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Audit Report (State Finances) - Government of Goa - 2014-15



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India**

**on
STATE FINANCES**



**GOVERNMENT OF GOA
for the year ended 31 March 2015**



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**REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

**ON
STATE FINANCES**

FOR THE YEAR ENDED 31 MARCH 2015

GOVERNMENT OF GOA

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PREFACE

This Report for the year ended 31 March 2015 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 2015. 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 was incorporated with the Indian Union as a Union Territory with Legislative Assembly in 1962. It was granted Statehood on 30 May 1987. The social indicators of the State *viz.*, literacy rate, rate of infant mortality and life expectancy are better than the all India average. The State's literacy rate increased from 82.01 *per cent* (as per 2001 census) to 88.70 *per cent* (as per 2011 census). The population of the State grew by 8.17 *per cent* (2011 census) and the density of population increased to 394 persons per sq. km. as against the all India population density average of 382 persons per sq. km. During 2014-15, the percentage of population below poverty line was six *per cent* as compared to all-India average of 29.50 *per cent*.

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 2014-15 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 estimates of 2014-15.

The Report

Based on the audited accounts of the Government of Goa for the year ended March 2015, 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 2015. It provides an insight into trends of committed expenditure and borrowing pattern.

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.

Audit findings and recommendations

Chapter I

Finances of the State Government

Fiscal correction: The State Government has succeeded in improving the fiscal position of the State during 2014-15. The fiscal parameters *i.e.* revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period.

During 2014-15, the State achieved all the three major parameters specified by the Thirteenth Finance Commission (ThFC) and under Fiscal Responsibilities and Budget Management (first amendment) Act, Goa 2014 *viz.* (i) the ratio of fiscal liability to Gross State Domestic Product at 26.35 *per cent* was in line with the target fixed (27 *per cent*) in the Goa FRBM (first amendment) Act, 2014, and lower than the projections made in ThFC (29.10 *per cent*). (ii) the fiscal deficit at 1.80 *per cent* of Gross State Domestic Product was lower than the norms of three *per cent*. (iii) The third parameter of revenue surplus (₹ 279 crore) was achieved during the year. This was mainly due to increase in revenue receipts by 19.21 *per cent* against an increase in revenue expenditure by 8.92 *per cent* over the previous year.

Revenue receipts: The rate of growth of revenue receipts increased from 10.35 *per cent* in 2013-14 to 19.21 *per cent* in 2014-15. This was due to net effect of increase in non-tax revenue by ₹ 664 crore (39.95 *per cent*), tax revenue by ₹ 314 crore (8.77 *per cent*), grants from the GoI ₹ 209 crore (58.54 *per cent*) and share of Union taxes and duties by ₹ 52 crore (6.12 *per cent*).

Interest payments: Interest payments (₹ 1,007.53 crore) which increased by 13.12 *per cent* during the year over 2014-15, were within the projection made in the ThFC (₹ 1,039 crore) but was more than the projections made in the budget (₹ 972 crore).

Non-Plan revenue expenditure: The revenue expenditure (₹ 7,410 crore) constituted 85.69 *per cent* of the total expenditure. Out of this, 77.04 *per cent* was the Non-Plan component (₹ 5,709 crore). The Non-Plan Revenue Expenditure (NPRE) remained higher than the normative assessments of the ThFC and the projections made in the budget.

Capital expenditure: Capital expenditure constituted 14.27 *per cent* of the total expenditure during the current year. The ratio of Capital expenditure to Aggregate Expenditure in 2014-15 was higher than the ratio of General Category States.

Review of Government investments: The average return on Government's investments in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives increased from 0.24 *per cent* in 2013-14 to 0.37 *per cent* in 2014-15. On the other hand, the Government paid an average interest rate of

7.44 *per cent* and 7.59 *per cent* in 2013-14 and 2014-15 respectively during the same period. Thus, this was an unsustainable position.

Debt Sustainability: The resource gap was positive during the period 2014-15, indicating capacity of the State to sustain the debt in the medium to long run. It happened mainly on account of 10.32 *per cent* increase in primary expenditure against 19.12 *per cent* increase in non-debt receipts during the current year.

Chapter II

Financial Management and Budgetary Control

During 2014-15, expenditure of ₹ 10,415.72 crore was incurred against total grants and appropriations of ₹ 11,871.34 crore, resulting in savings of ₹ 1,455.62 crore. However, this includes an excess of ₹ 1,161.23 crore in one grant and one appropriation. Excess expenditure of ₹ 1,161.23 crore requires regularisation under Article 205 of the Constitution of India. Besides, regularisation of excess expenditure of ₹ 178.81 crore was also pending from 2008-09 to 2013-14 as of March 2015.

Chapter III

Financial Reporting

There were delays in furnishing of utilisation certificates against loans and grants by various grantee institutions. Delays were also noticed in submission of annual accounts by autonomous bodies and departmentally managed commercial undertakings. There were instances of large outstanding cases of losses and misappropriations for which Departmental action was pending for long periods.

The Government may ensure timely receipt of utilisation certificates against the financial assistance provided to grantee institutions. Departmental enquiries in respect of misappropriation cases pending action may be expedited to bring the defaulters to book and internal controls in all organisations should be strengthened to prevent such cases in future.

CHAPTER – I

FINANCES OF THE STATE GOVERNMENT

Chapter-I

FINANCES OF THE STATE GOVERNMENT

Profile of Goa

Goa was incorporated with the Indian Union as a Union Territory with Legislative Assembly in 1962. It was granted Statehood on 30 May 1987. As indicated in **Appendix 1.1**, the density of population in Goa has increased from 258 persons per sq. km. (2001 census) to 394 persons per sq. km. (2011 census).

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 State percentage of population below the poverty line (six *per cent*) is less than the all India average of 29.50 *per cent*. The State literacy rate increased from 82.01 *per cent* (as per 2001 census) to 88.70 *per cent* (as per 2011 census). The Gross State Domestic Product (GSDP) in 2014-15 at current prices was ₹ 52,673 crore. The State has shown higher economic growth in the past decade as the compound annual growth rate of its GSDP for the period 2005-06 to 2014-15 has been 15.56 *per cent* as compared to 15.44 *per cent* in General Category States of the country.

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 of the State 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 India's GDP and that of the State GSDP at current prices are indicated below:

Annual growth rate of GDP and GSDP at current prices

Year	2010-11	2011-12	2012-13	2013-14 (AE)*	2014-15 (QE) *
India's GDP (₹ in crore)	7248860	8391691	9388876	10472807	11509810
Growth rate of GDP (in per cent)	18.66	15.77	11.88	11.54	9.90
State GSDP (₹ in crore) [§]	33605	43255	42407	48897	52673
Growth rate of GSDP (in per cent)	15.38	28.72	(-).96	15.30	7.72

*QE-Quick Estimates, AE-Advance Estimates

[§]Quick estimates of 2014-15 provided by Directorate of Planning, Statistics and Evaluation Department, Government of Goa

It could be seen from the above table that during 2014-15, the State GSDP growth rate at current prices (7.72 *per cent*) was below the growth rate of country's GDP (9.90 *per cent*). Tertiary sector and Secondary sector continued to be the dominant source of GSDP and it accounted for 49 *per cent* and 42 *per cent* of the GSDP during 2014-15. The contribution of Primary sector during the current year was nine *per cent*.

The sector wise data relating to GSDP of the State are given in **Appendix 1.2, Part A.**

1.1 Introduction

This chapter is based on the audit of Finance Accounts and makes an assessment of the State fiscal position as on 31 March 2015. It provides a broad perspective of the finances of the State during 2014-15 and analyses critical changes observed in the major fiscal aggregates in relation to the previous year, keeping in view the overall trends during the last five years. The structure and form of government accounts is depicted in **Appendix 1.1, Part B.** The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Goa Fiscal Responsibility and Budget Management (FRBM) Act, 2006 and Goa FRBM (First Amendment) Act, 2014 of the State are given in **Appendix 1.2, Part B.**

1.1.1 Summary of current year's fiscal operations

A summary of the State Government's fiscal transactions during 2014-15 *vis-à-vis* the previous year is presented in **Table 1.1** below. **Appendix 1.3** provides details of receipts and disbursements as well as the overall fiscal position during the year 2014-15.

Table 1.1: Summary of current year's fiscal operations

(₹ in crore)

Receipts	2014-15	2013-14	Disbursements	2014-15			2013-14
				Total	Non-Plan	Plan	
Section-A: Revenue							
Revenue receipts	7688.69	6449.77	Revenue expenditure	7410.25	5708.80	1701.45	6803.28
Tax revenue	3895.92	3582.48	General services	2369.91	2336.35	33.56	2075.62
Non-tax revenue	2325.63	1661.56	Social services	1929.34	949.55	979.79	1863.49
Share of Union taxes/duties	900.58	848.53	Economic services	2091.46	1684.52	406.94	1923.14
Grants from Government of India	566.56	357.20	Grants-in-aid and Contributions	1019.54	738.38	281.16	941.03
Section –B: Capital and others							
Misc Capital receipts	-	-	Capital Outlay	1234.11	-1.49	1235.60	1008.22
Recoveries of Loans and Advances	9.96	12.57	Loans and Advances disbursed	2.92	2.73	0.19	4.25
Public Debt receipts*	1267.36	1348.78	Repayment of Public Debt*	365.86	365.86	-	385.06
Contingency Fund	200.01	-	Contingency Fund	200.00	-	-	0.01
Public Account receipts	9289.67	8496.00	Public Account disbursements	9233.45	-	-	8026.81
Opening Cash Balance	783.40	703.91	Closing Cash Balance	792.50	-	-	783.40
Total	19239.09	17011.03	Total	19239.09	-	-	17011.03

(Source: Finance Accounts of the State)

*Excluding net transactions under ways and means advances and overdraft)

Significant changes in fiscal position of the State during 2014-15 over the previous year are given below:

Revenue Receipts	<ul style="list-style-type: none"> • Increased by 19.21 <i>per cent</i> • Non-tax revenue increased 39.95 <i>per cent</i> • Tax revenue increased by 8.77 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> • Increased by 8.92 <i>per cent</i> • Non-Plan expenditure increased by 12.12 <i>per cent</i> • Plan expenditure marginally decreased by 0.58 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none"> • Increased by 22.42 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> • Recoveries decreased by 23.07 <i>per cent</i> • Disbursements decreased by 25 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> • Receipts decreased by 6.08 <i>per cent</i> • Disbursements decreased by 4.93 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none"> • Increased by 1.28 <i>per cent</i>

The Government of Goa achieved revenue surplus (₹ 279 crore) during the year. Fiscal deficit (₹ 948 crore) stood at 1.80 *per cent* of GSDP during the current year compared to 2.76 *per cent* during 2013-14. This was within the ceiling of three *per cent* prescribed by the Goa FRBM Act, and the Thirteenth Finance commission (ThFC). Further details are provided in **Paragraph 1.11**.

1.1.2 Fiscal reforms path in Goa

Government of Goa enacted the Goa Fiscal Responsibility and Budget Management Act (FRBM), 2006 which 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 and conduct of fiscal policy in a Medium Term Fiscal Framework. In compliance with the Act, Goa FRBM Rules, 2007 was 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 stipulation in the Goa FRBM Act, 2006 and Rules 2007, the State Government was required to prepare Medium Term Fiscal Plan (MTFP) and fiscal indicators, covering fiscal rolling targets fixed for the ensuing three financial years, and submit these disclosures along with the budget documents to the State legislature.

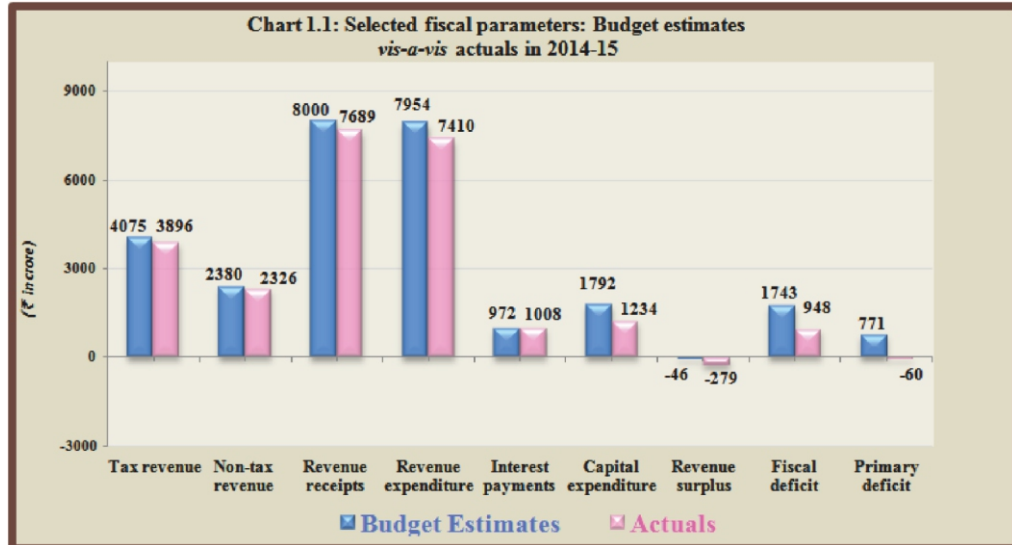
However, the rolling targets for the years 2011-12 onwards in respect of fiscal indicators specified in the FRBM Act, had not been prepared by the Finance Department, Government of Goa (December 2015).

1.1.3 Budget estimates vis-à-vis actual

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 budget estimates are indicative of non-attainment and non-optimisation of desired fiscal objectives.

Actuals *vis-à-vis* budget estimates of selected parameters for 2014-15 are shown in **Chart 1.1**.



(Source: Annual Financial Statement and Finance Accounts)

There was variation between budget estimates and actual in several key parameters. The budget estimates envisaged revenue receipts of ₹ 8,000 crore against which the actual realisation was ₹ 7,689 crore, a shortfall of ₹ 311 crore (3.89 per cent). The decrease in revenue receipts was the net result of decrease in tax revenue by four per cent, non-tax revenue by two per cent, share of union taxes by three per cent and grants-in-aid from Government of India (GoI) by eight per cent.

Revenue expenditure was less by seven per cent as compared to the budget estimates, mainly because of less expenditure under social services (eight per cent) and economic services (16 per cent). Excess over expenditure were noticed in general services (four per cent).

Interest payments were projected at ₹ 972 crore against which the actual payments were ₹ 1,008 crore. As against the capital outlay of ₹ 1,792 crore, the actual capital expenditure was less by ₹ 558 crore (31 per cent) compared to budget estimates. The shortfall was mainly under education, sports, art and culture (₹ 122 crore), water supply, sanitation, housing and urban development (₹ 78 crore), transport (₹ 95 crore) and agriculture and allied activities (₹ 42 crore).

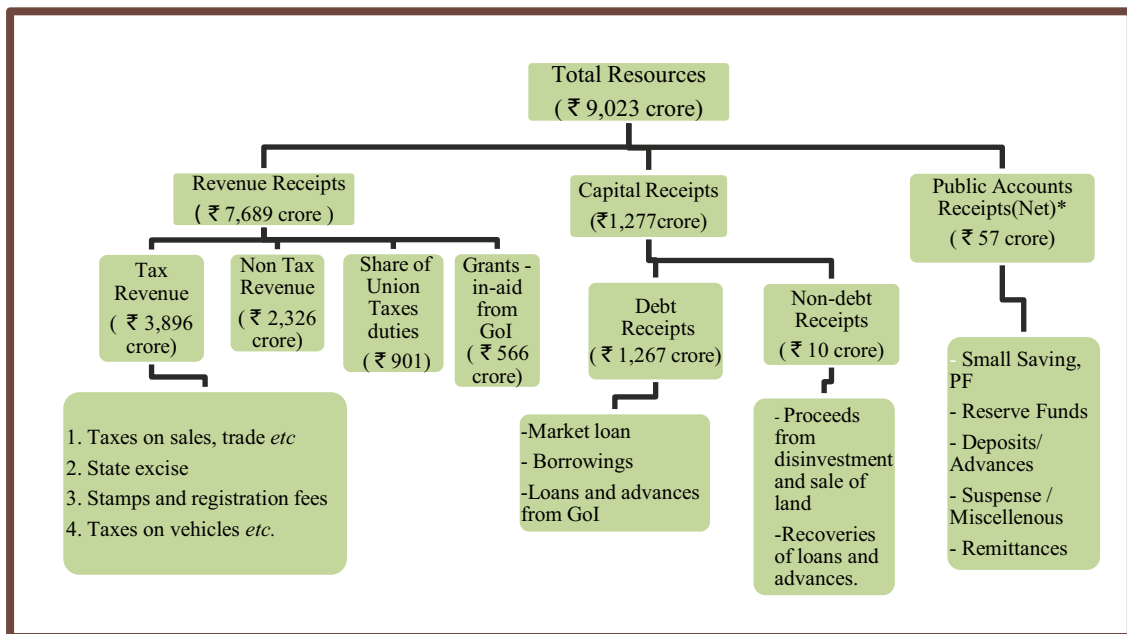
The revenue surplus (₹ 279 crore) exceeded the budget estimates (₹ 46 crore) by five times. The actual fiscal deficit (₹ 948 crore) against the budget estimates (₹ 1,743 crore) was mainly due to shortfall in capital expenditure (₹ 558 crore) and excess revenue surplus (₹ 233 crore).

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 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 Government to finance its deficits. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Finance Accounts while **Chart 1.1** depicts the actual against the budget in various components of the fiscal variables of the State during 2014-15. Further, **Chart 1.2** depicts the composition of resources of the State during the current year.

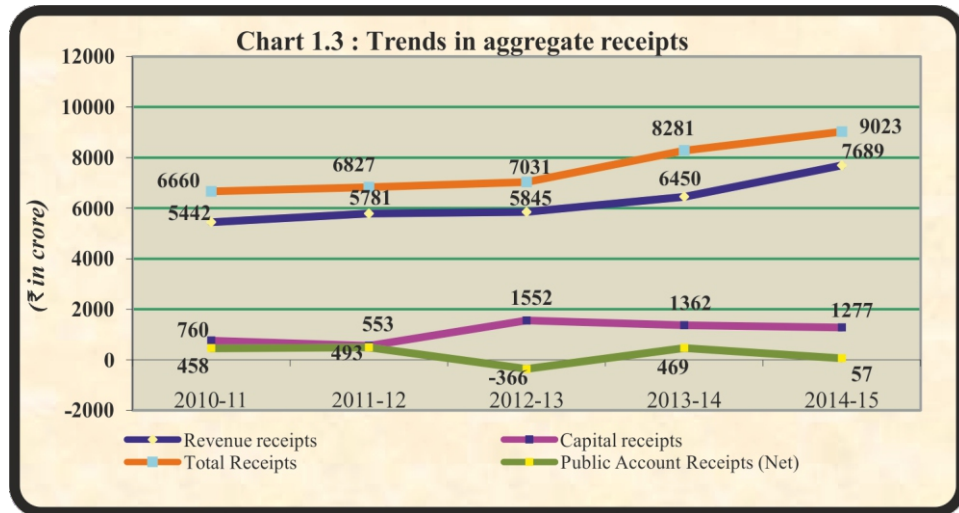
Chart 1.2: Components and sub-components of resources



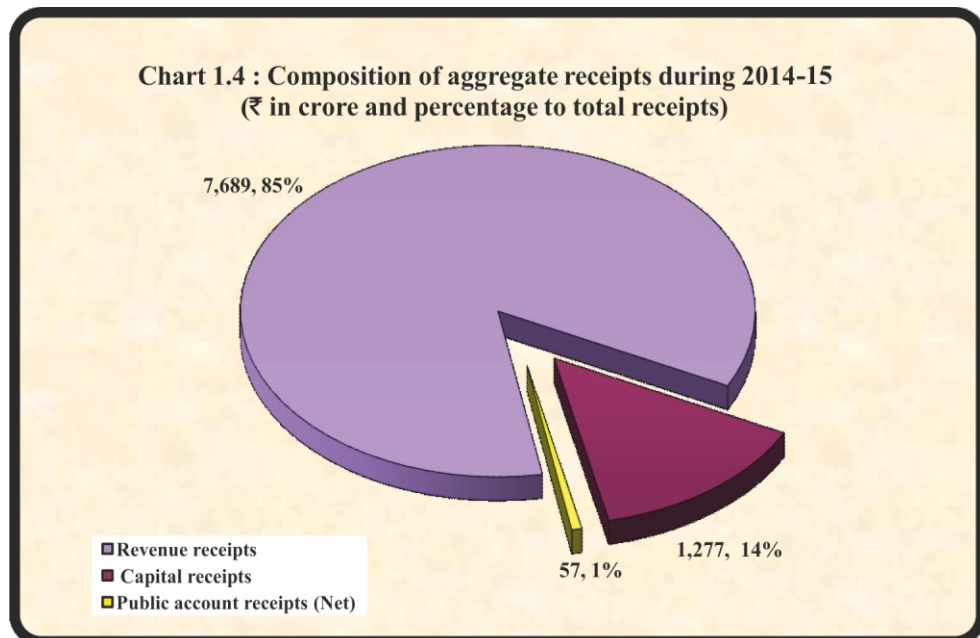
(Source: Finance Accounts of the State)

*Public Account Receipts (₹ 9,290 crore) - Public Account Disbursement (₹ 9,233 crore)

Chart 1.3 depicts the trends in various components of receipts during 2010-15, while **Chart 1.4** depicts the composition of resources of the State during the year 2014-15.



(Source: State Finance Accounts of the respective years)



(Source: Finance Accounts of the State)

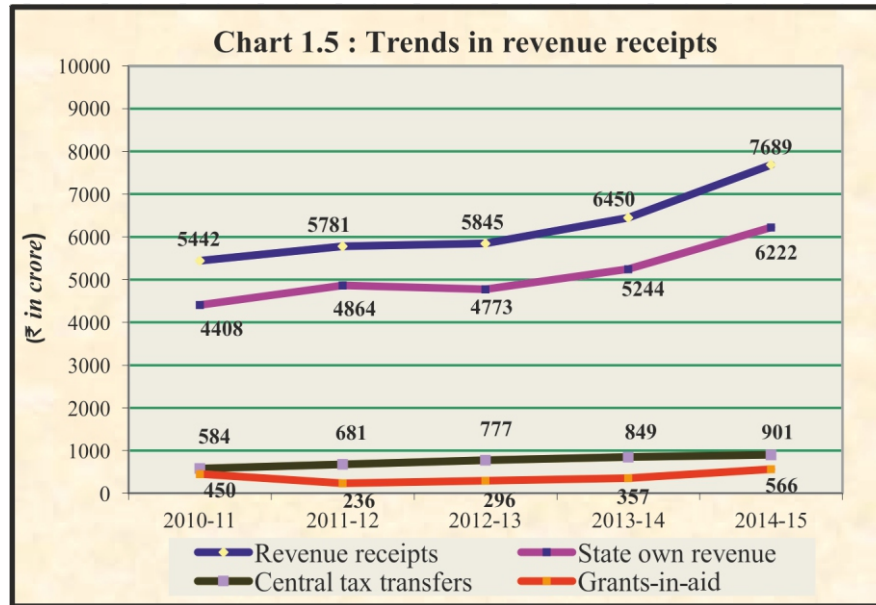
The total receipts of the State increased by ₹ 2,363 crore (35.48 per cent) from ₹ 6,660 crore in 2010-11 to ₹ 9,023 crore in 2014-15. The increase of ₹ 2,363 crore could be attributed to increase in revenue receipts and capital receipts by ₹ 2,247 crore and ₹ 517 crore respectively during 2010-15, offset by a decrease in net public account receipts by ₹ 401 crore.

The share of revenue receipts in total receipts of the State increased from 78 per cent in 2013-14 to 85 per cent in 2014-15. During 2014-15, Capital receipts accounted for 14 per cent of total receipts.

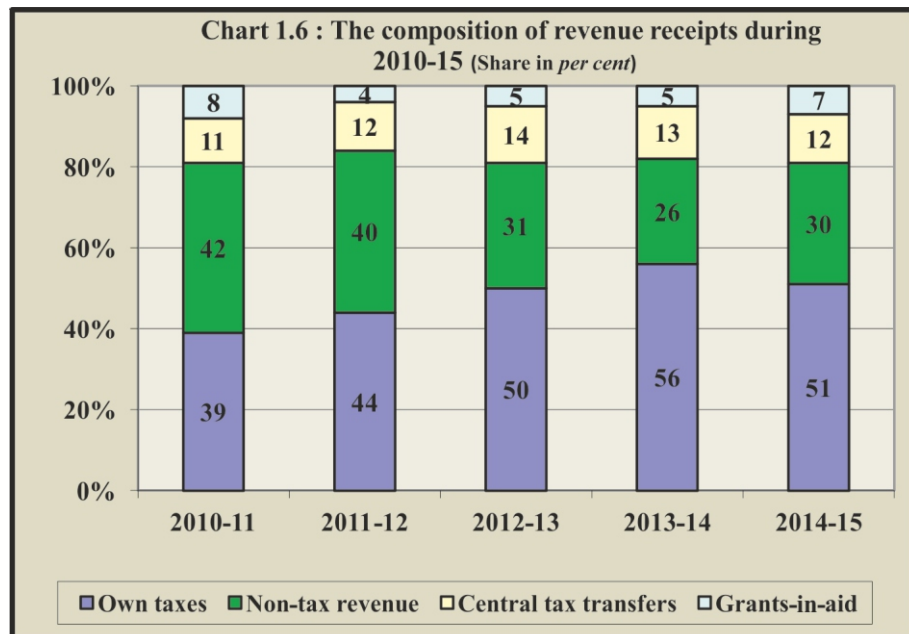
Public Account receipts refer to those receipts for which the Government acts as a banker/trustee for the public money. Net Public Account receipts which totaled ₹ 469 crore in 2010-11 decreased to ₹ 57 crore in 2014-15 with negative growth of 88 per cent during the year compared to 2013-14.

