

**State Finances Audit Report**

**Report No.1 of 2021**

The State Finances Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2020 on Government of Goa (Report No.1 of the year 2021) has been placed before the State Legislature on **19 October 2021**.

Based on the audited accounts of the Government of Goa for the year ending March 2020, this report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in four Chapters.

The important audit findings are briefly highlighted below:

**Table 1.4  
Pg.11** The State posted a revenue deficit of ₹ 325 crore in 2019-20 against a revenue surplus of ₹ 355 crore in the previous year.

**Table 1.5  
Pg.12** The State Government managed to keep its fiscal deficit relative to GSDP (2.47 *per cent*) within the target of three *per cent* prescribed under the Goa Fiscal Responsibility and Budget Management (first Amendment) Act, 2014 (Goa FRBM Act) and the Fourteenth Finance Commission (FC XIV) recommendations.

**Chapter 1  
Pg.14** The outstanding Debt-GSDP ratio increased from 26.71 *per cent* in 2016-17 to 28.03 *per cent* in 2019-20.

**Table 2.24  
Pg.50** During 2019-20, capital expenditure decreased by 23 *per cent* (₹ 489 crore) over the previous year. The percentage share of capital expenditure in the total expenditure has continuously declined from 16.53 *per cent* in 2017-18 to 12.49 *per cent* during 2019-20.

**Table 3.11  
Pg.101** There were large savings of ₹ 6,988.23 crore (32.42 *per cent*) against total budget provision of ₹ 21,557.26 crore, with overall savings under all grants and appropriations being more than thrice the supplementary provisions made during the year.

**Para 4.3 &  
Table 4.2  
Pg.114 & 115** At the end of 2019-20, 14,539 Utilisation Certificates (UCs) aggregating ₹ 2,882.09 crore were outstanding against grants disbursed up to 2018-19. Of the total outstanding UCs, 5,044 UCs (35 *per cent*) amounting to ₹ 1,516.94 crore (53 *per cent*) were outstanding from one to three years, while 9,495 UCs (65 *per cent*) involving ₹ 1,365.15 crore (47 *per cent*) were pending for more than three years.

## Chapter 1. Overview

### Para 1.5.1 *Fiscal Position* Pg. 14

The total outstanding Debt-GSDP ratio increased from 26.71 *per cent* in 2016-17 to 28.03 *per cent* in 2019-20. Thus, the State could not achieve the target of 25 *per cent* fixed under Goa FRBM Act and 24.92 *per cent* set forth by FC XIV.

### Para 1.6.1 *Post-Audit - Deficits* Pg. 15

During 2019-20, the State Government short-transferred ₹ 138.49 crore of employees and Government contribution to NSDL under Defined Contribution Pension Scheme, thus, understating the revenue deficit and fiscal deficit to that extent.

### Para 1.6.2 Pg. 16

The total outstanding debt of the State Government at the end of March 2020 worked out to ₹ 23,473 crore instead of ₹ 22,554 crore depicted in the Finance Accounts. Consequently, the ratio of total outstanding debt to GSDP (28.03 *per cent*) at the end of the year was understated by 1.14 *per cent*.

## Chapter 2. Finances of the State

### Para 2.3.2.2 *State's Own Resources* Pg. 29

The State's own tax revenue in 2019-20 (₹ 4,700 crore) decreased by ₹ 171 crore (3.51 *per cent*) over the previous year. The decrease was mainly due to fewer collections under SGST (₹ 91 crore), stamp duty and registration (₹ 39 crore) and land revenue (₹ 30 crore).

### Para 2.3.2.3 *Share of Union Taxes and Duties and Grants-in-aid* Pg. 35

Over the five-year period (2015-20), central tax transfers increased by 29 *per cent* from ₹ 1,924 crore in 2015-16 to ₹ 2,480 crore in 2019-20. The State Government's share of Union taxes and duties in 2019-20 decreased by ₹ 398 crore over the previous year and constituted 22 *per cent* of the State's revenue receipts.

**Para 2.4.1**  
**Pg.40**

### ***Growth and Composition of Expenditure***

Total expenditure of the State (₹ 13,295 crore) increased at an average annual growth rate of 9.24 *per cent* during 2015-20. During 2019-20, the total expenditure increased by ₹ 60 crore (0.45 *per cent*) over the previous year on account of an increase in revenue expenditure by ₹ 539 crore and disbursement of loans and advances by ₹ 10 crore, offset by a decrease in capital expenditure by ₹ 489 crore. As a percentage of GSDP, the total expenditure remained in the range of 16.53 *per cent* to 18.27 *per cent* during the period 2015-20.

**Para 2.4.2.4**  
**Pg. 48**

### ***Subsidies***

During 2019-20, of the total subsidy of ₹ 262 crore a large portion went to Kadamba Transport Corporation Limited (KTCL) (₹ 80 crore), Dairy Development (₹ 47 crore) and Crop Husbandry (₹ 41 crore). The subsidies constituted 2.32 *per cent* of revenue receipts and about 2.25 *per cent* of the total revenue expenditure.

