un-reconciled Expenditure

Departmental officers are required to reconcile the Departmental expenditure every month and before the close of the accounts of a year with those recorded in the books of the Director of Accounts. This enables the Controlling Officers of Departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The PAC in its 48<sup>th</sup> Report (1992) recommended punitive action to be taken against erring Budget Controlling Authorities (BCAs). Even though non-reconciliation of Departmental expenditure was pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2017-18.

During 2017-18, 35 out of 86 BCAs did not carry out any reconciliations in respect of 1,048 units under their control involving ₹ 1,699.07 crore. Of the 51 BCAs who carried out reconciliations, two<sup>2</sup> carried out reconciliations only for part of the year in respect of 49 units under their control involving ₹ 18.41 crore. The details of 14 major BCAs (out of 37) who did not reconcile their expenditure (₹ 1,560.22 crore) are indicated in **Table 2.11**.

**Table 2.11: Major Budget Controlling Authorities who did not reconcile their expenditure**

		(₹ in crore)
Sl. No.	Budget Controlling Authorities who did not reconcile their expenditure	Amount not reconciled
1	Director of Women and Child Development	391.78
2	Secretary, Water Resources	327.40
3	Under Secretary, Finance (Bud)	324.48
4	Director of Panchayats	142.22
5	Director of Animal Husbandry and Veterinary Services	96.37
6	Director of Science, Technology and Environment	61.57
7	Commissioner of Labour and Employment	38.06
8	Director of Institute of Psychiatry and Human Behaviour	28.54
9	District and Session Judge (North Goa)	27.19
10	Collector of North Goa	27.09
11	Inspector General of Prisons	26.66
12	Commissioner of Commercial Taxes	24.52
13	Principal, Goa Dental College and Hospital	23.46
14	District and Session Judge (South Goa)	20.88
	<b>Total</b>	<b>1560.22</b>

(Source: Directorate of Accounts)

## 2.7 Conclusion and Recommendations

During 2017-18, expenditure of ₹ 14,719.23 crore was incurred against the total grants and appropriations of ₹ 18,244.66 crore resulting in savings of ₹ 3,525.43 crore. The overall savings were the net result of savings of ₹ 4,037.39 crore, offset by an excess of ₹ 511.96 crore in three grants and one appropriation. The excess expenditure of ₹ 511.96 requires regularisation under Article 205 of the Constitution of India. Further, excess over provisions

<sup>2</sup> Registrar of Co-operative Societies and Secretary, State Election Commission

relating to previous years (2008-09 to 2016-17) amounting to ₹ 5,353.69 crore had not been regularised.

***All the existing cases of excess expenditure need to be got regularised at the earliest and in future, such unvoted expenditure may be completely stopped, except in case(s) of dire and extreme emergency, the cost of which cannot be met from contingency fund.***

Of the total savings of ₹ 4,037.40 crore during 2017-18, savings of ₹ 100 crore or more amounting to ₹ 1,779.77 crore (44 *per cent*) had occurred in five grants pertaining to Municipal Administration (₹ 114.80 crore), Transport (₹ 105.42 crore), Public Works Department (₹ 837.61 crore), Finance (₹ 428.55 crore) and Electricity (₹ 293.39 crore).

In 17 cases, supplementary provisions (₹ 10 crore and above in each case) of ₹ 693.31 crore were obtained which proved unnecessary. The expenditure incurred (₹ 3,700.91 crore) did not even reach the level of original provision (₹ 5,076.09 crore).

***The Controlling/Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned provisions in order to avoid savings/excesses especially in Departments where large savings/excesses were noticed. They may also specifically strengthen their control on monthly expenditure and monitoring mechanism.***



**CHAPTER – III**  
**FINANCIAL REPORTING**



## CHAPTER-III

### FINANCIAL REPORTING

A sound internal financial reporting and the availability of relevant and reliable information contributes to efficient and effective governance by the State Government and is important for the State Governments in meeting its basic stewardship responsibilities, strategic planning and decision-making. It also forms the basis of sound internal controls. This chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives applicable to financial reporting during the year 2017-18.

#### 3.1 Delays in furnishing Utilisation Certificates

Rule 212 of the General Financial Rules, 2005 provides that for grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the Departmental officers from the grantees. The certificates so obtained are to be verified by the Departmental officers and forwarded to the Director of Accounts within 12 months from the dates of sanction of grants unless specified otherwise.

At the end of 2017-18, 12,236 UCs for an amount of ₹ 1,914.70 crore were outstanding for grants disbursed upto 2016-17. The Department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise position is shown in **Table 3.1**.

**Table 3.1: Age-wise position of outstanding UCs as of 31 March 2018**

Sl. No.	Range of delay in number of years	Utilisation certificates outstanding	
		Number	Amount (₹ in crore)
1	1-3	2583	601.24
2	3-5	2329	654.65
3	5-7	1422	279.77
4	7 and above	5902	379.04
	<b>Total</b>	<b>12236</b>	<b>1914.70</b>

(Source: Compiled from information furnished by Director of Accounts)

As may be seen from **Table 3.1**, 4,912 UCs (40 per cent) involving ₹ 1,255.89 crore (66 per cent) were pending from one to five years while 7,324 UCs involving ₹ 658.81 crore were pending for more than five years. Major cases of non-submission of UCs pertained to Directorate of Art and Culture (34 per cent), Directorate of Panchayats (North) (23 per cent) and Directorate of Panchayats (South) (15 per cent).

In the absence of UCs there is no assurance that the moneys disbursed have been used for the purpose for which they have been given. High pendency of UCs was fraught with the risk of misappropriation and fraud.

#### 3.2 Delay in submission of accounts/audit reports by autonomous bodies

Several autonomous bodies have been set up by the State Government in the fields of education, irrigation, housing etc. Of these, audit of accounts of 13 bodies in the State has been entrusted to the CAG. These bodies are audited

by the CAG by verification of their accounts, financial transactions, operational activities, internal management and financial control system and procedures.

The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and their placement in the Legislature are indicated in the **Appendix 3.2**. The delay in submission of accounts to Audit and placement of SARs in the Legislature by the autonomous bodies is summarised in **Table 3.2**.

**Table 3.2: Delays in submission of accounts and tabling of SARs**

Submission of Accounts for Audit		Presentation of Report in Legislature	
Delay(in months)	Number of autonomous bodies	Delay (in years)	Number of autonomous bodies
0-3	1	0-1	3
3-6	2	1-3	-
6-9	4	3-5	1
9-25	3	5 years and above	4
25 months and above	3	-	-

(Source: Compiled from records received from various autonomous bodies)

The submission of accounts of 13 autonomous bodies was delayed by one to 69 months while presentation of four of 13 accounts in the State Legislature was delayed by more than five years. The reasons for delays though called for were not intimated by the respective autonomous bodies.

The inordinate delay in submission of accounts and presentation of the reports to the State Legislature resulted in delayed scrutiny of the functioning of these bodies, where Government investments are made. Further, necessary remedial action, if any, required to be taken by the Government was also delayed.

### **3.3 Departmental Commercial Undertakings**

The Departmental undertakings of certain Government Departments performing activities of quasi-commercial nature are required to prepare *proforma* accounts in the prescribed format annually, showing the working results of financial operations so that the Government can assess their working. The accounts of Departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of such *proforma* accounts, the viability of these undertakings remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring viability and improving efficiency cannot be taken in time.

Heads of Departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General for audit within a specified timeframe. As of October 2018, there were two<sup>1</sup> such undertakings, one of which had heavy arrears in accounts. The Department-wise position of arrears in preparation of *proforma* accounts and

<sup>1</sup> River Navigation Department and Electricity Department

investments made by the Government in these two undertakings is given in **Table 3.3**.

**Table 3.3: Position of arrears as on 31 October 2018 in preparation of Proforma Accounts**

Department	No. of undertakings under the Department	Name of undertaking	Year up to which accounts finalised	Investment as per last accounts (₹ in crore)
Inland Water Transport	1	River Navigation Department	2005-06	108.29
Power	1	Electricity Department, Government of Goa	2014-15	1357.52
<b>Total</b>				<b>1465.81</b>

(Source: Information furnished by concerned Departments)

### 3.4 Misappropriations, losses and defalcations

Rule 33 of the General Financial Rules, 2005 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer. The State Government reported 29 cases of misappropriation, defalcation *etc.*, involving Government money totaling ₹ 2.30 crore up to June 2018 on which final action was pending. The Department-wise break-up of pending cases is given in **Appendix 3.3**.

The age profile of the pending cases and the number of pending misappropriation cases are summarised in **Table 3.4**.

**Table 3.4: Profile of misappropriation**

Age profile and nature of pending cases			
Range in years	No. of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases
0-5	8	62.33	Misappropriation of cash/stores
5-10	13	24.07	
10 years and above	8	143.11	
<b>Total</b>	<b>29</b>	<b>229.51</b>	

(Source: Information furnished by concerned Departments)

Of the 29 cases, 10 cases pertained to Director of Panchayats, Panaji and six pertained to office of Chief Electrical Engineer, Panaji. Of these 16 cases, five cases<sup>2</sup> were pending for more than 10 years.

First information reports (FIR) were lodged in 18 of 29 cases. The remaining 11 cases pertain to three Departments (Directorate of Panchayats – 08 cases, Goa Medical College – 02 cases and Directorate of Sports and Youth Affairs – 01 case). Departmental proceedings in all the 11 cases of misappropriation are under progress, and FIRs should also be filed by the concerned Departments.

