



सत्यमेव जयते

**State Finances Audit Report  
of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2022**



**SUPREME AUDIT INSTITUTION OF INDIA**

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



**GOVERNMENT OF GOA**

*Report No. 2 of the year 2023*



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COMPTROLLER AND AUDITOR  
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## PREFACE

This Report has been prepared for submission to the Governor of Goa under Article 151 of the Constitution.

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

**Chapters 2 and 3** on ‘Finances of the State’ and ‘Budgetary Management’ 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** on ‘Quality of Accounts and Financial Reporting Practices’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives during 2021-22.

**Chapter 5** on ‘Performance of State Public Sector Enterprises’ discusses the financial performance of Government companies and statutory corporations and highlights the oversight role of the Comptroller and Auditor General of India through monitoring the performance of statutory auditors and conduct of supplementary audit.

The Reports containing the findings of Performance Audit and Compliance Audit in various Government departments, observations arising out of audit of statutory corporations, boards and Government companies and observations on revenue receipts are presented separately.



# **Executive Summary**



## 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)*

*Chapter 1*  
**Overview of State Finances**



## Chapter 1: Overview of State Finances

### 1.1 Profile of Goa

Goa is situated in the western coastal region of India, known as Konkan, bound by the Arabian Sea in the west, Maharashtra in the north and Karnataka on the east and south. Goa is the country's smallest State in terms of geographical area (3,702 sq. km.) and has a coastline of about 131 km. Administratively, Goa is divided into two districts namely, North Goa and South Goa, which are further divided into 12 talukas.

Goa's population increased from 0.15 crore in 2012 to 0.16 crore<sup>1</sup> in 2022, recording a decadal growth of 6.67 *per cent*. The State has a population density of 423 persons per sq. km. as against the all-India average of 418. Population below poverty line was 5.09 *per cent* as compared to 21.92 *per cent* in the country. The Gross State Domestic Product (GSDP) in 2021-22 at current prices was ₹ 85,380 crore. During 2021-22, the 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. Goa performed better on social indicators *viz.* literacy rate and infant mortality rate (except life expectancy) than the all-India average. Basic statistics pertaining to the State are given in Appendix 1.1.

### 1.2 Basis and approach to the State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the State Legislature.

The Government of Goa and those responsible for execution of budget such as Pay and Accounts Offices, treasuries, offices and departments of the Government of Goa are responsible for preparation and correctness of the initial and subsidiary accounts as well as for ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations. They are also responsible for rendering the initial and subsidiary accounts and information related thereto to the Director of Accounts and Finance Secretary, of the Government of Goa for compilation and preparation of the Finance Accounts.

Finance Accounts and Appropriation Accounts of the State for the year 2021-22 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2021-22, both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General, Goa;

<sup>1</sup> Ministry of Statistics and Programme Implementation, Government of India

- Other data with departmental authorities and treasuries;
- GSDP data and other State related statistics from the Directorate of Planning, Statistics and Evaluation, Government of Goa; and
- Various audit reports of the CAG of India prepared during 2017-21.

This report also takes into account the recommendations of the Fifteenth Finance Commission (FC XV), the Goa Fiscal Responsibility and Budget Management (GFRBM) Act, and best practices and guidelines of the Government of India (GoI).

An exit conference was held on 24 February 2023 with the Principal Secretary (Finance), Government of Goa in which the findings of Audit and recommendations were discussed. Replies furnished during exit conference have been incorporated at appropriate places in the Report.

### **1.3 Report structure**

The State Finances Audit Report (SFAR) is structured as follows:

<b>Chapter 1</b>	<b>Overview of State Finances</b> This chapter describes the basis and approach to the Report and the underlying data, provides an overview of the structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and the State's fiscal position.
<b>Chapter 2</b>	<b>Finances of the State</b> This chapter provides a broad perspective of the finances of the State, analyses the key changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
<b>Chapter 3</b>	<b>Budgetary management</b> This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports deviations from Constitutional provisions relating to budget.
<b>Chapter 4</b>	<b>Quality of accounts &amp; financial reporting practices</b> This chapter comments on the quality of accounts rendered by various authorities of the State Government and compliance with prescribed financial rules and regulations by various departmental officials of the State Government.
<b>Chapter 5</b>	<b>Financial performance of State Public Sector Enterprises</b> This chapter presents the summary of financial performance of Government companies and Statutory corporations of Government of Goa as reflected in their accounts/information furnished by them and results of oversight function of the Comptroller & Auditor General of India (CAG).



## 1.4 Overview of structure of Government accounts and budgetary processes

The accounts of the State Government are kept in three parts:

### 1. Consolidated Fund of the State (Article 266 (1) of the Constitution of India)

This fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from financial institutions, special securities issued to National Small Savings Fund, *etc.*), Ways and Means advances extended by the Reserve Bank of India (RBI) and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (*e.g.*, salaries of Constitutional authorities, loan repayments *etc.*), constitute a charge on the Consolidated Fund of the State (charged expenditure) and are not subject to vote by the Legislature. All other expenditure (voted expenditure) is voted by the Legislature.

### 2. Contingency Fund of the State (Article 267 (2) of the Constitution)

This fund is in the nature of an imprest established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional Major Head relating to the Consolidated Fund of the State.

### 3. Public Account of the State (Article 266 (2) of the Constitution)

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense Heads (both of which are transitory Heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Article 202 of the Constitution requires that a statement of estimated receipts and expenditures of the Government in respect of every financial year are presented before the House or Houses of the Legislature of the State. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consist of tax revenue, non-tax revenue, share of Union taxes/duties and grants from GoI.

**Revenue expenditure** consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to expenses incurred on the functioning of Government departments and providing various services, interest payments on public debt and grants given to various institutions (even though some of the grants may be meant for creation of assets).

**Capital receipts** consist of:

- **Debt receipts:** Market loans, bonds, loans from financial institutions, net transaction under Ways and Means Advances, loans and advances from Central Government *etc.*; and
- **Non-debt receipts:** Proceeds from disinvestment, recoveries of loans and advances;

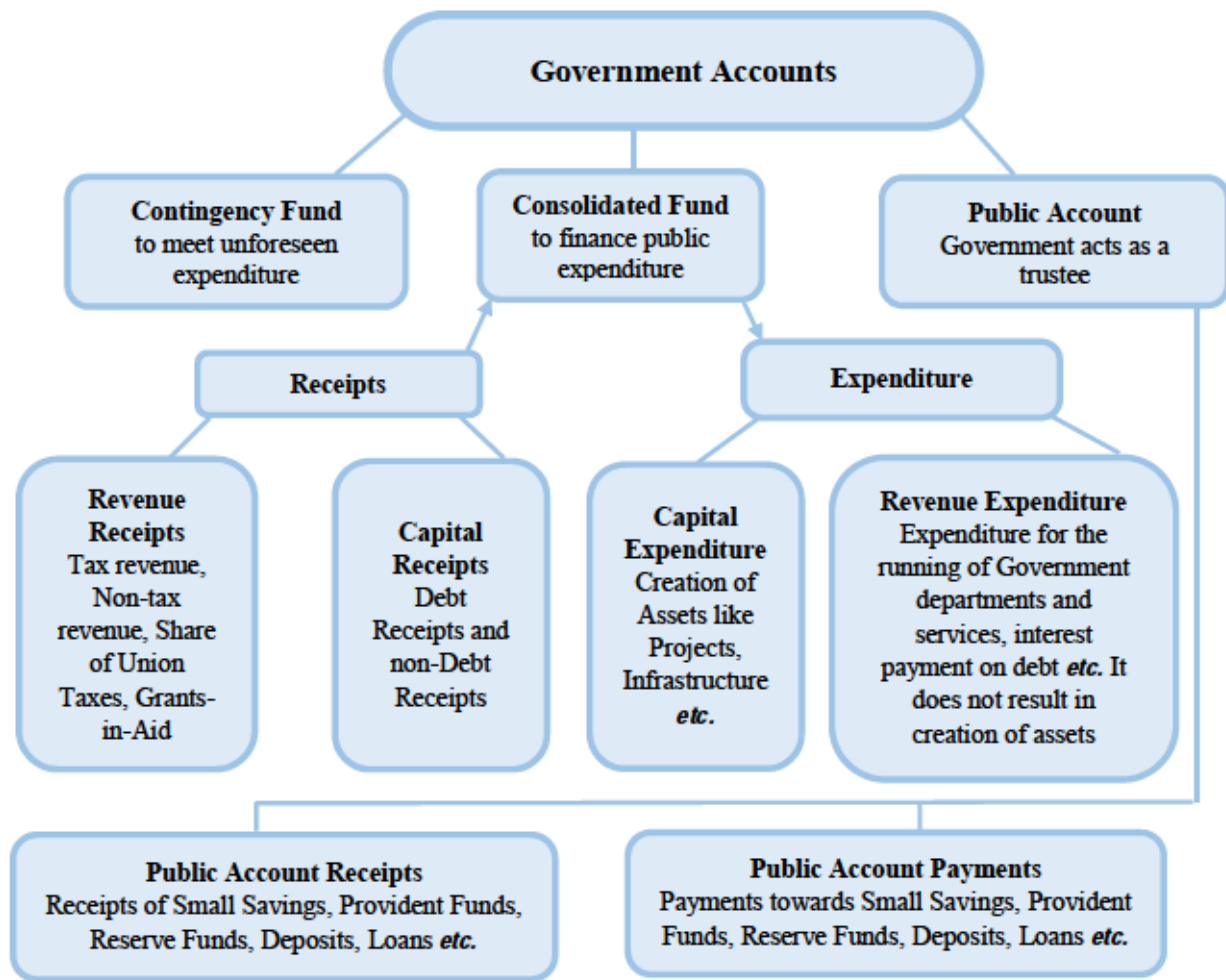
**Capital expenditure** includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares and loans and advances by the Government to State Public Sector Enterprises (SPSE) and other parties.

Government accounts follow a five-tier classification structure that is both functional and economic in nature.

	Attribute of transaction	Classification
Standardised in LMMH by CGA	Function: Education, Health <i>etc.</i>	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Purpose/object of expenditure	Detailed Head (2-digit)

The functional classification indicates the department, function, scheme or programme and object of expenditure. Economic classification helps organize receipts and payments as revenue, capital *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure *etc.* Economic classification is also achieved by the inherent definition and distribution of some detailed heads. For instance, generally “salary” (detailed head) is revenue expenditure; “construction” (detailed head) is capital expenditure. Detailed head is the primary unit of appropriation in the budget documents.

Chart 1.1: Structure of Government Accounts



Fund-based accounting coupled with functional and economic classification of transactions facilitates in-depth analysis of Government activities/transactions and enables legislative oversight over public finances.

### Budgetary process

In terms of Article 202 of the Constitution, the Governor causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the financial year in the form of an Annual Financial Statement (referred to as the Budget).

In terms of Article 203, the above shall be submitted to the State Legislature in the form of Demands for Grants/Appropriations. After their approval, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in Paragraph 1.2, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These accounts are based on actual receipts and expenditure of the State including various inter-Governmental and other adjustments carried out by the RBI during the year. Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is necessary



to study the annual budget of the State and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

The Budget orders issued by the Finance Department, Government of Goa guide the State departments in preparing their budgetary estimates. Further, the Directorate of Planning, Statistics and Evaluation, Government of Goa monitors departmental expenditure during the course of the year. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in Chapter 3 of this Report.

#### 1.4.1 Gross State Domestic Product of Goa

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. GSDP growth is an important indicator of the health of a State's economy. The trends in the annual growth rate of GSDP as compared to Gross Domestic Product (GDP) at current prices are indicated in Table 1.1.

Table 1.1: Annual growth rate of GDP and GSDP at current prices

Year	2017-18	2018-19	2019-20	2020-21	2021-22
GDP (₹ in crore) <sup>2</sup>	17090042	18899668 <sup>+++</sup>	20074856 <sup>++</sup>	19800914 <sup>+</sup>	23664637 (A)
Growth rate of GDP (in per cent)	11.03	10.59	6.22	(-)1.36	19.51
GSDP (₹ in crore) <sup>3</sup> (base year 2011-12)	69352	71853	74828 (P)	78338 (Q)	85380 (A)
Growth rate of GSDP (in per cent)	10.12	3.61	4.14	4.69	8.99

(Q) Quick estimates; (P) Provisional Estimates; (A) Advance Estimates; (+) First Revised Estimates; (++) Second Revised Estimates; (+++) Third Revised Estimates

It can be seen from above that the GSDP growth rate declined from 10.12 *per cent* in 2017-18 to 8.99 *per cent* in 2021-22, though it was higher than the growth rate of 4.69 *per cent* during 2020-21. However, the GSDP (8.99 *per cent*) grew at a slower pace than the GDP (19.51 *per cent*) as well as the projections made by FC XV (15 *per cent*).

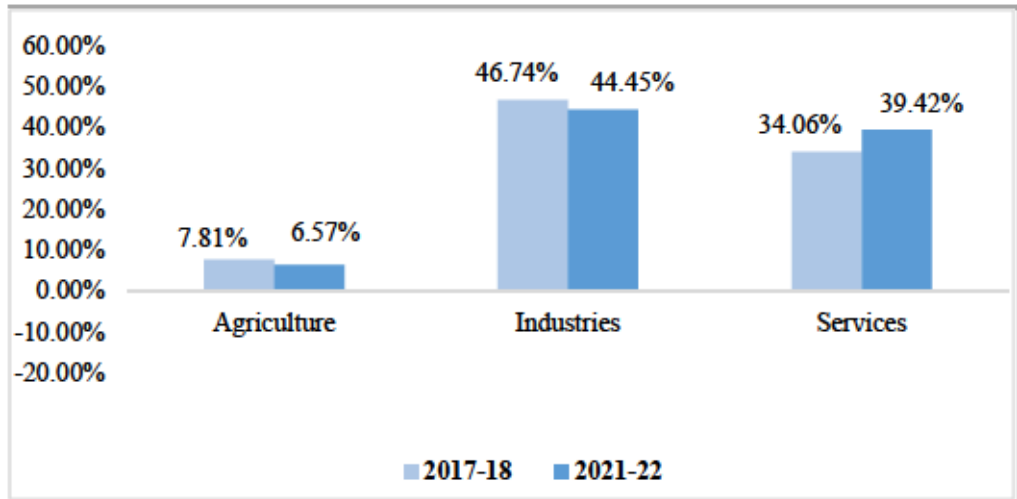
<sup>2</sup> Ministry of Statistics and Programme Implementation, GoI (<https://mospi.gov.in/web/mospi/download-tables-data/-/reports/view>)

<sup>3</sup> Directorate of Planning, Statistics and Evaluation, Government of Goa

#### 1.4.1.1 Change in sectoral contribution to GSDP at current prices during 2017-18 and 2021-22

The sectoral contribution to GSDP at current prices for the period 2017-18 and 2021-22 was as under:

Chart 1.2: Change in sectoral contribution to GSDP at current prices (2017-18 and 2021-22)



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

Chart 1.2 reveals that during the last five years the contribution of industries sector to the GSDP has declined by 2.29 *per cent* and agriculture by 1.24 *per cent*. Whereas, contribution by services sector increased by 5.36 *per cent* during the same period. Major factors that affected the contribution of agriculture and industries sector to GSDP were, decrease in production under mining/quarrying and manufacturing, respectively. On the other hand, services sector witnessed growth under trade and repair services, real estates, ownership of dwelling and professional services and public administration.

#### 1.4.2 Snapshot of finances

The following table provides the details of budget estimates (BE) for the year 2021-22 *vis-à-vis* actuals of 2020-21 and 2021-22.

Table 1.2: Budget estimates for the year 2021-22 *vis-à-vis* actuals of 2020-21 and 2021-22

(₹ in crore)						
Sr. No.	Components	2020-21 Actuals	2021-22 BE	2021-22 Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Tax Revenue	6447	8041	9162	113.94	10.73
(a)	Own Tax Revenue	4151	5473	5805	106.07	6.80
(b)	Share of Union Taxes/Duties	2296	2568	3357	137.72	3.93
2	Non-Tax Revenue	2903	5009	3787	75.60	4.44
3	Grants-in-Aid and Contributions	1090	3537	1337	37.80	1.57

Sr. No.	Components	2020-21 Actuals	2021-22 BE	2021-22 Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP
(1)	(2)	(3)	(4)	(5)	(6)	(7)
4	Revenue Receipts (1+2+3)	10440	16587	14286	86.13	16.73
5	Capital Receipts	2811	2658	2626	98.80	3.08
(a)	Recovery of Loans and Advances	3	7	2	28.57	00
(b)	Miscellaneous Capital Receipts	00	00	00	00	00
(c)	Borrowings and other Liabilities €	2808	2651	2624	98.98	3.07
6	Total Receipts (4+5)	13251	19245	16912	87.88	19.81
7	Revenue Expenditure, of which	12093	16529	14227	86.07	16.66
8	Interest payments	1590	1894	1783	94.14	2.09
9	Disbursement of Grants-in-Aid for creation of capital assets	00	00	00	00	00
10	Capital Expenditure, of which <sup>II</sup>	1998	5940	2685	45.20	3.14
(a)	Capital Outlay	1997	5920	2681	45.29	3.14
(b)	Loan and Advances disbursed	01	20	04	20.00	00
11	Total Expenditure (7+10)	14091	22469	16912	75.27	19.81
12	Revenue Deficit (-)/Revenue Surplus (+) (4-7)	(-)1653	58	59	101.72	0.07
13	Effective Revenue Deficit/Surplus (12-9)	(-)1653	58	59	101.72	0.07
14	Fiscal Deficit {(4+5(a)+5(b)-11)}	(-)3648	(-)5875	(-)2624	44.66	3.07
15	Primary Deficit (14-8)	(-)2058	(-)3981	(-)841	21.13	9.86

(Source: Annual Financial Statements and Finance Accounts of respective years)

€ Borrowings and Other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance  
 II Expenditure on Capital Account includes Capital expenditure and Loans and Advances disbursed

### 1.4.3 Snapshot of assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds while the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.3: Summarised position of assets and liabilities

(*₹ in crore*)

Liabilities					Assets				
		2020-21	2021-22	Increase %			2020-21	2021-22	Increase %
Consolidated Fund									
a	Internal Debt	18697.19	20321.17	8.69	a	Gross Capital Outlay	23709.85	26390.78	11.31
b	Loans and Advances from GoI	2032.75@	2950.38*	45.14	b	Loans and Advances	104.21	105.92	1.64
Contingency Fund		99.92	100.00	-	Contingency fund		(-).08	-	-
Public Account									
a	Small Savings, Provident Funds etc.	2533.93	2510.43	0.93	a	Advances	0.53	0.53	-
b	Deposits	2110.42	2182.77	3.43	b	Remittance	221.72	302.51	36.44
c	Reserve Funds	2115.04	2258.79	6.80	c	Suspense and Miscellaneous	1059.35	1193.33	12.65
d	Remittances	-	-	-	Cash balance (including investment in Earmarked Fund)		1925.83	1822.02	-5.39
Total		27589.25	30323.54	9.91			27021.41	29725.09	10.01
Cumulative excess of receipts over expenditure		-	-	-	Cumulative excess of expenditure over receipts		567.84	508.45	
Total		27589.25	30323.54	9.91	Total		27589.25	30323.54	9.91

(Source: Finance Accounts of the State)

@ Effective loans and advances would be ₹ 1,192.75 crore, as the Department of Expenditure, GoI had decided that GST compensation of ₹ 840 crore given to the State as back-to-back loans under debt receipts would not be treated as debt of the State for any norms which may be prescribed by Finance Commission.

\* Effective loans and advances would be ₹ 1,263.47 crore, as the Department of Expenditure, GoI had decided that GST compensation of ₹ 1,686.91 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 846.91 crore pertaining to 2021-22) given to the State as back-to-back loans under debt receipts would not be treated as debt of the State for any norms which may be prescribed by Finance Commission.

During 2021-22, the assets increased by 10.01 *per cent* and liabilities increased by 9.91 *per cent* over the previous year.

### 1.5 Fiscal balance: Achievement of targets for deficits and total debt

Budgetary surplus/deficit is an indicator of prudent fiscal management by the Government. Further, the ways in which deficits are financed and the application of the resources raised have important implications for the fiscal health of the State.

This section presents the trends, nature, magnitude and the manner of financing of deficits and subsequently assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under GFRBM (First Amendment) Act, 2014; GFRBM (Amendment) Act, 2021 and GFRBM (Amendment) Ordinance, 2022.



### 1.5.1 Review of fiscal situation

In pursuance of the recommendations of the Twelfth Finance Commission (FC XII), Government of Goa enacted the GFRBM Act, 2006. It came into force on 15 May 2006 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and greater transparency in fiscal operations of the Government in a medium-term fiscal framework. In compliance with the Act, GFRBM Rules, 2007 were made by the Government in November 2007. The Act was amended by passing the GFRBM (First Amendment) Act, 2014, GFRBM (Amendment) Act, 2021 and GFRBM (Amendment) Ordinance, 2022.

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

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

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

During the exit conference, Finance Department assured that MTFP would be placed in the upcoming budget (2023-24).

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

- As per provision of Section 5(a) of the GFRBM (First Amendment) Act, 2014, the State Government was to eliminate revenue deficit<sup>4</sup> from the financial year 2014-15 and maintain that level or generate revenue surplus thereafter. The State Government achieved this target in 2014-15 and maintained a revenue surplus till 2018-19. However, the same could not be sustained and the State had a revenue deficit during 2019-20 and 2020-21. During 2021-22, the State reported revenue surplus of ₹ 59 crore. The BE, revised estimates (RE) and actual figures in respect of revenue deficit/surplus during the last three years are summarised in Table 1.4.

