

## Executive summary

### Background

State Finances Audit Report of Government of Goa seeks to assess the financial performance of the State Government during 2021-22 and to provide the State Government and the Legislature with inputs based on analysis of the financial data. In order to give a perspective to the analysis, an effort has been made to compare various fiscal parameters with the targets envisaged in the Goa Fiscal Responsibility and Budget Management (GFRBM) Act, as amended from time-to-time, Finance Commission's recommendations, budget estimates of 2021-22 and other financial data obtained from various Government departments.

### The Report

This report provides an analytical review of the audited annual accounts of the Government of Goa for the year ended 31 March 2022. The Report is structured into five chapters.

**Chapter 1** contains the basis and approach to State Finances Audit Report, structure of Government Accounts, budgetary processes, trends in key fiscal parameters like revenue surplus/deficit, fiscal surplus/deficit *etc.*

**Chapters 2 and 3** contain audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts, respectively of the State Government for the year ended 31 March 2022. Information has been obtained from the Government of Goa, wherever necessary.

**Chapter 4** provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2021-22.

**Chapter 5** provides an overview of the financial performance of State Public Sector Enterprises (Government companies and statutory corporations) and highlights the oversight role of the CAG through monitoring the performance of statutory auditors and conduct of supplementary audit.

The Report also has additional data collated from several other sources in support of the audit findings.

### Contents of the Report

#### Chapter 1: Overview of State Finances

##### *Per capita Gross State Domestic Product*

During 2021-22, per capita income of the State stood at ₹ 5,44,865 which was significantly higher than the all India per capita income of ₹ 1,72,913.

*(Paragraph 1.1)*

### *Fiscal position*

Goa recorded revenue surplus during 2017-18 to 2018-19 but, moved into revenue deficit of ₹ 325 crore and ₹ 1,653 crore during 2019-20 and 2020-21, respectively. However, during 2021-22, Goa registered a revenue surplus of ₹ 59 crore. During the last five years (2017-22), State Government was successful in containing the fiscal deficit to GSDP ratio within the limits prescribed under GFRBM Act.

During the last five years, total outstanding debt of the State Government to GSDP increased from 26.75 **per cent** to 32.13 **per cent**, which was way above the ceiling of 25 **per cent** set under GFRBM Act.

(Paragraph 1.5.1)

## **Chapter 2: Finances of the State**

### *State's own resources*

During 2021-22, State's revenue receipts increased by ₹ 3,846 crore (37 **per cent**); own tax revenue by ₹ 1,654 crore (40 **per cent**); and non-tax revenue by ₹ 844 crore (30 **per cent**), over the previous year.

(Paragraphs 2.3.2.1 and 2.3.2.2)

### *Share of union taxes and duties and grants-in-aid*

Transfers from Central Government increased from ₹ 1,073 crore in 2012-13 to ₹ 4,694 crore in 2021-22. State's share in Central taxes also increased by ₹ 1,061 crore and grants-in-aid by ₹ 247 crore over the previous year.

(Paragraph 2.3.2.3)

### *Revenue expenditure*

Revenue expenditure during the year constituted 84 **per cent** of the total expenditure. Growth rate of revenue expenditure declined from 19 **per cent** in 2017-18 to four **per cent** in 2020-21. However, it increased to 18 **per cent** in 2021-22.

(Paragraph 2.4.2)

### *Capital expenditure*

Capital expenditure increased from ₹ 2,094 crore in 2017-18 to ₹ 2,681 crore in 2021-22. While the percentage of capital expenditure to total expenditure increased during 2019-22, it was still below the levels achieved during 2017-19.

(Paragraph 2.4.3)

### **Investment and returns**

As on 31 March 2022, total State Government's investments in companies, corporations and other bodies was ₹ 657.56 crore. Return on this investment ranged from 0.20 **per cent** to 0.32 **per cent** during 2017-22, while Government paid an average interest of up to 7.03 **per cent** on its borrowings.

**(Paragraph 2.4.3.2)**

### **Debt profile**

During 2021-22, total outstanding debt increased by ₹ 2,597 crore compared to previous year, mainly due to increase in market borrowings (₹ 1,450 crore). There was a spike in total outstanding debt to GSDP ratio from 26.75 **per cent** in 2017-18 to 32.13 **per cent** in 2021-22.

**(Paragraph 2.6.1)**

### **Debt profile: maturity and repayment**

Maturity profile of outstanding stock of public debt as on 31 March 2022 indicated that 90 **per cent** of the total public debt (₹ 21,003 crore) would be repayable within the next 10 years.

**(Paragraph 2.6.2)**

## **Chapter 3: Budgetary Management**

Supplementary provisions (₹ five crore or more in each case) aggregating ₹ 1,312 crore obtained in 30 cases during the year proved unnecessary, as the expenditure incurred (₹ 8,410 crore) did not reach even the original provision of ₹ 10,985 crore.

**(Paragraph 3.3.2)**

Of the total gross savings of ₹ 7,607 crore at the end of 2021-22, savings of ₹ 100 crore or more amounting to ₹ 4,800 crore (63 **per cent**) occurred in 19 out of 88 grants.

**(Paragraph 3.3.3)**

Excess expenditure of ₹ 12,505 crore pertaining to period 2008-09 to 2021-22 escaped legislative oversight, as it was pending regularisation as per Article 205 of the Constitution of India.

**(Paragraph 3.3.4)**

## **Chapter 4: Quality of Accounts and Financial Reporting Practices**

At the end of March 2022, 10,534 utilisation certificates aggregating ₹ 1,971 crore were outstanding against grants disbursed up to 2020-21.

**(Paragraph 4.2)**

As on 30 June 2022, there was pendency in submission of 430 Detailed Contingent bills amounting to ₹ 93 crore drawn on Abstract Contingent bills by various departmental authorities.

*(Paragraph 4.3)*

Expenditure aggregating ₹ 4,708 crore, constituting 28 **per cent** of the total expenditure of the State Government, was classified under Minor Head '800 – Other Expenditure' under 61 Major Heads under revenue and capital sections.

*(Paragraph 4.5)*

During 2021-22, 18 out of 91 Budget Controlling Authorities (BCA) did not carry out reconciliation in respect of 1,253 units under their control for expenditure involving ₹ 4,903 crore.

*(Paragraph 4.7)*

## **Chapter 5: Financial Performance of State Public Sector Enterprises**

During 2021-22, 15 State Public Sector Enterprises (SPSE) registered an annual turnover of ₹ 824 crore, which was 0.97 **per cent** of the State GDP. Out of 15 SPSE, seven earned profits of ₹ 70 crore, while eight incurred losses of ₹ 33 crore. Accumulated losses of eight SPSE at the end of March 2022 was ₹ 304 crore.

*(Paragraphs 5.3 and 5.5)*

At the end of March 2022, investment of State Government (equity and long-term loans) in 15 SPSE was ₹ 314 crore, against total investment of ₹ 1,272 crore. As of 30 September 2022, 60 accounts of 15 SPSE were pending submission to Audit.

*(Paragraphs 5.4 and 5.6.2.2)*

As on 31 March 2022, net worth of three out of 15 SPSE had been completely eroded due to accumulated losses. Total net worth of these three SPSE was (-) ₹ 114.87 crore, against their paid-up capital of ₹ 163.54 crore.

*(Paragraph 5.5.3)*