1.3 Revenue receipts

Statement 11 of the Finance Accounts details the revenue receipts of the Government. These consist of the State own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2010-15 are presented in **Appendix 1.4** and **Chart 1.5** and **1.6** respectively.



(Source: State Finance Accounts of the respective years)



(Source: State Finance Accounts of the respective years)

It would be seen from the charts that the revenue receipts have shown a progressive increase from ₹ 5,442 crore in 2010-11 to ₹ 7,689 crore in 2014-15 and increased by ₹ 19.21 per cent (₹ 1,239 crore) during

2014-15 over the previous year. While 81 *per cent* of the revenue receipts during 2014-15 came from the State own resources comprising of tax and non-tax revenue, the central tax transfers and grants-in-aid together contributed the remaining 19 *per cent*.

State own resources consist of tax revenue and non-tax revenue. The share of tax revenue in revenue receipts was between 39 and 56 *per cent* during 2010-14. During 2014-15, the share of State own tax in revenue receipts decreased by five percentage points compared to previous year (2013-14) on account of increase in share of receipts from the Union within revenue receipts.

Non-tax revenue as a *per cent* of revenue receipts had decreased from 42 *per cent* in 2010-11 to 30 *per cent* in 2014-15.

During 2005-06 to 2013-14, the compound growth rate of State revenue receipts (14.59 *per cent*) was lower than that of other General Category States (15.76 *per cent*). This growth rate for the period 2005-06 to 2014-15 increased to 15.10 *per cent* (Appendix 1.1).

The trends in revenue receipts relative to GSDP at current prices are presented in Table 1.2.

Table 1.2: Trends of revenue receipts relative to GSDP

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Receipts (RR) (₹ in crore)	5442	5781	5845	6450	7689
States' own taxes (₹ in crore)	2139	2551	2940	3582	3896
Rate of growth of RR (<i>per cent</i>)	32.73	6.22	1.11	10.35	19.21
Rate of growth of own taxes (<i>per cent</i>)	21.39	19.26	15.24	21.84	8.77
RR/GSDP (<i>per cent</i>)	16.19	13.36	13.78	13.19	14.60
Buoyancy ratio's¹					
Revenue Buoyancy w.r.t. GSDP	2.13	0.22	-*	0.68	2.49
State own taxes buoyancy w.r.t. GSDP	1.39	0.67	-*	1.43	1.14
Gross State Domestic Product (GSDP)	33605	43255	42407	48897	52673
Growth rate of GSDP	15.38	28.72	-1.96	15.30	7.72

(Source: Finance Accounts for the years 2010-11 to 2014-15)

*GSDP growth rate in 2012-13 being negative, buoyancy ratios cannot be calculated

The rate of growth of revenue receipts has been fluctuating during the last five years and accounted for 19.21 *per cent* growth during the current year over 2013-14. However, the State was able to increase the momentum of growth of revenue receipts during 2013-14 and 2014-15. The rate of growth of revenue receipts increased from 10.35 *per cent* in 2013-14 to 19.21 *per cent* in 2014-15. This was due to net effect of increase in non-tax revenue by ₹ 664 crore (39.95 *per cent*), tax revenue by ₹ 314 crore (8.77 *per cent*), grants from the GoI ₹ 209 crore (58.54 *per cent*), and share of Union taxes and duties by ₹ 52 crore (6.12 *per cent*).

¹Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent*

Revenue buoyancy, which is directly proportionate to growth of revenue receipts and GSDP, widely fluctuated during the period due to fluctuations in the growth rate of revenue receipts. The higher growth rate of revenue receipts relative to GSDP increased the revenue buoyancy ratio from 0.68 in 2013-14 to 2.49 in 2014-15. The ratio of State own tax buoyancy with reference to GSDP decreased from 1.43 in 2013-14 to 1.14 in 2014-15. This was due to lower growth rate of State own tax ratio compared to GSDP growth rate.

1.3.1 State's own resources

As the State share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts, Central assistance for Plan Schemes *etc.*, the State performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

The State actual tax and non-tax receipts for the year 2014-15 *vis-a-vis* assessment made by ThFC and budget estimates of the State Government are given in **Table 1.3** and **Table 1.4**.

Table 1.3: Revenue receipts relative to ThFC and budget estimates

(₹ in crore)

	ThFC projection	Budget Estimates	Actuals	Percentage variation of actual over	
				ThFC projection	Budget Estimates
Tax revenue	3977.28	4075.57	3895.92	(-)2.03	(-)4.41
Non-tax revenue	918.29	2380.52	2325.63	153.37	(-)2.31

(Source: Finance Accounts 2014-15, Budget books, ThFC report)

It is seen from the **Table 1.3** above that the actual realisation of tax revenue during the year was lower than the normative assessment of ThFC and budget estimates by 2.03 *per cent* and 4.41 *per cent* respectively. The non-tax revenue of the State fell short of budget estimates by 2.31 *per cent*.

Table-1.4: Growth rate of Tax/Non-Tax revenue during the period 2010-15

	2010-11	2011-12	2012-13	2013-14	2014-15
Tax revenue (₹ in crore)	2139	2551	2940	3582	3896
Rate of growth (in per cent)	21.40	19.26	15.25	21.84	8.77
Non-Tax revenue (₹ in crore)	2269	2314	1833	1662	2326
Rate of growth (in per cent)	31.08	1.98	-20.79	-9.33	39.95

(Source: Finance Accounts of the respective years)

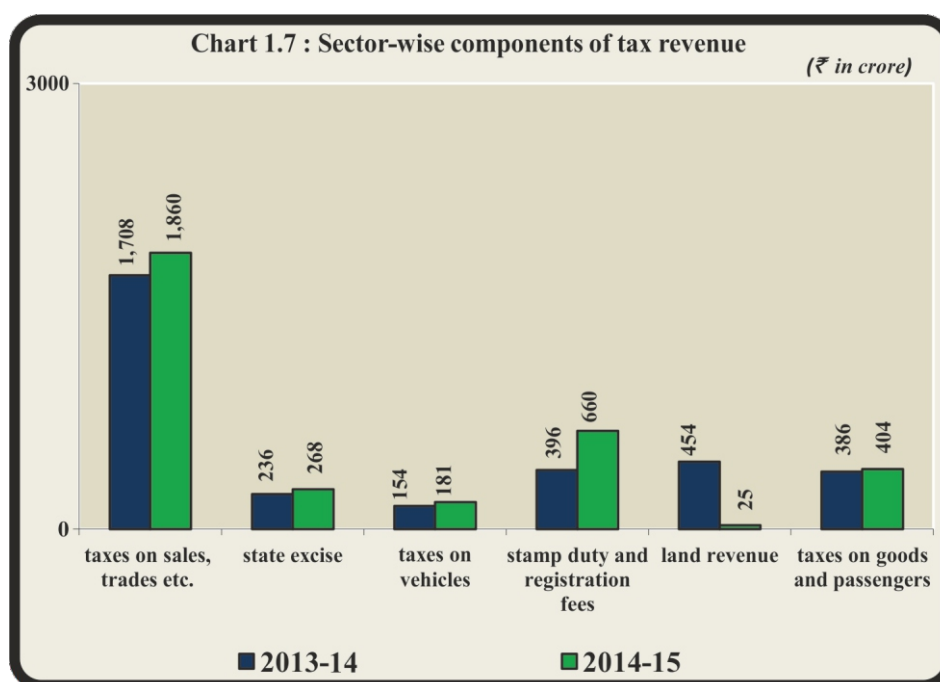
1.3.1.1 Tax revenue

The State own tax revenue increased from ₹ 3,582 crore in 2013-14 to ₹ 3,896 crore in 2014-15. This increase was only nine *per cent* compared to 22 *per cent* achieved during the previous year. The components of State resource mobilisation during the period 2013-14 and 2014-15 are presented in **Table 1.5** and **Chart 1.7**.

Table 1.5: Components of State's resource mobilisation

Revenue head	Actuals for 2013-14	BE for 2014-15	Actuals for 2014-15	Percentage increase(+) decrease(-) w.r.t. to BE	Percentage increase(+) decrease(-) during the year	Share in total tax revenue
	₹ in crore					
Taxes on sales, trades etc.	1708	2304	1860	-19.27	8.90	47.74
State excise	236	290	268	-7.59	13.56	6.88
Taxes on vehicles	154	170	181	6.47	17.53	4.65
Stamp duty and Registration fees	396	544	660	21.32	66.67	16.94
Land revenue	454	253	25	-90.12	-94.49	0.64
Taxes on goods and passengers	386	260	404	55.38	4.66	10.37
Other taxes	248	254	498	96.06	100.81	12.78
Total	3582	4075	3896	-4.39	8.77	100

(Source: State Finance Accounts of the respective years)



(Source: State Finance Accounts of the respective years)

The tax revenue in 2014-15 increased by ₹ 314 crore (8.77 per cent) over the previous year. 'Taxes on Sales, Trade etc.' was the major source of State own revenue (48 per cent) during the last two years. The increase in revenue over the previous year was mainly under 'Taxes on Sales, Trade etc.' due to improved collection under Central Sales Tax Act and Value Added Tax, Stamps and Registration fee, Taxes on goods and passengers, Taxes on vehicles and State excise etc.

During 2005-06 to 2013-14, the compound growth rate of tax revenue (15.95 *per cent*) was higher than the growth rate of other General Category States (15.32 *per cent*). This growth rate for the period 2005-06 to 2014-15 however decreased to 15.13 *per cent* (**Appendix 1.1**).

1.3.1.2 Non-tax revenue

Details of components of non-tax revenue receipts are shown in **Table 1.6**.

Table-1.6: Components of Non-Tax Revenue

(₹ in crore)

Revenue head	2013-14	2014-15	Percentage increase(+) /decrease(-) in 2014-15 over 2013-14	Share in total non-tax revenue
Interest receipts	14.12	17.18	21.67	0.74
Dividends and Profits	1.11	1.82	63.96	0.08
Other Non-Tax receipts	1646.33	2306.63	40.10	99.18
Total Non-Tax revenue	1661.56	2325.63	39.95	-

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

Collection under non-tax revenue increased by 39.95 *per cent* from ₹ 1,662 crore in 2013-14 to ₹ 2,326 crore in 2014-15. Substantial increase was recorded mainly under non-ferrous mining and metallurgical industries (₹ 484 crore) and power (₹ 134 crore).

During 2005-06 to 2013-14, the compound growth rate of non-tax revenue (10.26 *per cent*) was lower than the growth rate of other General Category States (13.53 *per cent*). This growth rate for the period 2005-06 to 2014-15 however increased to 13.22 *per cent* (**Appendix 1.1**).

1.3.1.3 Cost of collection

The cost of collection of major State tax revenue is given in **Table 1.7**:

Table 1.7: Cost of collection of revenue

Head of revenue	Year	Gross collection (₹ in crore)	Expenditure on collection (₹ in crore)	Percentage of expenditure to gross collection	All India average percentage for the year
Taxes on sales, trade etc.	2012-13	1577.42	11.77	0.75	0.73
	2013-14	1708.05	12.69	0.74	0.88
	2014-15*	1859.86	13.69	0.74	-
State Excise	2012-13	212.90	9.54	4.48	2.96
	2013-14	235.76	11.74	4.98	1.81
	2014-15*	268.00	12.80	4.77	-
Taxes on Vehicles	2012-13	148.34	2.68	1.81	4.17
	2013-14	153.91	3.08	2.00	6.25
	2014-15*	180.88	3.37	1.86	-
Stamp duty and Registration fee	2012-13	524.42	5.95	1.13	3.25
	2013-14	396.10	7.04	1.78	3.37
	2014-15*	659.84	8.07	1.22	-

(Source: Finance Accounts of the State)

*Note: All India Averages for the year 2014-15 not yet available

Though the State expenditure on tax collection (2012-13 and 2013-14) in respect of State Excise was higher than the all India average, it was less than the all India average in case of Taxes on Vehicles, Stamp Duty and Registration fee, Taxes on Sales, Trade *etc.*

1.3.2 Grants-in-aid from Government of India

Details of Grants-in-aid from GoI are shown in **Table 1.8**.

Table 1.8: Grants-in-aid from Government of India

	2012-13	2013-14	2014-15	Percentage of increase during the year	Percentage share in total grants-in-aid
	(₹ in crore)				
Grants for State Plan schemes	155.79	185.88	116.55	-37.30	20.57
Non-Plan grants	29.63	95.60	257.23	169.07	45.40
Grants for Central Plan Schemes	5.07	6.28	40.30	541.72	7.11
Grants for Central and Centrally Sponsored Schemes	105.17	69.44	152.48	119.59	26.91
Total	295.66	357.20	566.56	58.61	100
Total grants as a percentage of Revenue Receipts	5.06	5.54	7.37	-	-

(Source: Finance Accounts of the State)

The grants-in-aid from GoI increased by ₹ 209.36 crore (58.61 *per cent*) from ₹ 357.20 crore in 2013-14 to ₹ 566.56 crore in 2014-15. The increase was mainly under Non-Plan grants, Central Plan Schemes and Central and Centrally Sponsored Plan Schemes.

1.3.3 Central tax transfers

Central tax transfers increased by six *per cent* (₹ 52 crore) from ₹ 848.53 crore in 2013-14 to ₹ 900.58 core in 2014-15. The increase was mainly under taxes on income other than Corporation Tax (₹ 36.67 crore), Customs Duty (₹ 7.23 crore) and Corporation Tax (₹ 29.04 crore), while the net proceeds towards Service Tax and Excise duties decreased to ₹ 5.46 crore and ₹ 15.55 crore respectively.

1.3.4 Revenue arrears

The arrears of revenue as on 31 March 2015 in respect of some principal heads of revenue as furnished by the Departments amounted to ₹ 1,351.23 crore as indicated in **Table 1.9**.

Table 1.9 Arrears of revenue

(₹ in crore)

Head of Revenue	Amount of arrears as on 31 March 2015	Arrears more than three years old	Cases pending in court		Revenue arrears pending recovery	Amount of arrears as on 31 March 2011
			No.	Amount		
Commercial Taxes	910.57	467.77	1268	35.05	875.52	460.27
State Excise	1.88	0.33	-	-	1.88	1.25
Taxes on vehicles	18.15	4.16	345	0.82	17.33	11.56

Chief Engineer – Water Resources Department						
i) Water Tax	4.76	2.80	-	-	4.76	1.21
ii) Water Charges	42.95	28.57	-	-	42.95	31.50
iii) Rent on shops	3.02	2.58	3	0.01	3.01	2.50
iv) Hire charges of machinery	0.33	0.33	-	-	0.33	0.35
Chief Engineer - Public Works Department						
i) Rent of Building/ Shops	0.54	0.27	-	-	0.54	0.64
ii) Water charges, meter rent and sewerage charges	51.90	16.60	3701	11.78	40.12	19.08
Chief Electrical Engineer Energy charges	310.88	105.84	8757	12.66	298.22	89.91
Agriculture	1.51	1.21	-	-	1.51	0.20
Printing & Stationery	0.58	-	-	-	0.58	1.71
Tourism	0.73	0.29	7	0.42	0.31	0.74
Director General of Police	3.37	0.37	2	0.05	3.32	0.28
River Navigation Department Barge Tax	0.06	0.06	1	0.06	-	0.06
Total	1351.23	631.18	14084	60.85	1290.38	621.26

(Source: Information furnished by concerned Departments)

The arrears of revenue increased by 117.50 *per cent* during the last five years from ₹ 621.26 crore in 2010-11 to ₹ 1,351.23 crore at the end of 2014-15. This was equal to 21.72 *per cent* of the State own resources during the year. Of the total outstanding arrears in 2014-15, ₹ 631.18 crore was outstanding for more than three years. The Government should ensure the speedy recovery of the arrears of revenue.

1.4 Capital receipts

The Capital receipts of the State include non-debt and debt receipts. The non-debt receipts include largely the proceeds from disinvestment of equity in government companies/corporations and recoveries of loans and advances and debt capital receipts, credited under Public debt section of the consolidated fund.

The debt receipts include Public debt which is further divided into broadly two categories (a) loans/advances from the GoI and (b) Internal debt-borrowings from banks, financial institutions through negotiated loans or open market borrowings through issue of State Development loans.

The trends and composition of Capital receipts during the years 2010-15 are presented in **Table 1.10**.

Table 1.10 Trends in growth and composition of Capital receipts*(₹ in crore)*

Sources of State Receipts	2010-11	2011-12	2012-13	2013-14	2014-15
Capital Receipts	760	553	1552	1362	1277
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	15	16	15	13	10
Public Debt Receipts	745	537	1537	1349	1267
<i>Internal debt</i>	<i>717</i>	<i>324</i>	<i>1371</i>	<i>1199</i>	<i>1064</i>
<i>Growth rate (in per cent)</i>	<i>-0.27</i>	<i>-54.81</i>	<i>323.14</i>	<i>-12.54</i>	<i>-11.26</i>
<i>Loans and Advances from GoI</i>	<i>28</i>	<i>213</i>	<i>167</i>	<i>150</i>	<i>203</i>
<i>Growth rate (in per cent)</i>	<i>132.18</i>	<i>660.71</i>	<i>-21.60</i>	<i>-10.17</i>	<i>35.33</i>
Growth rate of debt capital receipts <i>(in per cent)</i>	17.87	-27.91	186.22	-12.23	-6.08
Growth rate of non-debt capital receipts <i>(in per cent)</i>	15.38	6.66	-6.25	-13.33	-23.08
Growth rate of GSDP <i>(in per cent)</i>	15.38	28.72	-1.96	15.30	7.72
Rate of growth of CR (per cent)	17.82	-27.24	180.65	-12.24	-6.24

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

Capital receipts increased by ₹ 517 crore (68 per cent) from ₹ 760 crore in 2010-11 to ₹ 1,277 crore in 2014-15. Debt receipts had a prominent share in capital receipts and were between 97 per cent and 99 per cent during the period 2010-15.

Recoveries of loans and advances

During the year, the State Government had released an amount of ₹ 2.92 crore as loans and advances to various institutions and at the end of March 2015, an amount of ₹ 83.66 crore was outstanding under this head. Against this balance, principal amount recovered was ₹ 9.96 crore, which was 11.90 per cent of the outstanding balance under loans and advances.

Debt receipts from internal sources

The Public Debt receipts of the State Government decreased by ₹ 82 crore (six per cent) from ₹ 1,349 crore in 2013-14 to ₹ 1,267 crore in 2014-15. This includes internal debt of ₹ 1,064 crore (84 per cent) and Loans and Advances from GoI of ₹ 203 crore (16 per cent). Market borrowings had a predominant share under internal debt (75 per cent) followed by negotiated loans (14 per cent) and NSSF loans (11 per cent).

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 Government acts as a banker/trustee for the public money. The balance after disbursements is the fund available with the Government for use for various activities.

The net transactions under Public Account covering the period 2010-15 are indicated in **Table 1.11**.

Table 1.11: Net transactions under Public Account

(₹ in crore)

Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
Net Public Account Receipts²					
a. Small Savings, Provident Fund <i>etc</i>	155	171	150	115	112
b. Reserve Fund	129	67	169	112	128
c. Deposits and Advances	170	158	192	336	110
d. Suspense and Miscellaneous	-1	101	-699	-179	-180
e. Remittances	5	-4	-178	85	-113
Total	458	493	-366	469	57

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

The above table shows that overall net receipts under public account decreased by ₹ 412 crore from ₹ 469 crore in 2013-14 to ₹ 57 crore in 2014-15.

1.6 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. 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 sectors.

1.6.1 Growth and composition of expenditure

The total expenditure of the State Government consists of revenue expenditure as well as capital expenditure which include expenditure on loans and advances. The trends in various components of total expenditure-Plan and Non-Plan revenue expenditure, committed expenditure such as salaries and wages, interest payments, pension payments and subsidies, financial assistance to local bodies, *etc.*, are discussed in succeeding paragraphs.

The total expenditure and its compositions during the years 2010-11 to 2014-15 are presented in the **Table 1.12**.

²Net Public Account receipts= Public Account Receipts-Disbursement and Suspense and Miscellaneous and Reserve fund figures depicted after excluding Investment figures

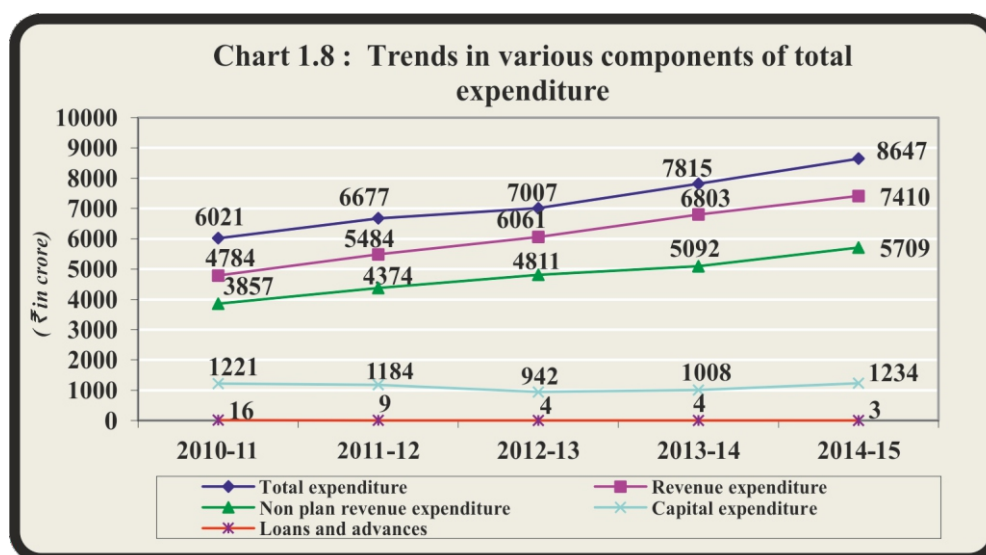
Table 1.12: Total expenditure and its composition

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Total Expenditure	6021	6677	7007	7815	8647
Revenue Expenditure	4784 (79)	5484 (82)	6061 (87)	6803 (87)	7410 (86)
of which, Non-Plan Revenue Expenditure	3857	4374	4811	5092	5709
Capital Expenditure	1221 (20)	1184 (18)	942 (13)	1008 (13)	1234 (14)
Loans and Advances	16 (1)	9 (1)	4	4	3

(Source: Finance Accounts of the State)

Figures in parentheses indicate percentage to total expenditure

Chart 1.8 presents the trends in total expenditure over a period of last five years (2010-15) and its composition in terms of ‘expenditure by activities’ is depicted in **Chart 1.9**.



(Source: Finance Accounts of the State)

Total expenditure

The total expenditure of the State increased (10.65 per cent) from ₹ 7,815 crore in 2013-14 to ₹ 8,647 crore in 2014-15. The total expenditure, its annual growth rate, the ratio of expenditure to the GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.13**.

During 2005-06 to 2013-14, the compound growth rate of total expenditure (13.80 per cent) was lower than the growth rate of other General Category States (15.23 per cent). This growth rate decreased to 13.45 per cent for the period 2005-06 to 2014-15 (**Appendix 1.1**).

Table 1.13: Total expenditure – basic parameters*(₹ in crore)*

	2010-11	2011-12	2012-13	2013-14	2014-15
Total expenditure (TE)	6021	6677	7007	7815	8647
Rate of growth of TE(per cent)	12.58	10.89	4.94	11.53	10.65
Revenue receipts (RR)	5442	5781	5845	6450	7689
Rate of growth of RR (per cent)	32.73	6.22	1.11	10.35	19.21
TE/GSDP ratio (per cent)	17.92	15.44	16.52	15.98	16.42
RR /TE ratio (per cent)	90.38	86.58	83.42	82.53	88.92
Buoyancy of total expenditure with reference to :					
GSDP (ratio)	0.82	0.38	--*	0.75	1.38
RR (ratio)	0.38	1.75	4.46	1.11	0.55

*(Source: Finance Accounts of the State)***GSDP figures in 2012-13 being negative, buoyancy ratio cannot be calculated*

The increase of ₹ 832 crore (10.65 per cent) in total expenditure during 2014-15 over the previous year was on account of an increase of ₹ 607 crore and ₹ 226 crore in revenue and capital expenditure respectively offset by a marginal decrease in expenditure under disbursement of loans and advances by ₹ one crore.