Table 1.4: Revenue deficit/surplus in last three years

	(₹ in crore)		
Revenue deficit(-)/surplus(+) as per	2019-20	2020-21	2021-22
Budget estimates	455	422	58
Revised estimates	270	(-)133	(-)19
Actuals	(-)325	(-)1653	59

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

As can be seen from the above table, actual revenue deficit/surplus of 2019-20 deviated significantly from BE and RE. The reason for estimated deficit of ₹ 19 crore at the RE stage turning into surplus of ₹ 59 crore was

<sup>4</sup> Revenue deficit = Revenue receipts – Revenue expenditure; (+) indicates surplus and (-) indicates deficit

mainly due to reduced expenditure under revenue head than that provided for in RE.

- The GFRBM (First Amendment) Act, 2014 envisaged achievement of fiscal deficit<sup>5</sup> at three *per cent* of GSDP by 2013-14 and thereafter, to maintain the ratio or reduce it. Fiscal deficit to GSDP ratio was first brought below three *per cent* in 2014-15 and it remained so till 2019-20. However, the GFRBM (Amendment) Act, 2021 increased the target for fiscal deficit/GSDP ratio to five *per cent* for the financial year 2020-21. The target of fiscal deficit/GSDP was further revised to four *per cent* for the year 2021-22 in March 2022.

The fiscal deficit to GSDP ratio during the period 2019-20 to 2021-22 is summarised in Table 1.5.

Table 1.5: Fiscal deficit/GSDP

(in per cent)			
Year	Budget estimates	Revised estimates	Actuals
2019-20	5.97	5.38	2.67
2020-21	6.95	6.54	4.66
2021-22	6.88	7.88	3.07

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

Above table shows that the State Government managed to keep the ratio of fiscal deficit to GSDP during the period 2019-22 within the prescribed limit under the GFRBM Act, as amended from time to time. The fiscal deficit during 2021-22 stood at ₹ 2,624 crore which was lower than the projections made in RE (₹ 6,730 crore).

- The provisions of section 5(d) of the GFRBM (First Amendment) Act, 2014 prescribed that total outstanding debt<sup>6</sup> to GSDP be brought down to 27 *per cent* by 31 March 2015 and thereafter, maintain it below 25 *per cent*. However, the ratio of outstanding debt to GSDP registered an increase from 26.75 *per cent* in 2017-18 to 32.78 *per cent* in 2020-21. However, it marginally decreased to 32.13<sup>7</sup> *per cent* during 2021-22.

Table 1.6 shows the extent of compliance by the State Government during 2017-22, against the targets set forth in the GFRBM Act, 2006, as amended from time to time.

<sup>5</sup> Fiscal deficit is the difference between the total income of Government (revenue receipts + non-debt capital receipts) and its total expenditure (revenue expenditure + capital expenditure + disbursement of loans and advances). This excludes the borrowings of the Government.

<sup>6</sup> Total outstanding debt includes public debt and Public Account liabilities. Public debt includes only internal debt and loans and advances from GoI. Public Account liabilities includes liabilities under small saving funds, GPF, reserve funds etc.

<sup>7</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

Table 1.6: Compliance with provisions of GFRBM Act

Fiscal Parameters	Fiscal targets set in the GFRBM Act	Achievement				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit(-)/ Surplus (+) (₹ in crore)	Revenue Surplus	511	355	(-)325	(-)1653	59
		✓	✓	✗	✗	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Three <i>per cent</i> (up to 2019-20)	(-)1610 (-2.32)	(-)1792 (-2.49)	(-)1994 (-2.66)	(-)3648 (-4.66)	(-)2624 (-3.07)
	Five <i>per cent</i> (for 2020-21) and four <i>per cent</i> (for 2021-22)	✓	✓	✓	✓	✓
Ratio of total outstanding debt to GSDP ( <i>per cent</i> )	Target	25	25	25	25	25
	Achievement	26.75	28.41	30.14	32.78 <sup>8</sup>	32.13 <sup>9</sup>
		✗	✗	✗	✗	✗

(Source: Finance Accounts of the State)

It may be seen that the State Government breached the ceiling of outstanding debt to GSDP ratio of 25 *per cent* every year during the last five years (2017-22).

Further, revenue, fiscal and primary deficits<sup>10</sup> indicate the overall health of State Government finances during a specified period. Chart 1.3 presents the trends in these three key fiscal indicators over the period 2017-22.

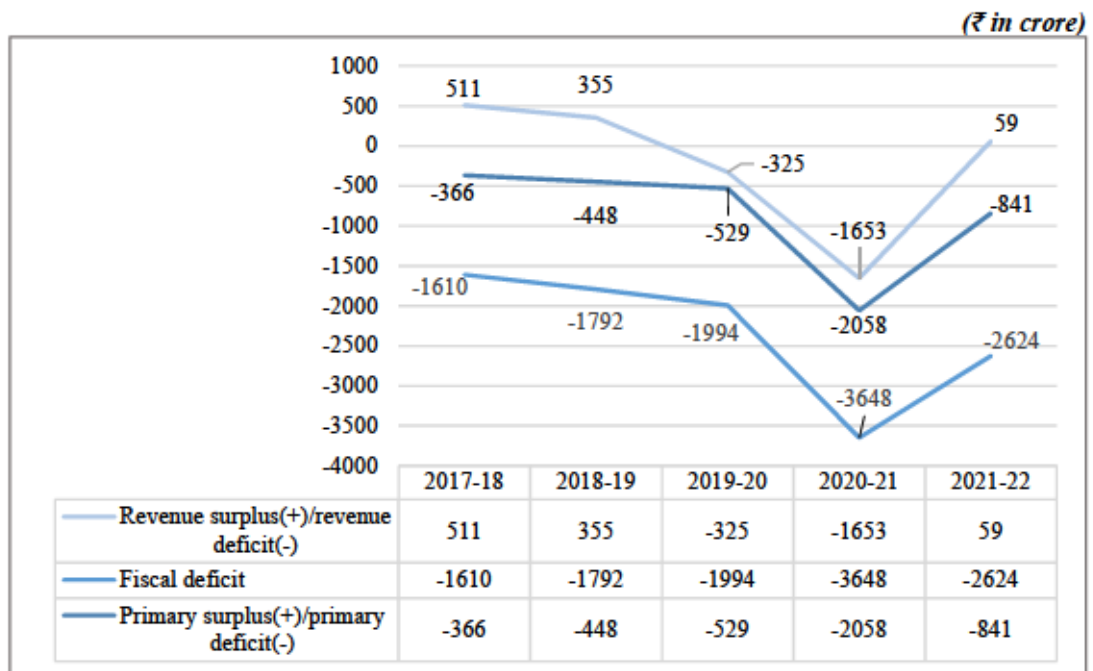
<sup>8</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 840 crore pertaining to 2020-21 *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

<sup>9</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

<sup>10</sup> Fiscal deficit minus interest payments



Chart 1.3: Trends in key fiscal indicators



(Source: Finance Accounts of the State)

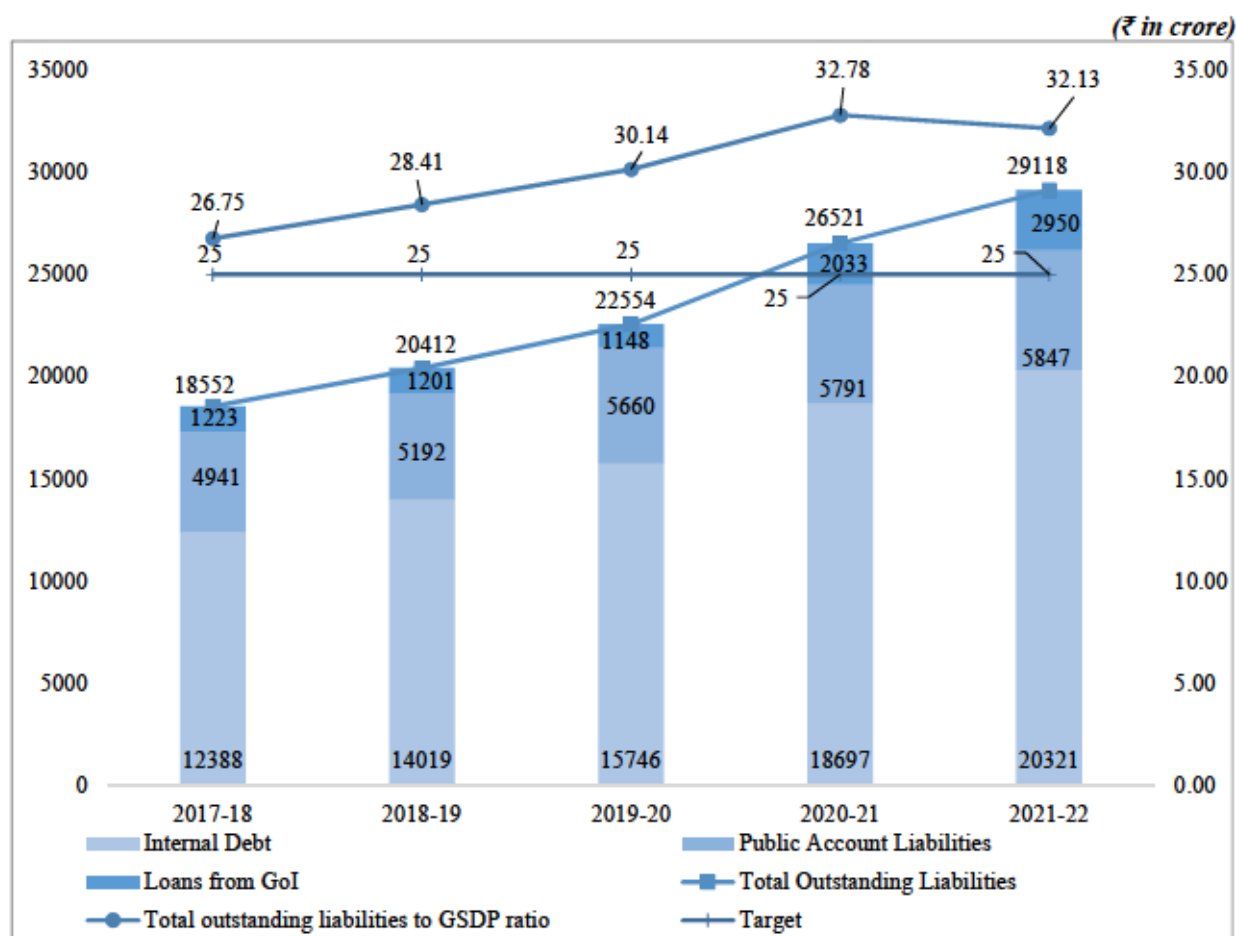
As may be seen from Chart above, the State Government has succeeded in improving the fiscal parameters *viz.* revenue, fiscal and primary deficits during 2021-22 compared to the previous year. The State's fiscal deficit decreased compared to the previous year from ₹ 3,648 crore to ₹ 2,624 crore. Further, during 2021-22, the State Government reported a revenue surplus of ₹ 59 crore. This was due to increase in revenue receipts by ₹ 3,846 crore (36.84 *per cent*) as against increase in revenue expenditure of ₹ 2,134 crore (17.65 *per cent*) over the previous year.

Primary deficit decreased by ₹ 1,217 crore during 2021-22 over the previous year. This was due to decrease in fiscal deficit by ₹ 1,024 crore and increase in interest payments by ₹ 193 crore compared to the previous year.

Chart 1.4 below shows the trends in fiscal liabilities of the State Government *vis-a-vis* GSDP during the last five years (2017-22).



Chart 1.4: Trends in fiscal liabilities vis-a-vis GSDP



(Source: Finance Accounts of the State)

As may be seen from chart above, total outstanding debt of the State Government during 2021-22 increased by ₹ 2,597 crore (9.79 *per cent*) over the previous year, due to increase in internal debt by ₹ 1,624 crore (8.69 *per cent*), Public Account liabilities by ₹ 56 crore (0.97 *per cent*) and loans and advances from GoI by ₹ 917 crore (45.11 *per cent*).

## 1.6 Deficits and total debt after examination in audit

Audit examined/verified misclassification of receipts and expenditure as well as non-accounting of quantifiable transactions, impacting the deficits/outstanding liabilities of the Government.

### 1.6.1 Post-Audit: Deficits

Off budget fiscal operations, deferment of clear-cut liabilities, non-deposit of cess/royalty to Consolidated Fund, short contribution to New Contributory Pension Scheme (NPS), Sinking and Redemption funds, *etc.* impact the State's revenue and fiscal deficit. Scrutiny of certain major transactions during 2021-22 revealed that revenue surplus and fiscal deficit were affected as brought out in paragraph 5(i) of Notes to Accounts of Finance Accounts, Volume I and as detailed in Table 1.7.

Table 1.7: Revenue and Fiscal Deficit – post examination by Audit

(₹ in crore)

Particulars	Impact on Revenue Surplus [understated (+)/overstated (-)]	Impact on Fiscal Deficit (understated)
Short-transfer of employees and Government contribution to National Securities Depository Limited (NSDL) under Defined Contributory Pension Scheme	(-)137.13	137.13

(Source: Notes to Accounts of Finance Accounts, Volume I)

Fiscal deficit of the State would increase from ₹ 2,624 crore to ₹ 2,761 crore after taking into account the deferred revenue expenditure as shown in the Table 1.7. Thus, fiscal deficit to GSDP ratio would be 3.23 *per cent*, instead of 3.07 *per cent*. Similarly, depiction of overstatement of ₹ 137 crore would turn the revenue surplus of ₹ 59 crore to a revenue deficit of ₹ 78 crore in 2021-22.

### 1.6.2 Post-Audit: Total Outstanding Debt

According to the GFRBM Act, 2006, total liabilities (herein termed as total outstanding debt) means the liabilities under the Consolidated Fund of the State and the Public Account of the State.

Table 1.8: Total outstanding debt: post-examination by Audit

1.		Total outstanding debt as per Finance Accounts 2021-22 (₹ 29,118.08 crore) (₹ in crore)	As percentage of GSDP (32.13 <i>per cent</i> ) <sup>11</sup> ( <i>per cent</i> )
2.	Total outstanding debt understated due to: (i) Off-budget borrowings <sup>12</sup> by (i) Goa State Infrastructure Development Corporation Limited (₹ 219.77 crore) and (ii) Sewerage and Infrastructural Development Corporation of Goa Limited (₹ 150 crore) on behalf of the State Government where the principal and/or interest were to be serviced out of the State budget.	369.77	0.43
	<b>Total of (1 + 2)</b>	<b>29487.85</b>	<b>32.56</b>

(Source: Information provided by SPSE)

<sup>11</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

<sup>12</sup> These two SPSE execute only Government works. For execution of works, these two SPSE borrow from financial institutions. The principal amount, interest on borrowings and professional fees of SPSE are then claimed from the State Government. ₹ 369.77 crore shows the amount reimbursed by the State Government to the SPSE.

Considering the off-budget fiscal liabilities amounting to ₹ 370 crore at the end of 2021-22, the total outstanding debt of the State Government at the end of March 2022 worked out to ₹ 29,488 crore, instead of ₹ 29,118 crore depicted in the Finance Accounts. Consequently, the ratio of total outstanding debt to GSDP (32.13 *per cent*) at the end of the year was understated by 0.43 *per cent*. Thus, post-audit total outstanding debt of the State Government was 32.56 *per cent*.

*Chapter 2*  
**Finances of the State**



## Chapter 2: Finances of the State

### Introduction

This chapter attempts to place the State finances in perspective through an analysis of the key changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2017-18 to 2021-22, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State and the information provided by the State Government.

### 2.1 Major changes in key fiscal aggregates

A summary of the State Government's fiscal transactions during 2021-22 *vis-à-vis* previous four years (2017-21) is presented in Table 2.1.

Appendix 2.1 shows the abstract of receipts and disbursements of the State Government during 2021-22 *vis-à-vis* the previous year while Appendix 2.2 presents the time series data on the State Government finances for the five-year period from 2017-18 to 2021-22.

**Table 2.1: Summary of fiscal transactions during 2017-22**

	(₹ in crore)				
Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue receipts	11054	11438	11297	10440	14286
Own tax revenue	4731	4871	4700	4151	5805
Non-tax revenue	3033	2874	2737	2903	3787
Share of Union Taxes/Duties	2544	2878	2480	2296	3357
Grants from GoI	745	815	1380	1090	1337
Capital Receipts	2013	2534	2704	4590	3515
Miscellaneous Capital Receipts	00	00	00	00	00
Recoveries of Loans and Advances	7	5	4	3	2
Public debt receipts*	2006	2529	2700	4587	3513
Appropriation to Contingency Fund	00	00	00	00	00
Public Account Receipts	13377	13684	12736	12957	14811
Opening Cash Balance					
a) Earmarked Balances	762	847	954	1031	968
b) Cash balance	220	149	351	454	958
Total	27426	28652	28042	29472	34538

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

Disbursements	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Revenue expenditure</b>	<b>10543</b>	<b>11083</b>	<b>11622</b>	<b>12093</b>	<b>14227</b>
General services	3517	3793	3942	4144	4961
Social services	2732	2646	2739	2919	3880
Economic services	2659	2869	3137	3049	3256
Grants-in-aid and Contributions	1635	1775	1804	1981	2130
<b>Capital Outlay</b>	<b>2094</b>	<b>2149</b>	<b>1660</b>	<b>1997</b>	<b>2681</b>
General services	409	515	300	437	394
Social services	654	763	587	603	928
Economic services	1031	871	773	957	1359
Loans and Advances disbursed	34	3	13	1	4
Repayment of Public Debt*	790	920	1025	751	971
Appropriation from Contingency Fund	-	2	(-)1	#	-
<b>Public Account Disbursements</b>	<b>12969</b>	<b>13189</b>	<b>12237</b>	<b>12704</b>	<b>14833</b>
<b>Closing Cash Balance</b>					
a) Earmarked Balances	848	954	1031	968	1105
b) Cash balance	148	352	455	958	717
<b>Total</b>	<b>27426</b>	<b>28652</b>	<b>28042</b>	<b>29472</b>	<b>34538</b>

(Source: Finance Accounts of the State)

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

#Contingency fund (un-recouped) ₹ 0.08 crore

## Changes in key fiscal aggregates in 2021-22 compared to 2020-21

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>➤ Revenue receipts increased by 36.84 <i>per cent</i>.</li> <li>➤ Own tax receipts increased by 39.85 <i>per cent</i>.</li> <li>➤ Own non-tax receipts increased by 30.45 <i>per cent</i>.</li> <li>➤ State's share of Union taxes and duties increased by 46.21 <i>per cent</i>.</li> <li>➤ Grants-in-aid from Government of India increased by 22.66 <i>per cent</i>.</li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Revenue expenditure increased by 17.65 <i>per cent</i>.</li> <li>➤ Revenue expenditure on General Services increased by 19.72 <i>per cent</i>.</li> <li>➤ Revenue expenditure on Social Services increased by 32.92 <i>per cent</i>.</li> <li>➤ Revenue expenditure on Economic Services increased by 6.79 <i>per cent</i>.</li> <li>➤ Expenditure on grants-in-aid increased by 7.52 <i>per cent</i>.</li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Capital expenditure increased by 34.25 <i>per cent</i>.</li> <li>➤ Capital expenditure on General Services decreased by 9.84 <i>per cent</i>.</li> <li>➤ Capital expenditure on Social Services increased by 53.90 <i>per cent</i>.</li> </ul>



	➤ Capital expenditure on Economic Services increased by 42.01 <i>per cent</i> .
<b>Loans and Advances</b>	➤ Disbursement of loans and advances increased by ₹ three crore. ➤ Recoveries of loans and advances decreased by ₹ one crore.
<b>Public Debt</b>	➤ Public debt receipts decreased by 23.41 <i>per cent</i> . ➤ Repayment of public debt increased by 29.29 <i>per cent</i> .
<b>Public Account</b>	➤ Public account receipts increased by 14.31 <i>per cent</i> . ➤ Disbursement of public account increased by 16.76 <i>per cent</i> .
<b>Cash Balance</b>	➤ Cash balance decreased by ₹ 104 crore (5.40 <i>per cent</i> ).

## 2.2 Sources and application of funds

Table 2.2 compares the sources and application of funds of the State Government during 2021-22 *vis-à-vis* 2020-21, while Charts 2.1 and 2.2 give details of receipts into and expenditure from the Consolidated Fund during 2021-22.