The reasons for which the cases were outstanding are classified under three categories as listed in **Table 3.5** below.

<sup>2</sup> Two cases from Director of Panchayats, Panaji and three cases from office of Chief Electrical Engineer, Panaji

**Table 3.5: Reasons for outstanding cases of misappropriation**

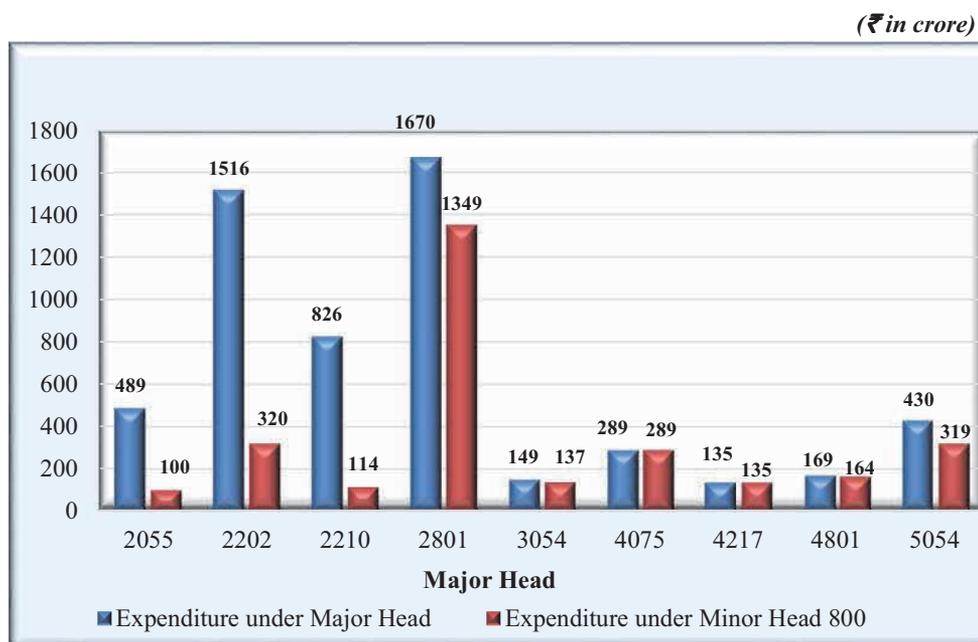
Reasons for the delay/outstanding pending cases	No. of cases	Amount (₹ in lakh)
Departmental action started but not finalised	21	175.10
Pending in the courts of law	3	45.74
Awaiting orders for recovery/write off	5	8.67
<b>Total</b>	<b>29</b>	<b>229.51</b>

(Source: Information furnished by concerned Departments)

### 3.5 Booking under Minor Head ‘800- Other Expenditure’

The omnibus Minor Head 800 is intended to be operated when the appropriate Minor Head has not been provided in the accounts. Finance Accounts 2017-18 of Government of Goa disclosed that expenditure aggregating ₹ 3,820.68 crore constituting 30 per cent of the total expenditure was classified under Minor Head ‘800-Other Expenditure’ under 45 Major Heads in revenue and capital sections. 100 per cent of the expenditure on Capital Outlay on Other Miscellaneous General Services (Major Head 4075) for ₹ 289 crore, Capital Outlay on Urban Development (Major Head 4217) for ₹ 135 crore and Capital Outlay on Other Scientific and Environmental Research (Major Head 5425) for ₹ 35 crore were classified under omnibus Minor Head 800. The cases where expenditure of more than ₹ 100 crore was booked under Minor Head 800 under a particular Major Head is shown in **Chart 3.1**.

**Chart 3.1: Major Heads where expenditure of more than ₹ 100 crore was booked under Minor Head 800**



(Source: Finance Accounts, 2017-18)

Similarly, revenue receipts aggregating ₹ 352.80 crore, constituting 3.19 per cent of total revenue receipts, were classified under omnibus Minor Head ‘800-Other Receipts’ in 22 Major Heads under revenue section.

The cases of receipts of more than ₹ 50 crore classified under Minor Head 800 were under MH 0070-Other Administrative Services (₹ 128 crore) and MH 0853- Non-Ferrous Mining and Metallurgical Industries (₹ 56 crore).

Accounting of large amounts under the omnibus Minor Head 800-Other Expenditure/Receipts affects the transparency in financial reporting, as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

### 3.6 Pendency in submission of Detailed Contingent bills against Abstract Contingent bills

The Controlling and Disbursing Officers of the Departments are authorised to draw sums of money by preparing Abstract Contingent (AC) bills, by debiting service heads. They are required to present Detailed Contingent (DC) bills (vouchers in support of final expenditure) to the Director of Accounts (DoA), Goa within three months from the date of drawal of funds on AC bill. If previous AC bills are outstanding over three months for want of DC bills, the proposal for drawal of further AC bills would require the sanction of Finance Department.

The details of submission of DC bills against AC bills drawn up to March 2018 are given in **Table 3.6**.

**Table 3.6: Pendency in submission of DC bills against AC bills**

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Up to 2015-16	7779	1902.20	7621	1876.80	158	25.40
2016-17	802	770.51	749	756.38	53	14.13
2017-18	869	698.92	731	645.23	138	53.69

(Source: Finance Accounts of the State)

As may be seen from **Table 3.6** above, the Departments had drawn 869 AC bills for an amount of ₹ 698.92 crore in the financial year 2017-18 and submitted 731 DC bills for an amount of ₹ 645.23 crore. Thus, 138 DC bills amounting to ₹ 53.69 crore were not submitted for AC bills drawn in 2017-18. Therefore, there is no assurance that the expenditure of ₹ 53.69 crore has actually been incurred during the financial year for the purpose for which it was authorised by the Legislature. There is a possible overstatement of expenditure in the year 2017-18 by the same amount. In addition, 158 DC bills amounting to ₹ 25.40 crore for the years up to 2015-16 and 53 DC bills amounting to ₹ 14.13 crore pertaining to the year 2016-17 were yet to be submitted by the Departments. Thus, at the end of March 2018, 349 DC bills amounting to ₹ 933.22 crore were pending settlement. Advances drawn and not accounted for increases the possibility of wastage/misappropriation/malfeasance etc.

Audit observed that majority of AC bills (85 AC bills for ₹ 16.88 crore) pertained to Collectorate, North Goa which were drawn between August 2008 to May 2017 and pending settlement as of 31 March 2018. Similarly, 16 AC bills for ₹ 10.24 crore drawn by Collectorate, South Goa between

December 1991 and August 2017 were pending settlement as of 31 March 2018.

Audit further observed that office of the Commissioner of Commercial Taxes (Department) drew seven AC bills for ₹ 15.40 lakh during 2017-18 for holding various events such as, trainings/workshops/seminars *etc.* However, scrutiny of DC bills submitted by the Department revealed the following:

- While the Department spent ₹ 8.27 lakh on various events during the year, it submitted the corresponding DC bills after time lapse of one to six months, along with the unutilised funds of ₹ 7.13 lakh. In effect, the Department held excess cash of ₹ 7.13 lakh for one to six months instead of refunding the same immediately.
- In four of seven cases, the Department drew AC bills (₹ 9.96 lakh) after conclusion of events, which was irregular.
- The cash drawn by the Department on AC bills was not entered/recorded in the cash book and thus, susceptible to fraud/misappropriation of public money.

The Department attributed (July 2019) delay in settlement of AC bills to late receipt of event bills. The reply is factually incorrect as the Department had delayed the submission of DC bills up to five months even after receipt of supporting event bills.

### **3.7 Conclusion and Recommendations**

Out of 12,236 Utilisation Certificates amounting to ₹ 1,914.70 crore pending as on 31 March 2018, 4,912 UCs involving ₹ 1,255.89 crore were pending from one to five years. Remaining 7,324 UCs involving ₹ 658.81 crore were pending for more than five years. In the absence of the requisite certificates, it could not be ascertained in audit whether the recipients had utilised the grants for the purpose for which these were given.

*The sanctioning authorities/concerned Departments may evolve a mechanism to gather UCs promptly, verify their genuineness, including by way of sample inspection, and look into the delays in submission to identify the bottlenecks and address them for sound internal control and financial reporting. Unspent balances lying with the grantee institutions for long periods need review.*

158 DC bills amounting to ₹ 25.40 crore for the years up to 2015-16 and 53 DC bills amounting to ₹ 14.13 crore pertaining to the year 2016-17 were not submitted by the Departments as of March 2018. Further, 138 DC bills amounting to ₹ 53.69 crore were not submitted before close of the financial year 2017-18.