The ratio of total expenditure to GSDP increased from 15.98 per cent in 2013-14 to 16.42 per cent in 2014-15, mainly due to increase in the growth rate in total expenditure as compared to GSDP growth rate. The ratio of revenue receipts to total expenditure increased from 82.53 per cent in 2013-14 to 88.92 per cent in 2014-15 which shows that 88.92 per cent of the total expenditure was met from revenue receipts.

The ratio of buoyancy of total expenditure with reference to GSDP was 1.38 in 2014-15. This indicated that during 2014-15 for each one per cent increase in GSDP total expenditure grew by 1.38 per cent.

Of the total expenditure of ₹ 8,647 crore during 2014-15, Non-Plan expenditure contributed 66 per cent while Plan expenditure was 34 per cent. Of the increase of ₹ 832 crore in total expenditure, the Non-Plan expenditure accounted for 73 per cent, while the contribution of Plan expenditure was 27 per cent.

During 2005-06 to 2013-14, the compound growth rate of capital expenditure (7.15 per cent) was lower than the growth rate of other General Category States (14.61 per cent). This growth rate for the period 2005-06 to 2014-15, increased to 8.75 per cent (**Appendix 1.1**).

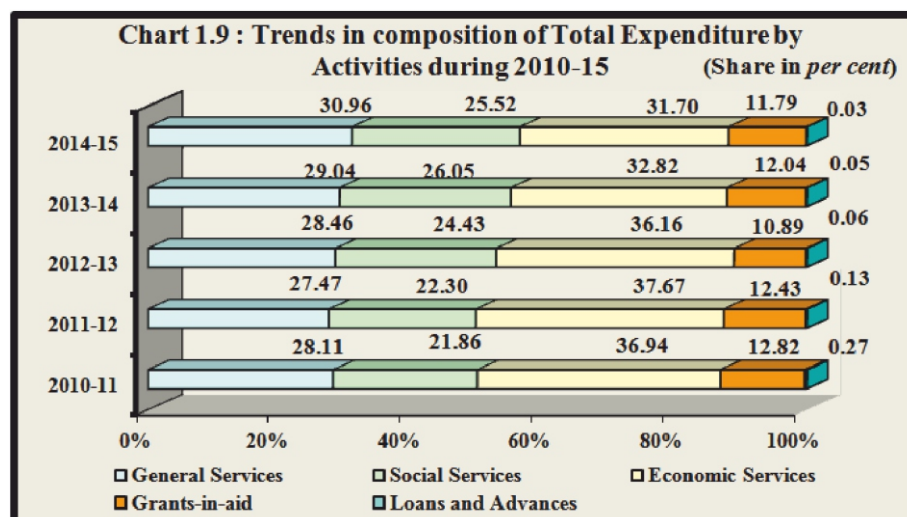
Trends in total expenditure in terms of activities

In terms of the 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 shares of these components in the total expenditure are indicated in **Table 1.14** and **Chart 1.9**.

Table 1.14: Components of expenditure – relative shares

	<i>(in per cent)</i>				
	2010-11	2011-12	2012-13	2013-14	2014-15
General Services	28.11	27.47	28.46	29.04	30.96
<i>of which, Interest Payments</i>	10.79	10.55	11.43	11.40	11.66
Social Services	21.86	22.30	24.43	26.05	25.52
Economic Services	36.94	37.67	36.16	32.82	31.70
Grants-in-aid	12.82	12.43	10.89	12.04	11.79
Loans and Advances	0.27	0.13	0.06	0.05	0.03

(Source: Finance Accounts of the State)



It may be seen from **Table 1.14** that during 2014-15, the movement of the relative shares showed nearly two *per cent* increase under General services, one *per cent* decrease in Economic services and a marginal decrease under Social Services over the previous year.

Revenue expenditure

Revenue expenditure constituted 85.69 per cent of the total expenditure in 2014-15 as indicated in **Table 1.15**. During the current year, revenue expenditure increased by ₹ 607 crore (8.92 per cent) over 2013-14, mainly due to increase in expenditure on General Services (₹ 294 crore), Social Services (₹ 65 crore), Economic Services (₹ 168 crore) and increase in Grants-in-aid and contributions (₹ 79 crore). While 23 *per cent* of expenditure was incurred under Plan head, the remaining 77 *per cent* was under Non-Plan head.

The major heads that registered increases include interest payments (₹ 117 crore), Pension and other retirement benefits (₹ 95 crore), General Education (₹ 94 crore), Police (₹ 30 crore), Medical and Public health (₹ 44 crore) and Social security and nutrition (₹ 29 crore).

Incidence of revenue expenditure

The bulk of total expenditure goes towards revenue expenditure. Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such, does not result in any addition to the State infrastructure and service network. The overall revenue

expenditure, its rate of growth, the ratio of non-plan revenue expenditure to GSDP and to revenue receipts and buoyancy of revenue expenditure with GSDP and revenue receipts during the last five years are indicated in **Table 1.15**.

Table 1.15: Revenue expenditure – basic parameters

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Expenditure (RE), of which	4784	5484	6061	6803	7410
Non-Plan Revenue Expenditure (NPRE)	3857	4373	4811	5092	5709
Plan Revenue Expenditure (PRE)	927	1110	1250	1711	1701
Rate of Growth of					
RE (<i>per cent</i>)	13.17	14.63	10.52	12.24	8.92
NPRE (<i>per cent</i>)	11.18	13.40	10.02	5.84	12.12
PRE (<i>per cent</i>)	22.29	19.74	12.61	36.88	-0.58
Revenue Expenditure as percentage to TE	79.45	82.13	86.50	87.05	85.69
NPRE/GSDP (<i>per cent</i>)	11.48	10.11	11.34	10.41	10.84
NPRE as percentage of TE	64.05	65.50	68.66	65.16	66.02
NPRE as percentage of RR	70.87	75.64	82.31	78.95	74.25
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.86	0.51	--*	0.80	1.16
Revenue Receipts (ratio)	0.40	2.35	9.50	1.18	0.46

(Source : Finance Accounts of the State)

* GSDP growth rate in 2012-13 being negative, buoyancy cannot be calculated

The revenue expenditure in 2014-15 increased by ₹ 607 crore (8.92 *per cent*) over the previous year. The buoyancy ratio of revenue expenditure with reference to both GSDP and revenue receipts showed a fluctuating trend. The revenue expenditure was less by seven *per cent* than the assessment made by the State Government in its budget estimates (₹ 7,954 crore) for the year 2014-15.

Plan Revenue Expenditure

The Plan Revenue Expenditure decreased by ₹ 10 crore (0.58 *per cent*) during 2014-15 over the previous year. The decrease in expenditure was under Education, Sports, Art and Culture, Rural development and Industry and minerals. During 2014-15, the State Plan revenue expenditure in total revenue expenditure decreased by three percentage points compared to previous year (2013-14).

Non-Plan Revenue Expenditure

The Non-Plan Revenue Expenditure (NPRE) in 2014-15 constituted a dominant share of 77.04 *per cent* in the revenue expenditure and increased by ₹ 617 crore (12.11 *per cent*) over the previous year. The variations in NPRE under the major heads indicate increase in expenditure under Interest payments (₹ 117 crore); Education, Sports, Art and Culture (₹ 111 crore); Pension and other retirement benefits (₹ 95 crore); Health and Family Welfare (₹ 36 crore) and Water supply, Sanitation, Housing and Urban Development (₹ 23 crore).

The NPRE as percentage of revenue receipts increased from 70.87 *per cent* in 2010-11 to 82.31 *per cent* in 2012-13. However, it reduced to 74.25 *per cent* during 2014-15 indicating that 74.25 *per cent* of the revenue receipts were used to meet the NPRE.

Table-1.16 provides the comparative position of NPRE with reference to assessments made by ThFC and the projections of the State Government in the budget estimates.

Table 1.16: NPRE *vis-à-vis* assessment made by the ThFC, budget and actual

(₹ in crore)

Year	Assessments made by the ThFC	Projections in the budget	Actuals
2013-14	3173.93	5130.81	5091.74
2014-15	3439.00	5628.13	5708.80

The NPRE remained significantly higher than the normative assessments made by the ThFC during the years 2013-14 and 2014-15 but was less than the projections made in the budget during the year 2013-14. However, the NPRE exceeded the budget estimates during 2014-15 by one *per cent*.

Subsidies

Subsidies given during the years 2010-11 to 2014-15 are presented in the **Table 1.17**.

Table 1.17: Subsidies

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15	2014-15
					BE	Actuals
Subsidies	72.02 (1.32)	102.59 (1.77)	132.34 (2.26)	160.15 (2.48)	272.41 (3.40)	192.55 (2.50)
Total Revenue Expenditure	4784	5484	6061	6803	7954	7410
Revenue Receipts	5442	5781	5845	6450	8000	7689

(Source : Finance Accounts of the State)

Figures in parentheses indicate percentage to Revenue Receipts

The above table indicates that expenditure under subsidies increased by 20 *per cent* from ₹ 160.15 crore in 2013-14 to ₹ 192.55 crore in 2014-15. During the current year, subsidies constituted 2.50 *per cent* of revenue receipts and about 2.60 *per cent* of the total revenue expenditure. The major recipients of subsidy include Agriculture and Allied Activities (₹ 117.24 crore) and Transport (₹ 55.80 crore).

Capital expenditure

Capital expenditure (₹ 1,234 crore) constituted 14.27 per cent of the total expenditure in 2014-15. The increase of ₹ 226 crore (22.42 per cent) in capital expenditure during 2014-15 was mainly on account of increase in expenditure on Miscellaneous General Services, Education, Sports, Art and Culture, Energy, Water supply, Sanitation, Housing and Urban Development and Transport.

Loans and advances

Loans and advances (₹ three crore) constituted only 0.03 *per cent* of the total expenditure in 2014-15. Disbursement of loans and advances during 2014-15 decreased by 36 *per cent* (₹ one crore).

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. Despite recommendations of the Twelfth Finance Commission, the statement of committed liabilities is not included in the Finance Accounts by the State Government. **Chart 1.10** and **Table 1.18** present the trends in the expenditure on these components during 2010-15.

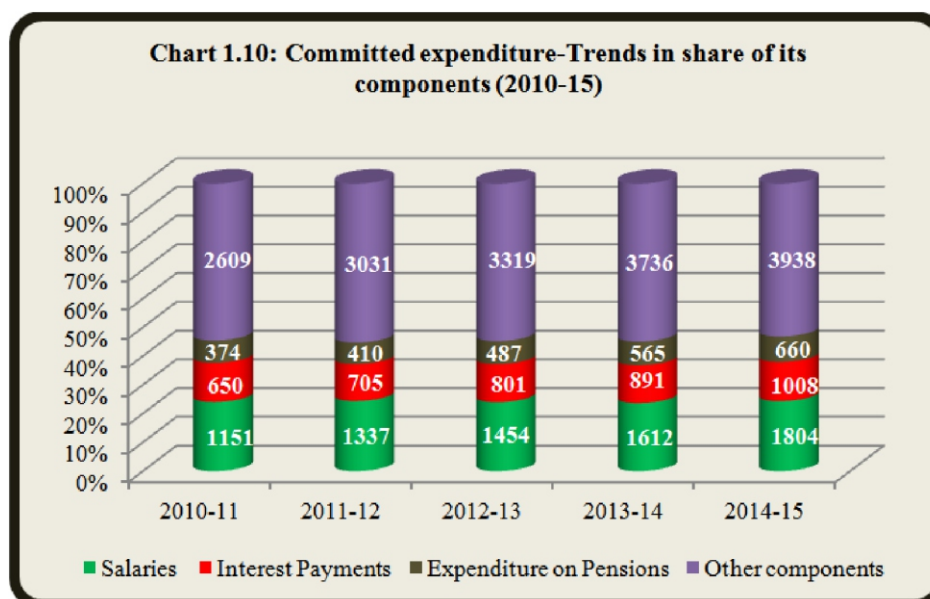
Table 1.18: Components of Committed expenditure

Components of Committed Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actuals
Salaries & Wages of which						
<i>Non-Plan Head</i>	967.89	1097.27 (18.98)	1196.83 (20.47)	1324.07 (20.53)	1553 (19.41)	1447.73 (18.83)
<i>Plan Head</i>	182.73	239.30 (4.14)	257.50 (4.41)	287.92 (4.46)	390 (4.88)	326.52 (4.25)
Total	1150.62 (21.14)	1336.57 (23.12)	1454.33 (24.88)	1611.99 (24.99)	1943 (24.29)	1804.25* (23.47)
Interest Payments	650.36 (11.95)	705.17 (12.20)	800.71 (13.70)	890.66 (13.81)	972 (12.15)	1007.53 (13.10)
Pensions	373.81 (6.87)	410.30 (7.10)	487.41 (8.34)	564.99 (8.76)	545 (6.81)	659.96 (8.58)
Total Committed expenditure	2174.79 (39.96)	2452.04 (42.41)	2742.45 (46.91)	3067.64 (47.56)	3460 (43.25)	3471.74 (45.15)
Other Components	2608.99 (47.94)	3031.46 (52.44)	3318.89 (56.78)	3735.64 (57.92)	4494 (56.18)	3938.51 (51.22)
Total Revenue Expenditure	4783.78	5483.50	6061.34	6803.28	7954	7410.25
Revenue Receipts	5441.94	5780.73	5845.43	6449.77	8000	7688.69

(Source : Finance Accounts of the State)

Figures in parentheses indicate percentage to Revenue Receipts

*Salaries : ₹ 1,779.32 crore + Wages : ₹ 24.93 crore (Finance Accounts)



Salaries and Wages

The average annual growth in salaries and wages during 2010-15 was 14.20 *per cent*. The expenditure on salaries and wages (including grants-in-aid component) increased by ₹ 192.26 crore (11.92 *per cent*) from ₹ 1,611.99 crore in 2013-14 to ₹ 1,804.25 crore in 2014-15. Salaries and wages were 23.47 *per cent* of the revenue receipts.

During 2005-06 to 2013-14, the compound growth rate of salary and wages (17.62 *per cent*) was higher than the growth rate of other General Category States (15.23 *per cent*). This growth rate for the period 2005-06 to 2014-15, however, decreased to 16.97 *per cent* (**Appendix 1.1**).

Pension payments

The expenditure on pension payments increased at an average annual growth of 19.13 *per cent*. The increase in pension payments of ₹ 94.97 crore (16.80 *per cent*) during 2014-15 over the previous year was due to more expenditure on superannuation and retirement allowances, pensions to employees of State aided educational institutions, gratuity and family pensions.

During 2005-06 to 2013-14, the compound growth rate of pension (17.17 *per cent*) was lower than the growth rate of other General Category States (18.70 *per cent*). This growth rate for the period 2005-06 to 2014-15 further decreased to 13.24 *per cent* (**Appendix 1.1**).

Table 1.19 below shows actual pension and other retirement benefits with reference to assessment made by the ThFC and projections of the Government in the budget.

Table 1.19: Pension and other retirement benefits vis-à-vis ThFC assessment and State projection

(₹ in crore)

Year	Assessments made by the ThFC	Projections in the budget	Actuals
2013-14	257.61	508.19	564.99
2014-15	283.38	545.35	659.96

The expenditure on pension and other retirement benefits to State Government employees during the year was ₹ 659.96 crore. The pension payments during 2013-14 and 2014-15 were higher than the projections made in budget and normative assessment made by the ThFC by 118.99 per cent and 133.21 per cent respectively.

In order to limit future pension liabilities, the Government had introduced the Defined Contribution Pension Scheme for employees recruited after 05 August 2005. During the year 2014-15, an amount of ₹ 150.82 crore towards employee's contribution and employer's share was deposited under the head '8342-Other Deposits, 117-Defined Contribution Pension Scheme for Government employees'. The State Government's liability on this account as on 31 March 2015 was ₹ 426.96 crore.

The Director of Accounts stated (November 2015) that 21,610 employees of the State Government were registered under New Pension Scheme and an amount of ₹ 92 crore (22 per cent) has been transferred to National Securities Depository Limited (Pension Fund Manager) as on 31 March 2015. The process for transfer of balance funds (₹ 334.96 crore) to the Fund Manager was stated to be under consideration.

Interest payments

The expenditure on interest payments increased at an average annual growth of 13.72 per cent from ₹ 650.36 crore in 2010-11 to ₹ 1,007.53 crore in 2014-15, primarily due to an increase in debt liabilities. However, relative to revenue receipts, interest payments increased from 11.95 per cent in 2010-11 to 13.81 per cent in 2013-14. However, it decreased to 13.10 per cent during 2014-15.

Table 1.20: Interest payments vis-à-vis ThFC assessments and State projections in the budget

(₹ in crore)

Year	Assessments made by the ThFC	Projections in the budget	Actuals
2013-14	934.51	825.60	890.66
2014-15	1038.72	971.56	1007.53

The interest payments during 2013-14 and 2014-15 were lower than the normative assessments made by the ThFC. However, during these periods interest payments exceeded the projections of the State Government by 7.88 per cent and 3.70 per cent respectively.

The increase in interest payments by ₹ 116.87 crore (13.12 per cent) in 2014-15 over the previous year was mainly due to increase in interest paid on market loans (₹ 91 crore), interest on special securities issued to the National Small Savings Fund of the Central Government and other

debts (₹ three crore), interest on State Provident Fund (₹ seven crore) and interest on deposits (₹ 16 crore).

1.6.3 Financial assistance by State Government to local bodies and other institutions

Financial assistance to local bodies and other institutions constituted 13.76 per cent of the revenue expenditure during 2014-15.

The quantum of assistance provided by way of grants and loans to local bodies and others during 2014-15 relative to the previous years is presented below:

Table 1.21: Financial assistance to local bodies and other institutions

(₹ in crore)						
Sl No.	Institutions	2010-11	2011-12	2012-13	2013-14	2014-15
1	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	530.61	516.61	607.70	656.72	752.31
2	Municipal Corporations and Municipalities	78.36	71.56	53.97	51.82	58.29
3	Zilla Parishads and Other Panchayati Raj Institutions	74.22	34.80	72.73	79.31	51.78
4	Other Institutions	52.88	212.82	61.55	153.34	157.35
	Total	736.07	835.79	795.95	941.19	1019.73
	Assistance as per percentage of RE	15.39	15.24	13.13	13.83	13.76

(Source : Finance Accounts of the State)

It would be seen from **Table 1.21** that the financial assistance by the Government increased from ₹ 736.07 crore in 2010-11 to ₹ 1,019.73 crore in 2014-15. As compared to previous year, the assistance in 2014-15 increased by 8.34 per cent.

During the year 2014-15, financial assistance given to (a) Educational Institutions (Aided schools, Aided colleges, Universities etc.) increased by ₹ 96 crore mainly due to payment of more assistance to government aided schools and colleges.

1.6.3.1 State Finance Commission

The Second State Finance Commission (SSFC) was set up in August 2005 to recommend devolution of powers, functions, responsibilities and resources to Urban Local Bodies (ULBs). The Commission 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. Of the 11 functions to be devolved to the ULBs only seven functions and one activity in one function have been transferred as of February 2015. In addition to this, the function of Urban Poverty Alleviation and the activity of Solid Waste Management under Public Health and Sanitation not envisaged in the Act 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 is awaited (February 2015). The recommendations of the SSFC are yet to be approved though the five year period as envisaged by the Commission ended in March 2012.

The Third State Finance Commission for the period from 2012-13 to 2016-17 has not been constituted so far (February 2015).

1.6.3.2 Audit arrangements

The audit of ULBs and VPs is carried out by the CAG 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 the quality of expenditure basically involves three aspects *viz.*, adequacy of the expenditure (*i.e.* adequate provisions for providing public services); efficiency of expenditure use and effectiveness (assessment of outlay-outcome relationships for select services).

1.7.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments 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 (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. An analysis of the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2011-12 and 2014-15 has been indicated in **Table 1.22**.

Table 1.22: Fiscal priority of the State in 2011-12 and 2014-15

Fiscal priority by the State	AE/ GSDP	DE/ [#] AE	SSE/ AE	ESE/ AE	CE/ AE	Education, sports, art and culture/AE	Health and family welfare/AE
General Category States Average (Ratio) 2011-12	15.98	65.39	36.63	28.76	13.23	17.10	4.68
Goa's Average (Ratio) 2011-12	15.43	72.45	32.81	39.56	17.73	15.36	6.03
General Category Average (Ratio) 2014-15	16.49 [§]	69.12	36.50	32.61	14.01	16.23	5.04
Goa Average (Ratio) 2014-15	16.41	69.01	35.76	33.24	14.27	15.73	5.86

(Source: GSDP, of 2014-15 provided by Directorate of Statistics and Planning Department, GoG)

AE: Aggregate Expenditure; DE: Development Expenditure, SSE: Social Sector Expenditure, ESE: Economic Sector Expenditure, CE: Capital Expenditure

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

[§] Based on 17 States except Goa and Puducherry

Analysis of the fiscal priorities of the State Government as shown in **Table 1.22** reveals the following:

- The ratio of AE to GSDP in 2011-12 and 2014-15 (15.43 *per cent* and 16.41 *per cent*) were lower in the State as compared to the General Category States (15.98 *per cent* and 16.49 *per cent*). This meant that General Category States were spending more as a proportion of their GSDP when compared to Goa State.
- Development expenditure³ as a proportion of aggregate expenditure in the State (72.45 *per cent*) was higher than the General Category State's average (65.39 *per cent*) in 2011-12 whereas in 2014-15 the expenditure incurred by the State (69.01 *per cent*) had come close to the average expenditure incurred by General category states (69.12 *per cent*).
- Capital expenditure increases the asset creation which will generate opportunities for higher growth. In Goa, the ratio of CE to the AE was higher as compared to General Category State's during 2011-12 and 2014-15.
- Development expenditure consists of both economic and social service sector expenditure. The ratio of expenditure on social sector to AE increased from 32.81 *per cent* in 2011-12 to 35.76 *per cent* in 2014-15, but was lower than the General Category States. Priority was given to economic sector as the expenditure on economic sector was higher than the General Category States. As observed from the above table, adequate priority needs to be given to education sector as the ratio

³The 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

under this sector was below the General Category States average during 2011-12 and 2014-15.

- The State Government has given fiscal priority to Health and Family Welfare during 2011-12 and 2014-15, as their ratios to AE were higher than the ratios of General Category States.

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 public⁴ and merit goods⁵. Apart from improving the allocation towards development expenditure, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.23** and **Chart 1.11** present the trends in DE relative to the AE of the State during the current year *vis-à-vis* budget estimates of the current year and the actual expenditure during the previous years.

Table 1.23: Development expenditure

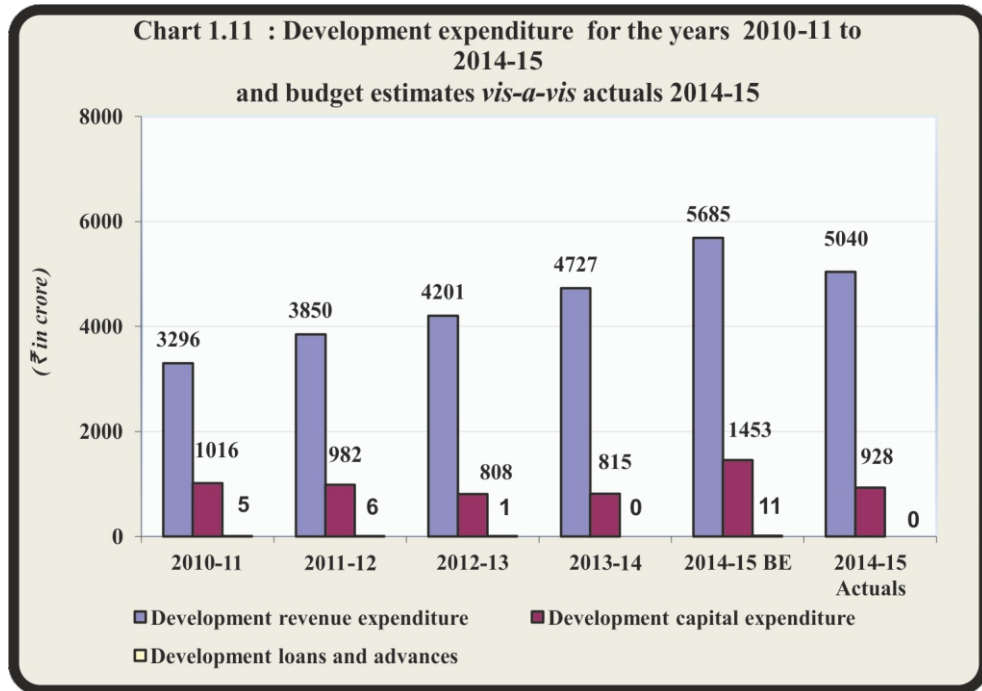
Components of Development Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actuals
Development Expenditure (a to c)	4317 (71.70)	4838 (72.45)	5010 (71.50)	5542 (70.91)	7149 (73.24)	5968 (69.01)
a. Development Revenue Expenditure	3296 (54.74)	3850 (57.66)	4201 (59.95)	4727 (60.48)	5685 (58.24)	5040 (58.28)
b. Development Capital Expenditure	1016 (16.87)	982 (14.71)	808 (11.53)	815 (10.42)	1453 (14.88)	928 (10.73)
c. Development Loans and Advances	5 (0.08)	6 (0.08)	1 (0.01)	0 (0.00)	11 (0.11)	0 (0.00)

(Source : Finance Accounts of the State)

Figures in the parentheses indicate as percentage of total expenditure

⁴Core 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.