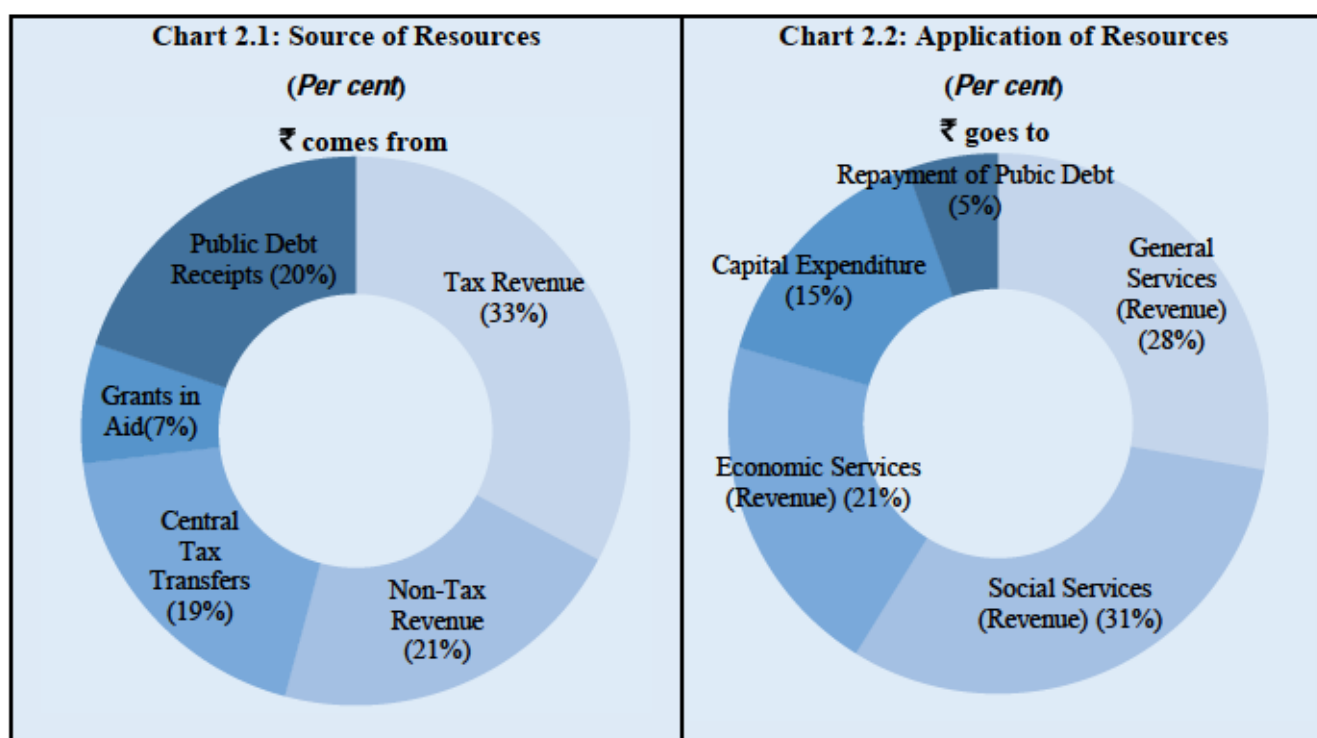
**Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22**

(₹ in crore)

	Particulars	2020-21	2021-22	Increase(+)/ Decrease (-)
<b>Sources</b>	Opening Cash Balance with RBI	1485	1926	441
	Revenue Receipts	10440	14286	3846
	Miscellaneous Capital Receipts	00	00	00
	Recoveries of Loans and Advances	03	02	(-)1
	Public Debt Receipts (Net)	3838	2542	(-)1296
	Public Account Receipts (Net)	252	(-)22	(-)274
	<b>Total</b>	<b>16018</b>	<b>18734</b>	<b>2716</b>
<b>Application</b>	Revenue Expenditure	12093	14227	2134
	Capital Expenditure	1997	2681	684
	Disbursement of Loans and Advances	01	04	03
	Closing Cash Balance with RBI	1926	1822	(-)104
	Expenditure from contingency fund (un-recouped)	(-)0.08	00	(-)0.08
	<b>Total</b>	<b>16018</b>	<b>18734</b>	<b>2716</b>

(Source: Finance Accounts of the State)





(Source: Finance Accounts of the State)

Chart 2.1: Percentages have been calculated on total receipts into the Consolidated Fund (₹ 17,801 crore) as shown in Appendix 2.2 (Sl. No. 6)

Chart 2.2: Percentages have been calculated on total disbursement out of Consolidated Fund (₹ 17,883 crore) as shown in Appendix 2.2 (Sl. No. 16)

## 2.3 Resources of the State

The State's resources comprise the following:

1. **Revenue receipts** consist of own tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid and contributions from the Government of India (GoI).
2. **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.

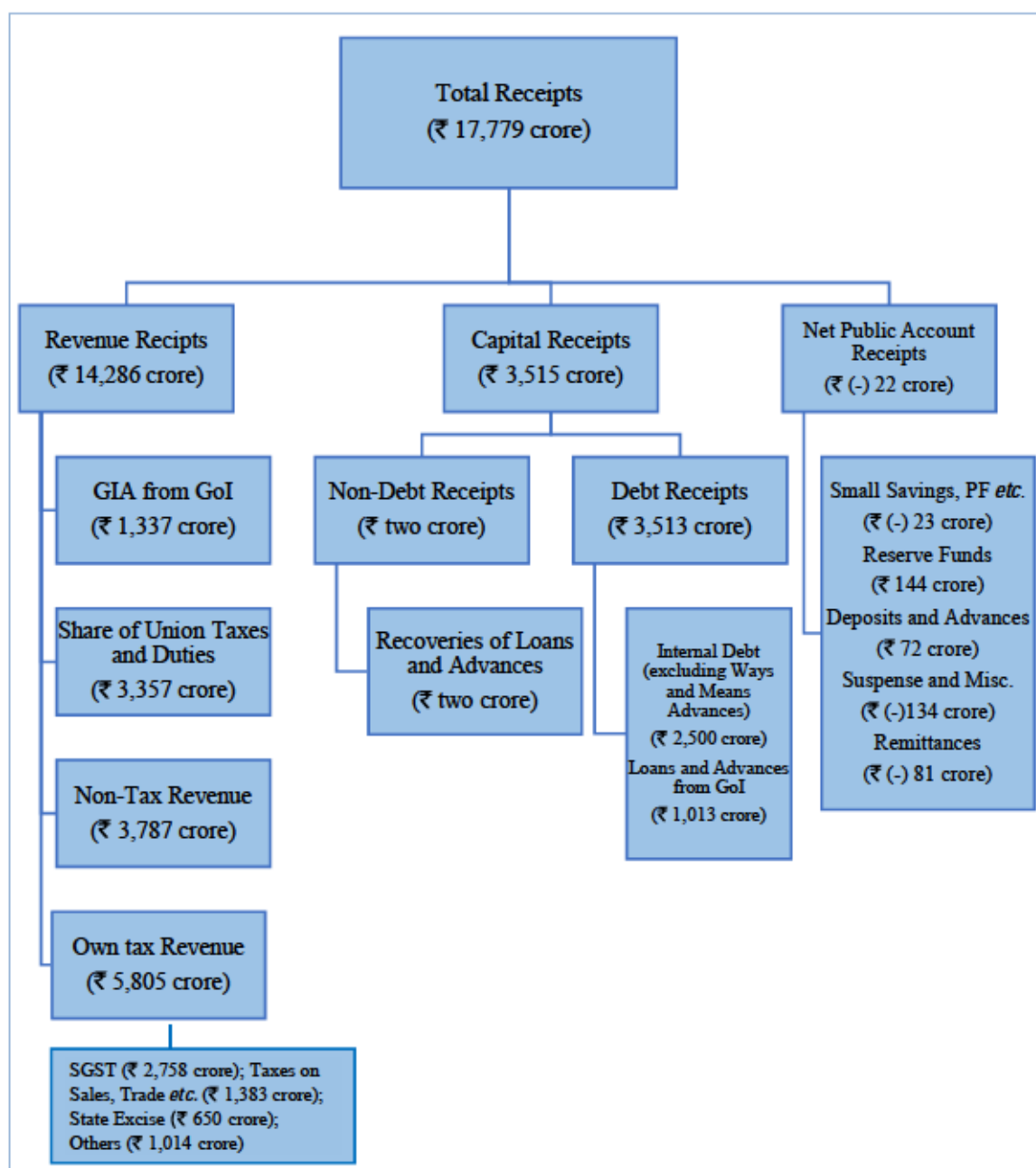
Both revenue and capital receipts form part of the Consolidated Fund of the State.

3. **Net Public Account receipts:** There are receipts and disbursements in respect of certain transactions such as, small savings, provident fund, reserve funds, deposits, suspense, remittances *etc.* which do not form part of the Consolidated Fund. These 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. The balance after disbursements is the fund available with the Government for use.

### 2.3.1 Receipts of the State

Revenue receipts and capital receipts are the two streams of receipts that constitute the resources of the State Government. Besides, the funds available in the Public Account after disbursements are also utilised by the Government to finance its deficit. Chart 2.3 shows the components and sub-components of financial resources of the State during 2021-22.

**Chart 2.3: Components and sub-components of financial resources during 2021-22**



(Source: Finance accounts of the State)

### 2.3.2 State's revenue receipts

This paragraph gives the trends in total revenue receipts and its components.

#### 2.3.2.1 Trends and growth of revenue receipts

Table 2.3 provides the trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period (2017-22).

Table 2.3: Trends in revenue receipts

(₹ in crore)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR)	11054	11438	11297	10440	14286
Rate of growth of RR (per cent)	15.56	3.48	(-)1.23	(-)7.59	36.84
State's Own Resources	7764	7745	7437	7054	9592
Own tax Revenue	4732	4871	4700	4151	5805
Non-Tax Revenue	3033	2874	2737	2903	3787
Rate of growth of State's Own Resources (per cent)	11.34	(-)0.24	(-)3.98	(-)5.15	35.98
GSDP	69352	71853	74828	78338	85380
Rate of growth of GSDP (per cent)	10.12	3.61	4.14	4.69	8.99
RR/GSDP (per cent)	15.94	15.92	15.10	13.33	16.73
Buoyancy Ratios <sup>1</sup>					
Revenue Buoyancy w.r.t GSDP	1.54	0.96	*	*	4.10
State's Own Resources Buoyancy w.r.t. GSDP	1.12	*	*	*	4.00

(Source: Finance Accounts of the State)

\*The growth of revenue receipts/State's own resources being negative during the year, buoyancy cannot be calculated.

Table 2.3 shows the following:

- Revenue receipts increased by 29.24 *per cent* from ₹ 11,054 crore in 2017-18 to ₹ 14,286 crore in 2021-22. During 2021-22, revenue receipts increased by ₹ 3,846 crore (36.84 *per cent*) over the previous year. The increase in receipts was due to increase in own tax revenue by ₹ 1,654 crore (39.85 *per cent*), non-tax revenue by ₹ 884 crore (30.45 *per cent*), receipts under State's share of union taxes by ₹ 1,061 crore (46.21 *per cent*) and grants-in-aid from GoI by ₹ 247 crore (22.66 *per cent*).
- The growth rate of State's own resources (own tax and non-tax revenue) registered an increase of 35.98 *per cent* after a decline in collections during the last three years (2018-21).
- During 2021-22, 67 *per cent* of revenue receipts came from the State's own resources while State's share of Union taxes/duties and grants-in-aid

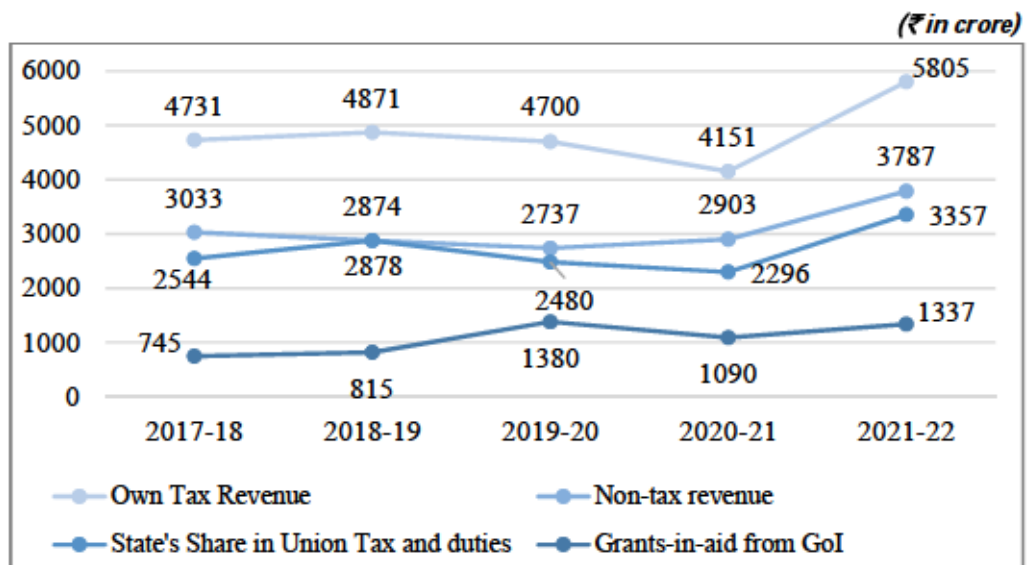
<sup>1</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that revenue receipts tend to increase by 1.85 percentage points, if the GSDP increases by one *per cent*.

together contributed 33 *per cent*. This indicated that Government of Goa met its public expenditure largely from its own resources.

- The State's revenue buoyancy with respect to GSDP (4.10) was the highest during last five years, indicating that the growth rate of State's revenue receipts was more than four times the growth rate of GSDP. The State's own resources buoyancy to GSDP at 4.00 was also the highest during the last five years.
- Growth rate of State's revenue receipts at 36.84 *per cent* during 2021-22 was higher than the growth rate of General States (25.60 *per cent*) (Appendix 1.1).

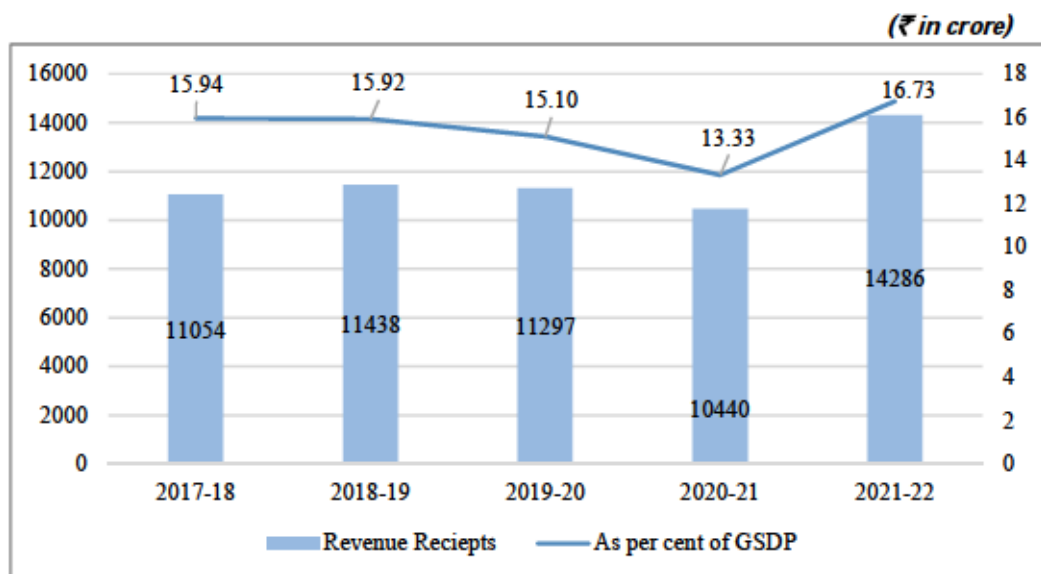
Trends of composition of revenue receipts and revenue receipts relative to GSDP during the last five years are shown in Charts 2.4 and 2.5 respectively.

Chart 2.4: Trends of components of revenue receipts



(Source: Finance Accounts of the State)

Chart 2.5: Trends of revenue receipts relative to GSDP



(Source: Finance Accounts of the State)



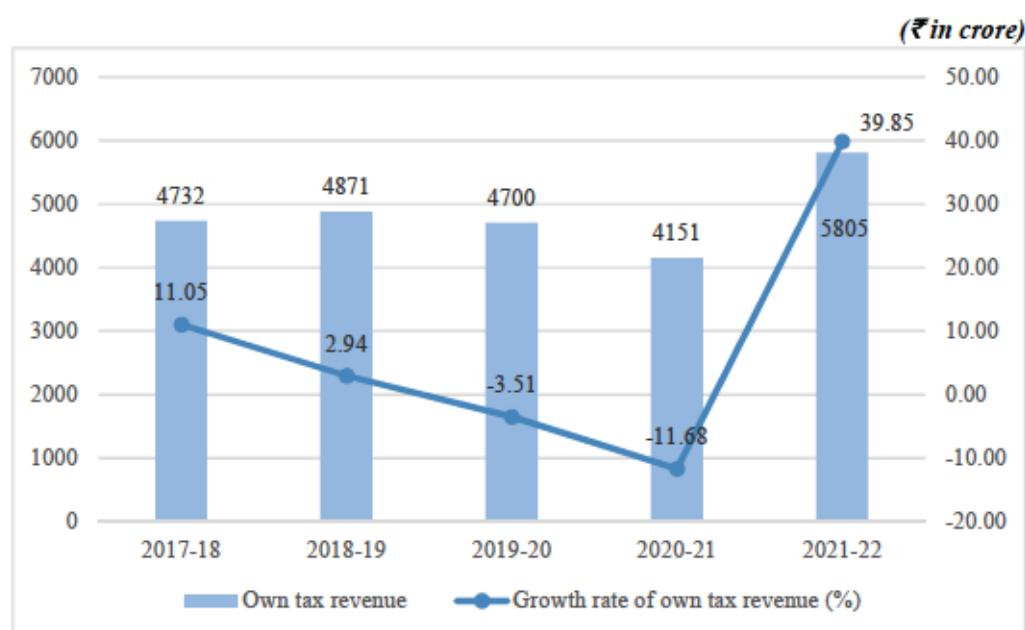
### 2.3.2.2 State's own resources

State's performance in mobilisation of additional resources, apart from State's share of Union taxes/duties and grants-in-aid from GoI, should be assessed in terms of its own resources (own tax and non-tax revenues).

#### Own tax revenue

The own tax revenues of the State consist of taxes such as, SGST, sales tax, State excise, taxes on vehicles, stamp duty and registration fees, land revenue, taxes on goods and passengers *etc.*

Chart 2.6: Growth of own tax revenue during 2017-22



(Source: Finance Accounts of the State)

Table 2.4: Components of State's own tax revenue

(₹ in crore)

Revenue head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
State GST	1464	2529	2438	1985	2758	
Taxes on sales, trades etc.	1622	1013	1033	990	1383	
State excise	410	478	492	515	650	
Taxes on vehicles	314	299	269	220	261	
Stamp duty and registration fee	529	432	393	350	645	
Land revenue	42	67	37	34	66	
Taxes on goods and passengers	210	30	32	41	22	
Other taxes	140	23	6	16	20	
Total	4732	4871	4700	4151	5805	

(Source: Finance Accounts of the State)

The State's own tax revenue in 2021-22 increased by ₹ 1,654 crore (39.85 *per cent*) over the previous year. The increase was mainly due to higher



collections under SGST (₹ 773 crore), taxes on sales, trade *etc.* (₹ 393 crore), stamp duty and registration (₹ 295 crore) and State excise (₹ 135 crore). The overall increase was partially offset by decrease in collections under taxes on goods and passengers by ₹ 19 crore.

During 2021-22, major contributors of tax revenue were SGST (48 *per cent*), taxes on sales, trades *etc.* (24 *per cent*) and State excise (11 *per cent*).

Growth rate of State's own tax revenue at 39.85 *per cent* during 2021-22 was higher than the growth rate of General States (25.62 *per cent*) (Appendix 1.1).

### State Goods and Services Tax

Goa implemented Goods and Services Tax (GST) with effect from 01 July 2017. GST is levied on *intra-State* supply of goods or services (except alcohol for human consumption and five<sup>2</sup> specified petroleum products), and its components are shared by the Centre (CGST) and the State (SGST). Further, Integrated GST (IGST) is levied and collected by the Central Government on *inter-State* supply of goods and services. The IGST so collected is apportioned between the Centre and the State concerned where the goods and services are consumed.

The GoI enacted the Goods and Services Tax (Compensation to States) Act, 2017 to compensate the states for the shortfall in revenue arising on account of implementation of GST, considering an annual growth of 14 *per cent* from the base year (2015-16) for a period of five years commencing from July 2017.

For the State of Goa, the audited base year (2015-16) revenue to be subsumed<sup>3</sup> by the GST regime was fixed by GoI at ₹ 2,108.32 crore. Thus, the protected revenue for Goa worked out to ₹ 4,627.70 crore<sup>4</sup> for the year 2021-22.

The components of SGST receipts during the last four years (2018-22) is shown in Table 2.5.

<sup>2</sup> Petroleum crude, high speed diesel, motor spirit (petrol), natural gas and aviation turbine fuel

<sup>3</sup> Taxes that have been subsumed under GST are: value added tax, central sales tax, entertainment tax, luxury tax, entry tax, cess & surcharges, duties on excise on medicinal and toilet preparations excluding VAT and CST on alcohol for human consumption and five specified petroleum products.

<sup>4</sup> Base year revenue of ₹ 2,108.32 crore escalated at compound rate of 14% annually for six years (2016-17 to 2021-22) worked out to ₹ 4,627.70 crore for 2021-22.

Table 2.5: Components of SGST receipts during 2018-22

SGST	2018-19 (₹ in crore)	2019-20 (₹ in crore)	2020-21 (₹ in crore)	2021-22 (₹ in crore)	Increase(+)/ decrease (-) in 2021-22 over 2020-21 (per cent)
Tax	1420.95	1484.48	1068.85	1329.35	24.37
Apportionment of IGST – transfer-in of tax component to SGST	753.65	880.41	916.07	1223.26	33.53
Advance apportionment from IGST	354.49	73.60	0.00	214.97	00
Other receipts	00	00	00	(-)9.92	00
<b>SGST collection</b>	<b>2529.09</b>	<b>2438.49</b>	<b>1984.92</b>	<b>2757.66</b>	<b>38.93</b>

(Source: Finance Accounts of the State)

Against the protected revenue of ₹ 4,628 crore, the State Government earned a revenue of ₹ 2,758 crore during 2021-22 and was therefore, entitled to a compensation of ₹ 1,870 crore. GoI released compensation of ₹ 911 crore during 2021-22. Therefore the deficit<sup>5</sup> compensation stood at ₹ 959 crore.