*The sanctioning authorities may ensure that amounts drawn on AC bills are settled expeditiously through submission of DC bills within the prescribed time limits. The Finance Department may also ensure that the pendency of AC bills is brought down.*



**Panaji**  
**The 27 November, 2019**

**(ASHUTOSH JOSHI)**  
**Principal Accountant General**

**Countersigned**



**New Delhi**  
**The 29 November, 2019**

**(RAJIV MEHRISHI)**  
**Comptroller and Auditor General of India**



# APPENDICES



## APPENDIX 1.1

(Referred to in paragraph 1.1)

## PART-A (State Profile)

A. General Data					
Sl.No.	Particulars			Figures	
1	Area			3702 sq.km.	
2	Population				
	a.	As per 2001 Census		0.13 crore	
	b.	As per 2011 Census		0.15 crore	
3	Density of Population (as per 2001 census) (All India Density = 325 persons per sq. km.)			364 persons per sq. km.	
	Density of Population <sup>1</sup> (as per 2011 census) (All India Density = 382 persons per sq. km.)			394 persons per sq. km.	
4	Population below poverty line <sup>2</sup> (BPL) (All India Average = 21.90 per cent)			9.90 per cent	
5	a.	Literacy (as per 2001 Census) (All India Average = 64.80 per cent)		82.01 per cent	
	b.	Literacy <sup>3</sup> (as per 2011 Census) (All India Average = 73.00 per cent)		88.70 per cent	
6	Infant mortality <sup>4</sup> (per 1000 live births) (All India Average = 34 per 1000 live births)			Eight	
7	Life Expectancy at birth (All India Average = 68.30 years)			68.50 years	
8	Gini Coefficient <sup>5</sup>				
	a.	Rural (All India = 0.276)		0.219	
	b.	Urban (All India = 0.371)		0.251	
9	Gross State Domestic Product (GSDP) 2017-18 at current price			₹ 70267 crore	
10	Per capita GSDP CAGR (2008-09 to 2017-18)(All India = 11.50 per cent )		Goa	12.78 per cent	
			General Category States	13.10 per cent	
11	GSDP CAGR (2008-09 to 2017-18)(All India = 12.90 per cent )		Goa	11.96 per cent	
			General Category States	14.50 per cent	
12	Population Growth (2008-17)(All India = 11.90 per cent )		Goa	8.13 per cent	
			General Category States	11.60 per cent	
B. Financial Data					
Particulars		2008-09 to 2016-17		Growth rate during 2017-18	
CAGR		General Category States	Goa	General Category States	Goa
<i>in per cent</i>					
a.	of Revenue Receipts	15.10	13.28	11.30	15.56
b.	of Own Tax Revenue	14.90	12.22	12.20	11.05
c.	of Non Tax Revenue	9.50	10.32	5.90	11.84
d.	of Total Expenditure	15.80	11.65	4.70	20.58
e.	of Capital Expenditure	14.00	7.83	1.00	27.77
f.	of Revenue Expenditure on Education	14.50	13.10	6.20	22.15
g.	of Revenue Expenditure on Health	16.20	13.52	10.70	37.81
h.	of Salary and Wages	13.40	13.00	8.90	32.54
i.	of Pension	16.20	18.32	22.90	37.91

<sup>1</sup> Census info India 2011 Final population totals<sup>2</sup> Tendulkar Poverty Estimates source, Niti Aayog<sup>3</sup> Economic Survey 2017-18 for Goa State<sup>4</sup> SRS bulletin of September 2017, volume 51, No.1<sup>5</sup> [http://planningcommission.nic.in/data/datatable/data\\_2312/DatabookDec2014%20106.pdf](http://planningcommission.nic.in/data/datatable/data_2312/DatabookDec2014%20106.pdf) Gini Coefficient is a measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and vice versa

<b>Part B: Structure and Form of Government Accounts</b>	
<p><b>Structure of Government Accounts:</b> The accounts of the State Government are kept in three parts;</p> <p>(i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.</p> <p><b>Part I: Consolidated Fund:</b> All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.</p> <p><b>Part II: Contingency Fund:</b> Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.</p> <p><b>Part III: Public Account:</b> Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances <i>etc.</i>, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.</p>	
<b>Part C: Layout of Finance Accounts</b>	
<b>Statement</b>	<b>About</b>
1	Statement of Financial Position: Cumulative figures of Assets and Liabilities of the Government as they stand at the end of the year
2	Statement of Receipts and Disbursements: Contains the summarised Statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government Accounts are kept
3	Statement of Receipts (Consolidated Fund): Contains revenue and capital receipts and receipts from borrowings of the Government consisting of loans from GOI, Market loans <i>etc.</i>
4	Statement of Expenditure (Consolidated Fund) -By function and nature: Gives expenditure by function and summarised expenditure by nature of activity
5	Statement of Progressive Capital Expenditure
6	Statement of Borrowings and other Liabilities: Contains borrowings of the Government comprising Market Loans raised by it and loans and advances received from GOI along with other liabilities which are the balances under various sectors in the Public Account
7	Statement of Loans and Advances given by the Government
8	Statement of Investments of the Government
9	Statement of Guarantees given by the Government: Guarantees given by the State Government for repayment of loans <i>etc.</i> raised by Statutory Corporations, Government Companies, Local Bodies <i>etc.</i>
10	Statement of Grants-in-aid given by the Government
11	Statement of Voted and Charged Expenditure
12	Statement on Sources and Application of funds for expenditure other than on Revenue Account
13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
14	Detailed Statement of Revenue and Capital Receipts by minor heads
15	Detailed Statement of Revenue Expenditure by minor heads
16	Detailed Statement of Capital Expenditure by minor heads and sub- heads
17	Detailed Statement of Borrowings and Other Liabilities
18	Detailed Statement on Loans and Advances given by the Government
19	Detailed Statement of Investments of the Government
20	Detailed Statement of Guarantees given by the Government
21	Detailed Statement on Contingency Fund and other Public Account transactions
22	Detailed Statement on Investments of Earmarked Balances

## APPENDIX 1.2

(Referred to in paragraph 1.1)

**Part A: Methodology adopted for the assessment of Fiscal position**

Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure *etc.* are keeping pace with the change in the base or these fiscal aggregates are also affected by factor other than GSDP.

The trends in GSDP for last five years are indicated below.

*(₹ in crore)*

Sector wise details of GSDP	2013-14	2014-15	2015-16	2016-17	2017-18
<b>GSDP</b>	<b>35921</b>	<b>47814</b>	<b>54785</b>	<b>62336</b>	<b>70267</b>
<b>Growth Rate of GSDP (in per cent)</b>	(-)5.77	33.11	14.58	13.78	12.72

(Source: Directorate of Planning, Statistics and Evaluation, Government of Goa)

**Part B: Fiscal Responsibility and Budget Management (FRBM) Act**

The State Government has enacted the Goa Fiscal Responsibility and Budget Management (FRBM) Act, 2006 to ensure prudence in fiscal management and to maintain fiscal stability in the State. To improve the fiscal position and to bring fiscal stability, the Act envisages progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability. To ensure prudence the Act also provides for greater fiscal transparency in fiscal operation of the Government and conduct of fiscal policy in a medium term frame work and matter connected therewith or there to. The Fiscal Responsibility and Budget Management (FRBM) rules were framed in November 2007. The FRBM Act, 2006 was amended in March 2014 and renamed as Goa Fiscal Responsibility and Budget Management (First amendment) Act, 2014 having major changes with reference to fiscal targets. The major fiscal targets for the State were as under:

- a) reduce the revenue deficit to nil by 31 March 2015 and adhere to it thereafter;
- b) reduce the ratio of fiscal deficit to Gross State Domestic Product beginning from the financial year 2013-14 and strive to keep/maintain within the norm of three *per cent*;
- c) cap the total outstanding guarantees within the specified limit under the Goa State Guarantees Act, 1993 (Goa Act No. 16 of 1993); and
- d) ensure that by 31 March 2015, the ratio of Debt to Gross State Domestic Product (GSDP) is brought down to 27 *per cent*, and thereafter bring it below 25 *per cent*.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (RoG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1]*100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received}/[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$
Revenue Deficit	Revenue Expenditure – Revenue Receipt
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <b>minus</b> Revenue Expenditure excluding expenditure recorded under the major head 2048 -Appropriation for reduction of Avoidance of debt.
Primary Revenue Balance (Deficit or Surplus)	Excess of Revenue Receipts over Revenue Expenditures other than interest.
Primary Revenue Expenditure	Total Revenue Expenditure <b>minus</b> Interest payments

## APPENDIX 1.3

(Referred to in paragraph 1.1.1)

## PART A: Abstract of Receipts and Disbursements for the year 2017-18

(₹ in crore)

Receipts			Disbursements		
2016-17		2017-18	2016-17		2017-18
<b>Section-A: Revenue</b>					
9564.97	<b>1. Revenue receipts</b>	<b>11053.52</b>	<b>8865.98</b>	<b>1. Revenue expenditure</b>	<b>10542.89</b>
4261.16	Tax revenue	4731.37	<b>2872.68</b>	<b>General services</b>	<b>3517.00</b>
			<b>3345.43</b>	<b>Social Services (inclusive of GIA and contribution)</b>	<b>4155.06</b>
2712.00	Non-tax revenue	3033.27	1466.73	Education, Sports, Art and Culture	1791.51
			611.27	Health and Family Welfare	841.75
2299.20	State's share of Union Taxes	2544.26	386.88	Water Supply, Sanitation, Housing and Urban Development	599.98
			23.25	Information and Broadcasting	42.78
17.16	Non-Plan grants	66.20	135.36	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	109.67
90.95	Grants for State Plan Schemes	20.47	47.87	Labour and labour Welfare	60.00
			671.96	Social Welfare and Nutrition	706.59
184.50	Grants for Central and Centrally sponsored Plan Schemes	300.32	2.11	Others	2.78
--	Other Transfers to States with Legislatures	357.63	<b>2647.87</b>	<b>Economic Services- (inclusive of GIA and contribution)</b>	<b>2870.83</b>
			293.07	Agriculture and Allied Activities	320.19
			143.00	Rural Development	147.03
			8.26	Special Areas Programmes	7.47
			136.12	Irrigation and Flood control	167.73
			1563.17	Energy	1671.19
			103.59	Industry and Minerals	87.49
			282.40	Transport	328.00
			6.59	Science, Technology and Environment	26.56
			111.67	General Economic Services	115.17
			<b>8865.98</b>	<b>Total</b>	<b>10542.89</b>
	<b>II. Revenue deficit carried over to Section B</b>		<b>698.99</b>	<b>II. Revenue deficit/surplus carried over to Section B</b>	<b>510.63</b>
<b>9564.97</b>	<b>Total</b>	<b>11053.52</b>	<b>9564.97</b>	<b>Total</b>	<b>11053.52</b>