⁵Merit 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 concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods includes 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.



(Source: Finance Accounts of the State)

Development expenditure

The development expenditure increased by 38 per cent (₹ 1,651 crore) from ₹ 4,317 crore in 2010-11 to ₹ 5,968 crore in 2014-15. However, during 2014-15, 84 per cent of the development expenditure was development revenue expenditure. Share of capital expenditure and loans and advances was only 16 per cent.

Development revenue expenditure

The development revenue expenditure increased by ₹ 313 crore (seven per cent) from ₹ 4,727 crore in 2013-14 to ₹ 5,040 crore in 2014-15. The increase was mainly due to increase in expenditure under the sub-sectors energy (₹ 142 crore), health and family welfare (₹ 45 crore), social welfare and nutrition (₹ 40 crore) and water supply, sanitation, housing and urban development (₹ 37 crore). The actual development revenue expenditure in 2013-14 was less than the State projection in the budget by ₹ 645 crore.

Development capital expenditure

The development capital expenditure increased by ₹ 113 crore (13.86 per cent) from ₹ 815 crore in 2013-14 to ₹ 928 crore in 2014-15. The decrease was mainly under the sub-sectors education, sports, art and culture (₹ 72 crore), water supply, sanitation, housing and urban development (₹ 24 crore) and energy (₹ 24 crore). The actual development capital expenditure was also less than the State projection in the budget by ₹ 525 crore.

Development loans and advances

Development expenditure in respect of loans and advances during 2014-15 was 'nil'. The actual development loans and advances were less than the State projections in the budget of 2014-15 by ₹ 11 crore.

Table 1.24 provides the details of capital expenditure and the component of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.24: Efficiency of expenditure use in selected Social and Economic Services

Social/Economic Infrastructure	2013-14		2014-15	
	Share of CE to TE	Share of salaries in RE	Share of CE to TE	Share of salaries in RE
<i>(in per cent)</i>				
Social Services (SS)				
Educations, Sports, Art and Culture	4.87	23.38	9.93	25.46
Health and Family Welfare	3.76	74.67	3.33	75.94
Water supply, Sanitation, Housing and Urban Development	22.48	12.03	24.75	11.47
Total (SS)	6.15	27.76	9.00	28.57
Economic Services (ES)				
Agriculture and Allied Activities	9.55	34.02	7.62	36.04
Irrigation and Flood Control	62.08	37.70	57.89	42.58
Power and Energy	10.94	13.81	11.34	14.73
Transport	48.43	28.51	47.67	28.94
Total (ES)	23.47	19.56	22.60	20.89
Total (SS+ES)	14.70	24.13	15.55	25.18

(Source: Finance Accounts of the State for the years 2013-14 and 2014-15)

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

The trends presented in **Table 1.24** reveal that development capital expenditure as a percentage to total expenditure in the sub-sector increased from 14.70 *per cent* in 2013-14 to 15.55 *per cent* in 2014-15. The percentage of capital expenditure on Social Services to the total expenditure in the sub sector increased from 6.15 *per cent* in 2013-14 to 9.00 *per cent* in 2014-15. The increase was mainly seen under education, sports, art and culture and water supply, sanitation, housing and urban development. The percentage of capital expenditure on Economic Services to the total expenditure in the sub sector decreased from 23.47 *per cent* in 2013-14 to 22.60 *per cent* in 2014-15. The decrease was mainly seen under irrigation and flood control and transport.

The share of salaries in revenue expenditure increased from 24.13 *per cent* in 2013-14 to 25.18 *per cent* in 2014-15. The share of salaries in revenue expenditure on Social services increased from 27.76 *per cent* in 2013-14 to 28.57 *per cent* in 2014-15. The increase was mainly under education, sports, art and culture and health and family welfare. The share of salaries in revenue expenditure on Economic Services increased from 19.56 *per cent* in 2013-14 to 20.89 *per cent* in 2014-15. The increase was mainly under irrigation and flood control and agriculture and allied activities.

1.8 Analysis of Government expenditure and investments

In the post-FRBM framework, State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to 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 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. The Government incurred expenditure of ₹ 52.70 crore on maintenance of irrigation projects in the State during 2014-15, which was ₹ 3.21 crore more than the maintenance expenditure during the previous year (₹ 49.49 crore)⁶.

1.8.2 Incomplete projects

Department-wise information of the incomplete projects is given in Table 1.26.

Table 1.26: Department-wise Profile of Incomplete Projects

(₹ in crore)				
Department	Number of incomplete projects	Initial budgeted cost	Revised total cost of projects	Cumulative actual expenditure as on 31.3.2015
Public Works Department	66	227.37	Not available	63.95
Water Resources Department	21	143.64	524.78	632.62
Total	87	371.01	524.78	696.57

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

As of 31 March 2015, there were 87 incomplete projects valuing more than ₹ one crore each, on which ₹ 696.57 crore had already been expended.

The Tillari Irrigation project, a joint venture of the Government of Maharashtra and the Government of Goa, which commenced in 1986 remained incomplete mainly due to delay in proceedings of land acquisition and is expected to be completed in March 2016. The Goa Tillari Irrigation project had since been dissolved in September 2014 as per Section 65 of the Goa Tillari Irrigation Development Corporation Act,

⁶The previous year's (2013-14) figure reported by the Water Resources Department in 2014-15 was different from those furnished last year (₹ 58.39 crore). However, the reasons for difference in figures were not furnished by the Department.

1999 and the assets and liabilities of the Corporation had been transferred to Water Resources Department.

1.8.3 Investments and returns

As of 31 March 2015, Government had invested ₹ 488 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.27). The average return on this investment was 0.28 per cent in the last five years while the Government paid average interest rate ranging from 7.44 per cent to 7.69 per cent on its borrowings during 2010-15.

Table 1.27: Return on investment

Investment/Return/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year (₹ in crore)	382.16	401.17	445.72	449.13	488.00
Return (₹ in crore)	0.19	1.48	1.73	1.10	1.82
Return (per cent)	0.04	0.36	0.39	0.24	0.37
Average rate ⁷ of interest on Govt. borrowing (per cent)	7.62	7.59	7.69	7.44	7.59
Difference between interest rate and return(per cent)	7.58	7.23	7.30	7.20	7.22

(Source : Finance Accounts of the State)

The increase in investments by ₹ 38.87 crore during 2014-15 was mainly due to increased capital contributions in Information Technology Corporation of Goa (₹ 16 crore), Goa State Scheduled Caste and Other Backward Classes Development Corporation (₹ 10 crore), Kadamba Transport Corporation (₹ five crore) and State run Co-operative Banks and Societies (₹ seven crore).

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 1.28 depicts the Department-wise position of the investments made by the 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 1.28: Summarised financial statement of Departmentally managed quasi-commercial undertakings

Sl. No.	Name of the undertaking	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	2010-11	1018.73	897.56	(-)101.91	757.62	-	(-)101.91	Nil
2	River Navigation Department	2005-06	108.29	1.07	(-)10.53	(-) 106.68	0.41	(-)10.12	Nil

(₹ in crore)

⁷Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100

An amount of ₹ 1,018.73 crore had been invested by the State Government in the Electricity Department and the River Navigation Department at the end of the financial year up to which their accounts were finalised. As per the accounts for the year 2010-11, the Electricity Department suffered a net loss amounting to ₹ 101.91 crore against a capital investment of ₹ 1,018.73 crore, thereby yielding negative return of 10 per cent.

The River Navigation Department (RND) was incurring losses every year and the accumulated deficit as at the end of the year 2005-06 was ₹ 106.68 crore against the total investment of ₹ 108.29 crore. The Government needs to review its working so as to wipe out its losses in the short run and to make itself sustaining in the medium to long term. Though, this was reported in the Audit Reports since 2008-09, no Action Taken Report has been received from the State Government.

1.8.5 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, the Government has also been providing loans and advances to many of these institutions/organisations. Table 1.29 presents the outstanding loans and advances as on 31 March 2015, interest receipts vis-à-vis interest payments during the last three years.

Table 1.29: Average interest received on loans and advances by the State Government

(₹ in crore)

Quantum of loans/interest receipts/cost of borrowings	2012-13	2013-14	2014-15
Opening Balance	109.59	99.00	90.69
Amount advanced during the year	3.98	4.25	2.92
Amount repaid during the year	14.57	12.56	9.96
Closing Balance	99.00	90.69	83.65
<i>of which</i> Outstanding balance for which terms and conditions have been settled	-	-	-
Net addition	(-)10.59	(-)8.31	(-)7.04
Interest Receipts	7.17	2.16	2.02
Interest receipts as percentage of outstanding Loans and advances	6.87	2.27	2.31
Interest payments as percentage of outstanding fiscal liabilities of the State Government	7.13	7.01	7.26
Difference between interest payments and interest receipts (<i>per cent</i>)	(-)0.26	(-)4.74	(-)4.95

(Source: Finance Accounts of the State)

The total outstanding loans and advances as on 31 March 2015 decreased by ₹ 7.04 crore as compared to previous year. The total amount of loans disbursed during the year decreased from ₹ 4.25 crore in 2013-14 to ₹ 2.92 crore in 2014-15. Of the total loans and advances disbursed ₹ 0.19 crore went to Co-operation under Economic sector.

Interest received against these loans and advances decreased from ₹ 2.16 crore in 2013-14 to ₹ 2.02 crore in 2014-15. Interest spread on Government borrowings was negative during the period 2012-15 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

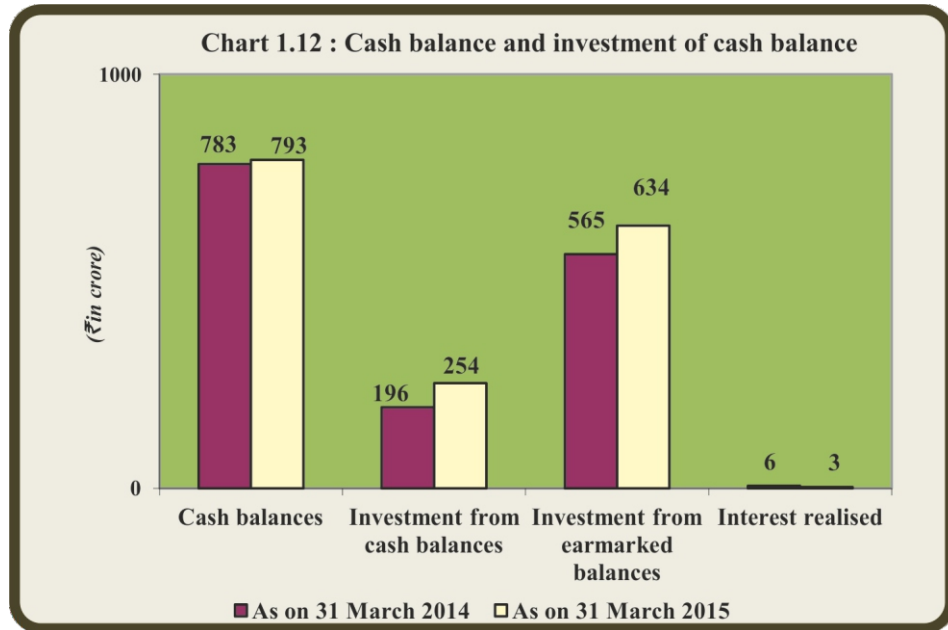
Table 1.30 and Chart 1.12 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.30: Cash balances and investment of cash balances

(₹ in crore)

Particulars	As on 31 March 2014	As on 31 March 2015	Increase (+)/ Decrease(-)
Cash in treasuries	-	-	-
Deposits with Reserve Bank	20.96	-97.37	-118.33
Remittances in transit-Local	-	-	-
Cash with the Departmental officers	1.48	1.48	-
Permanent advance for contingent expenditure with Departmental officers	0.25	0.26	0.01
Investments from cash balances (a to d)	196.06	253.90	57.84
a. GoI Treasury Bills	193.83	251.78	57.85
b. GoI Securities	-	-	-
c. Other Securities	-	-	-
d. Other Investments	2.23	2.12	-0.11
Funds-wise break-up of investment from Earmarked balances (a to c)	564.65	634.23	69.58
a. General and other Reserve Funds	198.89	223.23	24.34
b. Sinking Fund	365.76	411.00	45.24
c. Miscellaneous Deposits	-	-	-
Total Cash Balances	783.40	792.50	9.10
<i>Interest Realised</i>	<i>5.69</i>	<i>2.66</i>	<i>(-) 3.03</i>

(Source : Finance Accounts of the State)



(Source: Finance Accounts of the State)

The State Government's cash balance of ₹ 793 crore at the end of the current year showed an increase of 1.28 *per cent* over the previous year (₹ 783 crore). Of the above, ₹ 254 crore was invested in GoI Treasury Bills which earned an interest of ₹ 2.66 crore during the year. Further, ₹ 634 crore was invested in earmarked funds. The cash balances of the State Government at the end of March 2015 (₹ 793 crore) was around nine *per cent* of the total expenditure (₹ 8,647 crore) of the State Government during the year.

Under an agreement with the RBI, the State Government has to maintain a minimum cash balance of ₹ 19 lakh with the Bank on all days. The balance in excess of ₹ 19 lakh is invested by the RBI in 14 days Intermediate Treasury bills for a minimum amount of ₹ one lakh and in multiple of ₹ one lakh. Whenever the balance falls below the agreed minimum limit on any day, treasury bills are rediscounted and the balance restored. In the event of balance remaining low the deficiency is made good by taking normal/special ways and means advances/overdraft from the bank.

During the year 2014-15, the State Government had obtained normal ways and means advances on 109 occasions (₹ 1,028 crore) and overdrafts (₹ 38.81 crore) on 12 occasions. The Government repaid ₹ 1,066.96 crore to RBI during the year. The State also paid ₹ 1.17 crore as interest on these ways and means advances and over drafts.

1.9 Assets and Liabilities

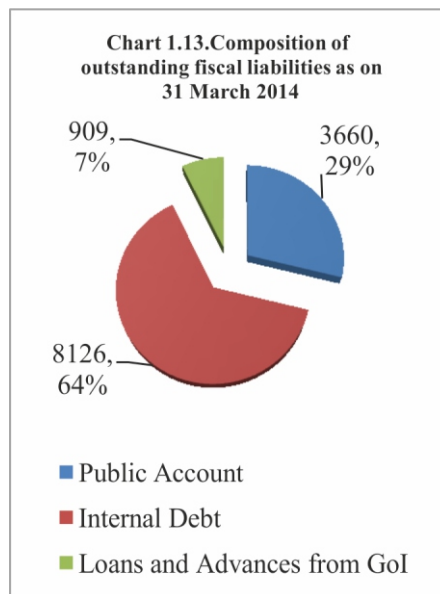
1.9.1 Growth and composition of assets and liabilities

In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do

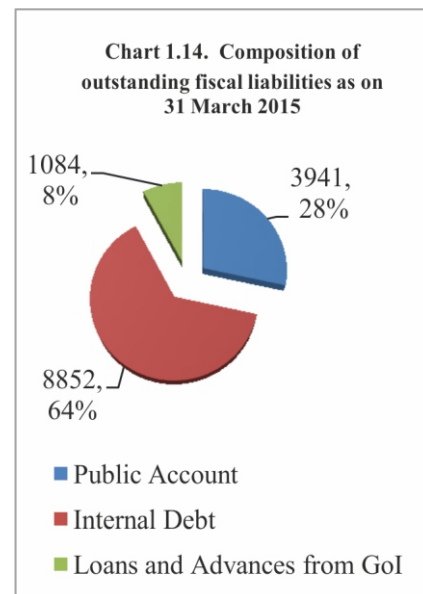
capture the fiscal liabilities⁸ of the Government and the assets created out of the expenditure incurred. **Appendix 1.3 Part B** gives an abstract of such liabilities and the assets as on 31 March 2015, compared with the corresponding position as on 31 March 2014. While the liabilities consist mainly 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 during the year 2014-15 *vis-à-vis* the previous year is presented in **Chart 1.13** and **Chart 1.14**.



(Source: Finance Accounts of the State)



(Source: Finance Accounts of the State)

Though the Internal debt as percentage of fiscal liabilities (64 *per cent*) was the same as last year, the Public Account liabilities decreased by one percentage point over the same period. The outstanding loans and advances from GoI increased from seven *per cent* in 2013-14 to eight *per cent* in 2014-15.

Table 1.31 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to revenue receipts and to the State own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

⁸Internal debt (market loans, loans from NSSF, ways and means advances and loans from other financial institutions), loans and advances from GoI, the liabilities arising from the transactions in the Public Account of the State

Table 1.31: Fiscal liabilities – basic parameters

	2010-11	2011-12	2012-13	2013-14	2014-15
Fiscal Liabilities (₹ in crore)	8985	9579	11232	12695	13877
Rate of Growth (per cent)	11.26	6.61	17.26	13.03	9.31
Ratio of fiscal liabilities to:					
GSDP (per cent)	26.74	22.15	26.49	25.96	26.35
Revenue Receipts (per cent)	165.10	165.69	192.16	196.82	180.48
Own Resources (per cent)	419.86	375.50	382.04	354.41	356.19
Buoyancy of Fiscal Liabilities with reference to:					
GSDP (ratio)	0.733	0.230	-*	0.851	1.206
Revenue Receipts (ratio)	0.344	1.061	15.587	1.258	0.485
Own Resources (ratio)	0.027	0.018	0.045	0.037	0.026

(Source: Finance Accounts of the State)

* GSDP growth rate in 2012-13 being negative, buoyancy ratio cannot be calculated

The overall fiscal liabilities of the State increased from ₹ 12,695 crore in 2013-14 to ₹ 13,877 crore in 2014-15, a growth rate of 9.31 per cent, this was 3.72 per cent less than the growth rate shown in the previous year.

During the year, a fiscal liability as a percentage of GSDP was 26.35 per cent against 25.96 per cent in the previous year. This was almost in line with the target fixed (27 per cent) in the GFRBM (amendment) Act, 2014 and lower than the projections made in ThFC (29.10 per cent).

These liabilities were approximately twice the revenue receipts and more than twice the State own resources at the end of 2014-15. The buoyancy of these liabilities relative to GSDP during 2014-15 was 1.206, indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 1.206 per cent.

Of the total fiscal liabilities during 2014-15, the share of public debt was maximum (72 per cent), followed by Small Savings, Provident fund⁹ etc. (13 per cent), deposits¹⁰ (12 per cent) and Reserve funds (three per cent). Fiscal liabilities increased by ₹ 1,182 crore as compared to previous year mainly due to increase in Public Debt (₹ 902 crore), Small Savings and Provident Funds (₹ 112 crore), Deposits (₹ 110 crore) and Reserve Funds (₹ 58 crore).

The State Government has set up a Consolidated Sinking fund during 1999-2000 for amortization of open market loans. As on 31 March 2015, the closing balance in the sinking fund was ₹ 411 crore which included ₹ 20 crore for 2014-15 and the entire balance was invested.

1.9.3 Transactions under Reserve Fund

Reserves and reserve funds are created for specific and well defined purposes under the Sector 'J' in the accounts of the State Government

⁹ Small Savings and Provident Fund include State Provident Fund and Pension Funds which are liable to be repaid by the Government to the subscribers and depositors

¹⁰ Deposits include Security Deposits, Deposits from Government Companies, Corporations etc., Defined Contribution Pension Scheme for Government Employees and Civil Deposits, which are liable to be repaid by the Government to the subscribers and depositors

(Public Account). These funds are in the form of contribution or grants from the Consolidated Fund of India or State.

As per Statement 19 of Finance Accounts, nine Reserve funds have been created and maintained in the accounts of the State Government. The total accumulated balance as on 31 March 2015 was ₹ 1,080.89 crore (₹ 1,064.28 crore active funds and ₹ 16.61 crore in inoperative funds). However, investment out of this balance was only ₹ 634.23 crore.

Table 1.32: Active and Inoperative Reserve Funds

(₹ in crore)

Classification	Opening balance	Receipt	Payment	Closing balance
Active Reserve Funds				
8121-122-State Disaster Response Fund	22.55	6.43	1.92	27.06
8222-101-Sinking Fund	365.76	45.25	0.00	411.01
8229-110-Electricity Development Fund	367.88	77.80	25.26	420.42
8235-117-Guarantee Redemption Fund	183.11	22.68	0.00	205.79
Total	939.30	152.16	27.18	1064.28
Inoperative Reserve Funds				
8229-123-State Consumer Welfare Funds	0.10	0.02	0	0.12
8235-119-National Calamity Relief Fund	2.99	0	0	2.99
8235-200-Beaches Improvement Fund	10.32	3.27	0.17	13.42
8235-200-Special Fund for Compensatory Afforestation	0.08	0	0	0.08
Total	13.49	3.29	0.17	16.61
Grand Total	952.79	155.45	27.35	1080.89

The transactions relating to certain funds are discussed in the following paragraph.

State Disaster Response fund

The State Disaster Response Fund (SDRF), constituted under Disaster Management Act, 2005 is operative from 2010-11 under Reserve Fund bearing interest. As per the SDRF guidelines the accretions to the SDRF together with the income earned on the investment of the SDRF are to be invested in one or more of instruments *viz.* Central Government dated securities, auctioned treasury bills interest earning deposits and certificates of deposits with Scheduled Commercial Banks. Further, the State Government has to pay interest to the SDRF at the rate applicable to overdrafts and credit the same on a half yearly basis. While 75 per cent of the contribution was to be drawn from GoI, the balance 25 per cent was to be provided by the State Government.

The contributions to the fund for the year 2014-15 was ₹ 4.78 crore (Central share of ₹ 3.92 crore and State share ₹ 0.86 crore). An amount of ₹ 1.65 crore as interest earned on investment was credited to the fund. Disbursement of ₹ 1.92 crore was made during 2014-15 under SDRF from the fund.

Consolidated sinking fund

The Government has constituted a Sinking fund from 1999-2000 for open market loans. This fund shall be utilised as an amortization fund for redemption of the outstanding internal debt and Public Account liabilities beginning from the year 2004-05. However, no amount has been utilised by the Government up to 2014-15.

As per paragraph 5 of the scheme for constitution and administration of the consolidated sinking fund, the rate of contribution to the consolidated sinking fund was 0.5 per cent of the outstanding liabilities as at the end of the previous year. According to this, the State Government had to contribute ₹ 63.47 crore during 2014-15 to the consolidated sinking fund. However, the State Government contributed only ₹ 20 crore to the fund during the year. The balance outstanding in the sinking fund as on 31 March 2015 was ₹ 411 crore.

Guarantee redemption fund

The State has set up a Guarantee Redemption Fund during 2003-04 with the objective of meeting the payment of obligations arising out of the guarantees issued by the State Government on behalf of State level autonomous bodies. The State Government has exempted the borrowing institutions from the payment of guarantee fees. During the current year, the Government contributed ₹10 crore to the Guarantee redemption fund and the amount invested in this fund was ₹ 205.80 crore at the end of 31 March 2015. No guarantee was invoked during 2014-15.

1.9.4 Contingent liabilities**Status of guarantees**

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended.

The maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years as given in the Statement 9 of the Finance Accounts (Volume II), are summarised in **Table 1.33**.

Table 1.33: Guarantees given by the Government of Goa

	(₹ in crore)		
Guarantees	2012-13	2013-14	2014-15
Maximum amount guaranteed	259.54	575.41	695.65
Outstanding amount of guarantees	122.67	292.74	337.06
Percentage of maximum amount guaranteed to total revenue receipt	4.44	8.92	9.04

(Source: Finance Accounts of the State)

The FRBM Act, 2006 specified that the Government should cap the total outstanding guarantees within the specified limit under the Goa State Guarantees Act, 1993. The Goa Legislature had fixed a limit of ₹ 800 crore on the outstanding guarantees in March 2005. The outstanding guarantees at ₹ 337 crore during 2014-15 were well within

the ceiling limit specified by the Legislature. The outstanding guarantee during 2014-15 was 0.65 *per cent* of the GSDP.

1.10 Debt management

(i) Debt sustainability

Debt sustainability implies State ability to service the debt. Apart from the magnitude of debt of the State Government, it is important to analyse the various indicators that determine the debt sustainability of the State. The analysis of various debt sustainability indicators of the State for the period of five years beginning from 2010-11 is given below.