To bridge the shortfall in GST compensation, GoI implemented the scheme of back-to-back loans to States with effect from 2020-21. During 2021-22, apart from receiving GST compensation of ₹ 911 crore, Government of Goa also received back-to-back loans of ₹ 847 crore *in lieu* of GST compensation. This loan is to be serviced from the cess collected by the State Government and placed under GST compensation fund.

### Arrears of revenue

The arrears of revenue indicate delayed realisation of revenue that is due to the Government.

The arrears of revenue as on 31 March 2022 amounted to ₹ 4,884.25 crore of which, ₹ 2,024.76 crore (41 *per cent*) was outstanding for more than three years. Further, ₹ 121.36 crore out of ₹ 4,884.25 crore was under legal adjudication, leaving arrears of ₹ 4,762.89 crore, which were yet to be recovered. The details are shown in Table 2.6.

<sup>5</sup> ₹ 959 crore = ₹ 1,870 crore - ₹ 911 crore

Table 2.6: Revenue arrears as on 31 March 2022

(*₹ in crore*)

Head of Revenue <sup>6</sup>	Amount of arrears as on 31 March 2022	Arrears more than three years old	Cases pending in Courts		Revenue arrears pending recovery as on 31 March 2022
			No.	Amount	
Commercial Taxes Department	2030.90	1320.94	749	27.50	2003.40
Chief Electrical Engineer – Energy charges	574.61	220.95	9521	67.29	507.32
Chief Engineer – Water Resources Department					
i) Water Tax	2.47	0.85	143	0.10	2.37
ii) Water Charges	2069.87	410.94	-	-	2069.87
iii) Hire charges of machinery	0.33	0.33	-	-	0.33
iv) Rent of CADA complex, shops and hall	2.72	2.56	-	-	2.72
Principal Chief Engineer – Public Works Department	119.32	5.86	4523	17.87	101.45
State Excise Department	2.42	0.16	-	-	2.42
Tourism Department	2.00	0.61	08	0.002	2.00
Director General of Police	6.43	6.31	02	0.05	6.38
Animal Husbandry & Veterinary Services Department	43.19	43.18	06	8.31	34.88
Printing and Stationery Department	6.98	1.52	-	-	6.98
Transport Department	19.73	8.60	24	0.10	19.63
Department of Cooperation	1.66	0.85	-	-	1.66
Town & Country Planning	0.60	0.41	-	-	0.60
Forest Department	0.49	0.19	107	0.14	0.35
Agriculture Department	0.29	0.26	-	-	0.29
Industries, Trade and Commerce Department	0.24	0.24	-	-	0.24
<b>Total</b>	<b>4884.25</b>	<b>2024.76</b>	<b>15083</b>	<b>121.36</b>	<b>4762.89</b>

(Source: Information received from departments)

The revenue arrears of ₹ 4,763 crore accounted for 50 *per cent* of the State's own resources (₹ 9,592 crore) during the year.

**Recommendation 1: State Government may take necessary steps to ensure speedy recovery of arrears of revenue. This would help the Government increase its revenue receipts and achieve the revenue deficit targets to a large extent.**

<sup>6</sup> No information was received from eight entities, namely, Goa Medical College, Education Department, Inspector General of Prisons, Custodian of Evacuee Properties, Social Welfare Department, Collectorate (South Goa), Special Land Acquisition Officer and Commandant General, Home Guards

### Evasion of tax detected by Department

Tax evasion cases detected by the Excise Department, cases finalised and demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

Information furnished by the Commissioner of Excise revealed that out of 1,058 cases of tax evasion detected by the Excise Department during 2021-22, assessment/investigation in respect of 287 cases had been completed and an additional demand of ₹ 0.75 crore with penalty raised. However, the number of cases awaiting disposal by the Department was still significantly high at 1,792 (including previous years balance of 1,021 cases) at the end of 2021-22.

No case of tax evasion was reported by the Commissioner of State Tax during 2021-22.

### Pendency of refund cases

Promptness in disposal of refund cases is also an important indicator of performance of the Department.

Refund cases pending at the beginning of 2021-22, claims received during the year, refunds allowed during the year and the cases pending at the close of 2021-22, as reported by the Commissioner of State Tax and Excise Department, are given in Table 2.7.

Table 2.7: Details of refund cases

Sr. No.	Particulars	GST		Sales tax/VAT		State Excise	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of 2021-22	97	55.77	869	249.93	00	0.00
2	Claims received during the year	703	550.35	421	37.02	04	0.02
3	Refunds made during the year	290	265.94	509	83.29	04	0.02
4	Refunds rejected during the year	361	66.89	00	0.00	00	0.00
5	Balance outstanding at the end of 2021-22	149	273.29	781	203.66	00	0.00

(Source: Information furnished by departments)

As can be seen from the table above, State Tax Department disposed of 651 GST refund cases involving ₹ 333 crore, out of total 800 claims pending during 2021-22. However, pending GST refund cases increased from 97 (₹ 56 crore) at the beginning of the year to 149 (₹ 273 crore) at the close of the year.

In case of refunds under Sales tax/VAT, Department could process only 509 out of 1,290 cases (39 *per cent*) during the year, leaving a balance of 781 cases involving ₹ 204 crore at the end of 2021-22.



### Non-tax revenue

Non-tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts *etc.*

The main components of State's non-tax revenue receipts during 2017-22 are shown in Table 2.8.

Table 2.8: Components of State's non-tax revenue

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
Interest receipts	27	24	63	83	22	
Medium Irrigation	8	12	28	61	317	
Other administrative services	140	451	260	191	309	
Water supply and sanitation	130	146	148	136	177	
Power	2119	1920	1960	2051	2191	
Non-ferrous mining and metallurgical industries	333	34	9	168	129	
Other non-tax receipts	276	287	269	213	642	
<b>Total non-tax revenue</b>	<b>3033</b>	<b>2874</b>	<b>2737</b>	<b>2903</b>	<b>3787</b>	

(Source: Finance Accounts of the State)

Non-tax revenue accounted for 24 *per cent* to 28 *per cent* of the revenue receipts of the State during the five-year period (2017-22). The non-tax revenue grew by ₹ 884 crore (30.45 *per cent*) during 2021-22 over the previous year. The increase was mainly on account of higher collections under major irrigation (₹ 297 crore), medium irrigation (₹ 256 crore) and power (₹ 140 crore) compared to previous year.

The growth rate of the State's non-tax revenue at 30.45 *per cent* during 2021-22 was lower than the growth rate of General States (45.35 *per cent*) (Appendix 1.1).

#### 2.3.2.3 Transfers from the Central Government

Transfers from GoI are guided by Finance Commission recommendations. The trend of Central transfers for the last 10 years covering the periods of FC XIII, FC XIV and FC XV is shown in Table 2.9.



Table 2.9: Transfers from GoI during the last 10 years

(₹ in crore)

Year	State's share of Union taxes/duties	Grants-in-aid from GoI	Total transfers from GoI
1	2	3	4 =(2+3)
<b>FC XIII Period</b>			
2012-13	777	296	1073
2013-14	849	357	1206
2014-15	901	566	1467
<b>FC XIV Period</b>			
2015-16	1924	221	2145
2016-17	2299	293	2592
2017-18	2544	745	3289
2018-19	2878	815	3693
2019-20	2480	1380	3860
<b>FC XV Period</b>			
2020-21	2296	1090	3386
2021-22	3357	1337	4694
<b>Total</b>	<b>20305</b>	<b>7100</b>	<b>27405</b>

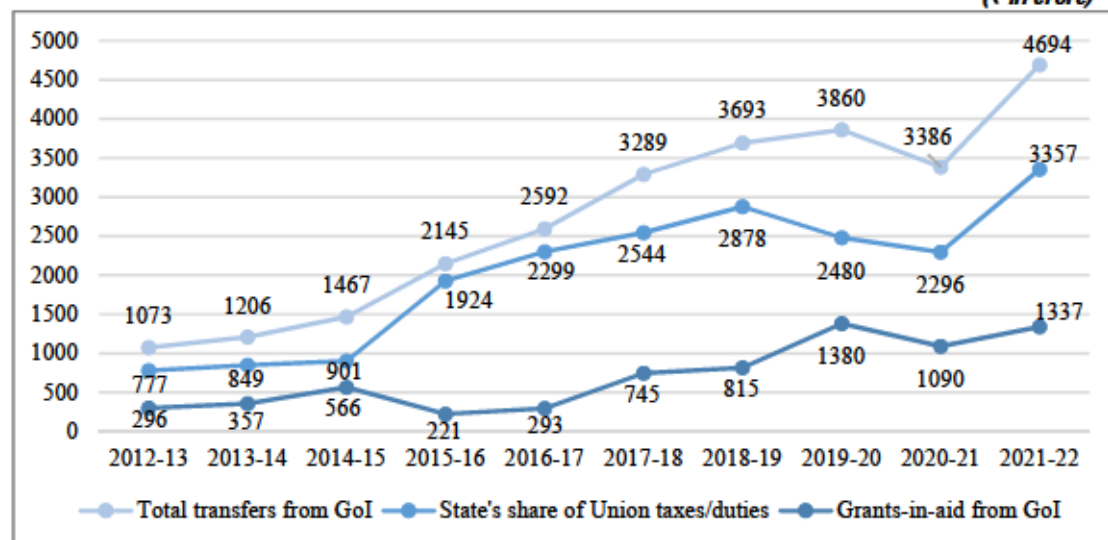
(Source: Finance Accounts of the State)

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

Chart 2.7 shows the trend in transfers from GoI during the last 10 years (2012-22).

Chart 2.7: Trends in transfers from GoI during last 10 years

(₹ in crore)



(Source: Finance Accounts of the State)

### State's share of Union taxes and duties

FC XV recommended a decrease in the share of States in Central taxes from 42 *per cent* (recommended by FC XIV) to 41 *per cent*. The State's share of Union taxes and duties for the year 2021-22 was fixed at 0.386 *per cent* by FC XV. Different components of State's share of Union taxes and duties during 2017-22 are shown in Table 2.10.

**Table 2.10: Different components of State's share of Union taxes and duties during 2017-22**

Components	2017-18	2018-19	2019-20	2020-21	2021-22
	(₹ in crore)				
Central Goods and Services Tax (CGST)	351	767	704	682	976
Integrated Goods and Services Tax (IGST)	257	00	00	00	00
Corporation tax	780	1001	845	694	1009
Taxes on income other than corporation tax	658	737	663	711	1001
Other taxes on income and expenditure	00	05	00	00	00
Taxes on wealth	(-)0.02	0.37	0.04	00	0.16
Customs	188	204	157	121	225
Union excise duties	194	136	109	77	110
Service tax	116	26	00	10	32
Others taxes and duties on commodities and services	00	02	02	01	04
<b>Total State's share of Union taxes/duties</b>	<b>2544</b>	<b>2878</b>	<b>2480</b>	<b>2296</b>	<b>3357</b>
Percentage increase(+)/decrease(-) over previous year	(+)10.66	(+)13.13	(-)13.83	(-)7.42	46.21
Central tax transfers as percentage of revenue receipts	23.02	25.16	21.95	22.00	23.50

(Source: Finance Accounts of the State)

During the period 2017-22, State's share of Union taxes and duties to revenue receipts fluctuated between 22 *per cent* and 25 *per cent*. The growth rate of State's share of Union taxes/duties was 46.21 *per cent* in 2021-22 compared to (-) 7.42 *per cent* in 2020-21.

During 2021-22, significant growth was observed under receipts from Corporation tax (₹ 316 crore), CGST (₹ 295 crore) and taxes on income other than Corporation tax (₹ 290 crore).

### Grants-in-aid from GoI

Grants-in-aid received by the State Government from GoI during 2017-22 are detailed in Table 2.11.

Table 2.11: Grants-in-aid from GoI

(₹ in crore)					
Head	2017-18	2018-19	2019-20	2020-21	2021-22
Grants for State plan schemes	20	02	00	00	150
Non-plan grants/Finance Commission Grants	66	68	169	74	121
Grants for central plan schemes	24	17	25	40	36
Grants for centrally sponsored schemes	277	252	367	165	119
Other transfers/grants to States/Union territories with Legislature <sup>7</sup>	358	476	819	811	911
<b>Total</b>	<b>745</b>	<b>815</b>	<b>1380</b>	<b>1090</b>	<b>1337</b>
Percentage increase over the previous year	154.27	9.40	69.33	(-)21.01	22.66
Percentage of grants-in-aid to revenue receipts	6.74	7.12	12.22	10.44	9.36

(Source: Finance Accounts of the State)

Grants-in-aid from GoI increased from ₹ 745 crore in 2017-18 to ₹ 1,337 crore in 2021-22. Increase in grants-in-aid by ₹ 247 crore (22.66 *per cent*) during 2021-22 over 2020-21 was mainly due to one-time grant given for Diamond Jubilee Goa Liberation (₹ 150 crore) under State plan schemes and increased compensation for loss of revenue arising out of implementation of GST (₹ 100 crore). During 2021-22, grants-in-aid accounted for nine *per cent* of the total revenue receipts of the State Government.

Growth rate of grants-in-aid during 2021-22 was 22.66 *per cent* whereas, it was (-) 5.37 *per cent* for General States (Appendix 1.1).

#### Finance Commission grants

FC XV recommended five types of grants-in-aid to States *viz.* local government grants, disaster management grants, post-devolution revenue deficit grants, sector-specific grants and performance-based incentives. During 2021-22, State Government received two types of grants *viz.* grants for local government and disaster management amounting to ₹ 71.60 crore. Details of grants awarded and received during 2020-21 and 2021-22 are shown in Table 2.12.

<sup>7</sup> Compensation to States in lieu of loss of revenue due to implementation of GST

Table 2.12: Details of grants awarded and received during 2020-22

(₹ in crore)

Sr. No.	Type of grant	2020-21		2021-22	
		Grants awarded	Grants received	Grants awarded	Grants received
1.	Local Bodies				
	General Basic Grants to PRIs	75.00	37.50	55.00	48.50*
	General Basic Grants to ULBs	36.00	36.00	27.00	13.50
2.	State Disaster Relief Fund	12.00	12.00	9.60	9.60
	Total	123.00	85.50	91.60	71.60

(Source: Finance Accounts of the State)

(\*includes ₹ 37.50 crore pertaining to 2020-21)

For the year 2021-22, FC XV recommended basic grants of ₹ 55 crore and ₹ 27 crore to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), respectively.

Of the total grants amounting to ₹ 55 crore<sup>8</sup> recommended for PRIs during 2021-22, State Government received the first instalment of untied grants of ₹ 11 crore in February 2022, due to delayed submission of utilization certificates for the grants received in the previous year (2020-21). State Government disbursed the first instalment of ₹ 11 crore to 191 Gram Panchayats (GPs), after a delay of 136 days over the prescribed period of 15 days for which, it had to pay an interest of ₹ 26.84 lakh to GPs.

Further, during 2021-22, State Government also received (September 2021) grants amounting to ₹ 37.50 crore pertaining to the year 2020-21 (₹ 18.75 crore each as untied and tied grants). These grants were disbursed to the GPs after a delay of 32 days (for untied grants) and seven days (for tied grants) for which, State Government had to pay an interest of ₹ 13.37 lakh to the GPs.

In the case of ULBs, State Government received the first instalment of untied grants of ₹ 5.40 crore in June 2021 and tied grants of ₹ 8.10 crore in January 2022. The entire grant of ₹ 13.50 crore was disbursed to 14 ULBs within the stipulated time period of 15 days.

#### State Finance Commission

The XV FC in its main report of 2021-26 recommended that all States must constitute State Finance Commission (SFC) and act upon its recommendations and lay the explanatory memorandum and the action taken thereon before the State Legislature on or before March 2024. After March 2024, no grants should be released to a State that has not complied with the Constitutional provisions in respect of the SFC.

The State Government constituted only three SFCs during the period 1999 to 2022, as against six due as per the provisions of the Constitution.

<sup>8</sup> ₹ 22 crore was untied grants while the remaining ₹ 33 crore was tied grants for sanitation and water supply, identified as national priorities.



The first SFC made 26 recommendations on functions, administration, and finances of the local bodies, out of which, 15 were accepted, nine were rejected and two were partly accepted. Out of the 15 accepted recommendations, six were fully implemented whereas, one was implemented partially.

The second SFC *inter alia* undertook the task of mapping the functions transferred to the local bodies with activities, to facilitate their implementation and made recommendations on devolution of finances according to the programmes/schemes executed by different tiers of local self-Government. However, a Committee constituted by the Government (July 2010) to consider the recommendations of the Commission did not submit its report as of July 2022.

The third SFC was constituted (December 2016) after a delay of more than six years. The Commission could not commence its functioning, as the State Government failed to provide adequate infrastructure support. State Government notified the reconstitution of third SFC in January 2022.

Chronic delays in constitution of SFCs, failure to support its effective functioning and inaction on its recommendations by the State Government deprived the local bodies of assured revenues.

***Recommendation 2: State Government may constitute State Finance Commissions as per time frame prescribed in the Constitution. Recommendations made by the Commissions may be considered and those accepted by the State Government be implemented in a time-bound manner.***

### **2.3.3 Capital receipts**

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.

The following table shows the composition and trends in growth of net capital receipts.



Table 2.13: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of capital receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Capital receipts	2013	2534	2704	4590	3515
Non-debt capital receipts	07	05	04	03	02
Miscellaneous capital receipts	00	00	00	00	00
Recovery of loans and advances	07	05	04	03	02
Rate of growth of non-debt capital receipts (per cent)	(-)22.22	(-)28.57	(-)20.00	(-)25.00	(-)33.33
Debt capital receipts	2006	2529	2700	4587	3513
Internal debt*	1928	2459	2654	3604	2500
Growth rate	35.10	27.54	7.93	35.80	(-)30.64
Loans and advances from GoI	78	70	46	983	1013
Growth rate	(-)15.22	(-)10.26	(-)34.29	2036.96	3.05
Rate of growth of debt capital receipts (per cent)	32.06	26.09	6.76	69.89	(-)23.42
Rate of growth of GSDP (per cent)	10.12	3.61	4.14	4.69	8.99
Rate of growth of capital receipts (per cent)	31.74	25.88	6.71	69.75	(-)23.42

(Source: Finance Accounts of the State)

\*Excluding ways and means advances

Capital receipts decreased by 23.42 *per cent* from ₹ 4,590 crore in 2020-21 to ₹ 3,515 crore in 2021-22. The decrease was mainly on account of lower market borrowings (₹ 1,354 crore) offset by an increase in loans and advances from GoI (₹ 30 crore).

During 2021-22, market borrowings of ₹ 2,000 crore constituted 57 *per cent* of the total debt capital receipts of the State Government. This was followed by GoI loans of ₹ 1,013 crore (29 *per cent*) and negotiated loans of ₹ 500 crore (14 *per cent*).

#### 2.3.4 State's performance in mobilisation of resources

As the State's share of Union taxes/duties and grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising own tax and non-tax revenue.

The State's actual own tax and non-tax revenue *vis-à-vis* assessment made by FC XV and budget estimates (BE) are given in Table 2.14.

Table 2.14: Tax and non-tax revenue *vis-à-vis* projections for 2021-22

(₹ in crore)

	FC projections	XV projections	Budget estimates	Actual	Percentage variation of actual over	
					Budget estimates	FC XV projections
Tax revenue		6156	5473	5805	(+)6.07	(-)5.70
Non-tax revenue		1272	5009	3787	(-)24.40	(+)197.72

(Source: Finance Accounts of the State and FC XV report)

The State's actual tax revenue was higher than BE by ₹ 332 crore. However, State's actual non-tax revenue was lower than BE by ₹ 1,222 crore. Lower collection under non-tax revenue was seen under 'Power' by ₹ 482 crore, 'Non-Ferrous Mining and Metallurgical Industries' by ₹ 423 crore and 'Other Administrative Services' by ₹ 103 crore.

## 2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the fiscal consolidation process is not at the cost of expenditure directed towards development of capital infrastructure and social sector. The following paragraphs give a detailed analysis of the allocative priorities of the State Government.

### 2.4.1 Growth and composition of expenditure

Table 2.15 presents the trends in total expenditure over a period of five years (2017-22) depicting its composition in terms of 'economic classification'.

Table 2.15: Total expenditure and its composition

(₹ in crore)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total expenditure (TE)	12671	13235	13295	14091	16912
Revenue expenditure (RE)	10543	11083	11622	12093	14227
Capital expenditure (CE)	2094	2149	1660	1997	2681
Loans and advances	34	03	13	01	04
TE/GSDP (per cent)	18.27	18.42	17.77	17.99	19.81
RE/GSDP (per cent)	15.20	15.42	15.53	15.44	16.66
CE/GSDP (per cent)	3.02	2.99	2.22	2.55	3.14
Loans and advances/GSDP (per cent)	*	*	*	*	*

(Source: Finance Accounts of the State)

\*The percentage of loans and advances to GSDP was negligible.