*Appendices*

Receipts			Disbursements		
2016-17		2017-18	2016-17		2017-18
<b>Section-B : Other</b>					
766.42	<b>III. Opening Cash balance including Permanent Advances and Cash Balance Investment</b>	982.20	-	<b>III. Opening Overdraft from Reserve Bank of India</b>	
	<b>IV. Miscellaneous Capital receipts</b>			<b>IV. Capital Outlay</b>	
			203.57	<b>General Services</b>	<b>408.71</b>
			431.80	<b>Social Services</b>	<b>654.29</b>
			105.13	Education, Sports, Art and Culture	118.16
			59.28	Health and Family Welfare	80.37
			262.19	Water Supply, Sanitation, Housing and Urban Development	446.86
			-	Information and Broadcasting	-
			4.53	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	6.97
			0.17	Social Welfare and Nutrition	1.93
			0.50	Other Social Services	-
			<b>1003.36</b>	<b>Economic Services</b>	<b>1031.07</b>
			69.08	Agriculture and Allied Activities	64.94
			6.69	Rural Development	-
			1.82	Special Areas Programmes	2.56
			151.81	Irrigation and Flood Control	151.96
			222.33	Energy	169.03
			30.00	Industry and Minerals	15.78
			400.43	Transport	498.72
			33.87	Science, Technology and Environment	35.00
			87.33	General Economic Services	93.08
			<b>1638.73</b>	<b>Total</b>	<b>2094.07</b>
8.52	<b>V. Recoveries of Loans and Advances</b>	7.15	3.41	<b>V. Loans and Advances disbursed</b>	<b>33.93</b>
7.07	From Government Servants	5.50	3.27	To Government Servants	1.87
1.45	From Others	1.65	0.14	To Others	32.06
698.99	<b>VI. Revenue Surplus brought down</b>	510.63	-	<b>VI. Revenue Deficit brought down</b>	

Receipts			Disbursements		
2016-17		2017-18	2016-17		2017-18
1518.98	<b>VII. Public debt receipts</b>	2005.77	467.75	<b>VII. Repayment of Public debt</b>	790.09
	External debt			External debt	
1427.11	Internal debt other than Ways and Means Advances and overdrafts	1927.74	441.10	Internal debt other than Ways and Means Advances and Overdrafts	702.11
-	Net transactions under Ways and Means Advances		-	Net transactions under Ways and Means Advances	
-	Net transactions under overdraft		-	Net transactions under overdraft	
91.87	Loans and Advances from Central Government	78.03	26.65	Repayment of Loans and Advances to Central Government	87.98
-	<b>VIII. Appropriation to Contingency Fund</b>	-	-	<b>VIII. Appropriation to Contingency Fund</b>	0
-	<b>IX. Amount transferred to Contingency Fund</b>	-	-	<b>IX. Expenditure from Contingency Fund</b>	0
11127.77	<b>X. Public Account receipts</b>	13377.25	11028.59	<b>X. Public Account disbursements</b>	12969.14
391.65	Small Savings and Provident Funds	554.80	269.15	Small Savings and Provident Funds	318.87
218.97	Reserve Funds	216.19	50.28	Reserve Funds	32.26
6064.89	Suspense and Miscellaneous	7829.30	6116.23	Suspense and Miscellaneous	7853.92
3949.91	Remittances	4113.31	4088.61	Remittances	4277.49
502.35	Deposits and Advances	663.65	504.32	Deposits and Advances	486.60
	<b>XI. Closing Overdraft from Reserve Bank of India</b>		982.20	<b>XI. Cash Balance at end</b>	995.77
			762.67	Investment of earmarked balance	847.34
			(-126.49)	Deposits with Reserve Bank	(-6.51)
			1.77	Departmental Cash Balance including permanent Advances	1.78
			344.25	Cash Balance Investment	153.16
23685.65	<b>Total</b>	27936.52	23685.65	<b>Total</b>	27936.52

(Source: Finance Accounts of the State for 2016-17 and 2017-18)

**PART B: Summarised financial position of the Government of Goa as on  
31 March 2018**

(₹ in crore)

As on 31 March 2017		Liabilities	As on 31 March 2018	
11162.39		<b>Internal Debt</b>		<b>12388.02</b>
	7760.00	Market Loans bearing interest	9160.00	
	-	Market Loans not bearing interest		
	7.75	Loans from LIC	6.11	
	3394.64	Loans from other institutions	3221.91	
	-	Ways and Means Advances/overdraft	-	
	-	Overdraft from Reserve Bank of India	-	
<b>1233.03</b>		<b>Loans and Advances from Central Government</b>		<b>1223.08</b>
		Pre 1984-85 loans	-	
	84.34	Non-Plan Loans	84.17	
	1140.38	Loans for State Plan Schemes	1130.60	
	0.03	Loans for Central Plan Schemes	0.03	
	8.28	Loans for Centrally Sponsored Plan Schemes	8.29	
<b>100.00</b>		<b>Contingency Fund</b>		<b>100.00</b>
<b>2078.99</b>		<b>Small savings, Provident Fund etc.</b>		<b>2314.93</b>
<b>1576.32</b>		<b>Deposits</b>		<b>1753.39</b>
<b>1535.86</b>		<b>Reserve Funds</b>		<b>1719.78</b>
(-)287.42		<b>Remittance balances</b>		(-)451.60
(-)1079.59		<b>Suspense and Miscellaneous</b>		(-)1104.21
<b>16319.58</b>				<b>17943.38</b>
		<b>Assets</b>		
<b>15809.73</b>		<b>Gross Capital Outlay on Fixed Assets</b>		<b>17903.80</b>
	560.94	Investment in shares of Companies, Corporation etc.	613.02	
	15248.79	Other Capital Outlay	17290.78	
<b>71.03</b>		<b>Loans and Advances</b>		<b>97.81</b>
		Loans for Power Projects		
	53.09	Other Development Loans	83.31	
	17.93	Loans to Government Servants and Miscellaneous loans	14.50	
		<b>Reserve Fund Investments</b>		
<b>0.52</b>		<b>Advances</b>		<b>0.53</b>
<b>0.00</b>		<b>Contingency fund</b>		<b>0.00</b>
<b>982.20</b>		<b>Cash</b>		<b>995.77</b>
		Cash in Treasuries and Local Remittances		
	(-)126.49	Deposits with Reserve Bank	(-)6.51	
	1.48	Departmental Cash Balances	1.48	
	0.29	Permanent Advances	0.30	
	344.25	Cash Balance Investments	153.16	
	762.67	Earmarked Fund Investment	847.34	
		<b>Deficit on Government Accounts</b>		
(-)543.90		<b>Revenue Deficit of the current year</b>		(-)1054.53
	1.16	Miscellaneous Deficit	1.16	
	(-)652.46	Accumulated deficit	(-)1163.09	
	100.00	Appropriation to Contingency Fund	100.00	
		<b>Net effect of Balances taken over</b>		
	431.66	Balances taken over on 30 May 1987 under capital	431.66	
	(-)424.26	Net result of allocation of Capital Expenditure	(-)424.26	
<b>16319.58</b>				<b>17943.38</b>

## APPENDIX 1.4

(Referred to in Para 1.1.4)

## Budget Estimates, Revised Estimates and Actuals for the year 2017-18

Fiscal parameters	Budget estimates (₹ in crore)	Revised estimates (₹ in crore)	Actuals (₹ in crore)	Increase/Decrease (-) (₹ in crore)		Increase/Decrease (-) (in per cent)	
				Actual to BE	Actual to RE	Actual to BE	Actual to RE
				5 (4-2)	6 (4-3)	7	8
1	2	3	4	5 (4-2)	6 (4-3)	7	8
<b>(1) Revenue receipts (a+b+c+d)</b>	<b>10873</b>	<b>10921</b>	<b>11054</b>	<b>181</b>	<b>133</b>	<b>1.66</b>	<b>1.22</b>
<b>(a) Tax revenue</b>	<b>4800</b>	<b>4847</b>	<b>4732</b>	<b>(-)68</b>	<b>(-)115</b>	<b>(-)1.42</b>	<b>(-)2.37</b>
State Goods and Service Tax (SGST)	-	1711	1464	-	(-)247	-	(-)14.44
Taxes on sales, trade etc.	2582	1492	1622	(-)960	130	(-)37.18	8.71
State excise	386	386	410	24	24	6.22	6.22
Taxes on vehicles	234	234	314	80	80	34.19	34.19
Stamps and registration fees	601	601	530	(-)71	(-)71	(-)11.81	(-)11.81
Land revenue	62	62	42	(-)20	(-)20	(-)32.26	(-)32.26
Taxes on goods and passengers	503	180	210	(-)293	30	(-)58.25	16.67
Other taxes and duties on commodities and services	432	182	140	(-)292	(-)42	(-)67.59	(-)23.08
<b>(b) Non-tax revenue</b>	<b>2848</b>	<b>2856</b>	<b>3033</b>	<b>185</b>	<b>177</b>	<b>6.50</b>	<b>6.20</b>
Interest receipts	17	28	27	10	(-)1	58.82	(-)3.57
Police	9	9	4	(-)5	(-)5	(-)55.56	(-)55.56
Power	1819	1819	2119	300	300	16.49	16.49
Other administrative services	179	180	140	(-)39	(-)40	(-)21.79	(-)22.22
Miscellaneous general services	46	46	32	(-)14	(-)14	(-)30.43	(-)30.43
Education, sports, art and culture	29	31	26	(-)3	(-)5	(-)10.34	(-)16.13
Medical and public health	36	37	38	2	1	5.56	2.70
Water supply and sanitation	126	126	130	4	4	3.17	3.17
Urban development	64	61	43	(-)21	(-)18	(-)32.81	(-)29.51
Medium irrigation	20	20	45	25	25	125.00	125.00
Minor irrigation	10	10	8	(-)2	(-)2	(-)20.00	(-)20.00
Non-ferrous mining and metallurgical industries	378	378	333	(-)45	(-)45	(-)11.90	(-)11.90
Roads and bridges	28	28	35	7	7	25.00	25.00
Other non-tax revenue	87	83	53	(-)34	(-)30	(-)39.08	(-)36.14
<b>(c) State's share of union taxes and duties</b>	<b>2551</b>	<b>2544</b>	<b>2544</b>	<b>(-)7</b>	<b>0</b>	<b>(-)0.27</b>	<b>0</b>