Table 1.34: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
Outstanding Debt (₹ in crore)	8985	9579	11232	12695	13877
Debt/GSDP ratio (<i>in per cent</i>)	26.73	22.14	26.48	25.96	26.34
Debt/RR ratio (<i>in per cent</i>)	165.10	165.69	192.16	196.82	180.48
Burden of interest payments (IP/RR ratio)	12	12	14	14	13
Sufficiency of Non debt receipts (Resource gap)	671	-316	-267	-205	404
Net availability of borrowed funds	260	-111	851	572	175

(Source: Finance Accounts of the State)

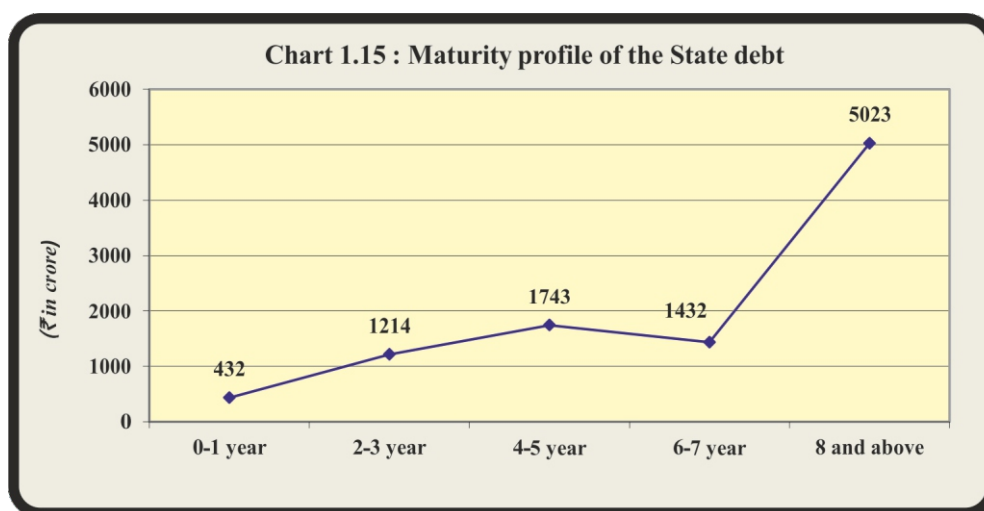
The above table reveals that the outstanding debt increased from ₹ 8,985 crore in 2010-11 to ₹ 13,877 crore in 2014-15 and the Debt-GSDP ratio showed a considerable variation during the five year period. The Debt-GSDP ratio increased from 25.96 *per cent* in 2013-14 to 26.34 *per cent* in 2014-15. However, the outstanding debt at the end of 2013-14 represented 196.82 *per cent* of the revenue receipts which reduced to 180.48 *per cent* in 2014-15.

The persistent negative resource gap is indicative of the non-sustainability of debt while positive resource gap strengthens the capacity of the State to sustain the debt. The negative resource gap for three consecutive years during the period 2011-12 to 2013-14 turned positive during 2014-15. It happened mainly on account of 10.32 *per cent* increase in primary expenditure against 19.12 *per cent* increase in non-debt receipts during the current year. The net funds available from borrowed funds after providing for the interest and repayment declined from ₹ 851 crore in 2012-13 to ₹ 175 crore in 2014-15.

Table 1.35: Maturity profile of State debt

Maturity Profile (in years)	Amount (₹ in crore)	Per cent
0 – 1	432.26	4.35
2 – 3	1214.25	12.22
4 – 5	1743.62	17.55
6 – 7	1431.55	14.41
8 and above	5023.05	50.55
Loans pertaining to Ex-Union Territory	91.30	0.92
Total	9936.03	100

(Source: Finance Accounts of the State)



(Source Finance Accounts of the State)

The maturity of the State debt as per **Table 1.35** and **Chart 1.15** indicates that ₹ 3,390.13 crore of the total State debt of ₹ 9,936.03 crore is repayable within the next five years while the remaining 6,545.90 crore is payable from sixth year onwards. **Table 1.35** further indicates that the liability of the State to repay the debt would be ₹ 1,743 crore during the period 2018-20 and ₹ 1,432 crore during 2020-22 which would put a strain on the Government budget during that period.

A well thought out debt repayment strategy will have to be worked out by the Government to ensure that no additional borrowings, which mature in these critical years are made.

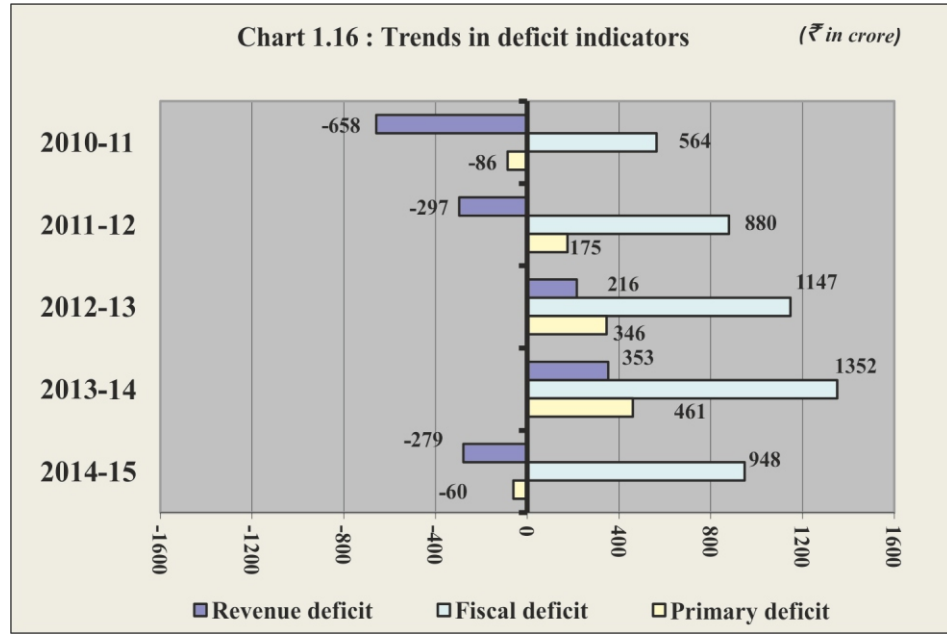
1.11 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of

financing these deficits *vis-à-vis* targets set under Goa FRBM (first amendment) Act, 2014.

1.11.1 Trends in deficits

Charts 1.16 and 1.17 present the trends in deficit indicators over the period 2010-15.

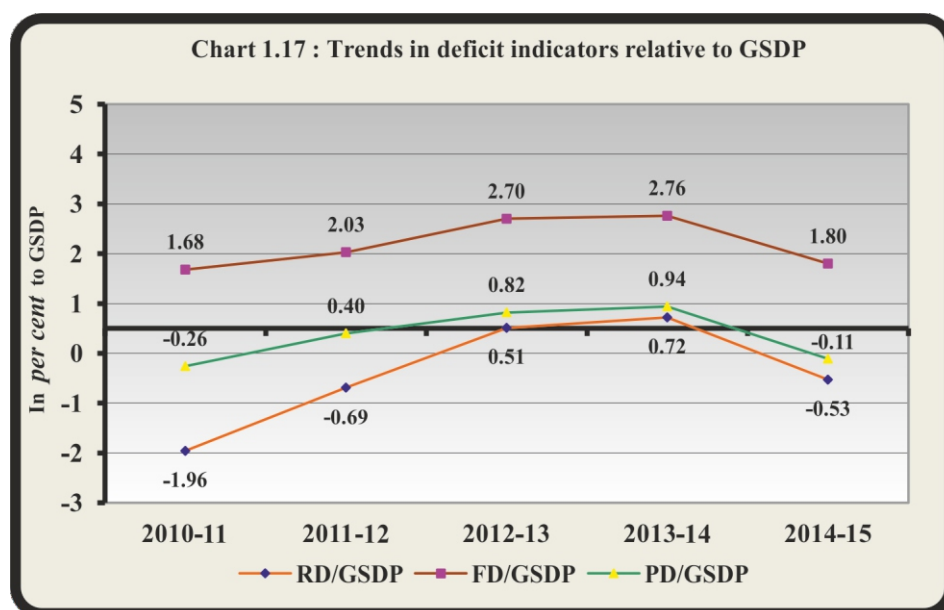


(Source: Finance Accounts of the State)

The revenue deficit of ₹ 353 crore during 2013-14 turned into revenue surplus of ₹ 279 crore during 2014-15. This was mainly due to increase in revenue receipts by 19.21 *per cent* against an increase in revenue expenditure by 8.92 *per cent* over the previous year. Thus, the State was able to contain the revenue deficit and turned into revenue surplus which was within limits as per the GFRBM (first amendment) Act, 2014.

The fiscal deficit, which represents the total borrowing of the State *i.e.* total resource gap increased steadily during the period 2010-14. The fiscal deficit of ₹ 1,352 crore (2.76 *per cent* of GSDP) during 2013-14 reduced to ₹ 948 crore (1.80 *per cent* of GSDP) during 2014-15. This was due to result of revenue surplus (₹ 279 crore) and net capital expenditure (₹ 1,234 crore) and increase in net loans and advances disbursed (₹ seven crore) over the previous year. However, the fiscal deficit as a percentage of GSDP (1.80 *per cent*) in the current year was within the target of three *per cent* fixed by the GFRBM (first amendment) Act, 2014 and projection made by the ThFC. The primary deficit during the period 2011-14 had turned to primary surplus (₹ 60 crore) during the current year.

The State Government should work to continue to achieve revenue surplus as per target fixed under the Goa FRBM (first amendment) Act, 2014.



1.11.2 Composition of fiscal deficit and its financing pattern

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 financing patterns of the fiscal deficit during the period 2010-11 to 2014-15 are reflected in the Table 1.36.

Table 1.36: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
	Composition of Fiscal Deficit (a)	564	880	1147	1352	948
		(1.68)	(2.03)	(2.70)	(2.76)	(1.80)
1	Revenue Deficit/Surplus	-658	-297	216	353	-279
		(-1.96)	(-0.69)	(0.51)	(0.72)	(-0.53)
2	Net Capital Expenditure	1221	1184	942	1008	1234
		(3.63)	(2.74)	(2.22)	(2.06)	(2.34)
3	Net Loans and Advances	01	- 7	- 11	- 9	-7
		(0.00)	(-0.02)	(-0.03)	(-0.02)	(-0.01)
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	211	151	995	881	667
		(0.63)	(0.35)	(2.35)	(1.80)	(1.27)
2	Loans from GoI	1	62	139	124	175
		(0.00)	(0.14)	(0.33)	(0.25)	(0.33)
3	Loans from Financial Institutions	325	45	65	-42	59
		(0.97)	(0.10)	(0.15)	(-0.09)	(0.11)
4	Ways and Means advances	-	-	-	-	-
		-	-	-	-	-

5	Small Savings, PF <i>etc.</i>	155	171	150	115	112
		(0.46)	(0.40)	(0.35)	(0.24)	(0.21)
6	Deposits and Advances	170	157	192	336	110
		(0.51)	(0.36)	(0.45)	(0.69)	(0.21)
7	Suspense and Miscellaneous	-	101	- 699	-179	-180
		(0.00)	(0.23)	(-1.65)	(-0.37)	(-0.34)
8	Remittances	5	- 4	- 178	86	-114
		(0.01)	(-0.01)	(-0.42)	(0.18)	(-0.22)
9	Reserve Fund	128	67	169	111	128
		(0.38)	(0.15)	(0.40)	(0.23)	(0.24)
10	Contingency Fund	3	-	-	-1	-
		(0.01)	-	-	(0.00)	-
11	Total (1 to 10) (b)	998	750	833	1431	957
12	Increase(-)/Decrease(+) in cash balance(a) - (b)	-434	130	314	-79	-9
		(-1.29)	(0.30)	(0.74)	(-0.16)	(-0.02)
13	Overall deficit (11+12)	564	880	1147	1352	948
		(1.68)	(2.03)	(2.70)	(2.76)	(1.80)

(Source: Finance Accounts of the State)

Figures in parenthesis indicate per cent to GSDP

Table 1.36 reveals that during the last five years market borrowings and net accretions in Public Account (small savings, deposits and advances, reserve fund *etc.*) are the main source utilised by the State Government to finance the fiscal deficit. During 2014-15, while 70 per cent of the fiscal deficit was financed through net market borrowings (₹ 667 crore), the balance amount was financed through accretions in the small savings, deposits and advances *etc.*, loans from GoI and financial institutions.

During 2014-15, the State Government raised ₹ 800 crore as market loans at an average rate of 8.92 per cent, ₹ 149 crore from National Bank for Agriculture and Rural Development at an interest rate of 7.40 per cent, ₹ 0.12 crore from National Co-operative Development Corporation at an interest rate of 12.50 per cent and ₹ 115 crore from National Small Savings fund at an interest of 9.50 per cent. The Government also received loans amounting to ₹ 203 crore from GoI during the year for which the details of interest rate on all loans were not available.

As could be seen from **Table 1.37** during the period 2014-15, there was decrease in cash balance after financing the fiscal deficit.

Table 1.37: Receipts and disbursements under components financing the fiscal deficit during 2014-15

(₹ in crore)

Particulars		Receipts	Disbursements	Net
1	Market Borrowings	800	133	667
2	Loans from GoI	203	28	175
3	Loans from Financial Institutions	1331	1272	59
4	Small Savings, PF etc.	366	254	112
5	Deposits and Advances	399	289	110
6	Suspense and Miscellaneous	4957	5137	-180
7	Remittances	3412	3526	-114
8	Reserve Funds	155	27	128
9	Contingency Fund	-	-	-
10	Appropriation to/from Contingency Fund	-	-	-
11	Total (1 to 10)			957
12	Increase(-)/Decrease (+) in Cash Balance			-9
13	Overall deficit (11+12)			948

(Source : Finance Accounts of the State)

1.11.3 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) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption.

Non-debt receipts of the State were enough to meet the primary revenue expenditure during the period 2010-15. But non-debt receipts were not enough to meet the primary expenditure resulting in primary deficit during the years 2011-14. However, during 2014-15, non debt receipts were sufficient to meet the expenditure requirements both under revenue and capital account resulting in primary surplus. The details are indicated in **Table 1.38**.

Table 1.38: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit(+)/surplus(-)	Primary deficit (+)/surplus (-)
1	2	3	4	5	6(3+4+5)	7(2-3)	8(6-2)
2010-11	5457	4134	1221	16	5371	1323	(-) 86
2011-12	5797	4779	1184	9	5972	1018	175
2012-13	5860	5260	942	4	6206	600	346
2013-14	6463	5912	1008	4	6924	551	461
2014-15	7699	6402	1234	3	7639	1297	(-) 60

(Source: Finance Accounts of the State)

The capital expenditure as a percentage to primary expenditure¹¹ decreased from 22.73 *per cent* during 2010-11 to 14.55 *per cent* during 2013-14 and increased to 16.16 *per cent* during 2014-15.

1.12 Follow up

State Finance Report is being presented to the State Legislature from 2008-09 onwards. The Public Accounts Committee discussed the paragraphs on State Finance Report for the years 2008-09 and 2009-10 and recommendations of the PAC have been issued for these reports.

1.13 Conclusion and Recommendations

Fiscal Position

The State Government has improved its fiscal situation during 2014-15. The revenue deficit of ₹ 353 crore (0.72 *per cent* of GSDP) during 2013-14 turned into revenue surplus of ₹ 279 crore (0.53 *per cent* of GSDP) during 2014-15. This was attributed mainly due to increase in revenue receipts by 19.21 *per cent* against an increase in revenue expenditure by 8.92 *per cent* over the previous year.

The fiscal deficit of ₹ 1,352 crore (2.76 *per cent* of GSDP) during 2013-14 reduced to ₹ 948 crore (1.80 *per cent* of GSDP) during 2014-15. The fiscal deficit as a percentage of GSDP in the current year was within the target of three *per cent* fixed by the GFRBM (first amendment) Act, 2014 and projection made by the ThFC.

The State Government should continue with its commendable work of achieving revenue surplus and containing fiscal deficit with in the targets fixed under the Goa FRBM (First Amendment) Act, 2014 in the coming years.

Revenue receipts

Revenue receipts increased by 19.21 *per cent* in 2014-15 over 2013-14 mainly due to net effect of increase in non-tax revenue by ₹ 664 crore (39.95 *per cent*), tax revenue by ₹ 314 crore (8.77 *per cent*), grants from the GoI ₹ 209 crore (58.54 *per cent*), and share of Union taxes and duties by ₹ 52 crore (6.12 *per cent*).

The actual realisation of Tax revenue during the year was lower than the normative assessment of ThFC and budget estimates by 2.03 *per cent* and 4.41 *per cent* respectively. The Non -Tax revenue of the State fell short of budget estimates by 2.31 *per cent*. However, Non -Tax revenue exceeded the ThFC projections by 153.37 *per cent*.

¹¹ Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year

Revenue expenditure

Revenue expenditure continued to be a dominant component (85.69 *per cent*) of the total expenditure in 2014-15. The NPRE constituted 77.04 *per cent* of the revenue expenditure. The NPRE (₹ 5,709 crore) remained significantly higher than the normative assessments of the ThFC (₹ 3,439 crore) and the projections made in the budget (₹ 5,628 crore) during 2014-15.

The Government may like to take steps to contain NPRE so as to continue to remain revenue surplus. The Government may consider reducing tax arrears.

Quality of expenditure

Capital expenditure constituted 14.27 *per cent* of the total expenditure in 2013-14. The percentage of developmental expenditure to total expenditure decreased from 70.91 *per cent* in 2012-13 to 69.01 *per cent* in 2013-14.

The return from investment of ₹ 488 crore as of March 2015 in companies/corporations was negligible (₹ 1.82 crore) while the average return on this investment was 0.28 *per cent* in the last five years. On the other hand the Government paid average interest rate of 7.59 *per cent* on its borrowings during 2010-15.

The Government may take suitable measures to improve the working of the companies/corporations so that returns for investments is sufficient to meet the cost of borrowing thereby making the company/corporations self sustainable.

CHAPTER – II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

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FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

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

2.1.2 Audit of appropriations 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 Acts and whether 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 law, relevant rules and 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 consolidates 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. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned 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. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in financial management and budgetary control are discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2014-15 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(+)
Voted	I. Revenue	7189.33	859.15	8048.48	6452.50	-1595.98
	II. Capital	2045.60	329.72	2375.32	1479.96	-895.36
	III. Loans and Advances	3.38	0	3.38	2.92	-0.46
Total voted		9238.31	1188.87	10427.18	7935.38	-2491.80
Charged	I. Revenue	1011.00	9.34	1020.34	1045.78	25.44
	II. Capital	0	3.05	3.05	1.74	-1.31
	III. Public Debt	420.77	0	420.77	1432.82	1012.05
Total Charged		1431.77	12.39	1444.16	2480.34	1036.18
Grand Total		10670.08	1201.26	11871.34	10415.72	-1455.62

(Source: Appropriation Accounts of the State Government)

Note: The expenditure includes the recoveries of revenue expenditure amounting to ₹ 88.03 crore and capital expenditure amounting to ₹ 47.59 crore adjusted as reduction of expenditure.

Supplementary provisions of ₹ 1,201.26 crore obtained during the year constituted 11.25 per cent of the original provision.

The overall savings of ₹ 1,455.62 crore were the result of savings of ₹ 2,616.85 crore in 82 grants and three appropriations under the Revenue Section and 65 grants under the Capital Section and one appropriation (Public Debt-Repayments) offset by an excess of ₹ 1,161.23 crore in one grant and one appropriation.

As may be seen from **Table 2.1**, against the original provision of ₹ 10,670.08 crore, expenditure of only ₹ 10,415.72 crore was incurred. The actual savings of ₹ 1,455.62 crore, constituted 100 per cent of the supplementary grant of ₹ 1,201.26 crore and two per cent of the original grant.

2.3 Financial Accountability and Budget Management

2.3.1 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion on the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 178.81 crore for the years 2008-09 to 2013-14 was still to be

regularised. The year-wise amount of excess expenditure pending regularisation for grant/appropriations are summarised in **Table 2.2**.

Table 2.2: Excess over provisions relating to previous years requiring regularisation
(₹ in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grants	Appropriations		
2008-09	2	-	0.01	Partially regularised ¹
2009-10	-	1	7.57	Partially regularised ²
2010-11	1	1	2.74	Yet to be discussed by PAC
2011-12	-	1	18.88	Yet to be discussed by PAC
2012-13	-	1	52.10	Yet to be discussed by PAC
2013-14	2	2	97.51	Yet to be discussed by PAC
Total	5	6	178.81	

(Source: Appropriation Accounts of the State)

Non-regularisation of the excess over grant/appropriation over the years is a breach of legislative control over grants/appropriation.

2.3.2 Excess over provisions during 2014-15 requiring regularisation

During 2014-15, excess expenditure was incurred in one appropriation and three grants over the amount authorised by the legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The details are given in **Table 2.3**.

Table 2.3: Excess over provisions requiring regularisation during 2014-15
(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total grant / Appropriation	Expenditure	Excess
1	A-2 Appropriation-Debt Services (Revenue-Charged)	1010.19	1037.53	27.34
	A-2 Appropriation-Debt Services (Capital-Charged)	420.77	1432.82	1012.05
2	8 Treasury and Accounts Administration (North Goa) (Revenue-Voted)	578.70	700.54	121.84
	Total	2009.66	3170.89	1161.23

(Source: Appropriation Accounts of the State)

The excess expenditure under Appropriations-Debt Services was mainly due to the increased expenditure on interest payments towards

¹Public Accounts Committee (PAC) recommended (Report No.71, pertaining to Audit Report 2008-09) for regularisation of excess expenditure of ₹ 1,22,193 incurred by Art and Culture, Grant no. 43

²PAC recommended (Report No.72, pertaining to Audit Report 2009-10) for regularisation of excess expenditure of ₹ 30,721 incurred by District and Sessions Court, South Goa, Grant no. 4

General Provident fund, aided school teachers and employees Provident fund, Goa University and Non Government PF and Defined Contribution Pension System *etc.*, which needs to be regularised.

The reasons for excess expenditure incurred in respect of Treasury and Accounts Administration, North Goa were not explained in Appropriation Accounts.

2.3.3 Appropriations vis-à-vis allocative priorities

Appropriation audit revealed that in 73 cases, savings exceeded ₹ two crore in each case and also by more than 20 *per cent* of the total provision (**Appendix 2.1**). A list of grants where savings exceeded ₹ 50 crore and also by more than 20 *per cent* of the total provision is given in **Table 2.4**.

Table 2.4: List of grants with savings of ₹ 50 crore and above also by more than 20 *per cent* of the total provision

(₹ in crore)

Sl. No.	No. and Name of grant	Original	Supple-mentary	Total	Actual Expenditure	Savings	Savings in <i>per cent</i> to total provision
REVENUE (VOTED)							
1	13- Transport	121.37	27.80	149.17	90.15	59.02	40
2	19- Industries Trade and Commerce	78.96	-	78.96	10.68	68.28	86
4	31- Panchayat	131.98	9.50	141.48	70.56	70.92	50
7	55- Municipal Administration	186.37	2.00	188.37	58.31	130.06	69
8	64- Agriculture	153.13	5.00	158.13	94.70	63.43	40
9	83 -Mines	162.20	250.00	412.20	47.98	364.22	88
CAPITAL (VOTED)							
11	21- Public Works Department	469.09	31.00	500.09	330.49	169.60	34
12	32- Finance	260.00	120.00	380.00	280.00	100.00	26
13	76- Electricity	208.44	28.00	236.44	168.79	67.65	29
14	81- Tribal Welfare	100.00	1.50	101.50	28.13	73.37	72
Total		1871.54	447	2346.34	1179.79	1166.55	

(Source: Appropriation Accounts of the State)

The reason furnished for unspent provisions under the major heads of account as reported in appropriation account are given below:

13-Transport – As against the original provision of ₹ 121.37 crore the expenditure incurred was only ₹ 90.15 crore (74.27 *per cent*). In spite of this, supplementary grant of ₹ 27.80 crore was also provided thereby resulting in unspent provision of ₹ 59.02 crore. The reason for saving were attributed to less receipt of bills on fuel, curtailment of domestic tours by staff, non-filling vacant posts *etc.*

19-Industries, Trade and Commerce – The grant closed with total saving of ₹ 68.28 crore out of a total provision of ₹ 78.96 crore. The reason for savings (86 per cent) was attributed to re-notification of subsidy schemes for industrial/investment policy, less reimbursement of taxes to village panchayats/municipalities, non-implementation of schemes etc.

31-Panchayats – Out of original provision of ₹ 131.98 crore expenditure incurred was only ₹ 70.56 crore (53 per cent). Further allotment of supplementary grant of ₹ 9.50 crore proved unnecessary. The saving occurred mainly under major head 2505- Rural Employment due to non approval for expenditure under Swarnajayanti Gram Rozgar Yojana scheme, non receipt of expenditure sanctions, less receipt of proposals for Goa Gram Samrudhi Yojana and other schemes. The other contributors to savings under major head 2515- Other Rural Development Programme were economy measures and less receipt of claims such as medical, leave travel concession.

55-Municipal Administration – Out of original provision of ₹ 186.37 crore the total expenditure was only ₹ 58.31 crore (31 per cent). The Supplementary provision of ₹ two crore proved unnecessary. The Savings occurred mainly due to surrender of funds under major head 2217- Urban Development due to non receipt of proposals from Goa State Urban Development Agency for various schemes and non receipt of proposals from several urban local bodies.