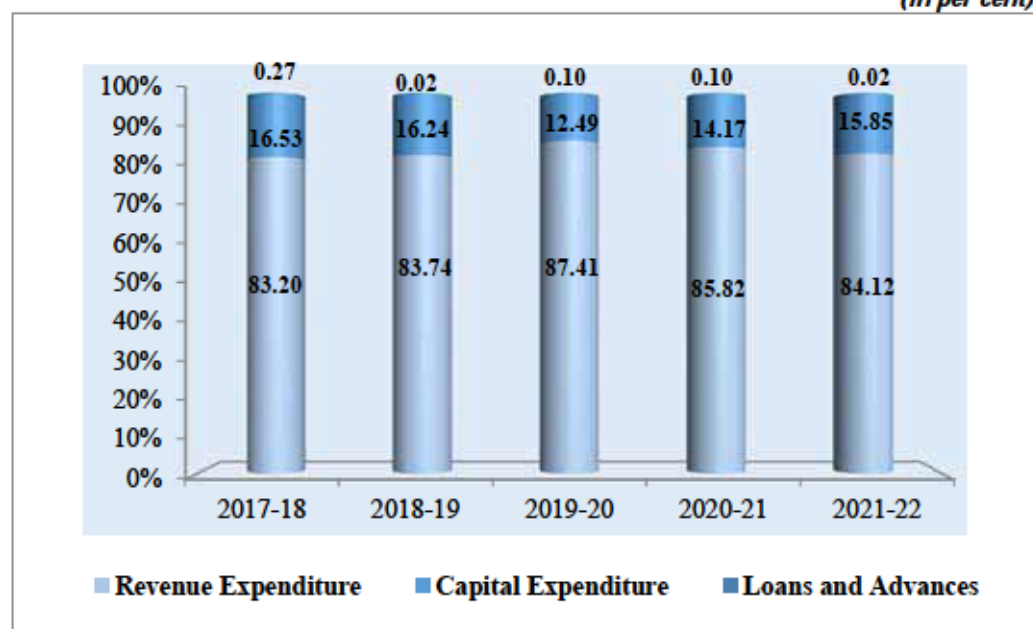
Total expenditure of the State Government increased by ₹ 4,241 crore (33.47 *per cent*) during the period 2017-22. Increase of total expenditure by ₹ 2,821 crore (20.02 *per cent*) during 2021-22 over the previous year was on account of increase of ₹ 2,134 crore, ₹ 684 crore and ₹ three crore in revenue expenditure, capital expenditure and loans and advances, respectively. As a percentage of GSDP, total expenditure remained in the range of 17.77 *per cent*

to 19.81 *per cent* during 2017-22. The percentage of capital expenditure to GSDP increased from 2.55 *per cent* in 2020-21 to 3.14 *per cent* in 2021-22.

The share of revenue expenditure, capital expenditure and loans and advances in total expenditure during 2017-22 is shown in Chart 2.8.

Chart 2.8: Trends in composition of total expenditure

(in per cent)



(Source: Finance Accounts of the State)

As may be seen from Table 2.15, though revenue expenditure increased by ₹ 2,134 crore during 2021-22 over 2020-21, its share in total expenditure decreased from 85.82 *per cent* in 2020-21 to 84.12 *per cent* in 2021-22 (Chart 2.8). On the other hand, capital expenditure increased by ₹ 684 crore and its share in total expenditure also increased from 14.17 *per cent* to 15.85 *per cent* during the same period.

Growth rate of total expenditure at 20.02 *per cent* in 2021-22 was higher than the growth rate of General States (13.96 *per cent*) (Appendix 1.1).

In terms of activities, total expenditure could be considered as being composed of expenditure on general services (including interest payments), social and economic services, grants-in-aid and loans and advances.

Table 2.16: Relative shares of various sectors in total expenditure

Parameters	(in per cent)				
	2017-18	2018-19	2019-20	2020-21	2021-22
General services	30.98	32.55	31.91	32.51	31.66
Social services	26.73	25.76	25.01	25.00	28.43
Economic services	29.12	28.25	29.41	28.43	27.29
Others (Grants-in-aid and loans and advances)	13.17	13.44	13.67	14.06	12.62

(Source: Finance Accounts of the State)

Chart 2.9 shows the sector-wise representation of total expenditure of the State during 2017-22.

Chart 2.9: Sector-wise total expenditure during 2017-22



(Source: Finance Accounts of the State)

Chart 2.9 above shows that the share of general services, economic services, grants-in-aid and loan and advances in total expenditure decreased during 2021-22 compared to the previous year. Further, general services had the highest share in total expenditure during the last five years, followed by economic services (four out of five years). The share of grants-in-aid and loan and advances in total expenditure ranged from 12.62 per cent to 14.06 per cent during 2017-22.

#### 2.4.2 Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payments for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth and ratio to GSDP for the last five years are indicated in Table 2.17.



Table 2.17: Revenue expenditure – basic parameters

(₹ in crore)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total expenditure (TE)	12671	13235	13295	14091	16912
Revenue expenditure (RE)	10543	11083	11622	12093	14227
Rate of growth of RE (per cent)	18.91	5.12	4.86	4.05	17.65
RE/TE (per cent)	83.20	83.74	87.42	85.82	84.12
RE/GSDP (per cent)	15.20	15.42	15.53	15.44	16.66
RE/RR (per cent)	95.38	96.90	102.88	115.83	99.59
Buoyancy of revenue expenditure with					
GSDP	1.87	1.42	1.17	0.86	1.96
Revenue receipts	1.22	1.47	*	*	0.48

(Source: Finance Accounts of the State)

\*Growth of revenue receipts in 2019-20 & 2020-21 being negative, buoyancy cannot be calculated

Revenue expenditure increased from ₹ 10,543 crore in 2017-18 to ₹ 14,227 crore in 2021-22 and grew by ₹ 2,134 crore (17.65 *per cent*) during 2021-22 over the previous year.

Revenue expenditure constituted 84 *per cent* of the total expenditure during 2021-22. The growth rate of revenue expenditure witnessed a declining trend from 18.91 *per cent* in 2017-18 to 4.05 *per cent* in 2020-21. However, the growth rate of revenue expenditure during 2021-22 was 17.65 *per cent*. The buoyancy of revenue expenditure to GSDP indicated that revenue expenditure grew at a faster rate than GSDP in four out five years, except during 2020-21.

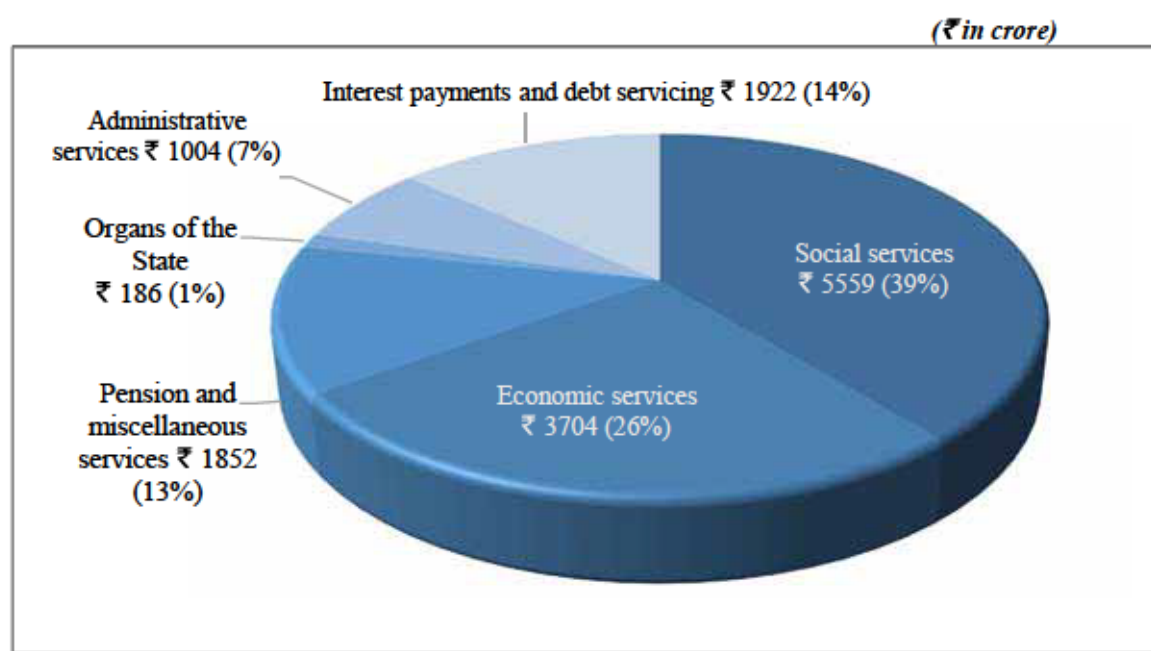
Revenue receipts grew by more than twice the revenue expenditure during 2021-22 as compared to 2020-21. The percentage of revenue expenditure to GSDP exhibited stability during the four-year period 2017-21, with marginal inter-year variations. However, during 2021-22, it increased by 1.22 *per cent* over the previous year (2020-21).

Growth rate of revenue expenditure at 17.65 *per cent* in 2021-22 was higher than the growth rate of General States (12.25 *per cent*) (Appendix 1.1).

Sector-wise distribution of revenue expenditure is presented in Chart 2.10.



Chart 2.10: Sector-wise distribution of revenue expenditure



(Source: Finance Accounts of the State)

#### 2.4.2.1 Major changes in revenue expenditure

Table 2.18 shows significant increase in revenue expenditure under various heads of account during the current year *vis-a-vis* previous year.

Table 2.18: Variations in revenue expenditure during 2021-22 *vis-à-vis* 2020-21

(₹ in crore)

Major Heads of Account	2020-21	2021-22	Increase
2071 - Pensions and Other Retirement Benefits	1412	1848	436
2215 - Water Supply and Sanitation	397	1021	624
2210 - Medical and Public Health	1072	1293	221
2801 - Power	2043	2227	184

(Source: Finance Accounts of the State)

Increase in revenue expenditure during the current year was on account of the following:

- Higher expenditure under Urban Water Supply Programmes (MH 2215).
- Increased financial assistance under superannuation and retirement allowances due to payment of arrears pertaining to pre-2016 revision of pension and further disbursement of retirement/death gratuity to employees covered under New Pension Scheme (MH 2071).
- Increased expenditure under medical stores depots, hospitals and dispensaries, allopathy and prevention and control of diseases (MH 2210).

### 2.4.2.2 Committed expenditure

Committed expenditure of the State Government on revenue account consists of interest payments, salaries, wages and pensions. Committed expenditure has the first charge on Government resources. An upward trend in committed expenditure leaves the Government with lesser flexibility for development expenditure. Table 2.19 presents the trends of committed expenditure *vis-à-vis* revenue receipts and revenue expenditure of the State during 2017-22.

Table 2.19: Trends of committed expenditure

	₹ in crore)				
Components of committed expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries & wages	2827.20	2798.54	2935.36	2959.15	3293.65
Expenditure on pensions	1163.59	1299.13	1313.18	1412.23	1848.43
Interest payments	1244.28	1344.45	1465.09	1590.37	1782.53
<b>Total</b>	<b>5235.07</b>	<b>5442.12</b>	<b>5713.63</b>	<b>5961.75</b>	<b>6924.61</b>
<b>As percentage of revenue receipts</b>					
Salaries & wages	25.57	24.47	25.98	28.34	23.05
Expenditure on pensions	10.53	11.36	11.62	13.53	12.94
Interest payments	11.26	11.75	12.97	15.23	12.48
<b>Total</b>	<b>47.36</b>	<b>47.58</b>	<b>50.57</b>	<b>57.10</b>	<b>48.47</b>
<b>As percentage of revenue expenditure</b>					
Salaries & wages	26.82	25.25	25.26	24.47	23.15
Expenditure on pensions	11.04	11.72	11.30	11.68	12.99
Interest payments	11.80	12.13	12.61	13.15	12.53
<b>Total</b>	<b>49.65</b>	<b>49.10</b>	<b>49.17</b>	<b>49.30</b>	<b>48.67</b>

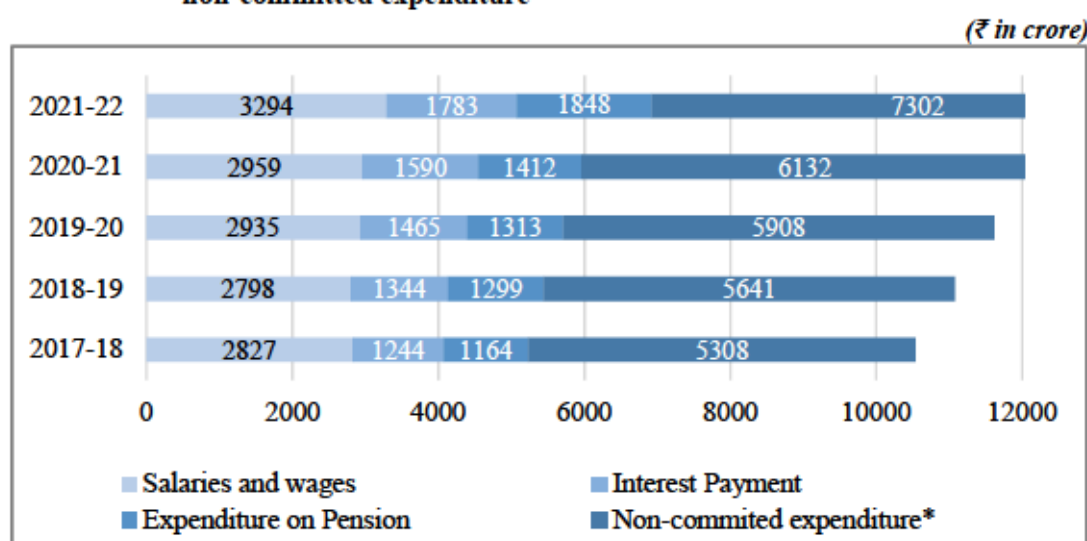
(Source: Finance Accounts of the State)

Total committed expenditure showed an increasing trend during 2017-22. It constituted 48 *per cent* of revenue receipts and 49 *per cent* of revenue expenditure. Increase in committed expenditure by ₹ 962.86 crore (16.15 *per cent*) during 2021-22 over 2020-21 was mainly due to higher expenditure under salaries and wages (₹ 334.50) and pensions (₹ 436.20 crore).

Committed expenditure as a percentage of revenue receipts and revenue expenditure decreased by 8.63 *per cent* and 0.63 *per cent*, respectively during 2021-22 compared to the previous year.

Chart 2.11 presents the trends of various components of committed expenditure and non-committed expenditure during 2017-22.

Chart 2.11: Trends of various components of committed expenditure and non-committed expenditure



(Source: Finance Accounts of the State)

\*Non-committed expenditure = Total revenue expenditure – Committed expenditure. For instance, non-committed expenditure for the year 2021-22 would be ₹ 7,302 crore (₹ 14,227 crore – ₹ 6,925 crore)

### Salaries and wages

During 2021-22, expenditure on salaries and wages increased by 11.30 *per cent* over the previous year. Whereas, expenditure on salary and wages during 2017-22 increased at a compound annual growth rate (CAGR) of 3.89 *per cent*. As a percentage of revenue receipts, expenditure on salary and wages decreased from 28 *per cent* in 2020-21 to 23 *per cent* in 2021-22.

Growth rate of salary and wages at 11.30 *per cent* during 2021-22 was marginally higher than the growth rate of General States (11.23 *per cent*) (Appendix 1.1).

### Pension payment

During 2017-22, expenditure on pension payment grew at the CAGR of 12.27 *per cent*. Pension payment increased significantly by 30.89 *per cent* during 2021-22 over the previous year. Expenditure on pensions in 2021-22 accounted for 13 *per cent* of the revenue receipts as well as revenue expenditure of the State Government.

Actual expenditure on pensions during 2021-22 *vis-à-vis* assessment made by FC XV and projections of the State Government in BE are shown in Table 2.20.

Table 2.20: Actual pension payments *vis-à-vis* assessment of FC XV and State's projections in BE

(₹ in crore)

Year	Assessment made by FC XV	Assessment made by State Government in BE	Actuals
2021-22	1350	2195	1848

(Source: Finance Accounts of the State, FC XV report and budget estimates of the State)

The table indicates that actual outgo towards pension payment was more than the assessment of FC XV but less than the State Government's own projections made in BE for 2021-22.

Expenditure on pension payment during 2021-22 grew by 30.89 *per cent* over the previous year while it grew by 11.88 *per cent* in General States (Appendix 1.1).

### Interest payment

Interest payment increased at a CAGR of nine *per cent* from ₹ 1,244 crore in 2017-18 to ₹ 1,783 crore in 2021-22. However, it increased by 12 *per cent* in 2021-22 over the previous year. Component-wise details of interest payment made by the State Government during 2017-22 are shown in Table 2.21.

**Table 2.21: Component-wise details of interest payments made by the State Government during 2017-22**

(₹ in crore)					
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Interest payments	1244	1344	1465	1590	1783
Of which, interest payment made on					
1. Internal debt	981	1080	1188	1328	1497
i. Market loans	669	792	934	1096	1279
ii. National small savings fund (NSSF)	265	242	221	189	184
iii. National bank for agriculture and rural development (NABARD)	39	37	25	36	30
Loans from other financial institutions	05	04	04	02	01
Ways and means advances & overdrafts	01	03	01	02	00
Management of debt (payable to RBI for open market borrowings)	02	02	03	03	03
2. Loans from GoI	18	16	19	23	20
3. Deposits, small savings and PF etc.	245	248	258	239	266
i. Small savings and PF etc.	172	178	176	171	202
ii. Deposits and advances	73	70	82	68	64

(Source: Finance Accounts of the State)

The ratio of interest payment to revenue receipts determines the debt sustainability of the State. This ratio stood at 12 *per cent* during 2021-22 and was lower than the previous year (15 *per cent*).

Interest payment with reference to assessment made by FC XV and projections of the State Government in BE are shown in Table 2.22.

**Table 2.22: Interest payments *vis-à-vis* assessment of FC XV and State's projections in BE**

(₹ in crore)			
Year	Assessment made by FC XV	Assessment made by State Government in BE	Actuals
2021-22	1914	1894	1783

(Source: Finance Accounts of the State, FC XV report and budget estimates of the State)

The table indicates that actual outgo towards interest payment was less than the assessment of FC XV and State Government's own projections made in BE for 2021-22.



### 2.4.2.3 Undischarged liabilities under National Pension System

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

During 2021-22, State Government collected ₹ 178.41 crore from its employees as contribution towards new pension scheme and also contributed ₹ 227.10 crore as its share. Against the total funds of ₹ 470.33 crore (including un-transferred balance of ₹ 64.82 crore from previous year) due to be transferred to NSDL, State Government transferred only ₹ 338.77 crore. Thus, State Government's liability as on 31 March 2022 was ₹ 137.13 crore (₹ 131.56 crore due plus ₹ 5.57 crore as accrued interest).

### 2.4.2.4 Subsidies

Subsidies as a percentage of revenue receipts and revenue expenditure during 2017-22 were as shown in the table below.

Table 2.23: Expenditure on subsidies during 2017-22

	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies	263	301	262	266	275
Subsidies as percentage of revenue expenditure	2.49	2.71	2.25	2.20	1.93
Subsidies as percentage of revenue receipts	2.38	2.63	2.32	2.55	1.92

(Source: Finance Accounts of the State)

During 2021-22, a significant portion of subsidy went to road transport (₹ 119 crore), dairy development (₹ 46 crore), crop husbandry (₹ 40 crore) and food storage and warehousing (₹ 35 crore) and fisheries (₹ 25 crore).

Expenditure on subsidies increased by 3.38 *per cent* during 2021-22 over the previous year. Expenditure on subsidies in 2021-22 accounted for 1.9 *per cent* of the revenue receipts as well as revenue expenditure of the State Government.

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

Financial assistance to local bodies and other institutions (₹ 2,145.20 crore) constituted 15 *per cent* of the State's revenue expenditure during 2021-22.



Quantum of assistance provided by way of grants and loans to local bodies and other institutions during 2017-22 is presented in Table 2.24.

**Table 2.24: Financial assistance to local bodies and other institutions**

<i>(₹ in crore)</i>					
Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
Panchayati Raj Institutions	92.31	86.12	86.65	183.12	140.55
Urban Local Bodies	180.48	74.01	135.52	71.39	43.60
Public Sector Undertakings	60.25	41.59	26.85	24.74	31.81
Autonomous Bodies	990.41	1278.11	1201.26	1319.52	1372.16
Others	315.54	300.63	358.82	388.40	557.08
<b>Total</b>	<b>1638.99</b>	<b>1780.46</b>	<b>1809.10</b>	<b>1987.17</b>	<b>2145.20</b>
Assistance as percentage of revenue expenditure	15.55	16.06	15.57	16.43	15.08

(Source: Finance Accounts of the State)

Financial assistance to local bodies and other institutions during 2021-22 increased by ₹ 158 crore (eight *per cent*) over 2020-21. It grew at a CAGR of seven *per cent* during 2017-22.

### 2.4.3 Capital expenditure

Capital expenditure is primarily an expenditure on creation of fixed infrastructure assets such as roads, buildings *etc.* Overall capital expenditure, its rate of growth and percentage to total expenditure during 2017-22 are indicated in Table 2.25.