**Para 2.4.3**  
**Pg. 50**

### ***Capital Expenditure***

During 2019-20, capital expenditure decreased by 23 *per cent* (₹ 489 crore) over the previous year. The percentage share of capital expenditure in the total expenditure has continuously declined from 16.53 *per cent* in 2017-18 to 12.49 *per cent*. During 2019-20, capital expenditure (₹ 1,660 crore) was less than total public debt receipts (₹ 2,700 crore) by ₹ 1,040 crore.

**Para 2.4.3.2**  
**Pg. 52**

### ***Investment and Returns***

The equity investments of the State Government in 14 working State Public Sector Enterprises (SPSEs) at ₹ 394.71 crore was 1.82 *per cent* of the progressive capital expenditure (₹ 21,713 crore) up to 2019-20. However, the returns were a meager ₹ 1.42 crore (0.36 *per cent* of the total investment) during 2019-20. Even during the last five years, the highest percentage of returns to the investments was merely 0.32 *per cent*.

**Para 2.6.2**  
**Pg. 80**

### ***Debt profile: Maturity and Repayment***

The State Government would have to repay market loans of ₹ 1,700 crore and pay interest of ₹ 3,371.53 crore in next three financial years *i.e.*, up to 2022-23. In the following two years *i.e.*, up to 2024-25, principal of ₹ 1,790 crore and interest of ₹ 1,929 crore would be payable. The total principal repayment along with interest would be approximately ₹ 8,791 crore during next five years up to 2024-25.

## Chapter 3. Budgetary Management

Para 3.3.2  
Pg. 92

### *Unnecessary or Excessive Supplementary Grants*

Supplementary provisions (₹ five crore or more in each case) aggregating ₹ 1,121.87 crore obtained in 28 cases during the year proved unnecessary as the expenditure incurred (₹ 6,007.82 crore) did not reach the levels of original provision of ₹ 8,632.17.

Para 3.3.3  
Pg. 96

### *Anticipated Savings not Surrendered*

In 25 cases, pertaining to 20 grants with aggregate savings of ₹ 2,818.60 crore, an amount of ₹ 527.61 crore was not surrendered (₹ one crore and above in each case). Early surrender could have ensured more productive use of resources in other areas having shortfall.

Para 3.3.4.2  
Pg. 100  
Table 3.10 &  
Ex-summary  
(Pg.xi)

### *Regularisation of Excess Expenditure*

Excess expenditure of ₹ 9,181.04 crore pertaining to the period from 2008-09 to 2019-20 was pending regularisation as per Article 205 of the Constitution of India.

Para 3.4.1  
Pg. 100, 101 &  
Ex-summary  
(Pg.xi)

### *Budget Projection and Gap between Expectation and Actual*

Against total budgetary provision of ₹ 21,557.26 crore during 2019-20, an expenditure of ₹ 15,525.88 crore was incurred. This resulted in net savings of ₹ 6,031.38 crore i.e. savings of ₹ 6,988.23 crore in 86 grants and three appropriations under revenue section and 66 grants and one appropriation under capital section, offset by an excess of ₹ 956.85 crore in one appropriation.

## Chapter 4. Budgetary Management

Para 4.4  
Pg. 116

### *Abstract Contingent Bills*

Departments had drawn 877 Abstract Contingent (AC) Bills for an amount of ₹ 827.45 crore in 2019-20 and submitted 629 Detailed Contingent (DC) Bills for an amount of ₹ 777.93 crore. Thus, 248 DC Bills amounting to ₹ 49.52 crore were not submitted before close of the financial year 2019-20.

**Para 4.5  
Pg. 118**

***Personal Deposit Accounts***

As on 31 March 2020, a sum of ₹ 122.60 crore was held under 117 Personal Deposit/Personal Ledger Accounts by 17 Departments. These balances have not been reconciled with the Administrators of Accounts. Of the 117 Accounts, 22 Accounts held by 13 Departments having a balance of ₹ 0.43 crore were inoperative for over three years.

**Para 4.6  
Pg. 119**

***Booking under Minor Head '800- Other Expenditure'***

Finance accounts 2019-20 of Government of Goa disclosed that expenditure aggregating ₹ 4,117.84 crore constituting 30.97 per cent of the total expenditure was classified under minor head '800-Other Expenditure' under 46 major heads in revenue and capital sections.

**Para 4.10  
Pg. 125**

***Submission of Accounts/Separate Audit Reports of Autonomous Bodies***

There were 42 accounts pertaining to various periods pending submission by 13 autonomous bodies. The submission of accounts of 13 autonomous bodies was delayed by four to 76 months while presentation of four out of 13 accounts in the State Legislature was delayed by more than five years.

**Para 4.12  
Pg. 127 & 128**

***Misappropriations, Losses and Defalcations***

The State Government reported 31 cases of misappropriation, defalcation etc., involving Government money totalling ₹ 8.74 crore up to June 2020 on which final action was pending.

Of the 31 cases, 12 cases pertained to Directorate of Panchayats, Panaji and seven pertained to Vigilance Department. Of these 19 cases, three cases amounting to ₹ 3.44 lakh pertaining to Directorate of Panchayats were pending for more than 10 years.

**Sd/-**

**Accountant General**