64-Agriculture – The original grant was ₹ 153.13 crore and expenditure incurred was only ₹ 94.70 crore (62 per cent). In view of this the supplementary grant of ₹ five crore proved unnecessary. The savings occurred mainly due to surrender of grants under major head 2401-Crop Husbandry which was due to increase in the market price above the cost fixed for support price and crop compensation, non-utilisation of funds by fisheries department in Rastriya Krishi Vikas Yojana and less receipt of claims.

83-Mines – As against the original grant of ₹ 162.20 crore (Revenue Voted) the expenditure incurred was only ₹ 47.98 crore (30 per cent) and the supplementary grant of ₹ 250 crore proved unnecessary. The saving was attributed to non filling of vacant posts and less receipts of claims.

21-Public Works Department - Under the capital head, against original provision of ₹ 469.09 crore total expenditure was only ₹ 330.49 crore (70 per cent). The supplementary grant of ₹ 31.00 crore proved unnecessary. The savings were mainly due to reduction in expenditure on major works.

32-Finance – 4075-Capital outlay on miscellaneous service- The total saving in the grant was ₹ 100 crore (Capital Voted). The savings in major head was due to less contribution to Goa State Infrastructure Development Corporation.

76-Electricity – 4801-Capital outlay on power projects-savings of ₹ 67.65 crore mainly attributed to non-submission of bill by contractors of underground cabling scheme and Restructured Accelerated Power Development and Reform Programme.

81-Tribal Welfare – 4225-Capital outlay on welfare of SCs, STs and OBCs – Savings was due to non-receipt of administrative approval from Government for construction of tribal bhavan, land acquisition for construction of houses for Scheduled Tribe people residing in forest area and investment in Goa State Scheduled Tribes Finance and Development Corporation.

2.3.4 Persistent savings

During the last five years, there were persistent savings of more than ₹ five crore in each case in 15 grants, as shown in **Table 2.5**.

Table 2.5: List of grants indicating persistent savings of more than ₹ five crore during 2010-15

(₹ in crore)

Sl. No.	Number and name of the grant	Amount of savings (Per cent to total grant)				
		2010-11	2011-12	2012-13	2013-14	2014-15
Revenue (Voted)						
1	13-Transport	7.82 (18.11)	46.17 (54.46)	45.77 (49.53)	39.63 (33.42)	59.02 (39.56)
2	17-Police	8.29 (4.33)	29.80 (13.47)	25.89 (10.38)	25.85 (9.70)	21.05 (7.22)
3	21-Public Works	9.06 (2.07)	28.03 (5.30)	77.66 (13.69)	90.81 (15.38)	107.69 (16.67)
4	34-School Education	20.09 (3.19)	98.31 (13.79)	122.30 (14.84)	42.92 (5.05)	94.55 (9.83)
5	43-Art and Culture	13.68 (33.75)	50.20 (35.23)	62.65 (53.09)	46.63 (46.97)	29.01 (33.47)
6	48- Health Services	13.25 (7.90)	6.55 (3.37)	32.26 (14.01)	35.91 (13.85)	56.46 (18.38)
7	55-Municipal Administration	60.49 (43.85)	55.78 (43.95)	260.26 (82.82)	138.90 (72.71)	130.06 (69.04)
8	57- Social Welfare	13.73 (8.53)	61.86 (29.70)	18.24 (6.75)	6.74 (2.22)	39.07 (12.23)
9	61-Craftmen Training	5.68 (16.90)	10.18 (25.50)	7.20 (18.82)	11.19 (24.83)	12.35 (24.50)
10	65-Animal Husbandry	5.98 (19.39)	18.06 (37.90)	28.26 (37.97)	44.66 (46.50)	40.82 (37.86)
11	66-Fisheries	5.03 (19.85)	10.17 (31.15)	6.27 (20.31)	16.65 (31.42)	8.05 (17.16)
12	78-Tourism	5.51 (15.35)	13.19 (25.25)	21.43 (42.89)	8.93 (16.46)	8.55 (13.25)
Capital (Voted)						
	21-Public Works	62.82 (14.11)	65.13 (13.23)	199.00 (40.88)	243.19 (45.15)	169.60 (33.91)
	34-School Education	18.36 (1.00)	7.51 (28.80)	35.76 (69.30)	14.78 (40.77)	23.83 (74.19)
13	47-Goa Medical College	8.33 (76.60)	7.84 (33.66)	12.43 (84.84)	7.56 (48.15)	20.01 (70.95)

14	64- Agriculture	6.44 (43.54)	7.21 (62.10)	28.82 (79.92)	12.95 (51.80)	7.52 (37.97)
15	74- Water Resources	10.14 (4.56)	75.82 (27.67)	129.39 (53.33)	105.68 (41.41)	40.59 (22.56)
	78- Tourism	26.58 (53.22)	17.84 (41.29)	264.22 (84.86)	38.37 (34.97)	22.14 (27.87)

(Source: Appropriation Accounts of the State)

Figures in parenthesis indicate as per cent to total grants

The persistent savings of more than ₹ 25 crore and also by more than 33 per cent of the total provisions was observed in grant number 55-Municipal Administration (Revenue- Voted) during the period 2010-15. Savings exceeding 33 per cent of the total provisions in grant number 47-Goa Medical College and 64-Agriculture (Capital- Voted) were observed during these years.

The persistent savings indicated that the controls in the Departments on preparation of the budget estimates and allocating funds during the years were not effective.

2.3.5 Substantial surrenders on account of inflated budget estimates of expenditure

While preparing the budget estimates utmost care should be taken to ensure that the budget estimates are neither inflated nor under pitched. Out of the total provision of ₹ 1,379.07 crore, substantial surrenders amounting to ₹ 1,069.38 crore were made from 40 grants on account of either non-implementation or slow implementation of Schemes/Programmes. The details of the cases where the surrenders were more than 50 per cent of the provisions are given in **Appendix 2.2**.

Substantial savings indicated that budget estimates were inflated.

2.3.6 Unnecessary surrenders

In two cases, it was seen that a total amount of ₹ 3.40 crore was surrendered though excess expenditure of ₹ 1,133.88 crore was incurred under these grant/appropriation. This indicated lack of proper budgetary control. Details are given in **Table 2.6**.

Table 2.6: Surrender of grants/appropriation in cases of excess expenditure

(₹ in crore)			
Number and Name of the grant/ appropriation	Total grant	Excess	Amount surrendered
A-2 Appropriation-Debt Services (Capital-Charged)	420.77	1012.04	0.34
8 Treasury and Accounts Administration (North Goa) (Revenue-Voted)	578.70	121.84	3.06
Total	999.47	1133.88	3.40

(Source: Appropriation Accounts of the State)

The reason for surrender of grants inspite of excess expenditure against the provision, though called for was not explained by the Director of Accounts (January 2016).

2.3.7 Anticipated savings not 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 2014-15, no part of the savings, which occurred in seven cases (₹ 63.26 crore), had been surrendered by the concerned Departments as detailed in **Table 2.7**.

Table 2.7: Grants/Appropriations in which saving occurred but no part of which had been surrendered

		(₹ in crore)
Sl. No.	Number and name of grant	Saving
1	14-Goa Sadan (Revenue Voted)	0.35
2	18-Jails (Revenue Voted)	1.93
3	18-Jails (Capital Voted)	25.63
4	33-Revenue (Capital Voted)	13.00
5	51-Goa Dental College (Revenue Voted)	0.05
6	51-Goa Dental College (Capital Voted)	9.15
7	60-Employment (Revenue Voted)	13.15
	Total	63.26

(Source: Appropriation Accounts of the State)

Similarly, out of total savings of ₹ 1,217.12 crore under 28 other grants/appropriations, with savings of ₹ 20 lakh and above in each grant/appropriation, ₹ 776.35 crore only was surrendered, leaving balance of ₹ 440.77 crore (36 per cent of the total savings) which were not surrendered. The details are given in **Appendix 2.3**.

Besides in 35 grants, savings in excess of ₹ 10 crore, aggregating ₹ 1,929.89 crore (**Appendix 2.4**) was surrendered in the last month of the financial year, indicating inadequate financial control as well as non utilisation of these funds for other development purposes.

2.4 Advances from Contingency fund

The Contingency fund of the State has been established under the Goa Contingency fund Act, 1988 in terms of Articles 267(2) and 283(2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The fund is in the nature of an imprest and its corpus was temporarily increased from ₹ 30 crore to ₹ 230 crore vide amendment ordinance No.1 of January 2015. The balance at the beginning of 2014-15 was ₹ 0.01 crore. During the year 2014-15, ₹ 175.30 crore was drawn from the fund and the entire amount was recouped at the end of the year.

The PAC in its 62nd report (March 2008), observed that the contingency fund were utilised for pay and allowances, purchase of machinery, equipments, computers, maintenance and repairs, House Building advance to Government servants *etc.*, which could not be considered as unforeseen and unanticipated and warned of the recurrence of such irregularities in future. However, during 2014-15, it was observed that in 23 cases involving ₹ 136.50 crore, the departments drew advances from the contingency fund for payment of salaries and implementation of Centrally Sponsored Schemes though the expenditure was considered foreseeable (**Appendix 2.5**).

2.5 Un-reconciled expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, Departmental officers are required to reconcile periodically and before the close of the accounts of a year, the Departmental figures of expenditure with those recorded in the books of the Director of Accounts. The Public Accounts Committee in its forty-eighth report (1992) had desired that punitive action should be taken against erring Budget Controlling Authorities (BCAs). Even though non-reconciliation of Departmental figures was pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2014-15. During 2014-15, 47 out of 86 BCAs, had not carried out any reconciliations for the entire year in respect of 3,972 units under their control, involving ₹ 3,913.18 crore and 11 BCAs had carried out such reconciliations only for part of the year in respect of 489 units under their control, involving ₹ 452.67 crore. The un-reconciled periods in case of the partially reconciled units ranged from one to eight months. The details of 25 major BCAs (out of 58) amounting to ₹ 4,109.02 crore who did not reconcile their expenditure are indicated in **Table 2.8**.

Table 2.8: Major Budget Controlling Authorities who did not reconcile their figures

Sl. No.	Budget Controlling Authority who did not reconcile their figures	Amount not reconciled
1	Director of Education	875.10
2	Principal Chief Engineer, Public Works Department	870.22
3	Director of Social Welfare	280.13
4	Director of Women and Child Development	273.43
5	Chief Electrical Engineer	258.93
6	Director of Health Services	257.91
7	Secretary, Water Resources	244.20
8	Director of Higher Education	184.31
9	Director of Transport	100.85
10	Director of Panchayats	70.77

11	Director of Animal Husbandry and Veterinary Services	67.23
12	Director of Information Technology	61.59
13	Director of Municipal Administration	58.44
14	Director of Art and Culture	58.01
15	Under Secretary, General Administration Department	54.49
16	Director of Agriculture	50.33
17	Conservator of Forests	48.70
18	Director of Mines	47.98
19	Director of Fisheries	41.65
20	Under Secretary, Finance	40.90
21	Director of Tourism	39.91
22	State Director of Craftsmen Training	39.18
23	Dean, Goa Medical College	36.88
24	Principal, Goa Engineering College, Farmagudi	27.08
25	Secretary, Legislature	20.80
Total		4109.02

(Source: Directorate of Accounts)

2.6 Outcome of review of selected grant

A review on the budgetary procedure and control over expenditure in respect of Grant No. 21–Public works was conducted. Important points noticed during the review are detailed below:

As against the budget provision of ₹ 1,145.94 crore (₹ 645.85 crore under revenue head and ₹ 500.09 crore under capital head) the actual expenditure was ₹ 868.65 crore (₹ 538.16 crore under revenue head and ₹ 330.49 crore under capital head) resulting in the total saving of ₹ 277.29 crore (₹ 107.69 crore under revenue head and ₹ 169.60 crore under capital head). An amount of ₹ 30.53 crore (₹ 13.53 crore under revenue head and ₹ 17.00 crore under capital head) was surrendered (March 2015) against the savings of ₹ 277.29 crore. The balance of ₹ 246.76 crore was not surrendered.

As per rule 56(2) of the General Financial rules, 2005 savings as well as provisions that cannot be profitably utilised should be surrendered to the Government immediately when they are foreseen without waiting till the end of the year.

2.7 Conclusion and Recommendations

During 2014-15, expenditure of ₹ 10,415.72 crore was incurred against the total provision of ₹ 11,871.34 crore, resulting in notional savings of ₹ 1,455.62 crore. The overall savings were the net result of savings of ₹ 2,616.85 crore; offset by an excess of ₹ 1,161.23 crore. This excess requires regularisation under Article 205 of the Constitution of India.

The Departments may closely monitor the expenditure against the allocations and should avoid incurring expenditure in excess of the grants. Funds may be surrendered well before the close of the year so as to enable their utilisation for other developmental schemes.

Advances from the contingency fund may be drawn only for meeting expenditure of unforeseen and emergent character instead of payment for salaries of staff/implementation of Centrally Sponsored Schemes etc. which are considered foreseeable.

The reconciliation of expenditure figure by the BCAs must be strictly enforced.

CHAPTER – III

FINANCIAL REPORTING

CHAPTER-III

FINANCIAL REPORTING

A sound internal financial reporting and the availability of relevant and reliable information significantly contribute to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as timeliness and quality of reporting on the status of such compliance also attribute to good governance. Reports on compliance and controls, if effective and operational, assist State Governments in meeting their basic stewardship responsibilities, including strategic planning and decision-making. This chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

Rule 212 of the General Financial Rules, 2005 provide 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 their sanction unless specified otherwise. However, of the 10,995 UCs due in respect of grants and loans aggregating ₹ 1,515.54 crore paid up to 2013-14, 10,436 UCs (95 *per cent*) for an aggregate amount of ₹ 1,449.05 crore (96 *per cent*) were outstanding as on June 2015. The Department-wise break-up of outstanding UCs as on 30 June 2015 is given in **Appendix 3.1**. The age-wise position of these is in **Table 3.1**.

Table 3.1: Age-wise position of outstanding UCs as of 30 June 2015

Sl. No.	Range of delay in number of years	Utilisation certificates outstanding	
		Number	Amount (₹ in crore)
1	0-1	1387	205.44
2	1-3	1893	538.93
3	3-5	1792	284.21
4	5-7	1275	192.83
5	7 and above	4089	227.64
	Total	10436	1449.05

(Source: Information compiled by Audit as per data received from Director of Accounts)

Out of 10,436 UCs amounting to ₹ 1,449.05 crore pending as on 30 June 2015, 5,072 UCs (49 *per cent*) involving ₹ 1,028.58 crore (71 *per cent*) were pending for periods ranging from one to five years while 5,364 UCs involving ₹ 420.47 crore were pending for more than five years.

Major cases of non-submission of UCs mainly pertained to Directorate of Art and Culture (30 *per cent*), Directorate of Panchayats (North) (21 *per cent*), Directorate of Panchayats (South) (16 *per cent*), Directorate of Municipal Administration (nine *per cent*).

Non-submission of UCs in time may result in mis-utilisation of the grants. The large pendency in submission of UCs indicates lack of monitoring of utilisation of grants and loans by the Departments.

3.2 Non-submission/delay in submission of accounts by Grantee institutions

In order to identify the institutions which attract audit under Sections 14 and 15 of the CAG's (DPC) Act, 1971, the Government/Heads of the Departments are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purposes of assistance granted and the total expenditure of these institutions. A total of 317 annual accounts of 101 autonomous bodies/authorities due up to 2013-14 had not been received by the Accountant General as of June 2015. The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise arrears of annual accounts due from bodies and authorities

(₹ in crore)

Sl. No.	Delay in number of years	Number of bodies/ authorities	Grants received
1	0-2	68	73.39
2	2-5	3	1.70
3	5-9	30	17.09
	Total	101	92.18

(Source: Compiled by Audit from records received from various departments)

It can be seen from the above table that in respect of 30 autonomous bodies/authorities, accounts were in arrears for more than five years. The major defaulters were educational institutions receiving Government grants for salaries, maintenance *etc.* Non-submission of annual accounts by a substantial number of autonomous bodies/authorities was in violation of the terms and conditions governing the release of grants by the Government and carried the additional risk of mis-utilisation of funds.

3.3 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 3.3**.

The delay in submission of accounts to Audit and placement of SARs in the Legislature by the autonomous bodies is summarised in **Table 3.3**.

Table 3.3: Delays in submission of accounts and tabling of SARs

Delays in submission of accounts (in months)	Number of autonomous bodies	Delay in submission of SARs in the Legislature (in years)	Number of autonomous bodies
0-3	-	0-1	2
3-6	1	1-3	8
6-9	2	3-5	2
9-25	6	-	-
25 and above	4	5 and above	-

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

Out of the 13 autonomous bodies, the submissions of accounts were delayed for a period ranging from 4 to 69 months. 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.

3.4 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 accounts, the investment of the Government remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood may also open the system to the risk of fraud and leakage of public money.

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 2015, there were two¹ such undertakings, both of which had heavy arrears in accounts. The department-wise positions of arrears in preparation of *proforma* accounts and investments made by the Government are given in **Appendix 3.4**.

¹River Navigation Department, Chief Electrical Engineer

3.5 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 21 cases of misappropriation, defalcation *etc.* involving Government money amounting to ₹ 1.68 crore up to June 2015 on which final action was pending. The Department-wise break up of pending cases is given in **Appendix 3.5**.

The age profile of the pending cases and the number of pending misappropriation cases are summarised in **Table 3.5**.

Table 3.5: 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	4	2.54	Misappropriation of cash/stores
5-10	11	23.66	
10 years & above	6	141.92	
	21	168.12	

(Source: Information furnished by concerned Departments)

The reasons for which the cases were outstanding are classified under three categories as listed in **Table 3.6** below.

Table 3.6: Reasons for outstanding cases of misappropriations

Reasons for the delay/outstanding pending cases	No. of cases	Amount (₹ in lakh)
Departmental action started but not finalised	11	148.38
Pending in the courts of law	5	4.35
Awaiting orders for recovery/write off	5	15.39
Total	21	168.12

(Source: Information furnished by concerned Departments)

3.6 Booking under Minor Head '800- Other Expenditure'

One crucial component of a transparent system of accounting is that the forms of account in which the receipts and expenditure of the Government are reported to the legislature, are constantly reviewed and updated so that they truly reflect receipts and expenditure on all major activities of the Government in a transparent manner to meet the basic information needs of all the important stakeholders. Minor Head '800-Other Expenditure' is intended to be operated when the appropriate minor head has not been provided in the accounts. Scrutiny of Finance Accounts 2014-15 of Government of Goa disclosed that ₹ 2,810.12 crore, constituting

33 per cent of total expenditure (Revenue and Capital) recorded under 51 major heads were classified under Minor Head ‘800-Other Expenditure’, which is alarming.

Since large amounts are booked under Minor Head ‘800-Other Expenditure’ which affects transparency in financial reporting, this practice should be avoided.

3.7 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 and 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.

It was observed that 1,309 AC bills involving ₹ 189.68 crore, drawn by various departments up to March 2015 were pending adjustment as on 30 June 2015. Year wise details are given in Table 3.7.

Table 3.7: Pendency in submission of Detailed Contingent bills against Abstract Contingent bills

Year	Outstanding number of AC bills	Amount (₹ in crore)
Up to 2012-13	796	140.61
2013-14	177	20.36
2014-15	336	28.71
Total	1309	189.68

(Source: Finance Accounts of the State)

3.8 Conclusion and Recommendations

Out of 10,436 UCs amounting to ₹ 1,449.05 crore pending as on June 2015, 5,072 UCs (49 per cent) involving ₹ 1,028 crore (71 per cent) were in arrears for periods ranging between one and five years, while 5,364 UCs involving ₹ 420.47 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 may evolve a mechanism to ensure that utilisation certificates in respect of grants released for specific purposes are furnished by the grantee institution in time.

Out of the 13 autonomous bodies, the submission of accounts were delayed for a period ranging from four to 69 months.

The controlling Departments may identify the reasons for delay in finalisation of accounts of autonomous bodies and take remedial measures to ensure that the arrears in accounts are cleared in a time bound manner.

The State Government reported 21 cases of misappropriations, losses and defalcations *etc.* involving Government money amounting to ₹ 1.68 crore up to June 2015 on which final action was pending. Out of 21 cases, departmental action had been initiated in 11 cases and five cases were pending in courts of law. The remaining five cases were awaiting orders for recovery/write off.


Departmental enquiries in respect of all the defalcation and misappropriation cases may be expedited to bring defaulters to book. Internal controls may also be strengthened to prevent such cases in future.

Adjustment of Abstract Contingent bills within stipulated time, as required under the extant rules should be ensured.

Panaji
The 30 May 2016


(ASHUTOSH JOSHI)
Accountant General, Goa

New Delhi
The 02 June 2016

Countersigned

(SHASHI KANT SHARMA)
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.)			258 persons per sq. km.
	Density of Population ¹ (as per 2011 census) (All India Density = 382 persons per Sq. Km.)			394 persons per sq. km.
4	Population below poverty line ² (BPL) (All India Average = 29.50 per cent)			6.30 per cent
5	a.	Literacy (as per 2001 Census) (All India Average = 64.8 per cent)		82.01 per cent
	b.	Literacy ³ (as per 2011 Census) (All India Average = 73.00 per cent)		88.70 per cent
6	Infant mortality ⁴ (per 1000 live births) (All India Average = 40 per 1000 live births)			Nine
7	Life Expectancy at birth (All India Average = 67.50 years)			68.5 years
8	Gini Coefficient ⁵			
	a.	Rural (All India = 0.29)		0.21
	b.	Urban (All India = 0.38)		0.41
9	Gross State Domestic Product (GSDP) 2014-15at current price			₹ 52,673 crore
10	Per capita GSDP CAGR (2005-06 to 2014-15)		Goa	12.89 per cent
			General Category States	13.86 per cent
11	GSDP CAGR (2005-06 to 2014-15) ⁶		Goa	15.56 per cent
			General Category States	15.44 per cent
12	Population Growth ⁷ (2005-06 to 2014-15)		Goa	31.82 per cent
			General Category States	12.76 per cent
B. Financial Data⁸				
Particulars		2005-06 to 2013-14		2005-06 to 2014-15
CAGR		General Category States	Goa	Goa
		(In per cent)		
a.	of Revenue Receipts	15.76	14.59	15.10
b.	of Own Tax Revenue	15.32	15.95	15.13
c.	of Non Tax Revenue	13.53	10.26	13.22
d.	of Total Expenditure	15.23	13.80	13.45
e.	of Capital Expenditure	14.61	7.15	8.75
f.	of Revenue Expenditure on Education	17.10	7.05	6.29
g.	of Revenue Expenditure on Health	16.20	6.20	6.63
h.	of Salary and Wages	15.23	17.62	16.97
i.	of Pension	18.70	17.17	13.24

¹Censusinfo India 2011 Final population totals

²Report of the Expert group (Rangarajan) to review the methodology for measurement of poverty, Planning Commission (June 2014)

³Censusinfo India 2011 Final population totals

⁴SRS bulletin of September 2014

⁵http://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

⁶CSO (http://mospi.nic.in/Mospi_New/site/inner.aspx?status=3&menu_id=82)

⁷Projected total population by sex as on 01 October 2001-2026 by Census India

⁸Financial data of the State is based on the Finance Accounts of the State Government

Part B: Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the State Government are kept in three parts; (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund: 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.

Part II: Contingency Fund: 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.

Part III: Public Account: 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.

Part C: Layout of Finance Accounts

Statement	About
1	Statement of Financial Position
2	Statement of Receipts and Disbursements
3	Statement of Receipts in Consolidated Fund
4	Statement of Expenditure in Consolidated Fund by function and nature
5	Statement of Progressive Capital Expenditure
6	Statement of Borrowings and Other Liabilities
7	Statement of Loans and Advances given by the Government
8	Statement of Grants-in-aid given by the Government
9	Statement of Guarantees given by the Government
10	Statement of Voted and Charged Expenditure
11	Detailed Statement of Revenue and Capital Receipts by minor heads
12	Detailed Statement of Revenue Expenditure by minor heads
13	Detailed Statement of Capital Expenditure
14	Detailed Statement of Investments of the Government
15	Detailed Statement of Borrowings and Other Liabilities
16	Detailed Statement on Loans and Advances given by the Government
17	Detailed Statement on Sources and Application of funds for expenditure other than on Revenue Account
18	Detailed Statement on Contingency Fund and Public Account transactions
19	Detailed Statement on Investments of earmarked funds

APPENDIX - 1.2
(Referred to in paragraph 1.1 on profile of Goa)

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 sector wise details of GSDP for the last five years are indicated below:

The sector wise details of GSDP

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Primary sector	8549	8647	4588	5951	4807
Secondary sector	10125	17356	18879	20272	22251
Tertiary sector	14931	17252	18940	22674	25615
Gross State Domestic Product	33605	43255	42407	48897	52673
Growth rate of GSDP (in per cent)	15.38	28.72	(-1.96)	15.30	7.72

Source of GSDP: Directorate of Planning Statistics and Evaluation, Government of Goa

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 spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
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 Receipt – Revenue Expenditure
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 minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 (Appropriation for reduction of Avoidance of debt)

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 however, framed in November 2007. The FRBM Act, 2006 were further amended in March 2014 and renamed as Goa Fiscal Responsibility and Budget Management (First amendment) Act, 2014 having a few 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);
- 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* ;
- e) under take appropriate measures in cash management practices so as to avoid recourse to overdraft from the Reserve Bank of India.