**Table 2.25: Capital expenditure-basic parameters**

	2017-18	2018-19	2019-20	2020-21	2021-22
Total expenditure (TE) (₹ in crore)	12671	13235	13295	14091	16912
Capital expenditure (CE)* (₹ in crore)	2094	2149	1660	1997	2681
Rate of growth of capital expenditure (per cent)	27.76	2.63	(-)22.75	20.30	34.25
CE/TE (per cent)	16.53	16.24	12.49	14.17	15.85

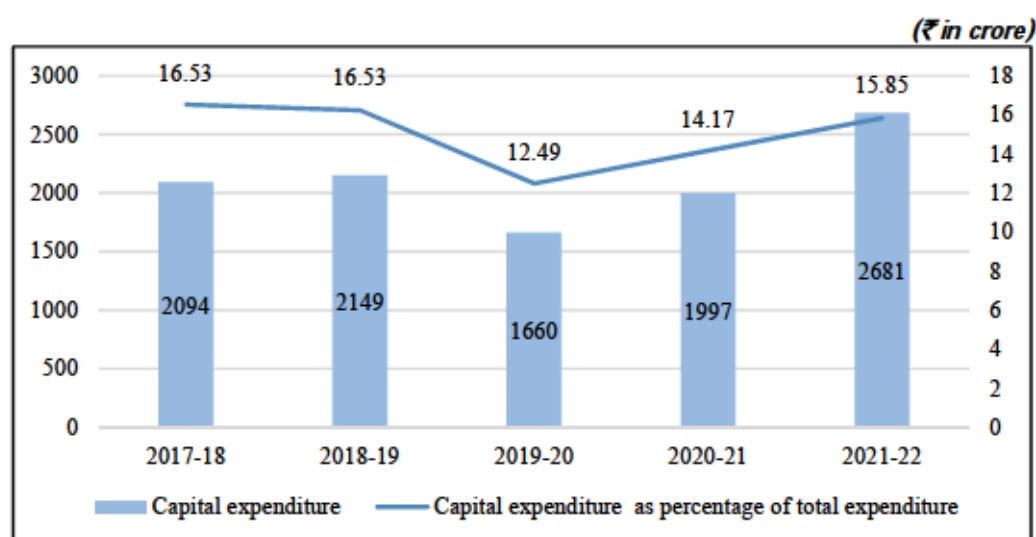
(Source: Finance Accounts of the State)

\*Capital expenditure excludes disbursement of loans and advances, which is discussed separately under paragraph 2.4.3.2.

Capital expenditure showed an increase from ₹ 2,094 crore in 2017-18 to ₹ 2,681 crore in 2021-22. During 2021-22, capital expenditure increased by ₹ 684 crore (34 *per cent*) over 2020-21. Further, while the percentage of capital expenditure to total expenditure increased during 2019-22, it was still below the levels achieved during 2017-19.

Chart 2.12 shows the capital expenditure and its share in total expenditure during 2017-22.

Chart 2.12: Capital expenditure and its share in total expenditure during 2017-22



(Source: Finance Accounts of the State)

#### 2.4.3.1 Major changes in capital expenditure

Table 2.26 highlights cases of significant increase or decrease in capital expenditure under various heads of accounts during 2021-22 *vis-à-vis* the previous year.

Table 2.26: Capital expenditure during 2021-22 *vis-à-vis* 2020-21

(₹ in crore)

Major Heads of Accounts	2020-21	2021-22	Increase (+)/ Decrease (-)
4075 - Capital Outlay on Other Miscellaneous Services	320	250	(-)130
4202 - Capital Outlay on Education, Sports, Art and Culture	34	133	99
4210 - Capital Outlay on Medical and Public Health	119	189	70
4217 - Capital Expenditure on Urban Development	60	207	147
4801 - Capital Outlay on Power Projects	221	263	42
5054 - Capital Outlay on Roads and Bridges	260	436	176
5425 - Capital Outlay on Other Scientific and Environmental Research	180	142	(-)38
5452 - Capital Outlay on Tourism	72	155	83

(Source: Finance Accounts of the State)

Increase in capital expenditure under capital outlay on roads and bridges (MH 5054) was largely due to higher allocation under District and Other Roads (₹ 118 crore) and State Highways (₹ 49 crore). State Government also increased its allocations in Smart Cities Mission (₹ 116 crore) under capital outlay on expenditure on urban development (MH 4217). Further, increase in capital outlay on education, sports, art and culture (MH 4202) was mainly due to increased expenditure towards Museums (₹ 39 crore).

Capital outlay on other miscellaneous services (MH 4075) decreased by ₹ 130 crore due to less contribution by the State Government to Goa State Infrastructure Development Corporation Limited.

During 2021-22, capital expenditure grew by 34.25 *per cent* over the previous year while it grew by 25.59 *per cent* in General States (Appendix 1.1).

#### 2.4.3.2 Quality of capital expenditure

In the post-FRBM framework, Government is expected to keep its fiscal deficit (borrowing) at low levels and still meet its capital expenditure/investment (including loans and advances) requirements. In addition, State Government needs to initiate measures to earn adequate returns on its investments and take requisite steps to infuse transparency in financial operations.

This section presents a broad financial analysis of investments and other capital expenditure made by the State Government during 2021-22 *vis-à-vis* previous years.

#### Quality of investment in companies, corporations and other bodies

Return on investment on capital invested in State Public Sector Enterprises (SPSE) and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure. Investments made and loans given to companies, corporations and co-operatives, which are loss-making and whose net worth is completely eroded, affect the quality of capital expenditure.

Statement No. 19 of Finance Accounts of the State Government contains the details of investments of the Government at the end of March 2022. As on 31 March 2022, total Government investment 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 the Government paid an average interest of up to 7.03 *per cent* on its borrowings during the same period. This indicated that returns on investment had been very poor.

Table 2.27 shows returns on investment of the State Government during 2017-22.

Table 2.27: Returns on investment

Investments/Returns/Cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Investment at the end of the year (₹ in crore)	613.02	630.76	640.71	650.10	657.56
Return on investments (₹ in crore)	1.96	1.46	1.42	1.29	1.61
Return on investments (per cent)	0.32	0.23	0.22	0.20	0.24
Average rate of interest on Government borrowings (per cent)	7.03	6.90	6.82	6.48	6.41
Difference between average interest rate on borrowings and return on investments (per cent)	6.71	6.67	6.60	6.28	6.17
Difference between interest paid on Government borrowings and return on investments (₹ in crore)	1242	1343	1464	1589	1781

(Source: Finance Accounts of the State)

**Note:** There were differences in investment figures as per the records of SPSE and those appearing in the Finance Accounts. The State Government was yet to reconcile the differences.

Table 2.27 shows that State Government's investments during 2021-22 increased by ₹ 7.55<sup>9</sup> crore. Out of ₹ 7.55 crore, State Government invested ₹ 2.55 crore and ₹ five crore in Konkan Railway Corporation Limited and Goa State Scheduled Tribe Finance and Development Corporation Limited, respectively.

### Loans and advances disbursed by the State Government

In addition to investments in co-operative societies, corporations and companies, State Government provides loans and advances to many institutions/organisations.

Table 2.28 presents the outstanding loans and advances as on 31 March 2022, interest receipts *vis-à-vis* interest payments during the last five years.

<sup>9</sup> Actual increase in 2021-22 over 2020-21 was ₹ 7.55 crore, instead of ₹ 7.46 crore. Hence, there was a difference of ₹ 0.09 crore (₹ 7.55 crore – ₹ 7.46 crore). This difference of ₹ 0.09 crore was on account of refund of share capital of previous years.



Table 2.28: Status of loans and advances

(₹ in crore)

Loans disbursed/interest receipts/cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Opening balance	71.03	97.81	95.77	105.61	104.21
Amount advanced during the year	33.93	3.10	13.42	1.61	3.87
Amount repaid during the year	7.15	5.14	3.58	3.01	2.16
Closing balance	97.81	95.77	105.61	104.21	105.92
Interest received (₹ in crore)	1.79	2.29	2.05	1.63	1.65
Interest receipts as percentage of average outstanding loans and advances	2.12	2.37	2.04	1.55	1.57
Interest payments as percentage of outstanding borrowings of the Government	6.71	6.58	6.50	6.00	6.12
Difference between interest receipts and interest payments (per cent)	4.59	4.21	4.46	4.45	4.55

(Source: Finance Accounts of the State)

Total outstanding loans and advances increased from ₹ 98 crore in 2017-18 to ₹ 106 crore in 2021-22. Disbursements during the year were ₹ 3.87 crore compared to ₹ 1.61 crore in the previous year.

Loans were disbursed under economic sector for village and small Industries tribal sub-plan (₹ three crore). The remaining ₹ 0.87 crore was disbursed to Members of Legislative Assembly for house building advance and to Government servants for purchase of motor conveyances and computers. State Government received interest of ₹ 1.65 crore during the current year while it paid interest of ₹ 1,783 crore on its overall liabilities (₹ 29,118 crore).

#### Capital locked in incomplete projects

An assessment of capital blocked in incomplete capital works is also an indicator of the quality of capital expenditure. Year-wise details and age analysis of incomplete projects (more than ₹ one crore each) as on 31 March 2022 are shown in Table 2.29 and Table 2.30, respectively.

Table 2.29: Year-wise details of incomplete projects as on 31 March 2022

Year of commencement	No. of incomplete projects	Estimated cost (₹ in crore)	Expenditure as on 31 March 2022 (₹ in crore)
2011-12	01	4.30	2.25
2013-14	01	3.64	4.21
2014-15	07	68.61	35.24
2015-16	04	17.32	10.27
2016-17	06	23.55	17.28
2017-18	03	9.69	6.14
2018-19	02	24.79	3.52
2019-20	24	43.21	46.50
2020-21	14	17.20	18.62
2021-22	79	464.68	104.58
<b>Total</b>	<b>141</b>	<b>676.99</b>	<b>248.61</b>

(Source: Finance Accounts of the State)



Thus, there were 141 incomplete projects (more than ₹ one crore each) as on 31 March 2022 for which ₹ 248.61 crore had been spent as of March 2022. Further, projects which commenced as long back as 2011-12 remained incomplete as of March 2022.

**Table 2.30: Age-analysis of incomplete projects as on 31 March 2022**

Sr. No.	Range of delay (in years)	Incomplete projects		
		Number	Estimated cost (₹ in crore)	Expenditure as on 31 March 22 (₹ in crore)
1.	1-3	93	481.88	123.20
2.	3-5	26	68.00	50.02
3.	5-7	09	33.24	23.42
4.	7 and above	13	93.87	51.97
	<b>Total</b>	<b>141</b>	<b>676.99</b>	<b>248.61</b>

(Source: Finance Accounts of the State)

It could be further seen from Table 2.30 that an expenditure of ₹ 52 crore had been incurred on 13 incomplete projects as of March 2022, which were delayed by more than seven years.

Department-wise profile of incomplete projects as on 31 March 2022 is shown in Table 2.31.

**Table 2.31: Department-wise profile of incomplete projects as on 31 March 2022**

Department	No. of incomplete projects	Estimated cost (₹ in crore)	Expenditure as on 31 March 2022 (₹ in crore)
Roads, Bridges and Buildings	111	430.95	175.92
Irrigation, Water Supply and Sanitation	30	246.04	72.69
<b>Total</b>	<b>141</b>	<b>676.99</b>	<b>248.61</b>

(Source: Finance Accounts of the State)

Blocking of funds in incomplete projects/works negatively impacts the quality of expenditure and deprives the State of the intended benefits. Further, funds borrowed for implementation of these projects during the respective years adds to the fiscal burden in terms of servicing of debt and interest liabilities.

**Recommendation 3: State Government may take effective steps to complete all the projects expeditiously so that the intended benefits reach the beneficiaries without further delay.**

#### 2.4.4 Expenditure priorities

Development expenditure consists of both economic sector expenditure and social sector expenditure. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health

*etc.* Low fiscal priority<sup>10</sup> is deemed to be attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of social, economic and capital expenditure to total expenditure, the better is the quality of expenditure.

Table 2.32 shows the fiscal priority of the State with regard to total expenditure, development expenditure, social sector expenditure, economic sector expenditure and capital expenditure *vis-à-vis* General States in 2017-18 and 2021-22.

**Table 2.32: Fiscal priorities of the State in 2017-18 and 2021-22**

	AE/ GSDP	CE/ AE	SSE/ AE	ESE/ AE	DE/ AE	Education/ AE	Health/ AE
General States Average (2017-18)	16.13	15.56	36.65	31.17	67.82	15.17	5.09
Goa State (2017-18)	18.27	16.53	26.73	29.12	69.00	15.07	7.28
General States Average (2021-22)	15.84	14.41	38.31	28.44	66.74	14.66	6.20
Goa State (2021-22)	19.81	15.85	38.36	29.96	68.31	13.42	8.85

(Source: Finance Accounts of Government of Goa and information compiled from Finance Accounts of other states (excluding North Eastern and Himalayan states))

AE: Aggregate expenditure (Total expenditure); DE: Development expenditure; CE: Capital expenditure; SSE: Social sector expenditure; ESE: Economic sector expenditure

Analysis of the fiscal priorities of the State as shown in Table 2.32 revealed the following:

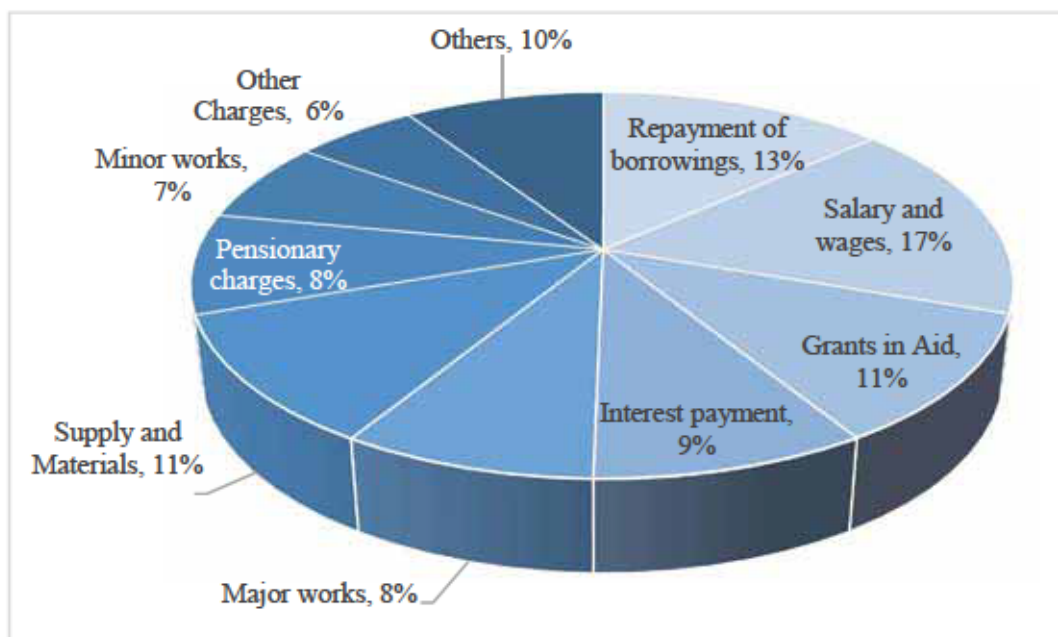
- Aggregate expenditure to GSDP in Goa during 2017-18 and 2021-22 was higher than the General States.
- Economic sector expenditure and social sector expenditure in Goa (as proportion of aggregate expenditure) was lower than the General States average in 2017-18 but was higher in 2021-22.
- Capital expenditure (as proportion of aggregate expenditure) in Goa was higher than General States in 2017-18 and 2021-22.
- Development expenditure (as proportion of aggregate expenditure) in Goa was higher than General States in 2017-18 and 2021-22.
- Goa's spending on education, sports, art and culture (as a proportion of aggregate expenditure) was lower than General States in 2017-18 and 2021-22.
- Goa gave higher fiscal priority to health and family welfare than General States during 2017-18 and 2021-22.

#### 2.4.5 Object head-wise expenditure

The Object head-wise expenditure during 2021-22 showing information regarding specific object/purpose of expenditure is presented in Chart 2.13.

<sup>10</sup> Ratio of expenditure under a category to total expenditure

Chart 2.13: Object head-wise expenditure



(Source: Finance Accounts of the State)

The chart above shows that during 2021-22, 17 *per cent* of total expenditure was spent on salary and wages. The remaining 83 *per cent* was non-salary expenditure, such as, repayment of borrowings, pension payment, grants-in-aid, interest payment *etc.*

## 2.5 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. The Government acts as a banker in respect of these transactions. The balance after disbursements during the year is the fund available with the Government for its use.

### 2.5.1 Net Public Account balances

Component-wise net balances in Public Account during the last five years are given in Table 2.33.

**Table 2.33: Component-wise net balances in public account as of 31 March 2022**

(₹ in crore)

Sector	Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Funds etc.	Small Savings, Provident Funds etc.	236	107	74	38	(-) 23
J. Reserve Funds	(a) Reserve Funds bearing Interest	06	04	249	(-)16	32
	(b) Reserve Funds not bearing Interest	178	127	37	(-)06	112
	<b>Sub-total:</b>	<b>184</b>	<b>131</b>	<b>286</b>	<b>(-)22</b>	<b>144</b>
K. Deposits and Advances	(a) Deposits bearing Interest	129	111	142	(-)120	10
	(b) Deposits not bearing Interest	48	10	44	171	62
	(c) Advances	-	-	-	-	-
	<b>Sub-total:</b>	<b>177</b>	<b>121</b>	<b>186</b>	<b>51</b>	<b>72</b>
L. Suspense and Miscellaneous	(a) Suspense	23	(-)18	12	(-)32	(-)32
	(b) Other Accounts	(-)48	94	(-)120	107	(-)102
	(c) Accounts with Governments of Foreign Countries	-	-	-	-	-
	(d) Miscellaneous	-	-	-	-	-
	<b>Sub-total:</b>	<b>(-)25</b>	<b>76</b>	<b>(-)108</b>	<b>75</b>	<b>(-)134</b>
M. Remittances	(a) Money Orders, and other Remittances	(-)164	60	61	110	(-)81
	(b) Inter- Governmental Adjustment Account	-	-	-	-	-
	<b>Sub-total:</b>	<b>(-)164</b>	<b>60</b>	<b>61</b>	<b>110</b>	<b>(-)81</b>
<b>Total</b>		<b>408</b>	<b>495</b>	<b>499</b>	<b>252</b>	<b>(-)22</b>

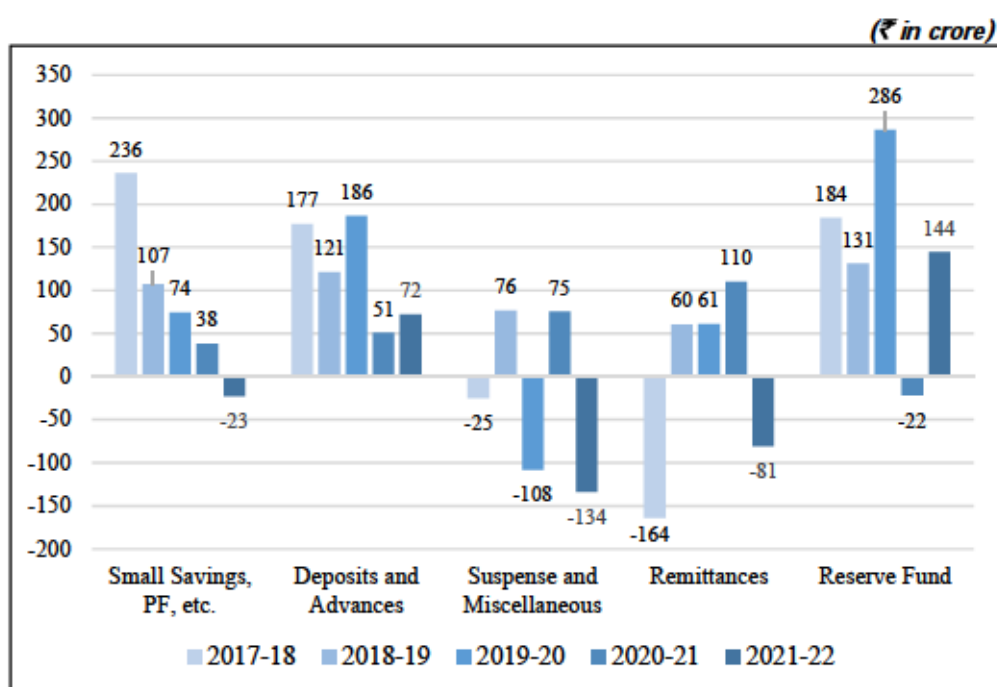
(Source: Finance Accounts of the State)

Net Public Account receipts decreased from ₹ 252 crore in 2020-21 to ₹ (-) 22 crore in 2021-22, mainly due to higher disbursements against receipts under Suspense, Miscellaneous and Remittances head.

Yearly changes in composition of balances in Public Account over the five-year period (2017-22) are shown in Chart 2.14.



Chart 2.14: Yearly changes in composition of Public Account balances



(Source: Finance Accounts of the State)

### 2.5.2 Reserve funds

Reserve funds are created for specific and defined purposes under the Public Account of the States. These funds are financed from contributions or grants from the Consolidated Fund of the States.

There were nine reserve funds earmarked for specific purposes during 2021-22 of which, two funds were inoperative with a balance of ₹ three crore. The total accumulated balance in these funds as on 31 March 2022 was ₹ 2,259 crore of which, ₹ 1,105 crore (49 *per cent*) was invested. Transactions under reserve fund during 2021-22 are shown in Table 2.34. An account of these funds is included in Statement No. 21 and 22 of Finance Accounts 2021-22.