*Appendices*

<b>(d) Grants-in-aid from GoI</b>	<b>674</b>	<b>674</b>	<b>745</b>	<b>71</b>	<b>71</b>	<b>10.53</b>	<b>10.53</b>
<b>(2) Public Debt</b>	<b>1692</b>	<b>1860</b>	<b>2006</b>	<b>314</b>	<b>146</b>	<b>18.56</b>	<b>7.85</b>
<b>(3) Recoveries of loans and advances</b>	<b>12</b>	<b>12</b>	<b>7</b>	<b>(-5)</b>	<b>(-5)</b>	<b>(-)41.67</b>	<b>(-)41.67</b>
<b>(4) Total receipts (1+2+3)</b>	<b>12577</b>	<b>12793</b>	<b>13067</b>	<b>490</b>	<b>274</b>	<b>3.90</b>	<b>2.14</b>
<b>(5) Revenue expenditure (a+b+c)</b>	<b>10670</b>	<b>10612</b>	<b>10543</b>	<b>(-)127</b>	<b>(-)69</b>	<b>(-)1.19</b>	<b>(-)0.65</b>
<b>(a) General services</b>	<b>3307</b>	<b>3307</b>	<b>3517</b>	<b>210</b>	<b>210</b>	<b>6.35</b>	<b>6.35</b>
Administration of justice	74	74	68	(-6)	(-6)	(-)8.11	(-)8.11
Elections	24	24	13	(-11)	(-11)	(-)45.83	(-)45.83
Land revenue	15	15	13	(-2)	(-2)	(-)13.33	(-)13.33
Stamps and registration	13	13	12	(-1)	(-1)	(-)7.69	(-)7.69
State excise	17	17	20	3	3	17.65	17.65
Taxes on sales, trade <i>etc.</i>	25	25	23	(-2)	(-2)	(-)8.00	(-)8.00
Interest payments	1276	1276	1244	(-32)	(-32)	(-)2.51	(-)2.51
Secretariat- general services	56	56	54	(-2)	(-2)	(-)3.57	(-)3.57
District administration	49	49	55	6	6	12.24	12.24
Treasury and accounts administration	20	20	24	4	4	20.00	20.00
Police	419	419	489	70	70	16.71	16.71
Jails	15	15	13	(-2)	(-2)	(-)13.33	(-)13.33
Public works	105	105	117	12	12	11.43	11.43
Other administrative services	74	74	80	6	6	8.53	8.53
Pension and other retirement benefits	981	981	1164	183	183	18.65	18.65
Miscellaneous general services	55	55	40	(-15)	(-15)	(-)27.27	(-)27.27
Others	89	89	88	(-1)	(-1)	(-)1.12	(-)1.12
<b>(b) Social services</b>	<b>4188</b>	<b>4177</b>	<b>4155</b>	<b>(-)33</b>	<b>(-)22</b>	<b>(-)0.79</b>	<b>(-)0.53</b>
General education	1424	1424	1516	92	92	6.46	6.46
Technical education	100	98	103	3	5	3.00	5.10
Sports and youth services	72	69	63	(-9)	(-6)	(-)12.50	(-)8.70
Medical and public health	767	767	826	59	59	7.69	7.69
Family welfare	15	15	15	0	0	0.00	0.00
Water supply and sanitation	352	352	377	25	25	7.10	7.10
Housing	16	16	10	(-6)	(-6)	(-)37.50	(-)37.50
Urban development	236	236	213	(-23)	(-23)	(-)9.75	(-)9.75
Labour and employment	65	65	60	(-5)	(-5)	(-)7.69	(-)7.69
Social security and welfare	786	783	687	(-99)	(-96)	(-)12.60	(-)12.26

Welfare of scheduled castes, scheduled tribes, other backward classes and minorities	150	150	110	(-40)	(-40)	(-26.67)	(-26.67)
Relief on account of natural calamities	25	25	6	(-19)	(-19)	(-76.00)	(-76.00)
Others	180	177	169	(-11)	(-8)	(-6.11)	(-4.52)
<b>(c) Economic services</b>	<b>3175</b>	<b>3128</b>	<b>2871</b>	<b>(-304)</b>	<b>(-257)</b>	<b>(-9.57)</b>	<b>(-8.22)</b>
Crop husbandry	134	134	108	(-26)	(-26)	(-19.40)	(-19.40)
Animal husbandry	44	44	36	(-8)	(-8)	(-18.18)	(-18.18)
Forestry and wildlife	55	55	55	0	0	0.00	0.00
Co-operation	16	16	14	(-2)	(-2)	(-12.50)	(-12.50)
Rural employment	44	44	25	(-19)	(-19)	(-43.18)	(-43.18)
Other rural development programmes	136	133	122	(-14)	(-11)	(-10.29)	(-8.27)
Medium irrigation	66	66	86	20	20	30.30	30.30
Minor irrigation	47	47	51	4	4	8.51	8.51
Power	1675	1675	1670	(-5)	(-5)	(-0.30)	(-0.30)
Industries	94	92	50	(-44)	(-42)	(-46.81)	(-45.65)
Non-ferrous mining and metallurgical industries	55	55	15	(-40)	(-40)	(-72.73)	(-72.73)
Roads and bridges	145	145	149	4	4	2.76	2.76
Road transport	124	124	120	(-4)	(-4)	(-3.23)	(-3.23)
Secretariat- economic services	22	22	13	(-9)	(-9)	(-40.91)	(-40.91)
Census surveys and statistics	18	16	9	(-9)	(-7)	(-50.00)	(-43.75)
Civil supplies	13	9	8	(-5)	(-1)	(-38.46)	(-11.11)
Others	487	451	340	(-147)	(-111)	(-30.18)	(-24.61)
<b>(d) Grants-in-aid and contributions</b>	<b>1758</b>	<b>1752</b>	<b>1635</b>	<b>(-123)</b>	<b>(-117)</b>	<b>(-7.00)</b>	<b>(-6.68)</b>
<b>(6) Capital expenditure</b>	<b>4193</b>	<b>3716</b>	<b>2094</b>	<b>(-2099)</b>	<b>(-1622)</b>	<b>(-50.06)</b>	<b>(-43.65)</b>
Capital outlay on police	17	17	1	(-16)	(-16)	(-94.12)	(-94.12)
Capital outlay on public works	331	327	110	(-221)	(-217)	(-66.77)	(-66.36)
Capital Outlay on Misc. General Services	650	400	289	(-361)	(-111)	(-55.54)	(-27.75)
Capital outlay on education, sports, art and culture	286	263	118	(-168)	(-145)	(-58.74)	(-55.13)
Capital outlay on Health and Family welfare	178	153	80	(-98)	(-73)	(-55.06)	(-47.71)
Capital outlay on water supply and sanitation	809	809	312	(-497)	(-497)	(-61.43)	(-61.43)
Capital outlay on urban development	142	142	135	(-7)	(-7)	(-4.93)	(-4.93)