APPENDIX 1.3
(Referred to in paragraph 1.1.1)
PART A : Abstract of Receipts and Disbursements for the year 2014-15

(₹ in crore)

Receipts			Disbursements				
2013-14		2014-15	2013-14	2014-15			
				Non-Plan	Plan	Total	
	Section-A: Revenue						
6449.77	1. Revenue receipts	7688.69	6803.28	1. Revenue expenditure	5708.80	1701.45	7410.25
3582.48	Tax revenue	3895.92	2075.95	General services	2336.46	33.56	2370.02
			2634.15	Social Services (inclusive of GIA and contribution)	1666.17	1148.58	2814.75
1661.56	Non-tax revenue	2325.63	1220.66	Education, Sports, Art and Culture	966.48	259.32	1225.80
			445.10	Health and Family Welfare	336.29	153.31	489.60
848.53	State's share of Union Taxes	900.58	316.97	Water Supply, Sanitation, Housing and Urban Development	267.22	86.55	353.77
			16.72	Information and Broadcasting	3.63	11.66	15.29
95.60	Non-Plan grants	257.23	61.72	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.66	112.75	113.41
185.88	Grants for State Plan Schemes	116.55	39.66	Labour and labour Welfare	24.37	19.03	43.40
			531.30	Social Welfare and Nutrition	65.41	505.96	571.37
75.72	Grants for Central and Centrally sponsored Plan Schemes	192.78	2.02	Others	2.11	0.00	2.11
			2093.18	Economic Services- (inclusive of GIA and contribution)	1706.17	519.31	2225.48
			256.93	Agriculture and Allied Activities	72.19	185.36	257.55
			94.34	Rural Development	31.44	44.34	75.78
			5.58	Special Areas Programmes	0.00	5.39	5.39
			91.30	Irrigation and Flood control	69.67	31.26	100.93
			1178.03	Energy	1283.96	36.35	1320.31
			146.34	Industry and Minerals	4.70	107.14	111.84
			251.70	Transport	223.16	45.34	268.50
			4.14	Science, Technology and Environment	0.00	5.63	5.63
			64.82	General Economic Services	21.05	58.50	79.55
			6803.28	Total	5708.80	1701.45	7410.25
353.51	II. Revenue deficit carried over to Section B			II. Revenue deficit/Surplus carried over to Section B			278.44
6803.28	Total	7688.69	6803.28	Total			7688.69

Receipts			Disbursements				
2013-14		2014-15	2013-14	2014-15			Total
					Non-Plan	Plan	
Section-B : Other							
703.91	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	783.40	--	III. Opening Overdraft from Reserve Bank of India	--	--	--
--	IV. Miscellaneous Capital receipts	--		IV. Capital Outlay			
			193.64	General Services	0.00	306.00	306.00
			172.52	Social Services	0.00	278.47	278.47
			62.52	Education, Sports, Art and Culture	0.00	135.12	135.12
			17.37	Health and Family Welfare	0.00	16.87	16.87
			91.94	Water Supply, Sanitation, Housing and Urban Development	0.00	116.33	116.33
			0.00	Information and Broadcasting	0.00	0.00	0.00
			0.00	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	9.59	9.59
			0.69	Social Welfare and Nutrition	0.00	0.56	0.56
			0.00	Other Social Services	0.00	0.00	0.00
			642.06	Economic Services	-1.49	1235.60	649.64
			27.12	Agriculture and Allied Activities	-1.49	22.74	21.25
			4.03	Rural Development	0.00	0.15	0.15
			0.44	Special Areas Programmes	0.00	1.02	1.02
			149.50	Irrigation and Flood Control	0.00	138.78	138.78
			144.73	Energy	0.00	168.79	168.79
			5.42	Industry and Minerals	0.00	16.94	16.94
			236.41	Transport	0.00	244.57	244.57
			3.04	Science Technology and environment	0.00	0.83	0.83
			71.37	General Economic Services	0.00	57.31	57.31
			1008.22	Total	-1.49	1235.60	1234.11
12.57	V. Recoveries of Loans and Advances	9.96	4.25	V. Loans and Advances disbursed	2.73	0.19	2.92
11.32	From Government Servants	8.22	4.09	To Government Servants	2.73	0.00	2.73
1.25	From Others	1.74	0.16	To Others	0.00	0.19	0.19
	VI. Revenue Surplus brought down	278.44	353.51	VI. Revenue Deficit brought down	-	-	-

Receipts			Disbursements				
2013-14		2014-15	2013-14	2014-15			Total
					Non-Plan	Plan	
1348.78	VII. Public debt receipts	1267.36	385.06	VII. Repayment of Public debt-			365.86
	External debt			External debt			
1146.26	Internal debt other than Ways and Means Advances and overdrafts	1064.48	306.48	Internal debt other than Ways and Means Advances and Overdrafts			338.34
52.69	Net transactions under Ways and Means Advances		52.69	Net transactions under Ways and Means Advances			
	Net transactions under overdraft		25.89	Net transactions under overdraft			
149.83	Loans and Advances from Central Government	202.88		Repayment of Loans and Advances to Central Government			27.52
	VIII. Appropriation to Contingency Fund	200.01	0.01	VIII. Appropriation to Contingency Fund			200.00
	IX. Amount transferred to Contingency Fund			IX. Expenditure from Contingency Fund			
8496.00	X. Public Account receipts-	9289.67	8026.81	X. Public Account disbursements			9233.45
346.74	Small Savings and Provident Funds	366.03	231.66	Small Savings and Provident Funds			254.31
142.70	Reserve Funds	155.46	31.16	Reserve Funds			27.33
4305.47	Suspense and Miscellaneous	4956.59	4484.58	Suspense and Miscellaneous			5137.41
3198.06	Remittances	3412.57	3112.43	Remittances			3525.87
503.03	Deposits and Advances	399.02	166.98	Deposits and Advances			288.53
	XI. Closing Overdraft from Reserve Bank of India	--	783.40	XI. Cash Balance at end-			792.50
			564.65	Investment of earmarked balance			634.23
			20.96	Deposits with Reserve Bank			-97.37
			1.73	Departmental Cash Balance including permanent Advances			1.74
			196.06	Cash Balance Investment			253.90
17364.54	Total	19517.53	17364.54	Total			19517.53

**PART B: Summarised financial position of the Government of Goa as on
31 March 2015**

(₹ in crore)

As on 31 March 2014		Liabilities	As on 31 March 2015	
8126.11		Internal Debt		8852.26
	4637.53	Market Loans bearing interest	5304.37	
	--	Market Loans not bearing interest	--	
	12.75	Loans from LIC	11.05	
	3475.83	Loans from other institutions	3536.84	
		Ways and Means Advances/overdraft	--	
		Overdraft from Reserve Bank of India	--	
908.41		Loans and Advances from Central Government		1083.77
		Pre 1984-85 loans	--	
	86.72	Non-Plan Loans	85.61	
	813.37	Loans for State Plan Schemes	989.84	
	0.03	Loans for Central Plan Schemes	0.03	
	8.29	Loans for Centrally Sponsored Plan Schemes	8.29	
29.99		Contingency Fund		230.00
1731.85		Small savings, Provident Fund etc.		1843.57
1540.15		Deposits		1650.50
952.79		Reserve Funds		1080.90
58.03		Remittance balances		-55.27
-661.74		Suspense and Miscellaneous		-842.55
12685.59				13843.18
		Assets		
11314.62		Gross Capital Outlay on Fixed Assets		12548.73
	449.13	Investment in shares of Companies, Corporation etc.	488.00	
	10865.49	Other Capital Outlay	12060.73	
90.69		Loans and Advances		83.66
	--	Loans for Power Projects	--	
	57.15	Other Development Loans	55.82	
	33.54	Loans to Government Servants and Miscellaneous loans	27.85	
		Reserve Fund Investments		
0.67		Advances		0.53
0.01		Contingency fund (un recouped)		--
783.40		Cash		792.49
	--	Cash in Treasuries and Local Remittances		
	20.96	Deposits with Reserve Bank		
	1.48	Departmental Cash Balances		
	0.25	Permanent Advances		
	196.06	Cash Balance Investments		
	564.65	Earmarked Fund Investment		
		Deficit on Government Accounts		
496.20		Revenue Deficit of the current year		417.77
	1.17	(i) Miscellaneous Deficit	1.16	
	457.65	Accumulated deficit	179.21	
	29.98	Appropriation to Contingency Fund	230	
		Net effect of Balances taken over		
	431.66	Balances taken over on 30 May 1987 under capital	431.66	
	-424.26	Net result of allocation of Capital Expenditure	-424.26	
12685.59				13843.18

APPENDIX 1.4
(Referred to in paragraph 1.3)
Time series data on the State Government finances

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Part-A. Receipts					
1. Revenue Receipts	5442	5781	5845	6450	7689
(i) Tax Revenue	2139(39)	2551(44)	2940(50)	3582(56)	3896(51)
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade etc.	1380(65)	1653(65)	1577(54)	1708(48)	1860(48)
State Excise	139(6)	182(7)	213(7)	236(6)	268(7)
Taxes on Vehicles	130(6)	140(5)	148(5)	154(4)	181(5)
Stamps duty and Registration fees	152(7)	184(7)	525(18)	396(11)	660(17)
Land Revenue	8	8	11	454(13)	25(1)
Taxes on goods and passenger	172(8)	210(8)	258(9)	386(11)	404(10)
Other Taxes	158(7)	174(7)	208(7)	248(7)	498(13)
(ii) Non-Tax Revenue	2269(42)	2313(40)	1833(31)	1662(26)	2326(30)
(iii) State's share in Union taxes and duties	584(11)	681(12)	777(13)	849(13)	901(12)
(iv) Grants-in-aid from Government of India	450(8)	236(4)	296(5)	357(5)	566(7)
2. Misc. Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	15	16	15	13	10
4. Total Revenue and Non debt capital receipt (1+2+3)	5457	5797	5860	6463	7699
5. Public Debt Receipts	745	537	1537	1349	1267
Internal Debt (excluding Ways and Means Advances and Overdrafts)	717	324	1371	1146	1064
Net transactions under Ways and Means Advances and Overdraft	-	-	-	53	
Loans and Advances from Government of India	28	213	166	150	203
6. Total Receipts in the Consolidated Fund (4+5)	6202	6334	7397	7812	8966
7. Contingency Fund Receipts	3	-	-	-	200
8. Public Accounts receipts	6993	7550	7290	8496	9290
9. Total receipts of the State (6+7+8)	13198	13884	14687	16308	18456
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	4784(80)	5484(82)	6061(87)	6803(87)	7410(86)
<i>Plan</i>	927(19)	1110(20)	1250(21)	1711(25)	1701(23)
<i>Non-plan</i>	3857(81)	4374(80)	4811(79)	5092(75)	5709(77)
General Services (including Interests payments)	1487(31)	1633(30)	1860(31)	2076(30)	2370(32)
Social Services (including GIA & contributions)	1774(37)	1952(36)	2206(36)	2634(39)	2815(38)
Economic Services (including GIA & contributions)	1522(32)	1899(35)	1995(33)	2093(31)	2225(30)
11. Capital Expenditure	1221(20)	1184(22)	942(13)	1008(13)	1234(14)
<i>Plan</i>	1215(99)	1182(100)	941(100)	998(99)	1235(100)
<i>Non-plan</i>	6(1)	2	1	10(1)	-1
General Services	205(17)	202(17)	134(14)	194(19)	306(25)
Social Services	206(17)	239(20)	187(20)	172(17)	278(22)
Economic Services	810(66)	743(63)	621(66)	642(64)	650(53)

	2010-11	2011-12	2012-13	2013-14	2014-15
Part B. Expenditure/Disbursement					
12. Disbursement of Loans and Advances	16	9	4	4	3
13. Total (10+11+12)	6021	6677	7007	7815	8647
14. Repayments of Public Debt	208	278	339	385	366
Internal Debt (excluding Ways and Means Advances and Overdrafts)	182	128	311	306	338
Net transactions under Ways and Means Advances and Overdraft	-	-	-	53	--
Loans and Advances from Government of India	26	150	28	26	28
15. Appropriation to Contingency Fund	-	-	-	-	200
16. Total disbursement out of Consolidated Fund (13+14+15)	6229	6955	7346	8200	9213
17. Net Loans and Advances	1	(-7)	(-11)	(-9)	(-7)
18. Contingency Fund disbursements	-	-	-	-	-
19. Public Accounts disbursements	6535	7057	7656	8027	9233
20. Total disbursement by the State (16+18+19)	12764	14012	15002	16227	18446
Part C. Deficits					
21. Revenue Deficit(+)/Revenue Surplus (-)(10-1)	(-658)	(-297)	216	353	(-279)
22. Fiscal Deficit (21+11+17)	564	880	1147	1352	948
23. Primary Deficit(+)/Surplus(-) (22-24)	(-86)	175	346	461	(-60)
Part D. Other data					
24. Interest Payments (included in revenue expenditure)	650	705	801	891	1008
24. Financial Assistance to local bodies etc.	736	835	796	941	1020
25. Ways and Means Advances (WMA)/Overdraft availed (days)	-	-	-	17	121
Ways and Means advances availed	-	-	-	1	109
Overdraft availed	-	-	-	-	12
26. Interest on WMA/Overdraft	-	-	-	#	1
27. Gross State Domestic Product (GSDP)	33605	43255	42407	48897	52673
28. Outstanding fiscal liabilities (year end)	8985	9579	11232	12695	13877
29. Outstanding guarantees including interest (year end)	181	185	123	293	337
30. Maximum amount guaranteed (year end)	342	305	260	575	696
31. Number of incomplete projects	93	85	127	37	87
32. Capital blocked in incomplete projects	933	1571	1721	1628	697
33. Grants-in-aid and contributions (included in revenue expenditure of General, Social & Economic Services)	772	830	763	941	1020

#₹ 3.64 lakh as interest on Ways and Means Advances

	2010-11	2011-12	2012-13	2013-14	2014-15
Part E. Fiscal Health Indicator (In per cent)					
I Resource Mobilisation					
Own Tax revenue/GSDP	6.37	5.90	6.93	7.33	7.40
Own Non-Tax Revenue/GSDP	6.75	5.35	4.32	3.40	4.42
Central Transfer/GSDP	1.74	1.57	1.83	1.74	1.71
II Expenditure Management					
Total Expenditure/GSDP	17.92	15.44	16.52	15.98	16.42
Total Expenditure/Revenue Receipts	110.64	115.50	119.88	121.16	112.46
Revenue Expenditure/Total Expenditure	79.46	82.13	86.50	87.05	85.69
Expenditure on Social Services/Total Expenditure	32.88	32.81	34.15	35.91	35.77
Expenditure on Economic Services/Total Expenditure	38.73	39.57	37.33	35.00	33.25
Capital Expenditure/Total Expenditure	20.28	17.73	13.44	12.90	14.27
Capital Expenditure on Social and Economic Services/Total Expenditure	4.12	4.21	3.27	2.74	3.70
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(-1.96)	(-0.69)	0.51	0.72	(-0.53)
Fiscal deficit/GSDP	1.68	2.03	2.70	2.76	1.80
Primary Deficit (surplus)/GSDP	(-0.26)	0.40	0.82	0.94	(-0.11)
Revenue Deficit/Fiscal Deficit	(-116.67)	(-33.75)	18.83	26.11	(-29.43)
Primary Revenue Balance/GSDP	12.30	11.05	12.40	12.09	12.15
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	26.74	22.15	26.49	25.96	26.35
Fiscal Liabilities/RR	165.10	165.70	192.16	196.82	180.48
Primary deficit vis-a-vis quantum spread	13.65	6.76	(-34.80)	52.22	(-363.56)
Debt Redemption (Principal+Interest)/Total Debt Receipts	115.17	183.05	74.17	94.59	108.45
V Other Fiscal Health Indicator					
Return on Investment (in per cent)	0.04	0.36	0.39	0.24	0.37
Balance from Current Revenue (₹ in crore)	688.16	327.23	-185.91	-323	309
Financial Assets/Liabilities	0.98	1.00	0.99	0.96	0.96

APPENDIX - 2.1

(Referred to in paragraph 2.3.3)

Statement of various grants/appropriations where savings were in excess of ₹ two crore and also by more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant/Appropriation	Total provision	Actual expenditure	Savings	Percentage
Revenue (Voted)					
1	6-Election Office	26.92	18.08	8.84	33
2	7-Settlement and Land Record	14.27	9.43	4.84	34
3	11-Excise	17.30	12.80	4.50	26
4	12-Commercial Taxes	21.94	14.74	7.20	33
5	13-Transport	149.17	90.15	59.02	40
6	19-Industries, Trade and Commerce	78.96	10.68	68.28	86
7	20-Printing and Stationary	11.11	8.73	2.38	21
8	22-Vigilance	4.75	1.96	2.79	59
9	23-Home	15.93	9.57	6.36	40
10	25-Home Guards and Civil Defence	17.28	10.64	6.64	38
11	27-Official Language	10.18	3.08	7.10	70
12	31-Panchayats	141.48	70.56	70.92	50
13	32-Finance	10.35	2.34	8.01	77
14	33-Revenue	28.10	6.84	21.26	76
15	36-Technical Education	22.28	16.08	6.20	28
16	40-Goa College of Engineering	24.69	21.38	3.31	42
17	42-Sports and Youth Affairs	75.33	43.30	32.03	43
18	43-Art and Culture	86.66	57.66	29.00	33
19	44-Goa College of Art	5.90	3.40	2.50	42
20	50-Goa College of Pharmacy	9.56	6.31	3.25	34
21	54-Town and Country Planning	37.95	9.33	28.62	75
22	55-Municipal Administration	188.37	58.31	130.06	69
23	56- Information and Publicity	29.37	15.29	14.08	48
24	60-Employment	14.71	1.56	13.15	89
25	61-Craftsmen Training	50.40	38.06	12.34	24
26	62-Law	20.64	9.09	11.55	56
27	64-Agriculture	158.13	94.70	63.43	40
28	65-Animal Husbandry and Veterinary Services	107.79	66.98	40.81	38
29	70-Civil Supplies	20.19	7.71	12.48	62
30	71-Co-operation	19.93	11.37	8.56	43
31	72-Science, Technology and Environment	22.83	5.64	17.19	75
32	74-Water Resources	146.23	104.89	41.34	28
33	75-Planning, Statistics and Evaluation	26.74	6.22	20.52	77
34	80-Legal Metrology	4.49	2.36	2.13	47
35	82-Information Technology	58.93	44.69	14.24	24
36	83-Mines	412.20	47.98	364.22	88
37	84-Airport	11.09	0.32	10.77	97

Capital (Voted)					
1	2- General Administration and Co-ordination	15.93	7.71	8.22	52
2	13- Transport	18.00	10.70	7.30	40
3	16-Collectorate(South Goa)	13.00	0	13.00	100
4	17- Police	8.50	3.49	5.01	59
5	18-Jails	33.50	7.87	25.63	77
6	21- Public Works Department	500.09	330.49	169.60	34
7	26-Fire and Emergency Services	14.64	0.47	14.17	97
8	31-Panchayats	30.41	0.13	30.28	100
9	32-Finance	380.00	280.00	100.00	26
10	33-Revenue	13.00	0	13.00	100
11	34-School Education	32.12	8.29	23.83	74
12	35-Higher Education	12.50	6.00	6.50	52
13	36-Technical Education	42.53	0.33	42.20	99
14	40-Goa College of Engineering	12.07	5.70	6.37	53
15	41-Goa Architecture College	2.00	0	2.00	100
16	42-Sports and Youth Affairs	161.48	111.60	49.88	31
17	43- Art and Culture	12.28	0.36	11.92	97
18	45-Archive and Archaeology	12.00	0.92	11.08	92
19	47-Goa Medical College	28.20	8.19	20.01	71
20	48- Health	11.30	7.33	3.97	35
21	50- Goa College of Pharmacy	3.01	0.32	2.69	89
22	51-Goa Dental College	9.71	0.56	9.15	44
23	53-Food and Drugs Administration	3.00	0	3.00	100
24	61- Craftsmen Training	12.77	1.06	11.71	92
25	62- Law	7.68	0.47	7.21	94
26	66- Fisheries	7.74	2.82	4.92	64
27	67- Port Administration	10.14	3.37	6.77	67
28	70-Civil Supplies	64.00	45.80	18.20	28
29	71-Co-operation	17.69	8.24	9.45	53
30	72-Science Technology	5.30	0.83	4.47	84
31	74- Water Resources Department	179.90	139.31	40.59	23
32	76- Electricity	236.44	168.79	67.65	29
33	78-Tourism	79.45	57.31	22.14	28
34	81- Tribal Welfare	101.50	28.13	73.37	72
35	82-Information Technology	26.14	16.89	9.25	35
36	84- Airport	10.00	0	10.00	100
	Total	4230.17	2205.71	2024.46	

APPENDIX - 2.2
(Referred to in paragraph 2.3.5)

Results of review of substantial surrenders made during the year 2015

(₹ in crore)

Sl. No.	Number and title of grant	Total provision	Amount of surrender	Percentage of surrender
Revenue (Voted)				
1	19- Industries, Trade and Commerce	78.96	68.22	86
2	22-Vigilance	4.75	2.78	59
3	27-Official Language	10.18	7.10	70
4	29-Public grievances	1.79	1.61	90
5	31-Panchayats	141.48	70.85	50
6	32-Finance	10.35	8.00	77
7	54-Town and Country Planning	37.95	28.62	75
8	55-Municipal Administration	188.37	128.99	68
9	70-Civil Supplies	20.19	12.49	62
10	72-Science, Technology and Environment	22.83	17.10	75
11	75-Planning, Statistics and Evaluation	26.74	19.68	74
12	83-Mines	412.20	364.22	88
13	84-Airport	11.09	10.76	97
Capital (Voted)				
14	2-General Administration and Co-ordination	15.93	8.22	52
15	15-Collectorate(North Goa)	1.50	1.50	100
16	16-Collectorate(South Goa)	13.00	13.00	100
	19-Industries, Trade and Commerce	0.31	0.31	100
17	20-Printing and Stationary	1.50	1.16	77
18	26-Fire and Emergency Services	14.64	14.12	96
	27-Official Language	2.00	2.00	100
	31-Panchayats	30.41	30.28	99
19	34-School Education	32.12	23.74	74
20	35-Higher Education	12.50	6.48	52
21	36-Technical Education	42.53	42.20	100
22	37-Government Polytechnic, Panaji	1.00	0.61	61
23	38-Government Polytechnic, Bicholim	1.08	1.08	100
24	41-Goa Architecture College	2.00	2.00	100
25	43-Art and Culture	12.28	11.93	97
26	44-Goa College of Art	1.06	0.85	80
27	45-Archives and Archeology	12.00	11.08	92
28	47-Goa Medical College	28.20	20.01	71
29	49-Institute of Psychiatry and Human Behaviour	2.15	1.68	78
30	50-Goa College of Pharmacy	3.01	2.69	89
31	53-Food and Drug Administration	3.00	3.00	100
	55-Municipal Administration	1.50	1.50	100
32	58-Women and Child Development	2.20	1.60	73

33	61-Craftsmen Training	12.77	11.67	91
34	62-Law	7.68	7.16	93
35	63-Rajya Sainik Board	1.00	1.00	100
36	65-Animal Husbandry and Veterinary Services	2.45	2.08	85
37	66-Fisheries	7.74	4.89	63
38	67-Port Administration	10.14	6.70	66
39	71-Co-operation	17.69	9.45	53
	72-Science, Technology and Environment	5.30	4.47	84
40	81-Tribal Welfare	101.50	70.50	69
	84-Airport	10.00	10.00	100
	Total	1379.07	1069.38	

APPENDIX - 2.3

(Referred to in paragraph 2.3.7)

Details of savings of ₹ 20 lakh and above not surrendered

(₹ in crore)