Table 2.34: Transactions under reserve funds

(₹ in crore)				
Classification	Opening balance	Receipts	Payment	Closing balance
<b>Active/Operative reserve funds</b>				
8121-122-State Disaster Response Fund	59.84	13.89	11.75	61.98
8121-129-State Compensatory Fund	205.60	30.74	32.70	203.64
8222-101-Sinking Fund	622.68	88.83	00	711.51
8229-110-Electricity Development Fund	879.49	150.00	133.71	895.78
8235-117-Guarantee Redemption Fund	313.72	36.10	00	349.82
8235-200-Beaches Improvement Fund	30.43	2.32	00	32.75
8229-123-State Consumer Welfare Funds	0.22	0.01	00	0.23
<b>Total</b>	<b>2111.98</b>	<b>321.89</b>	<b>178.16</b>	<b>2255.71</b>
<b>Inactive/Inoperative reserve funds</b>				
8235-119-National Calamity Contingency Fund	2.99	00	00	2.99
8235-200-Special Fund for Compensatory Afforestation	0.08	00	00	0.08
<b>Total</b>	<b>3.07</b>	<b>00</b>	<b>00</b>	<b>3.07</b>
<b>Grand Total</b>	<b>2115.05</b>	<b>321.89</b>	<b>178.16</b>	<b>2258.78</b>

(Source: Finance Accounts of the State)

### 2.5.2.1 Consolidated Sinking Fund

The State Governments set up a Consolidated Sinking Fund in line with the recommendations of the FC XII for amortisation of market borrowings as well as other loans and debt obligations. The fund is managed by the RBI.

The Government of Goa constituted a Consolidated Sinking Fund in 1999-2000 for amortisation of outstanding liabilities. The scheme for 'Constitution and Administration of the Consolidated Sinking Fund of Government of Goa' notified by the State Government on 17 December 2009 provided that the State Government may contribute a minimum annual contribution of 0.5 *per cent* of the outstanding liabilities (public debt plus Public Account liabilities) at the end of the previous financial year. During the year, the State Government contributed ₹ 40 crore as against ₹ 132.61<sup>11</sup> crore to be contributed to the fund. The fund also attracted interest receipts amounting to ₹ 48.83 crore on investments as on 31 March 2021 (₹ 622.68 crore). Thus, the total accumulated fund as on 31 March 2022 was ₹ 711.51 crore. No expenditure was incurred from the fund during the year.

### 2.5.2.2 State Disaster Response Fund

As per recommendations of the FC XIII, State Government had been operating the State Disaster Response Fund with effect from 2010-11. In terms of GoI guidelines (September 2010), Central and State Governments were required to

<sup>11</sup> ₹ 132.61 = 0.5 *per cent* of ₹ 26,521 (Fiscal liabilities at the beginning of 2021-22)

contribute to the fund in the ratio of 75:25. The contributions were to be transferred to the Public Account to Major Head 8121. Expenditure during the year is incurred by operating Major Head 2245.

As on 01 April 2021, the fund had an opening balance of ₹ 59.84 crore. Out of total receipts of ₹ 13.90 crore during 2021-22, (State contribution of ₹ 2.40 crore, Central contribution of ₹ 9.60 crore and interest receipts of ₹ 1.90 crore), State Government transferred ₹ 12.12 crore to the fund under Major Head 8121-122 SDRF.

Table 2.35: Details of expenditure met out of SDRF during 2021-22

(₹ in crore)		
Major Head of Account	Minor Head of Account	Expenditure during 2021-22
2245 - Relief on account of natural calamities 02 - Floods, cyclones etc.	101-Gratuitous relief	22.05
	106-Repairs and restoration of damaged roads and bridges	00
	122-Repairs and restoration of damaged irrigation and flood control works	00
	193-Assistance to local bodies and other non-Government bodies/institutions	00
	911-Deduct-recoveries of overpayments	00
	Sub-Total	
2245 - Relief on Account of Natural Calamities 80 - General	800-Other expenditure	0.12
	911-Deduct-recoveries of overpayments	00
	Sub-Total	0.12
	Grand Total	22.17
05 - State Disaster Response Fund	901-Deduct-amount met from state disaster response fund	00

(Source: Finance Accounts of the State)

### 2.5.2.3 Guarantee Redemption Fund

The State Government set up a Guarantee Redemption Fund during 2009-10 with the objective of meeting payment obligations arising out of guarantees issued by it in respect of bonds issued and other borrowings by SPSE or other bodies and invoked by the beneficiaries.

During the year, State Government contributed ₹ 10 crore to the fund, which was more than the required minimum contribution of ₹ 4.85 crore, being 0.5 *per cent* of the outstanding guarantees (₹ 967 crore) as on 01 April 2021.

At the beginning of the year, ₹ 314 crore was available in the fund. Interest received on investment at the end of the year was ₹ 26 crore. The closing balance under the fund was ₹ 350 crore, which was 53 *per cent* of the outstanding guarantees of ₹ 662.40 crore at the end of year (2021-22). During 2021-22, no amount was paid by the State Government on account of invocation of guarantees.

## 2.6 Debt management

Debt management is the process of establishing and executing a strategy for managing Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

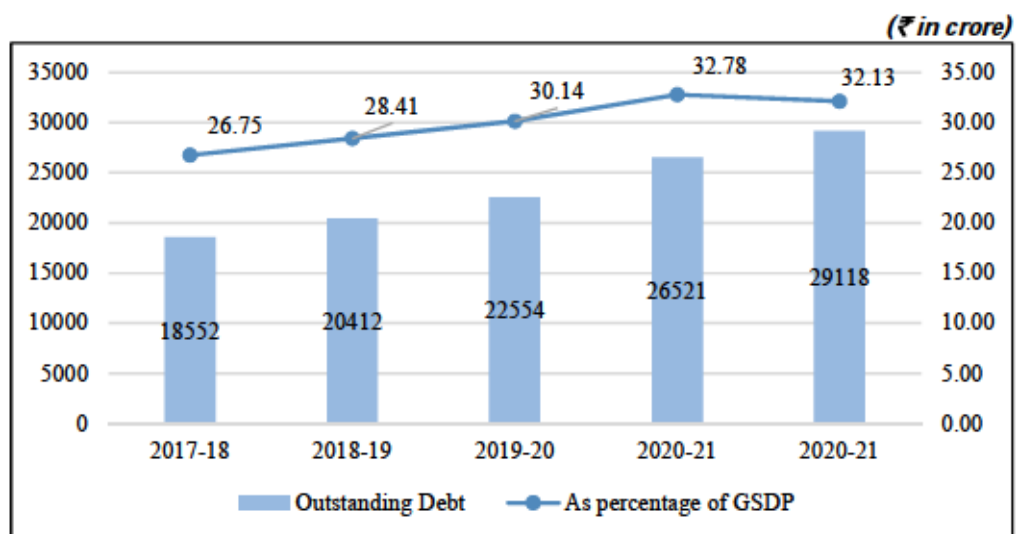
According to the GFRBM Act, 2006, total liabilities (herein termed as total outstanding debt) means the liabilities under the Consolidated Fund of the State and the Public Account of the State. The total outstanding debt of the State Government and its rate of growth during the period 2017-22 are shown in Table 2.36.

Table 2.36: Total outstanding debt during 2017-22

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Total outstanding debt</b>	18552	20412	22554	26521	29118
<b>Rate of growth of outstanding debt (per cent)</b>	10.27	10.03	10.49	17.59	9.79
<b>GSDP</b>	69352	71853	74828	78338	85380
<b>Debt/GSDP (per cent)</b>	26.75	28.41	30.14	32.78 <sup>12</sup>	32.13 <sup>13</sup>

(Source: Finance Accounts of the State)

Chart 2.15: Trends of outstanding debt during 2017-22



(Source: Finance Accounts of the State)

<sup>12</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 840 crore pertaining to 2020-21 *in-lieu* of shortfall in GST compensation have not been considered as public debt/total outstanding liabilities of the State Government.

<sup>13</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation have not been considered as public debt/total outstanding liabilities of the State Government.



Total outstanding debt of the State Government increased by **57 per cent** during the last five years from ₹ 18,552 crore in 2017-18 to ₹ 29,118 crore in 2021-22. During 2021-22, it increased by **9.79 per cent** over the previous year, but was relatively lower than the growth rate recorded in 2020-21 over 2019-20 (**17.59 per cent**). Total outstanding debt was more than twice the revenue receipts (₹ 14,286 crore) and more than thrice the State's own resources (₹ 9,592 crore) during 2021-22.

### 2.6.1 Debt profile: components

Table 2.37 presents the component-wise overall debt indicators for the period 2017-22.

Table 2.37: Component-wise debt trends

	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Total outstanding debt (A+B)	18552	20412	22554	26521	29118
A. Public debt					
(i) Internal debt	12388	14019	15746	18697	20321
(ii) Loans from GoI	1223	1201	1148	2033	2951
B. Liabilities on Public Account	4941	5192	5660	5791	5846
C. Off-budget borrowings	-	-	919	789	370
Rate of growth of outstanding debt (per cent)	10.27	10.03	10.49	17.59	9.79
GSDP	69352	71853	74828	78338	85380
Debt/GSDP (per cent)	26.75	28.41	30.14	32.78 <sup>14</sup>	32.13 <sup>15</sup>
Interest payments	1244	1344	1465	1590	1783
Burden of interest payments (IP/RR) (per cent)	11.25	11.75	12.97	15.23	12.48
Total debt receipts	4616	6444	5351	8963	6646
Total debt repayments (debt redemption) <sup>16</sup>	4132	5928	4674	6586	5832
Total debt available	484	516	677	2377	814
Debt repayments/debt receipts (per cent)	90	92	87	73	88

(Source: Finance Accounts of the State)

Total outstanding debt (₹ 29,118 crore) of the State Government at the end of 2021-22 comprised of internal debt ₹ 20,321 crore (**70 per cent**), Public Account liability of ₹ 5,846 crore (**20 per cent**) and loans and advances from GoI of ₹ 2,951 crore (**10 per cent**). Internal debt comprised of market loans (₹ 17,514 crore), special securities issued to NSSF (₹ 1,687 crore), NABARD<sup>17</sup> (₹ 1,089 crore) and loans from financial institutions (₹ 31 crore).

During 2021-22, overall debt increased by ₹ 2,597 crore over the previous year, mainly due to increase in market borrowings by ₹ 1,450 crore and borrowings from NABARD by ₹ 410 crore.

<sup>14</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 840 crore pertaining to 2020-21 *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

<sup>15</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

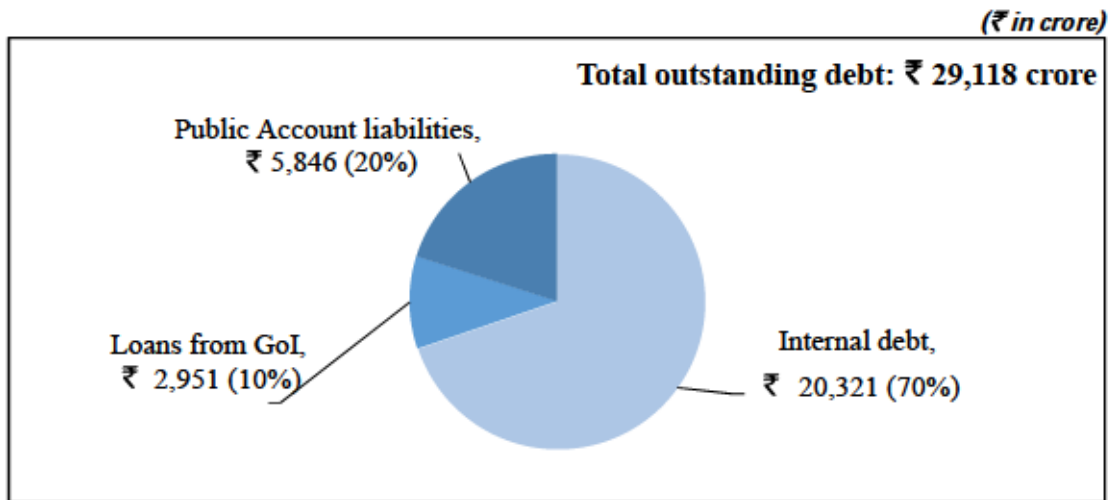
<sup>16</sup> Debt redemption (₹ 5,832 crore) = Total debt repayments during the year (₹ 4,049 crore) + Total interest payments during the year (₹ 1,783 crore)

<sup>17</sup> National Bank for Agriculture and Rural Development

Total outstanding debt-GSDP ratio increased sharply from 26.75 *per cent* in 2017-18 to 32.13 *per cent* in 2021-22. State Government breached the ceiling of outstanding debt to GSDP ratio of 25 *per cent*, fixed under GFRBM (First Amendment) Act, 2014, every year during the last five years (2017-22).

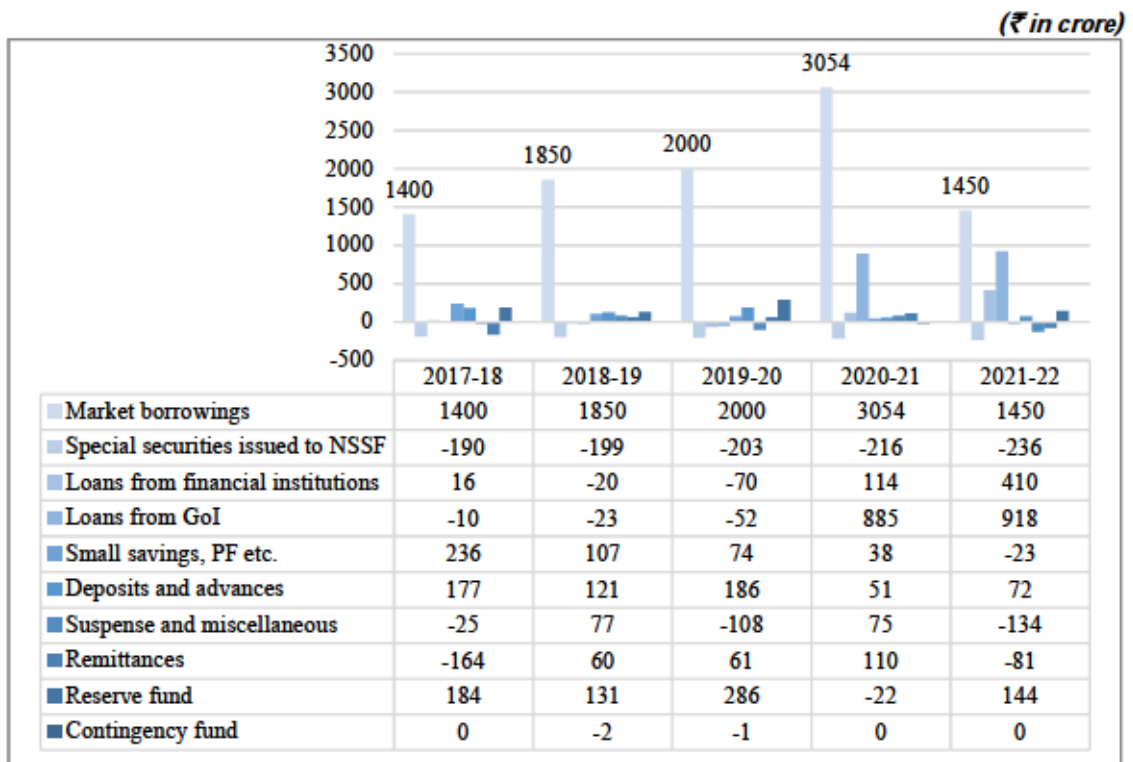
Chart 2.16 presents the break-up of total outstanding debt at the end of March 2022 while the component-wise debt trends during last five years is shown in Chart 2.17.

Chart 2.16: Break-up of total outstanding debt at the end of March 2022



(Source: Finance Accounts of the State)

Chart 2.17: Component-wise debt trends



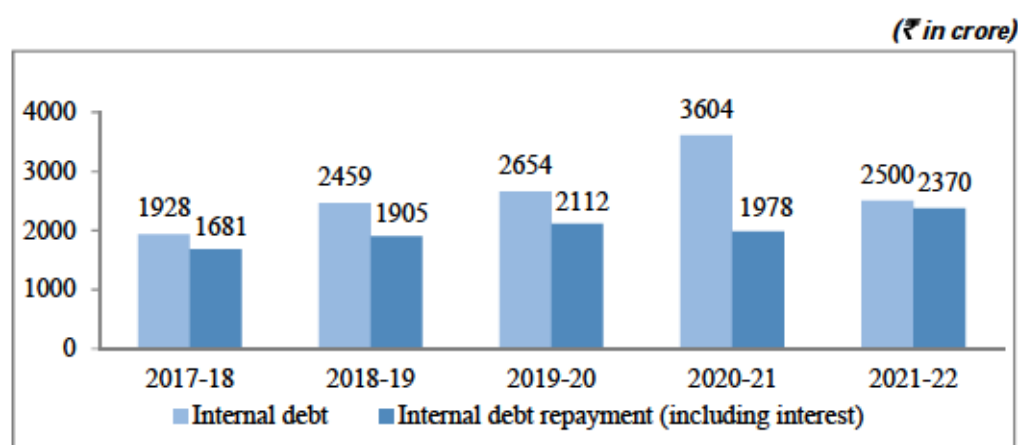
(Source: Finance Accounts of the State)

Note: Figures shown here are net of receipts and disbursements during each year.



Chart 2.18 shows the trends of internal debt receipts and its repayment during 2017-22.

Chart 2.18: Trends of internal debt *vis-à-vis* repayments



(Source: Finance Accounts of the State)

### Components of fiscal deficit and its financing pattern

Fiscal deficit represents the net incremental liabilities of the Government or its additional borrowings. The shortfall could be met either by public debt or by the use of surplus funds from the Public Account.

Table 2.38 shows the item-wise net disbursements/outflow and financing pattern of fiscal deficit during 2017-22.

Table 2.38: Components of fiscal deficit and its item-wise financing pattern

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Components of fiscal deficit</b>	<b>(-)1610</b>	<b>(-)1792</b>	<b>(-)1994</b>	<b>(-)3648</b>	<b>(-)2624</b>
1 Revenue deficit	511	355	(-)325	(-)1652 <sup>18</sup>	59
2 Net capital expenditure <sup>19</sup>	(-)2094	(-)2149	(-)1660	(-)1997	(-)2681
3 Net loans and advances	(-)27	02	(-)9	01	(-)02
<b>Financing pattern of fiscal deficit (Net figures)</b>					
1 Market borrowings	1400	1850	2000	3054	1450
2 Loans from GoI	(-)10	(-)23	(-)52	885	918
3 Special securities issued to NSSF	(-)190	(-)199	(-)203	(-)216	(-)236
4 Loans from financial institutions	16	(-)20	(-)70	114	410
5 Small savings, PF etc.	236	107	74	38	(-)23
6 Deposits and advances	177	121	186	51	72
7 Suspense and miscellaneous	(-)25	77	(-)108	75	(-)134
8 Remittances	(-)164	60	61	110	(-)81
9 Reserve funds	184	131	286	(-)22	144
10 Contingency fund	-	(-)02	(-)01	00	00
<b>Overall Deficit</b>	<b>1624</b>	<b>2102</b>	<b>2173</b>	<b>4089</b>	<b>2520</b>
11 Increase(-)/decrease(+) in cash balance	(-)14	(-)310	(-)179	(-)441	104

(Source: Finance Accounts of the State)

Table 2.38 reveals that during 2021-22, net market borrowings (₹ 1,450 crore), loans from GoI (₹ 918 crore), loans from financial institutions (₹ 410 crore),

<sup>18</sup> Actual revenue deficit for 2020-21 is ₹ 1,653 crore. Difference of ₹ one crore is due to rounding-off and balancing of total fiscal deficit for the year 2020-21 (₹ 3,648 crore).

<sup>19</sup> Net capital expenditure is miscellaneous capital receipts minus capital expenditure.

reserve funds (₹ 144 crore) and deposits and advances (₹ 72 crore) were used to bridge the fiscal deficit of the State.

## 2.6.2 Debt Profile: maturity and repayment

Debt maturity and repayment profile indicate commitment on the part of the State Government to repay the debt or service the debt.

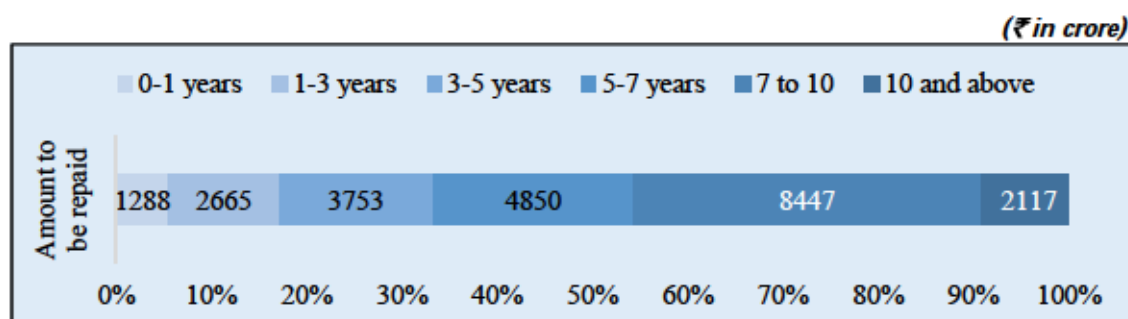
Of the total outstanding debt of ₹ 29,118 crore at the close of 2021-22, ₹ 5,846 crore pertained to other liabilities (Public Account liabilities). The maturity profile of the remaining public debt (₹ 23,272 crore) is shown in Table 2.39 and Chart 2.19.