*Appendices*

Capital outlay on welfare of scheduled castes, scheduled tribes, other backward classes and minorities	38	34	7	(-31)	(-27)	(-81.58)	(-79.41)
Capital outlay on crop husbandry	26	26	16	(-10)	(-10)	(-38.46)	(-38.46)
Capital outlay on medium irrigation	72	72	14	(-58)	(-58)	(-80.56)	(-80.56)
Capital outlay on minor irrigation	60	60	78	18	18	30.00	30.00
Capital outlay on flood control projects	53	53	56	3	3	5.66	5.66
Capital outlay on power projects	447	447	169	(-278)	(-278)	(-62.19)	(-62.19)
Capital outlay on civil aviation	101	26	16	(-85)	(-10)	(-84.16)	(-38.46)
Capital outlay on roads and bridges	532	522	430	(-102)	(-92)	(-19.17)	(-17.62)
Capital outlay on road transport	143	93	48	(-95)	(-45)	(-66.43)	(-48.39)
Capital outlay on tourism	116	116	93	(-23)	(-23)	(-19.83)	(-19.83)
Other capital outlays	192	156	122	(-70)	(-34)	(-36.46)	(-21.79)
<b>(7) Repayment of public debt</b>	<b>877</b>	<b>907</b>	<b>790</b>	<b>(-87)</b>	<b>(-117)</b>	<b>(-9.92)</b>	<b>(-12.90)</b>
<b>(8) Disbursement of loans and advances</b>	<b>106</b>	<b>45</b>	<b>34</b>	<b>(-72)</b>	<b>(-11)</b>	<b>(-67.92)</b>	<b>(-24.44)</b>
<b>Total expenditure (5+6+7+8)</b>	<b>15846</b>	<b>15280</b>	<b>13461</b>	<b>(-2385)</b>	<b>(-1819)</b>	<b>(-15.05)</b>	<b>(-11.90)</b>
<b>(9) Interest Payment</b>	<b>1276</b>	<b>1276</b>	<b>1244</b>	<b>(-32)</b>	<b>(-32)</b>	<b>(-2.50)</b>	<b>(-2.50)</b>
<b>(10) Net Capital outlay</b>	<b>(-4193)</b>	<b>(-3716)</b>	<b>(-2094)</b>	<b>(-2099)</b>	<b>(-1622)</b>	<b>(-50.06)</b>	<b>(-43.65)</b>
<b>(11) Net Loans and Advances</b>	<b>(-94)</b>	<b>(-33)</b>	<b>(-27)</b>	<b>67</b>	<b>6</b>	<b>(-71.28)</b>	<b>(-18.18)</b>
<b>(12) Revenue surplus (+)/ deficits (-) (1-5)</b>	<b>203</b>	<b>309</b>	<b>511</b>	<b>308</b>	<b>202</b>	<b>151.72</b>	<b>65.37</b>
<b>(13) Fiscal deficits (-)/surplus (+) (12+11+10)</b>	<b>(-4084)</b>	<b>(-3440)</b>	<b>(-1610)</b>	<b>2474</b>	<b>1830</b>	<b>(-60.58)</b>	<b>(-53.20)</b>
<b>(14) Primary surplus (+)/ deficits(-)(13+9)</b>	<b>(-2808)</b>	<b>(-2164)</b>	<b>(-366)</b>	<b>2442</b>	<b>1798</b>	<b>(-86.97)</b>	<b>(-83.09)</b>

(Source: Finance Accounts and budget documents of the State)

## APPENDIX 1.5

(Referred to in paragraph 1.3)

## Time series data on the State Government finances

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>6450</b>	<b>7689</b>	<b>8552</b>	<b>9565</b>	<b>11054</b>
<b>(i) Tax Revenue</b>	<b>3582(56)</b>	<b>3896(51)</b>	<b>3975(46)</b>	<b>4261(45)</b>	<b>4732(43)</b>
State Goods and Services Tax (SGST)	-	-	-	-	1464(31)
Taxes on Sales, Trade etc.	1708(48)	1860(48)	2116(53)	2438(57)	1622(34)
State Excise	236(6)	268(7)	319(8)	321(7)	410(9)
Taxes on Vehicles	154(4)	181(5)	196(5)	244(6)	314(7)
Stamp duty and Registration fee	396(11)	660(17)	525(13)	365(9)	530(11)
Land Revenue	454(13)	25(1)	24(1)	39(1)	42(1)
Taxes on goods and passengers	386(11)	404(10)	464(12)	454(11)	210(4)
Other Taxes	248(7)	498(13)	331(8)	400(9)	140(3)
<b>(ii) Non-Tax Revenue</b>	<b>1662(26)</b>	<b>2326(30)</b>	<b>2432(28)</b>	<b>2712(28)</b>	<b>3033(27)</b>
<b>(iii) State's share in Union taxes and duties</b>	<b>849(13)</b>	<b>901(12)</b>	<b>1924(22)</b>	<b>2299(24)</b>	<b>2544(23)</b>
<b>(iv) Grants-in-aid from Government of India</b>	<b>357(5)</b>	<b>566(7)</b>	<b>221(3)</b>	<b>293(3)</b>	<b>745(7)</b>
<b>2. Misc. Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Recoveries of Loans and Advances</b>	<b>13</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>7</b>
<b>4. Total Revenue and Non-debt capital receipt (1+2+3)</b>	<b>6463</b>	<b>7699</b>	<b>8562</b>	<b>9574</b>	<b>11061</b>
<b>5. Public Debt Receipts</b>	<b>1297</b>	<b>1267</b>	<b>1847</b>	<b>1519</b>	<b>2006</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1147	1064	1736	1427	1928
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	150	203	111	92	78
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>7812</b>	<b>8966</b>	<b>10409</b>	<b>11093</b>	<b>13067</b>
<b>7. Contingency Fund Receipts</b>	<b>-</b>	<b>200</b>	<b>(-130)</b>	<b>-</b>	<b>-</b>
<b>8. Public Accounts receipts</b>	<b>8496</b>	<b>9290</b>	<b>10941</b>	<b>11128</b>	<b>13377</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>16308</b>	<b>18256</b>	<b>21220</b>	<b>22221</b>	<b>26444</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>6803(87)</b>	<b>7410(86)</b>	<b>8420(84)</b>	<b>8866(84)</b>	<b>10543(83)</b>
Plan	1711(25)	1701(23)	2099(25)	2126(24)	-
Non Plan	5092(75)	5709(77)	6321(75)	6740(76)	-
General Services (including Interests payments)	2076(30)	2370(32)	2564(30)	2873(32)	3517(34)
Social Services (including GIA and contributions)	2634(39)	2815(38)	3183(38)	3345(38)	4155(39)
Economic Services (including GIA and contributions)	2093(31)	2225(30)	2673(32)	2648(30)	2871(27)
<b>11. Capital Expenditure</b>	<b>1008(13)</b>	<b>1234(14)</b>	<b>1622(16)</b>	<b>1639(16)</b>	<b>2094(17)</b>
Plan	998(99)	1235(100)	1611(99)	1623(99)	-
Non Plan	10(1)	(-1)	11(1)	16(1)	-
General Services	194(19)	306(25)	271(17)	204(12)	409(20)
Social Services	172(17)	278(22)	343(21)	432(26)	654(31)
Economic Services	642(64)	650(53)	1008(62)	1003(61)	1031(49)

*Appendices*

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Part B. Expenditure/Disbursement</b>					
<b>12. Disbursement of Loans and Advances</b>	4	3	3	3	34
<b>13. Total (10+11+12)</b>	7815	8647	10045	10508	12671
<b>14. Repayments of Public Debt</b>	332	366	439	468	790
Internal Debt (excluding Ways and Means Advances and Overdrafts)	306	338	412	441	702
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	26	28	27	27	88
<b>15. Appropriation to Contingency Fund</b>	-	200	(-130)	-	-
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	8200	9213	10354	10976	13461
<b>17. Net Loans and Advances</b>	9	7	7	6	(-27)
<b>18. Contingency Fund disbursements</b>	-	-	-	-	-
<b>19. Public Accounts disbursements</b>	8027	9233	10893	11029	12969
<b>20. Total disbursement by the State (16+18+19)</b>	16227	18446	21247	22005	26430
<b>Part C. Deficits</b>					
<b>21. Revenue Deficit(-)/Revenue Surplus (+)(1-10)</b>	(-353)	279	132	699	511
<b>22. Fiscal Deficit (4-13)</b>	(-1352)	(-948)	(-1483)	(-934)	(-1610)
<b>23. Primary Deficit(-)/Surplus(+) (22+24)</b>	(-461)	60	(-408)	214	(-366)
<b>Part D. Other data</b>					
<b>24. Interest Payments (included in revenue expenditure)</b>	891	1008	1075	1148	1244
<b>24. Financial Assistance to local bodies etc.</b>	941	1020	1197	1325	1671
<b>25. Ways and Means Advances (WMA)/Overdraft availed (days)</b>	17	121	240	188	88
Ways and Means advances availed	1	109	177	174	88
Overdraft availed	-	12	63	14	0
<b>26. Interest on WMA/Overdraft</b>	#	1	4	4	1
<b>27. Gross State Domestic Product (GSDP)</b>	35921	47814	54785	62336	70267
<b>28. Outstanding fiscal liabilities (year end)</b>	12695	13877	15575	16824	18552
<b>29. Outstanding guarantees including interest (year end)</b>	293	337	623	842	741
<b>30. Maximum amount guaranteed (year end)</b>	575	696	713	932	962
<b>31. Number of incomplete projects</b>	37	87	129	132	153
<b>32. Capital blocked in incomplete projects</b>	1628	697	1453	1509	1204

# ₹3.64 lakh as interest on Ways and Means advances

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Part E. Fiscal Health Indicator (in per cent)</b>					
<b>I Resource Mobilisation</b>					
Own Tax revenue/GSDP	9.97	8.15	7.26	6.84	6.73
Own Non-Tax Revenue/GSDP	4.63	4.86	4.44	4.35	4.32
Central Transfer/GSDP	2.36	1.88	3.51	3.69	3.62
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	21.76	18.08	18.34	16.86	18.03
Total Expenditure/Revenue Receipts	121.16	112.46	117.46	109.86	114.63
Revenue Expenditure/Total Expenditure	87.05	85.69	83.82	84.37	83.21
Expenditure on Social Services/Total Expenditure	35.91	35.77	35.10	35.94	37.95
Expenditure on Economic Services/Total Expenditure	35.00	33.25	36.65	34.74	30.79
Capital Expenditure/Total Expenditure	12.90	14.27	16.15	15.60	16.53
Capital Expenditure on Social and Economic Services/Total Expenditure	10.42	10.73	13.45	13.66	13.30
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	(-)0.98	0.58	0.24	1.12	0.73
Fiscal deficit/GSDP	(-)3.76	(-)1.98	(-)2.71	(-)1.50	(-)2.29
Primary Deficit (surplus)/GSDP	(-)1.28	0.13	(-)0.74	0.34	(-)0.52
Revenue Deficit/Fiscal Deficit	26.11	(-)29.43	(-)8.90	(-)74.83	(-)31.73
Primary Revenue Balance/GSDP	1.50	2.69	2.20	2.96	2.50
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	35.34	29.02	28.43	26.99	26.40
Fiscal Liabilities/RR	196.82	180.48	182.12	175.89	167.84
Primary deficit <i>vis-a-vis</i> quantum spread	(-)31.06	(-)1.85	47.32	(-)11.63	38.24
Debt Redemption (Principal+Interest)/Total Debt Receipts	94.59	108.45	81.97	106.37	101.40
<b>V Other Fiscal Health Indicator</b>					
Return on Investment (in per cent)	0.24	0.37	0.27	0.15	0.32
Balance from Current Revenue (₹ in crore)	(-)323	309	132	729	541
Financial Assets/Liabilities	0.96	0.96	0.99	0.97	0.94