Sl. No.	Number and Name of grant	Total grant	Expenditure	Savings	Savings surrendered	Savings not surrendered
1	2-General Administration and Co-ordination (Revenue Voted)	57.44	46.78	10.66	5.36	5.3
2	5-Prosecution (Revenue Voted)	6.49	5.02	1.47	0.50	0.97
3	12-Commercial Tax(Capital Voted)	3.55	1.70	1.85	1.64	0.21
4	13-Transport (Revenue Voted)	149.17	90.15	59.02	58.51	0.51
	13-Transport (Capital Voted)	18.00	10.70	7.30	4.96	2.34
5	14-Goa Sadan (Revenue Voted)	3.83	3.48	0.35	-	0.35
6	17-Police (Revenue Voted)	291.35	270.30	21.05	20.62	0.43
	17- Police (Capital Voted)	8.50	3.49	5.01	4.00	1.01
7	18-Jails (Revenue Voted)	11.48	9.54	1.94	-	1.94
	18-Jails (Capital Voted)	33.50	7.87	25.63	-	25.63
8	21-Public Works (Revenue Voted)	645.85	538.16	107.69	13.53	94.16
	21-Public Works (Capital Voted)	500.09	330.49	169.60	17.00	152.60
9	30-Small Savings and Lotteries (Revenue Voted)	14.17	12.00	2.17	0.63	1.54
10	33-Revenue (Revenue Voted)	28.10	6.84	21.26	0.12	21.14
	33-Revenue (Capital Voted)	13.00	0	13.00	-	13.00
11	40-Goa College of Engineering (Capital Voted)	12.07	5.70	6.37	3.10	3.27
12	42-Sports and Youth Affairs (Capital Voted)	161.48	111.60	49.88	47.68	2.20
13	43-Art and Culture(Revenue Voted)	86.66	57.66	29.00	27.54	1.46
14	48-Health Services (Revenue Voted)	307.04	250.58	56.46	55.86	.60
	48-Health Services (Capital Voted)	11.30	7.33	3.97	2.72	1.25
15	51-Goa Dental College(Capital Voted)	9.71	0.56	9.15	-	9.15
16	55-Municipal Administration (Revenue Voted)	188.37	58.31	130.06	128.99	1.07
17	60-Employment (Revenue Voted)	14.71	1.56	13.15	-	13.15
18	62-Law (Revenue Voted)	20.64	9.09	11.55	7.43	4.12
19	64-Agriculture (Revenue Voted)	158.13	94.70	63.43	61.47	1.96
20	65-Animal Husbandry and Veterinary Services (Revenue Voted)	107.79	66.97	40.82	37.67	3.15
21	66-Fisheries (Revenue Voted)	46.89	38.84	8.05	7.67	0.38
22	70-Civil Supplies (Capital Voted)	64.00	45.80	18.20	8.61	9.59
23	74-Water Resources (Capital Voted)	179.89	139.31	40.58	37.96	2.62
24	75-Planning, Statistics and Evaluation (Revenue Voted)	26.74	6.22	20.52	19.68	0.84
25	76-Electricity (Revenue Voted)	1451.97	1348.07	103.90	62.65	41.25
	76-Electricity (Capital Voted)	236.44	168.79	67.65	49.49	18.16
26	77-River Navigation (Revenue Voted)	33.72	32.85	0.87	0.66	0.21
27	78-Tourism (Capital Voted)	79.45	57.31	22.14	19.80	2.34
28	81-Tribal Welfare (Capital Voted)	101.50	28.13	73.37	70.50	2.87
	Total	5083.02	3865.90	1217.12	776.35	440.77

APPENDIX - 2.4
(Referred to in paragraph 2.3.7)
Surrender of funds in excess of ₹ 10 crore in March 2015

(₹ in crore)

Sl. No.	Grant No.	Total grant	Expenditure	Savings surrendered	Percentage of total provision
1	6-Election Office(Revenue Voted)	26.92	18.08	16.56	62
2	13-Transport (Revenue Voted)	149.17	90.15	58.51	39
3	16-Collectorate, South Goa (Capital Voted)	13.00	0	13.00	100
4	17-Police (Revenue Voted)	291.35	270.30	20.62	7
5	19-Industries, Trade and Commerce(Revenue Voted)	78.96	10.68	68.22	86
6	21-Public Works (Revenue Voted)	645.85	538.16	13.53	2
	21-Public Works (Capital Voted)	500.09	330.49	17.00	3
7	26-Fire and Emergency Services (Capital Voted)	14.64	0.47	14.12	96
8	31-Panchayats (Revenue Voted)	141.48	70.56	70.85	50
	31- Panchayats (Capital Voted)	30.41	0.13	30.28	100
9	32-Finance (Capital Voted)	380.00	280.00	100.00	26
10	34- School Education (Revenue Voted)	961.36	866.81	94.92	10
	34- School Education (Capital Voted)	32.12	8.29	23.74	74
11	35- Higher Education (Revenue Voted)	189.48	178.31	11.20	6
12	36-Technical Education (Capital Voted)	42.53	0.33	42.20	99
13	42-Sports and Youth Affairs (Revenue Voted)	75.33	43.30	34.87	46
	42- Sports and Youth Affairs (Capital Voted)	161.48	111.60	47.68	30
14	43-Art and Culture (Revenue Voted)	86.66	57.66	27.54	32
	43- Art and Culture (Capital Voted)	12.28	0.36	11.93	97
15	45-Archives and Archeology (Capital Voted)	12.00	0.92	11.08	92
16	47-Goa Medical College (Capital Voted)	28.20	8.19	20.01	71
17	48-Health Services (Revenue Voted)	307.04	250.58	55.86	18
18	54-Town and Country Planning (Revenue Voted)	37.95	9.33	28.62	75
19	55-Municipal Administration (Revenue Voted)	188.37	58.31	128.99	68
20	56-Information and Publicity (Revenue Voted)	29.37	15.29	14.02	48
21	57-Social Welfare (Revenue Voted)	319.20	280.13	39.14	12
22	58-Women and Child Development (Revenue Voted)	306.58	272.87	33.65	11
23	61-Craftsman Training (Revenue Voted)	50.40	38.06	12.70	25
	61-Craftsman Training (Capital Voted)	12.77	1.06	11.67	91
24	64-Agriculture (Revenue Voted)	158.13	94.70	61.47	39
25	65-Animal Husbandry and Veterinary Services (Revenue Voted)	107.79	66.97	37.67	35
26	70-Civil Supplies (Revenue Voted)	20.19	7.71	12.49	62
27	72-Science, Technology and Environment (Revenue Voted)	22.83	5.64	17.10	75
28	74-Water Resources (Revenue Voted)	146.23	104.89	41.75	29
	74- Water Resources (Capital Voted)	179.89	139.31	37.95	21

29	75- Planning, Statistics and Evaluation (Revenue Voted)	26.74	6.22	19.67	74
30	76- Electricity (Revenue Voted)	1451.97	1348.07	62.65	4
	76- Electricity (Capital Voted)	236.44	168.79	49.49	21
31	78-Tourism (Capital Voted)	79.45	57.31	19.80	25
32	81-Tribal Welfare (Revenue Voted)	121.71	100.15	27.63	23
	81-Tribal Welfare (Capital Voted)	101.50	28.13	70.50	69
33	82-Information Technology (Revenue Voted)	58.93	44.69	14.23	24
34	83-Mines (Revenue Voted)	412.20	47.98	364.22	88
35	84-Airport (Revenue Voted)	11.09	0.32	10.76	97
	84-Airport(Capital Voted)	10.00	0	10.00	100
	Total	8270.08	6031.30	1929.89	

APPENDIX - 2.5

(Referred to in paragraph 2.4)

Cases of withdrawal from contingency fund for salaries

(₹ in crore)

Sl. No.	Finance Department sanction order number and date	Budget controlling authorities	Withdrawal for meeting the expenditure of salaries
1	No.1-1/2012/Fin/(Bud)/19, dt.28.07.2014	Director of Health Services	1.00
2	No.1-1/2012/Fin/(Bud)/27, dt.22.12.2014	Director, Fire and Emergency Services	1.00
3	No.1-1/2012/Fin/(Bud)/34, dt.02.02.2015	Dean, Goa Medical College	4.00
4	No.1-1/2012/Fin/(Bud)/41, dt.19.02.2015	Principal Chief Engineer, Public Works Department	17.08
5	No.1-1/2012/Fin/(Bud)/36, dt.06.02.2015	Director of Health Services	3.25
6	No.1-1/2012/Fin/(Bud)/29, dt.28.01.2015	Chief Electrical Engineer, Electricity Department	0.30
7	No.1-1/2012/Fin/(Bud)/32, dt.30.01.2015	Director, Fire and Emergency Services	0.95
8	No.1-1/2012/Fin/(Bud)/39, dt.16.02.2015	Director, Institute of Psychiatry and Human Behaviour	1.50
9	No.1-1/2012/Fin/(Bud)/37, dt.11.02.2015	Principal Chief Conservator of Forest	0.70
10	No.1-1/2012/Fin/(Bud)/46, dt.23.02.2015	Director of Higher Education	12.00
11	No.1-1/2012/Fin/(Bud)/47, dt.23.02.2015	Director of Education	48.00
12	No.1-1/2012/Fin/(Bud)/45, dt.23.02.2015	Captain of Ports	2.48
13	No.1-1/2012/Fin/(Bud)/44, dt.20.02.2015	Principal District and Sessions Judge, Panaji	0.28
14	No.1-1/2012/Fin/(Bud)/49, dt.25.02.2015	Director of Panchayat	5.00
15	No.1-1/2012/Fin/(Bud)/50, dt.25.02.2015	Chief Electrical Engineer, Electricity Department	0.50
16	No.1-1/2012/Fin/(Bud)/48, dt.24.02.2015	Dean, Goa Medical College	22.00
17	No.1-1/2012/Fin/(Bud)/42, dt.20.02.2015	Collector, North Goa	0.30
18	No.1-1/2012/Fin/(Bud)/56, dt.03.03.2015	Principal Chief Conservator of Forest	0.45
19	No.1-1/2012/Fin/(Bud)/51, dt.27.02.2015	Principal District and Sessions Judge, Panaji	0.92
20	No.1-1/2012/Fin/(Bud)/57, dt.03.03.2015	Director of Higher Education	0.04
21	No.1-1/2012/Fin/(Bud)/58, dt.05.03.2015	Director of Urban Development	2.00
22	No.1-1/2012/Fin/(Bud)/59, dt.17.03.2015	Director, State Directorate of Craftsmen Training	0.75
23	No.1-1/2012/Fin/(Bud)/60, dt.20.03.2015	Principal Chief Engineer, Public Works Department	12.00
Grand Total			136.50

APPENDIX – 3.1*(Referred to in paragraph 3.1)***Department-wise breakup of outstanding Utilisation Certificates as on June 2015**

Sl. No.	Name of the Department	No. of utilisation certificates	Amount (₹ in crore)
1	Directorate of Education	665	98.80
2	Directorate of Technical Education	5	0.63
3	Directorate of Higher Education	60	65.82
4	Department of Tribal Welfare	81	1.86
5	Town and Country Planning Department	22	7.52
6	Directorate of Municipal Administration	976	382.44
7	i) Directorate of Women and Child Welfare ii) Directorate of Social Welfare	272 234	4.39 26.62
8	Department of Science, Technology and Environment	245	19.60
9	i) Directorate of Panchayats (South) ii) Directorate of Panchayats (North)	1687 2223	37.18 248.22
10	i) General Administration Department ii) Directorate of Official Language iii) Legislature Department iv) Human Resources Development (GAD)	8 28 13 3	0.68 2.03 0.62 3.00
11	Directorate of Health Services	42	50.57
12	Institute of Psychiatry and Human Behaviour	1	0.01
13	Directorate of Small Savings and Lotteries	25	46.19
14	Directorate of Agriculture	85	0.32
15	Forests Department	13	9.88
16	Goa Sate Legal Services Authority	16	1.96
17	Under Secretary, Finance (Home)	89	2.88
18	Under Secretary, Revenue	11	6.39
19	Law Department	8	2.28
20	Directorate of Accounts	1	.*
21	Public Works Department	11	28.60
22	Directorate of Sports and Youth Affairs	448	211.89
23	Directorate of Art and Culture	3163	188.52
24	Directorate of Archives and Archaeology	1	0.15
	TOTAL	10436	1449.05

*Amount below ₹10,000 shown as 'Nil'

APPENDIX – 3.2

(Referred to in paragraph 3.2)

Statement showing names of bodies and authorities, the accounts of which had not been received

Sl. No.	Name of the institution	Year for which accounts had not been received	Grant received during preceding year (₹ in lakh)
Director of Education			
1	A. J. De Almeida High School, Ponda	2005-06 to 2013-14	104.65
2	AIM Salcete High School, Rumdamol, Davorlim-Margao	2005-06 to 2013-14	31.00
3	Assumpta Convent High School, Sarzora, Chinchinim-Salcete	2013-14	48.63
4	Balbharati Vidyamandir, Ribandar Tiswadi	2013-14	125.72
5	Bhausahab Bandodkar Shikshan Saunsta's Vishweshwar Shankar Laad Higher Secondary School, Piliem, Darbandora-Sanguem	2013-14	5.17
6	Cuncolim United High School, Cuncolim-Salcete	2005-06 to 2013-14	34.20
7	Cuncolim United Higher Secondary School, Cuncolim-Salcete Goa	2013-14	2.35
8	Dada Vaidya High School, Kurti -Ponda	2013-14	178.88
9	Damodar Higher Secondary School, Gudi-Paroda, Salcete Goa	2013-14	111.33
10	Dattaram Mantravadi Memorial High School, Mapusa	2013-14	62.44
11	Dayanand High School, Chorao-Tiswadi	2011-12 to 2013-14	54.54
12	Deepvihar Higher Secondary School, Headland Sada, Mormugao-Goa	2013-14	3.28
13	Dnyanprakash Mandal Higher Secondary School, Mulgao, Bicholim-Goa	2013-14	66.94
14	Dnyanprassarak Vidyalaya, Mapusa	2005-06 to 2013-14	49.02
15	Don Bosco High school, Calangute	2013-14	45.57
16	Don Bosco Night Higher Secondary School, Panaji Goa	2013-14	8.17
17	Fr. Agnel Higher Secondary School Pilar-Tiswadi Goa	2013-14	190.63
18	Guardian Angel Higher Secondary School, Curchozem, Quepem-Goa	2013-14	237.92
19	Harmal Panchakroshi High School, Harmal-Pernem	2011-12 to 2013-14	65.39
20	Honda High School, Honda-Sattari	2013-14	76.91
21	Ideal High School, Taleigao-Tiswadi	2013-14	101.37
22	Janata High School, Mapusa	2013-14	136.15
23	Kasturba Matoshri High School, Panaji	2013-14	122.51
24	Keshav Smruti High School, Alto Dabolim, Vasco -da-Gama	2013-14	123.30
25	Kirti Vidyalaya, Siolim-Bardez	2013-14	76.19
26	L.D. Samant Memorial High School, Vidyanagar Porvorim-Bardez	2013-14	163.56
27	M.E.S. Higher Secondary School, Zuarinagar, Vasco-Goa	2013-14	312.06
28	Mahatma Jyotirao Phule High School, Colvale-Bardez	2013-14	36.93
29	Manguirish Vidyalaya, Dhargal, Colvale-Pernem	2013-14	47.60
30	Maria Bambina Higher Secondary School, Cuncolim, Salcete Goa	2013-14	50.32
31	Marina English High School, Verna	2007-08 to 2013-14	27.76
32	Mata Secondary School No. 1 Baina, Vasco -da-Gama	2005-06 to 2013-14	44.88
33	Matoshri Anandibai Vaman Marathe Vidhyamandir, Tamsoda Dharbandora-Sanguem	2013-14	153.92
34	Matoshri Indirabai Baburao Khandeparkar High School, Kandepar(MIBKHS) Ponda	2005-06 to 2013-14	53.08
35	Mother of Mercy English School, Mercedes-Vaddem, Vasco -da-Gama	2013-14	61.66

36	Mushtifund Higher Secondary School, Panaji-Goa	2013-14	152.90
37	New English High School, Keri-Pernem	2005-06 to 2013-14	34.09
38	New English High School, Varkhand-Pernem	2013-14	37.52
39	New English Higher Secondary School, Mandrem, Pernem-Goa	2013-14	96.80
40	New Era High School, Margao	2013-14	75.14
41	Our Lady of Divar High School, Piedade-Tiswadi	2006-07 to 2013-14	23.01
42	Our Lady of Mercedes High School Mercedes, Tiswadi-Goa	2013-14	82.03
43	Our Lady of Mount Carmel High School, Arambol-Pernem	2013-14	4.83
44	Our Lady Of Rosary High School, Fatorda-Margao	2013-14	126.68
45	P.E.S. Shri Ravi Sitaram Naik Higher Secondary School of Arts, Commerce, Science and Vocational Studies, Farmagudi, Ponda-Goa	2013-14	278.83
46	Pragati High School, Verem, Betim-Bardez	2013-14	74.81
47	Pragati Vidyalaya, Borim-Ponda	2005-06 to 2013-14	28.12
48	Perpetual Succour Convent High School, Navelim-Salcete	2005-06 to 2013-14	62.64
49	Progress High School, Panaji	2008-09 to 2013-14	72.26
50	Progress High School, Sanquelim-Bicholim	2013-14	219.40
51	R. D. Khalap High School, Mandrem-Pernem	2005-06 to 2013-14	37.72
52	Raghuvir and Premavati Salkar Higher Secondary School Chora, Tiswadi-Goa	2013-14	57.40
53	Rajmata Padmavati Raje Saundekar High School(RPRS), Bandora-Ponda	2005-06 to 2013-14	27.68
54	Sancorda Education Society's Higher Secondary School, Sancordem-Sanguem	2013-14	10.80
55	Sarvodaya High School, Usgao-Ponda	2006-07 to 2013-14	24.63
56	Saviour of the World High School, Loutolim-Salcete	2013-14	93.59
57	Shiroda Higher Secondary School, Shiroda, Ponda-Goa	2013-14	188.94
58	Shree Hanuman Vidyalaya, Valpoi-Sattari	2006-07 to 2013-14	35.94
59	Shree Navdurga Vidyalaya, Marcaim-Ponda	2007-08 to 2013-14	33.00
60	Shree Shantadurga Vidyalaya, Pirna-Bardez	2013-14	64.53
61	Shree Susenashram Vidyalaya, Jetty, Mormugao-Harbour	2013-14	38.86
62	Shri Damodar Vidyalaya English High School, Comba-Margao	2008-09 to 2013-14	61.64
63	Shri Shantadurga Higher Secondary School, Pirna, Bardez-Goa	2013-14	64.24
64	Shri Shradhanand Vidyalaya, Poiguini m-Canacona	2005-06 to 2013-14	36.04
65	Shrimati Sunandabai Bhandodkar High School,Carambolim-Tiswadi	2011-12 to 2013-14	50.32
66	Smt. Parvatibai Chowgule College (Higher Secondary Section) Margao, Salcete-Goa	2013-14	218.36
67	St. Alex Higher Secondary School, Curtorim, Salcete-Goa	2013-14	112.34
68	St. Andrew's Higher Secondary School, Vasco-da-Gama-Goa	2013-14	89.85
69	St. Andrew's High School, Goa Velha-Tiswadi	2013-14	3.78
70	St. Anthony's School, Amblai, Panchawadi, Sanvordem-Ponda	2013-14	40.47
71	St. Clara's High School, Assanora-Bardez	2005-06 to 2013-14	39.46
72	St. Cruz High School, St. Cruz-Tiswadi	2013-14	174.98
73	St. Francis Xavier High School, Macasana-Salcete	2013-14	1.61
74	St. Francis Xavier High School, Siolim-Bardez	2005-06 to 2013-14	48.73
75	St. John of Cross High School, Sanquelim-Bicholim	2006-07 to 2013-14	52.78
76	St. Joseph's High School-Pernem	2013-14	50.10
77	St. Mary's High School, Varca-Salcete	2013-14	5.26
78	St. Michael's Convent High School, Vagator-Bardez	2013-14	105.88
79	St. Rita High School, Colvale-Bardez	2005-06 to 2013-14	41.32
80	St. Rock's High School, Tollecanto, Velim-Salcete	2013-14	76.07

81	St. Theresa's Higher Secondary School, Candolim, Bardez-Goa	2013-14	67.79
82	St. Thereza High School, St. Estevam-Tiswadi	2013-14	56.72
83	St. Thomas Boy's High School, Aldona-Bardez	2007-08 to 2013-14	36.95
84	St. Thomas Girl's High School, Aldona-Bardez	2005-06 to 2013-14	38.14
85	St. Thomas High School, Cansaulim	2013-14	80.40
86	St. Xavier's High School, Moira-Bardez	2008-09 to 2013-14	2.24
87	T.B. Cunha New High School, Aquem Alto-Margao	2013-14	65.68
88	The Rosary School, Miramar-Panaji	2005-06 to 2013-14	30.93
89	Utkarsha High School, Rivona-Sanguem	2013-14	37.49
90	V. D. and S. V. Wagle High School, Mangueshi, Mardol - Ponda	2008-09 to 2013-14	44.40
91	Vadem Nagar English High School, Vadem Nagar, Vasco - da-Gama	2013-14	70.23
92	Vidyaniketan High school, Calangute-Bardez	2013-14	56.82
93	Vidyaniketan High School, Corlim, Ilhas-Tiswadi	2013-14	79.06
94	Vidyaprasarak High School, Morjim-Pernem	2008-09 to 2013-14	0.34
95	Vijayanand High School, Mayem-Bicholim	2013-14	48.87
96	Vishvanath Mahadeo Parulekar Higher Secondary School Verem, Bardez-Goa	2013-14	37.00
	Director of Higher Education		
97	P.E.S. Shri Ravi Sitaram Naik College of Arts, Commerce, Science and Vocational Studies, Farmagudi, Ponda-Goa	2013-14	707.73
98	Shree Damodar College of Commerce and Economics, Comba, Margao- Salcete	2013-14	319.02
99	Cuncolim Education Society's College of Arts and Commerce, Zuari Nagar-Mormugao	2013-14	279.08
100	M.E.S. College of Arts and Commerce, Zuari Nagar-Mormugao	2013-14	337.72
	Director of Panchayat		
101	North Goa Zilla Panchayat	2009-10 to 2013-14	552.16
		Total	9218.18

APPENDIX – 3.3
(Referred to in paragraph 3.3)

**Statement showing entrustment of audit/rendering of accounts/placement of SARs in Legislature
of autonomous bodies as of September 2015**

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 audit report issued	Placement of reports before the Legislature
1	Goa University	01.04.2015 to 31.03.2020	2013-14	July 2014 to October 2014	4	2013-14	2011-12/ 23.07.2014
2	Goa Housing Board	01.04.2012 to 31.03.2017	2013-14	October 2014 to April 2015	7	2012-13	2010-11/ 21.03.2013
3	Goa Tillari Irrigation Development Corporation	01.04.2012 to 31.03.2016	2010-11	July 2011 to February 2014	32	2010-11	2008-09/ 18.03.2012
4	Khadi and Village Industries Board	01.04.2013 to 31.03.2018	2011-12	July 2012 to January 2014	19	2011-12	2009-10/ 07.08.2014
5	Goa State Commission for Backward Classes	01.04.2014 to 31.03.2019	2013-14	July 2014 to March 2015	9	2013-14	2009- 10/05.10.2011
6	Goa Secondary and Higher Secondary Board	01.04.2010 to 31.03.2015	2012-13	July 2013 to July 2015	25	2012-13	Not applicable
7	South Goa Zilla Panchayat	01.04.2014 to 31.03.2019	2011-12	July 2012 to February 2015	32	2011-12	Not 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	Not placed in legislature
9	Goa State Legal Services Authority	As per Act	2012-13	July 2013 to October 2014	16	2012-13	Not placed in legislature
10	District Legal Service Authority, South Goa	As per Act	2011-12	July 2012 to January 2014	19	2011-12	Not placed in legislature
11	District Legal Service Authority, North Goa	As per Act	2012-13	July 2013 to March 2015	21	2012-13	Not placed in legislature
12	Goa State Compensatory Afforestation Fund Management and planning authority	01.04.2012 to 31.03.2017	2009-10	July 2010 to January 2015	55	2009-10	Not placed in legislature
13	Goa Sarva Shiksha Abhiyan Society	01.04.2010 to 31.03.2015	2012-13	July 2013 to June 2014	12	2012-13	Not placed in legislature

APPENDIX - 3.4
(Referred to in paragraph 3.4)

Position of arrears as on 30 October 2015 in preparation of Proforma Accounts

Department	No. of undertakings under the Department	Accounts not finalised (name of undertaking)	Year upto 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	2010-11	1018.73
Total				1127.02

APPENDIX –3.5
(Referred to in paragraph 3.5)

**Department wise/duration wise break-up of the cases of Misappropriation, Defalcation, etc.
(Cases where final action was pending at the end of June 2015)**

Sl. No.	Name of the Department	Upto 5 years	5 to 10 years	10 years and above	Total No. of cases
1	General Administration Department	-	1(0.10)	-	1(0.10)
2	Director of Panchayats, Panaji	-	2 (0.54)	-	2(0.54)
3	Deputy Commandant General, Home Guards	-	-	1(4.95)	1(4.95)
4	Director General of Police	-	2 (0.14)	-	2(0.14)
5	Director of Civil Supplies	-	1(3.02)	2(2.90)	3(5.92)
6	Chief Electrical Engineer, Panaji	-	3 (9.66)	2 (95.47)	5 (105.13)
7	Chief Engineer, PWD, Panaji	-	1(38.60)	1(38.60)	1(38.60)
8	Dean, Goa Medical College, Bambolim	2 (0.49)	-	-	3 (3.69)
9	Director of Education, Panaji	-	1(7.00)	-	1(7.00)
10	State Directorate of Craftsmen Training, Panaji	1 (0.50)	-	-	1 (0.50)
11	Director of Sports and Youth Affairs, Panaji	1 (1.55)	-	-	1 (1.55)
	Total	4 (2.54)	11 (23.66)	6 (141.92)	21 (168.12)

(Figures in brackets indicate ₹ in lakh)