(Source: Finance Accounts of the state for respective years)

## APPENDIX 1.6

(Referred to in para 1.9.3)

## Transactions under reserve funds

(₹ in crore)

Classification	Opening balance	Receipts	Payment	Closing balance
<b>Active reserve funds</b>				
8121-122-State Disaster Response Fund	40.39	6.19	0.42	46.16
8222-101-Sinking Fund	491.01	55.53	-	546.54
8229-110-Electricity Development Fund	736.33	125.00	31.85	829.48
8235-117-Guarantee Redemption Fund	245.96	26.95	-	272.91
<b>Total</b>	<b>1513.69</b>	<b>213.67</b>	<b>32.27</b>	<b>1695.09</b>
<b>Inoperative reserve funds</b>				
8229-123-State Consumer Welfare Funds	0.16	0.03	-	0.19
8235-119-National Calamity Contingency Fund	2.99	-	-	2.99
8235-200-Beaches Improvement Fund	21.42	-	-	21.42
8235-200-Special Fund for Compensatory Afforestation	0.08	-	-	0.08
<b>Total</b>	<b>24.65</b>	<b>0.03</b>	<b>-</b>	<b>24.68</b>
<b>Grand Total</b>	<b>1538.34</b>	<b>213.70</b>	<b>32.27</b>	<b>1719.77</b>

(Source: Finance Accounts of the State)

## APPENDIX 2.1

(Referred to in Paragraph 2.3.3)

**Unnecessary supplementary provisions of ₹ 10 crore or more during 2017-18**  
(₹ in crore)

Sl.No.	Grant No.	Name of grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
<b>Revenue (voted)</b>						
1	31	Panchayats	171.54	142.22	29.32	42.13
2	32	Finance	65.36	3.03	62.33	10.00
3	42	Sports	72.26	62.52	9.74	11.18
4	55	Municipal Administration	210.44	200.64	9.80	105.00
5	76	Electricity	1693.59	1684.30	9.29	43.64
6	78	Tourism	83.73	80.78	2.95	38.60
7	82	Information Technology	89.06	48.20	40.86	15.80
<b>Capital (voted)</b>						
8	13	Transport	143.15	47.73	95.42	10.00
9	21	Public Works	1325.96	712.46	613.50	224.11
10	34	School Education	47.00	8.15	38.85	25.00
11	42	Sports	134.16	85.40	48.76	15.08
12	47	Goa Medical College	70.20	19.44	50.76	21.67
13	48	Health Services	64.25	54.33	9.92	29.90
14	55	Municipal Administration	141.50	135.29	6.21	40.00
15	74	Water Resources	196.16	154.30	41.86	35.00
16	76	Electricity	451.22	169.03	282.19	11.20
17	78	Tourism	116.51	93.09	23.42	15.00
		<b>Total</b>	<b>5076.09</b>	<b>3700.91</b>	<b>1375.18</b>	<b>693.31</b>

(Source: Appropriation Accounts of the State)

## APPENDIX 2.2

(Referred to in Paragraph 2.3.4)

**Excess/Saving (more than ₹ five crore) resulting from unnecessary/insufficient re-appropriation of funds**

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Description	Re-appropriation	Final Excess	Final Savings
<b>Unnecessary – re-appropriation</b>						
1	17	Police	2055-001-01 (Direction and Administration)	(-)0.10	9.38	0
2	17	Police	2055-101-02 (Registration. and Surveillance of Foreigners)	(-)0.22	7.03	0
3	34	School Education	2202-01-106-01 (Government Primary Schools)	(-)5.24	10.43	0
4	74	Water Resources	2701-04-001-08 (Selaulim Irrigation Project)	(-)0.84	5.09	0
5	74	Water Resources	2701-04-001-13 (Compensation to affected persons of Tillari Irrigation Project)	(-)1.00	9.00	0
<b>Insufficient – re-appropriation</b>						
6	17	Police	2055-109-01 (Police Force)	(-)8.43	0	9.01
7	17	Police	2055-800-02 (Indian Reserve Battalion)	(-)1.37	0	6.97
8	21	Public Works	4215-106-07 (Sewerage Schemes - SIDCL)	(-)136.39	0	35.28
9	33	Revenue	2245-800-06 (Goa Abolition of Proprietorship of Titles and Grants of Land)	(-)1.40	0	18.60
10	42	Sports and Youth Affairs	4202-800-10 (Grants to Sports Authority of Goa for Infrastructure Development)	(-)24.72	0	13.00
11	56	Information & Publicity	4059-01-051-01 (IFFI Infrastructure and Secretariat)	(-)1.00	0	9.00
12	62	Law	4059-01-051-05 (Construction of New High Court building, Porvorim)	(-)3.60	0	32.44
13	70	Civil Supplies	4408-01-101-01 (Public Distributon Schemes)	(-)26.25	0	28.62
14	70	Civil Supplies	4408-01-101-02 (Procurement of Levy Sugar)	14.64	14.50	0

(Source: Appropriation Accounts of the State)

## APPENDIX 2.3

(Referred to in paragraph 2.3.5)

**Substantial surrenders above ₹ 10 crore and more than 50 per cent of the provisions made during 2017-18**

(₹ in crore)

Sl. No.	Number and title of grant	Total provision	Amount of surrender	Percentage of surrender
<b>Revenue (Voted)</b>				
1	19 - Industries, Trade and Commerce	52.52	39.13	75
2	32 - Finance	75.36	72.33	96
3	54 - Town and Country Planning	34.10	21.84	64
4	72 - Science, Technology and Environment	89.44	62.79	70
5	82- Information Technology	104.86	57.39	55
6	83- Mines	55.23	40.19	73
<b>Capital (Voted)</b>				
7	12- Commercial Taxes	30.35	30.35	100
8	13 - Transport	153.15	105.44	69
9	17 - Police	22.00	19.68	89
10	21 - Public Works	1550.07	790.52	51
11	26- Fire & Emergency Services	20.50	12.38	60
12	31 - Panchayats	26.16	26.16	100
13	32 - Finance	750.00	428.55	57
14	34 - School Education	72.00	63.82	89
15	36- Technical Education	11.61	11.40	98
16	40- Goa College of Engineering	23.24	17.78	77
17	45 - Archives and Archaeology	15.50	10.02	65
18	47 - Goa Medical College	91.87	72.26	79
19	51 - Goa Dental College	25.20	25.03	99
20	61 - Craftsmen Training	23.17	19.54	84
21	66- Fisheries	22.92	13.41	59
22	67- Ports Administration	26.17	21.39	82
23	76- Electricity	462.42	285.30	62
24	84 - Airport	101.00	84.51	84
<b>Total</b>		<b>3838.84</b>	<b>2331.21</b>	<b>61</b>

(Source: Appropriation Accounts of the State)

## APPENDIX 2.4

(Referred to in paragraph 2.3.7)

## Details of savings of ₹ one crore and above not surrendered

(₹ in crore)

Sl. No.	Number and Name of grant	Total grant	Expenditure	Savings	Savings surrendered	Savings not surrendered
<b>Revenue (Voted)</b>						
1	4- District & Sessions Court (South Goa)	22.44	20.88	1.56	-	1.57
2	6- Election Office	24.49	12.71	11.78	8.48	3.30
3	23- Home	8.98	4.29	4.69	0.54	4.15
4	31- Panchayats	213.67	142.22	71.45	40.60	30.85
5	33- Revenue	26.45	6.45	20.00	-	20.00
6	55- Municipal Administration	315.44	200.64	114.80	111.93	2.87
7	60- Employment	4.74	1.88	2.86	-	2.86
8	65- Animal Husbandry & Veterinary Services	113.54	95.28	18.26	14.03	4.23
9	81- Department of Tribal Welfare	140.48	94.84	45.64	35.83	9.81
<b>Capital (Voted)</b>						
10	8- Treasury & Accounts Administration, North Goa	4.25	0.08	4.17	1.15	3.02
11	17- Police	22.00	1.11	20.89	19.68	1.21
12	21- Public Works Department	1550.07	712.46	837.61	790.52	47.09
13	23- Home	5.00	-	5.00	2.00	3.00
14	26- Fire & Emergency Services	20.50	7.06	13.44	12.38	1.06
15	33- Revenue	55.00	3.13	51.87	-	51.87
16	40- Goa College of Engineering	23.24	2.72	20.52	17.78	2.74
17	42- Sports and Youth Affairs	149.24	85.40	63.84	49.89	13.95
18	46- Museum	10.00	0.17	9.83	-	9.83
19	56- Information & Publicity	10.00	-	10.00	1.00	9.00
20	62- Law	79.44	14.83	64.61	33.45	31.16
21	69- Dept of Handicraft, Textile and Coir	3.00	0.50	2.50	1.22	1.28
22	70- Civil Supplies	93.00	37.99	55.01	40.89	14.12
23	76- Electricity	462.42	169.03	293.39	285.30	8.09
	<b>Total</b>	<b>3357.39</b>	<b>1613.67</b>	<b>1743.72</b>	<b>1466.67</b>	<b>277.05</b>

(Source: Appropriation Accounts of the State)

## APPENDIX 2.5

(Referred to in paragraph 2.3.7)

## Surrender of funds in excess of ₹ 20 crore in March 2018

(₹ in crore)

Sl. No.	Grant No.	Total grant	Expenditure	Savings surrendered	Percentage of total provision
<b>Revenue (Voted)</b>					
1	19- Industries, Trade And Commerce	52.52	13.37	39.13	74.50
2	21- Public Works Department	759.47	689.82	71.43	9.41
3	31- Panchayats	213.67	142.22	40.60	19.00
4	32- Finance	75.36	3.03	72.33	95.98
5	34- School Education	1269.93	1210.67	75.90	5.98
6	42- Sports and Youth Affairs	83.44	62.52	21.26	25.48
7	48- Health Services	519.18	450.05	68.52	13.20
8	54- Town & Country Planning	34.10	12.59	21.84	64.05
9	55- Municipal Administration	315.44	200.64	111.93	35.48
10	58- Women & Child Development	471.01	389.85	80.82	17.16
11	64- Agriculture	140.74	113.44	27.03	19.21
12	72- Science, Technology and Environment	89.44	26.57	62.79	70.20
13	76- Electricity	1737.23	1684.30	52.32	3.01
14	78- Tourism	122.33	80.78	41.52	33.94
15	81- Tribal Welfare	140.48	94.84	35.83	25.51
16	82- Information Technology	104.86	48.20	57.39	54.73
17	83- Mines	55.23	15.04	40.19	72.77
<b>Capital (Voted)</b>					
18	12- Commercial Taxes	30.35	0.00	30.35	100
19	13- Transport	153.15	47.73	105.44	68.85
20	21- Public Works Department	1550.07	712.46	790.52	51.00
21	31- Panchayats	26.16	0.00	26.16	100.00
22	32- Finance	750.00	321.45	428.55	57.14
23	34- School Education	72.00	8.15	63.82	88.64
24	42- Sports and Youth Affairs	149.24	85.40	49.89	33.43
25	47- Goa Medical College	91.87	19.44	72.26	78.65
26	48- Health Services	94.15	54.33	39.74	42.21
27	51- Goa Dental College	25.20	0.17	25.03	99.33
28	55- Municipal Administration	181.50	135.29	46.21	25.46
29	62- Law	79.44	14.83	33.45	42.11
30	67- Ports Administration	26.17	4.30	21.39	81.73
31	70- Civil Supplies	93.00	37.99	40.89	43.97
32	74- Water Resources	231.16	154.30	76.74	33.20
33	76- Electricity	462.42	169.03	285.30	61.70
34	78- Tourism	131.51	93.09	38.41	29.21
35	82- Information Technology	85.00	43.22	41.78	49.15
	<b>Total</b>	<b>10416.82</b>	<b>7139.11</b>	<b>3136.76</b>	<b>30.11</b>

(Source: Appropriation Accounts of the State)

## APPENDIX 3.1

(Referred to in paragraph 3.1)

## Department-wise break-up of outstanding Utilisation Certificates as on 31 March 2018

Sl. No.	Name of the Department	No. of utilisation certificates	Amount (₹ in crore)
1	Directorate of Education	877	142.22
2	Directorate of Technical Education	3	0.43
3	Directorate of Higher Education	31	41.47
4	Department of Tribal Welfare	238	14.59
5	Town and Country Planning Department	24	12.00
6	Directorate of Municipal Administration	503	327.24
7	i) Directorate of Women and Child Welfare ii) Directorate of Social Welfare	311 297	6.61 28.83
8	Department of Science, Technology and Environment	201	18.63
9	i) Directorate of Panchayats (South) ii) Directorate of Panchayats (North)	1848 2824	56.01 352.79
10	i) General Administration Department (GAD) ii) Directorate of Official Language iii) Legislature Department iv) Human Resources Development	12 10 16 3	1.02 0.04 0.77 3.00
11	Directorate of Health Services	62	269.27
12	Institute of Psychiatry and Human Behaviour	1	0.01
13	Directorate of Small Savings and Lotteries	6	2.18
14	Directorate of Agriculture	85	0.32
15	Department of Forests	24	28.28
16	Goa State Legal Services Authority	18	2.16
17	Under Secretary, Finance (Home)	126	2.50
18	Under Secretary, Revenue	15	8.19
19	Under Secretary, Finance (R&C)	6	1.40
20	Public Health Department	6	0.03
21	Law Department	9	7.42
22	Public Works Department	33	117.34
23	North Goa District Legal Authority	1	0.05
24	Directorate of Sports and Youth Affairs	475	207.43
25	Directorate of Art and Culture	4169	258.49
26	Directorate of Archives and Archaeology	1	0.15
27	Director General of Police	1	3.83
	<b>Total</b>	<b>12236</b>	<b>1914.70</b>

(Source: Information furnished by Director of Accounts)

**APPENDIX 3.2**  
(Referred to in paragraph 3.2)

**Statement showing delay in submission of accounts of autonomous bodies and tabling of SARs in Legislature as of March 2019**

Sl. No.	Name of the body/authority	Period of entrustment of audit	Year for which accounts received	Delay in submission of accounts	Period of delay (in month)	Year up to which SARs issued	Placement of SARs before the Legislature (Year/Date)
	1	2	3	4	5	6	7
1	Goa University	01.04.2015 to 31.03.2020	2016-17	July 2017 to January 2018	7	2016-17	2015-16/20.02.2018
2	Goa Housing Board	01.04.2017 to 31.03.2022	2016-17	October 2017 to January 2018	4	2016-17	2015-16/21.02.2018
3	Goa Tillari Irrigation Development Corporation	01.04.2012 to 31.03.2016	2010-11	July 2011 to February 2014	32	2010-11	2010-11/18.08.2017
4	Khadi and Village Industries Board	01.04.2013 to 31.03.2018	2013-14	July 2014 to November 2015	17	2013-14	2013-14/09.08.2016
5	Goa State Commission for Backward Classes	01.04.2014 to 31.03.2019	2016-17	July 2017 to January 2018	7	2016-17	2015-16/24.07.2018
6	Goa Board of Secondary and Higher Secondary Education	01.04.2015 to 31.03.2020	2015-16	July 2016 to September 2017	15	2015-16	Not applicable
7	South Goa Zilla Panchayat	01.04.2014 to 31.03.2019	2016-17	July 2017	1	2016-17	Accounts from 2006-07 to 2016-17 not yet placed in legislature
8	North Goa Zilla Panchayat	01.04.2014 to 31.03.2019	2008-09	July 2009 to March 2015	69	2008-09	2007-08/27.07.2015
9	Goa State Legal Services Authority	As per Act	2016-17	July 2017 to February 2018	8	2016-17	Accounts from 1997-98 to 2016-17 not yet placed in legislature
10	District Legal Services Authority, South Goa	As per Act	2013-14	July 2014 to January 2018	43	2013-14	Accounts from 2006-07 to 2013-14 not yet placed in legislature
11	District Legal Services Authority, North Goa	As per Act	2014-15	July 2015 to April 2016	10	2014-15	Accounts from 2006-07 to 2014-15 not yet placed in legislature
12	Goa State Compensatory Afforestation Fund Management and Planning Authority	As per Act	2015-16	July 2016 to October 2016	4	2015-16	Not applicable
13	Goa Sarva Shiksha Abhiyan Society	01.04.2015 to 31.03.2020	2015-16	July 2016 to February 2017	8	2015-16	2015-16/04.08.2017

(Source: Information compiled by Audit)

## APPENDIX 3.3

(Referred to in paragraph 3.4)

**Department-wise/duration-wise break-up of the cases of misappropriation, defalcation, etc. (Cases where final action was pending at the end of June 2018)**

(Figures in brackets indicate ₹ in lakh)

Sl. No.	Name of the Department	Upto 5 years	5 to 10 years	10 years and above	Total No. of cases
1	Director of Panchayats, Panaji	4(-*)	4*(1.70)	2(3.44)	10(5.14)
2	Director General of Police	-	2@(0.14)	-	2(0.14)
3	Director of Civil Supplies and Consumer Affairs	-	1(3.02)	2(2.90)	3(5.92)
4	Chief Electrical Engineer, Panaji	1(44.51)	2(6.96)	3(98.17)	6(149.64)
5	Chief Engineer, PWD, Panaji	1(13.44)	-	1(38.60)	2(52.04)
6	Dean, Goa Medical College, Bambolim	2(4.38)	1(3.20)	-	3(7.58)
7	Director of Education, Panaji	-	1(7.00)	-	1(7.00)
8	Directorate of Skill Development and Entrepreneurship	-	1(0.50)	-	1(0.50)
9	Director of Sports and Youth Affairs, Panaji	-	1(1.55)	-	1(1.55)
	<b>Total</b>	<b>8(62.33)</b>	<b>13(24.07)</b>	<b>8(143.11)</b>	<b>29(229.51)</b>

\*Amount not assessed in five cases

@Amount not assessed in one case

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