Table 2.39: Debt maturity profile of repayment of public debt

Period of repayment (Years)	Repayment schedule of total outstanding public debt (₹ in crore)	Repayments <i>vis-a-vis</i> total outstanding public debt (per cent)
0 – 1	1288	06
1 – 3	2665	11
3 – 5	3753	16
5 – 7	4850	21
7 -10	8447	36
10 and above	2117	09
Loans pertaining to Union Territory (Others)	152	01
<b>Total</b>	<b>23272</b>	<b>100</b>

(Source: Finance Accounts of the State)

Chart 2.19: Debt maturity profile



(Source: Finance Accounts of the State)

The 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.

As may be seen from Table 2.37 above, State Government has repeatedly breached the target of debt-GSDP ratio of 25 *per cent* set out in GFRBM (First Amendment) Act, 2014 during the last five years. In fact, debt-GSDP ratio increased from 26.75 *per cent* in 2017-18 to 32.13 *per cent* in 2021-22.

**Recommendation 4:** Given the mounting committed expenditure over the last five years, the State Government may work out a well-thought out debt management strategy so as to avoid falling into a debt trap.

## 2.7 Debt sustainability analysis

Debt is considered sustainable if the borrower (State Government) is in a position to service its debt now and in the future. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining the ability of the borrower to service the debt through timely interest payments and repay the debt out of current and regular sources of revenue.

This section assesses the sustainability of debt of the State Government in terms of debt-GSDP ratio, fiscal deficit, burden of interest payments (measured by ratio of interest payments to revenue receipts) and maturity profile of the State Government debts.

Trends of debt sustainability indicators for the period 2017-22 are shown in Table 2.40.

Table 2.40: Trends of debt sustainability indicators

Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding public debt* (₹ in crore)	13611	15220	16894	20730	23272
Rate of growth of outstanding public debt (per cent)	9.81	11.82	11.00	22.71	12.26
GSDP (₹ in crore)	69352	71853	74828	78338	85380
Rate of growth of GSDP (per cent)	10.12	3.61	4.14	4.69	8.99
Outstanding public debt/GSDP (per cent)	19.63	21.18	22.58	25.39 <sup>20</sup>	25.28 <sup>21</sup>
Public debt receipts (₹ in crore)	2006	2529	2700	4587	3513
Public debt repayments (₹ in crore)	790	920	1025	751	971
Interest paid on outstanding public debt (₹ in crore)	999	1096	1207	1348	1517
Average interest rate of outstanding public debt (per cent)	7.68	7.60	7.52	7.17	6.90
Percentage of interest payment to revenue receipts	9.03	9.58	10.68	12.91	10.62
Percentage of public debt repayment to public debt receipts	39.39	36.38	37.96	16.37	27.64
Net public debt available to the State <sup>#</sup> (₹ in crore)	217	513	468	2488	1025
Net public debt available as per cent to public debt receipts	10.82	20.28	17.33	54.24	29.18

(Source: Finance Accounts of the State)

\*Outstanding public debt is the sum of outstanding balances under the Heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government.

<sup>#</sup>Net debt available to the State Government is calculated as excess of public debt receipts over public debt repayment and interest payment on public debt.

<sup>20</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 840 crore pertaining to 2020-21 *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

<sup>21</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.



An analysis of debt sustainability indicators revealed the following:

- A sustainable fiscal policy is one where debt-GSDP ratio is stable or declining over a period. However, debt-GSDP ratio increased from 19.63 *per cent* in 2017-18 to 25.28 *per cent* in 2021-22.
- Persistently higher interest payments leaves fewer funds for public expenditure. However, share of interest payment in revenue receipts showed an increasing trend from 9.03 *per cent* in 2017-18 to 12.91 *per cent* in 2020-21. During 2021-22, share of interest payment to revenue receipts at 10.62 *per cent* was lower than the previous year.
- Net public debt available to the State (after repayment of principal and interest) was 29 *per cent* during 2021-22 which meant that more than 70 *per cent* of debt raised by State Government went into debt servicing, leaving less than 30 *per cent* for developmental activities.

**Recommendation 5: State Government may consider developing a debt sustainability framework for achieving long-term sustainability in fiscal deficit management.**

#### Repayment schedule of public debt

As may be seen from Table 2.38, public debt continued to finance a major portion of State's fiscal deficit. In fact, 97 *per cent*<sup>22</sup> of the fiscal deficit was financed from public debt.

Further, of the total outstanding debt of ₹ 29,118 crore, share of public debt was ₹ 23,272 crore (80 *per cent*) at the end of 2021-22. Repayment schedule of outstanding public debt (principal and interest) is depicted in Table 2.41.

Table 2.41: Repayment schedule of public debt and interest

(₹ in crore)			
Period of repayment	Repayment of public debt (Principal)	Repayment of public debt (Interest)	Total
2022-23	1288	1186	2474
2023-24	1431	1086	2517
2024-25	1234	974	2208
2025-26	1991	879	2870
2026-27	1762	736	2498
2027-28	2191	617	2808
2028-29	2659	461	3120
2029-30	2867	247	3114
2030-31	3452	43	3495
2031-32 and beyond	4397	89	4486
<b>Total</b>	<b>23272</b>	<b>6318</b>	<b>29590</b>

(Source: Information furnished by Directorate of Accounts, Government of Goa)

As may be seen from Table 2.41, State Government would have to repay public debt of ₹ 3,953 crore and interest of ₹ 3,246 crore in next three financial years i.e. up to 2024-25. In the following two years (2025-27), principal of

<sup>22</sup> Market borrowings (₹ 1,450 crore) + Loans from GoI (₹ 918 crore) + Special securities issued to NSSF (₹ -236 crore) + Loans from financial institutions (₹ 410 crore) = ₹ 2,542 crore; Fiscal deficit = ₹ 2,624 crore; ₹ 2,542 crore ÷ ₹ 2,624 crore = 97 *per cent*



₹ 3,753 crore and interest of ₹ 1,615 crore would be payable. Thus, total principal repayment with interest during the next five years (2022-27) would be ₹ 12,567 crore.

From 2027-28 onwards, State Government would have to repay public debt of ₹ 15,566 crore with interest of ₹ 1,457 crore.

### 2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used for capital creation and developmental activities. Using borrowed funds for meeting revenue expenditure and repayment of interest on outstanding loans is not a sustainable proposition.

Table 2.42: Utilisation of borrowed funds

		(₹ in crore)				
Year		2017-18	2018-19	2019-20	2020-21	2021-22
Total borrowings (public debt receipts)	1	2006	2529	2700	4587	3513
Repayment of principal on total borrowings (per cent)	2	790 (39.38)	920 (36.38)	1025 (37.96)	751 (16.37)	971 (27.64)
Net capital expenditure on total borrowings (per cent)	3	2094 (104.39)	2149 (84.97)	1660 (61.48)	1997 (43.54)	2681 (76.32)
Net loans and advances	4	(-)27	02	(-)9	01	(-)2
Portion of revenue expenditure met out of net available borrowings	5=1-2-3-4	(-)851	(-)542	24	1838	(-)137

(Source: Finance Accounts of the State)

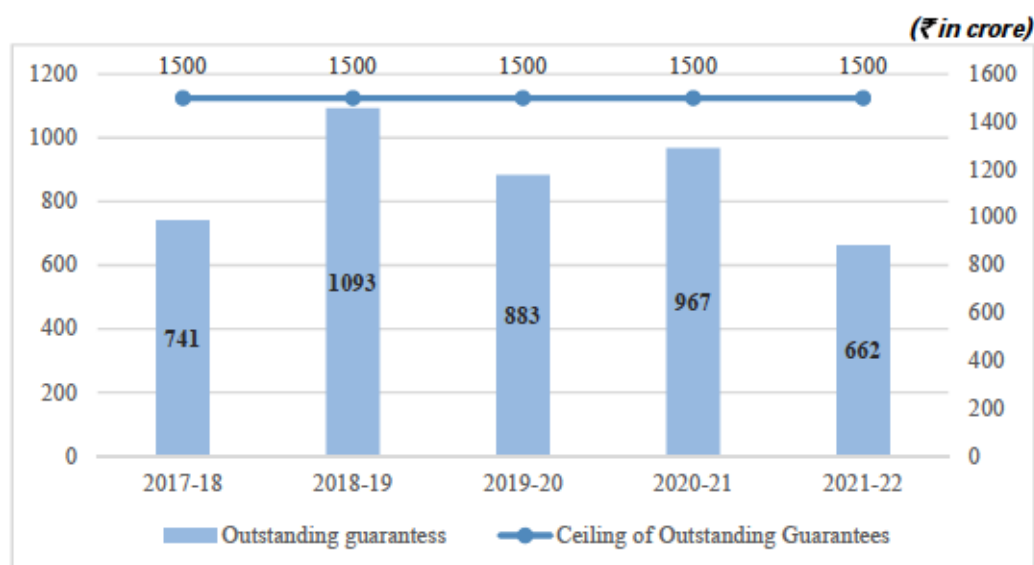
Table 2.42 shows that surplus on revenue account provided more fiscal space to the State Government during 2017-18, 2018-19 and 2021-22 for capital spending. However, in the intervening two years (2019-21), borrowings of ₹ 24 crore (0.89 per cent) and ₹ 1,838 crore (40 per cent) were used for meeting revenue expenditure.

### 2.7.2 Status of guarantees – contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of default by borrowers for whom guarantees have been extended by the State Government. Goa Legislature fixed (September 2015) a limit of ₹ 1,500 crore on outstanding guarantees.

Maximum amount for which guarantees were given by the State Government and outstanding guarantees during the last five years is depicted in Chart 2.20.

Chart 2.20: Guarantees given by the State Government during 2017-22



(Source: Finance Accounts of the State)

It could be seen from above that outstanding guarantees of the State Government during the last five years was within the ceiling limit of ₹ 1,500 crore specified by the Legislature.

Outstanding guarantees at ₹ 662 crore during 2021-22 decreased by ₹ 305 crore from the previous year due to fulfillment of debt obligations by borrowing entities. Of the total outstanding guarantees of ₹ 662 crore, ₹ 274 crore (41 *per cent*) pertained to loans from Bank of Maharashtra availed for construction of Mandovi bridge and ₹ 204 crore (31 *per cent*) for loans sanctioned to Government servants by Bank of India for construction/purchase of houses. Outstanding guarantees accounted for 4.63 *per cent* of the total revenue receipts of the State Government (₹ 14,286 crore) and 0.78 *per cent* of GSDP (₹ 85,380 crore). State Government has exempted the borrowing institutions from the payment of guarantee fee.

During 2021-22, no amount was paid by the State Government on account of invocation of guarantees.

### 2.7.3 Cash balances

As per agreement with RBI, State Government has to maintain a minimum daily cash balance of ₹ 0.19 crore with RBI. Balance in excess of ₹ 0.19 crore is invested by RBI in 14 days intermediate treasury bills for a minimum amount of ₹ 0.01 crore, in multiples of ₹ 0.01 crore. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary ways and means advances (WMA)/special ways and means advances (SWMA)/overdrafts (OD) from time to time. Limit for ordinary WMA to the State Government is revised by RBI from time to time.

During 2021-22, the State Government's limit to borrow under ordinary WMA and under special WMA at any given point of time was fixed at ₹ 203 crore and ₹ 121.97 crore, respectively.

Table 2.43 depicts the cash balances and investments made by State Government out of cash balances during the year.

**Table 2.43: Cash balances and their investment**

	<i>(₹ in crore)</i>	
	Opening balance (01 April 2021)	Closing balance (31 March 2022)
<b>A. General Cash Balance</b>		
Cash in treasuries	00	00
Deposits with RBI	(-)5.08	(-)6.51
Deposits with other Banks	00	00
Remittances in transit – Local	00	00
Investments held in cash balance investment account	960.89	721.16
<b>Total (A)</b>	<b>955.81</b>	<b>714.65</b>
<b>B. Other Cash Balances and Investments</b>		
Cash with departmental officers viz., Public Works Department, Forest Department, District Collectors etc.	1.48	1.56
Permanent advances for contingent expenditure with departmental officers	0.33	0.34
Investment out of earmarked funds	968.21	1105.47
<b>Total (B)</b>	<b>970.02</b>	<b>1107.37</b>
<b>Total (A + B)</b>	<b>1925.83</b>	<b>1822.02</b>
<b>Interest realised</b>	<b>63.25</b>	<b>17.86</b>

(Source: Finance Accounts of the State)

Cash balance of the State Government worked out by the Directorate of Accounts, Government of Goa as on 31 March 2022 was ₹ 6.51 crore (credit). Cash balance reported by RBI as on 31 March 2022 was ₹ 4.86 crore (debit). Directorate of Accounts stated that the difference of ₹ 1.65 crore (debit) between the two figures was under reconciliation.

State Government's cash balances of ₹ 1,822 crore at the end of the current year showed a decrease of ₹ 104 crore (six *per cent*) over the previous year. During the year, State Government invested ₹ 721 crore in GoI treasury bills which earned an interest of ₹ 18 crore. Further, ₹ 1,105 crore was invested out of earmarked/reserve funds which earned an interest of ₹ 77 crore<sup>23</sup> during the year.

During 2021-22, State Government obtained WMA on 83 occasions totaling ₹ 1,647 crore. The entire amount was repaid along with interest (₹ 0.78 crore).

Table 2.44 shows the increase/decrease in cash balance investment account during last five years (2017-22).

<sup>23</sup> State Disaster Response Fund: ₹ 1.90 crore; Consolidated Sinking Fund: ₹ 48.83 crore; Guarantee Redemption Fund: ₹ 26.10 crore

Table 2.44: Cash Balance Investment Account (Major Head 8673)

(₹ in crore)

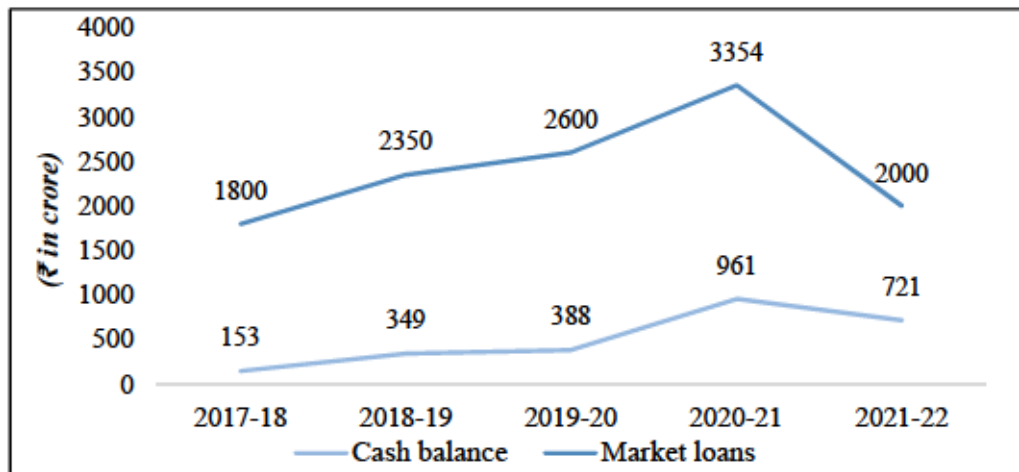
Year	Opening balance	Closing balance	Increase (+)/decrease (-)	Interest earned
2017-18	344.25	153.16	(-)191.09	8.99
2018-19	153.16	349.14	(+)195.98	6.22
2019-20	349.14	387.64	(+)38.50	45.66
2020-21	387.64	960.89	(+)573.25	63.25
2021-22	960.89	721.16	(-)239.73	17.86

(Source: Finance Accounts of the State)

Cash balances during 2021-22 decreased by ₹ 240 crore over the previous year.

Chart 2.21 shows a comparison of market loans raised by the State Government and its surplus cash balance during the last five years (2017-22).

Chart 2.21: Market loans vis-à-vis cash balance



(Source: Finance Accounts of the State)

During 2021-22, State Government raised ₹ 2,000 crore from the market, while at the same time, balances available in cash balance investment account was ₹ 721 crore at the end of 2021-22.

## 2.8 Conclusion

- State Government recorded revenue deficit of ₹ 325 crore and ₹ 1,653 crore respectively during the years 2019-20 and 2020-21 but moved to revenue surplus of ₹ 59 crore during 2021-22. This was due to increase of revenue receipts by ₹ 3,846 crore (36.84 *per cent*) as against increase in revenue expenditure of ₹ 2,134 crore (17.65 *per cent*) over the previous year.
- The State Government managed to keep the ratio of fiscal deficit to GSDP during the period 2017-22 within the limit prescribed under GFRBM Act, as amended from time to time.
- During 2017-22, outstanding debt of the State Government increased from 26.75 *per cent* to 32.13 *per cent* of GSDP, breaching the target of 25 *per cent* of GSDP set by the GFRBM (First Amendment) Act, 2014.



- During the past four years (2018-22), outstanding public debt of the State grew at a faster rate than the growth rate of GSDP. Around 54 *per cent* of the total public debt would be due for repayment within next seven years.
- State Government's expenditure was largely financed from its own resources, with 67 *per cent* of revenue coming from its own tax and non-tax revenue.
- Arrears of revenue as on 31 March 2022 was ₹ 4,884 crore of which, ₹ 121.36 crore was under legal adjudication. Further, ₹ 2,025 crore (41 *per cent*) was outstanding for more than three years.

*Chapter 3*  
**Budgetary Management**



## Chapter 3: Budgetary Management

### Introduction

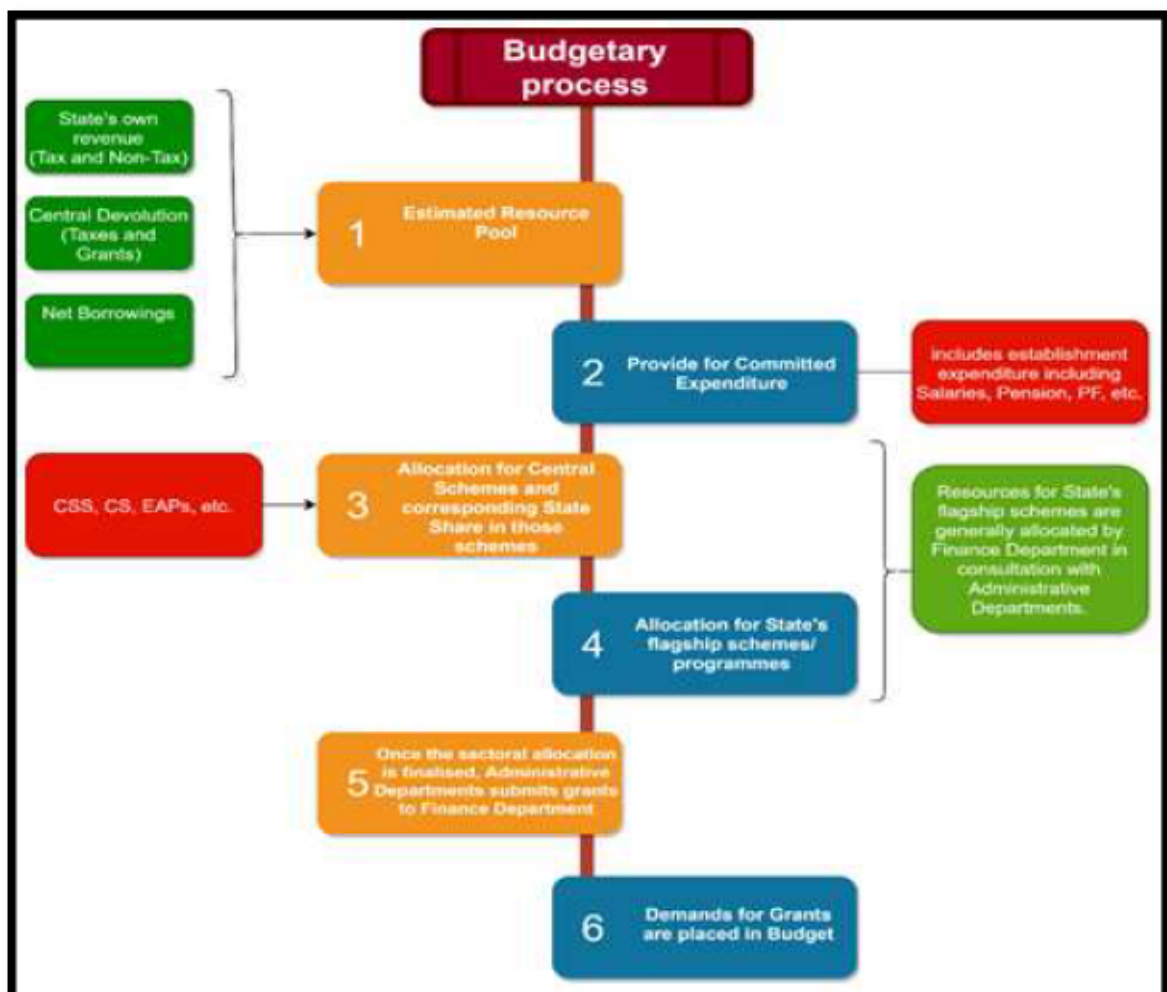
This chapter reviews the allocative priorities of the State Government and comments on transparency of budget formulation and effectiveness of its implementation. Effective financial management ensures that policy decisions are taken and implemented successfully at the administrative level without wastage or diversion of funds.

### 3.1 Budget process

Budgeting is a means to ensure efficient use of public resources. Every financial year, Finance Department of Government of Goa (FD) prepares a statement of all receipts and expenditure expected to be realised or incurred during the year. This statement is referred to as the Annual Financial Statement (popularly known as the Budget), as specified in Article 202 of the Constitution of India.

Budget process commences with the issue of the budget circular, normally in August each year, which guides the departments in framing their estimates for the next financial year. A typical budget preparation process is shown in the flow chart below.

Chart 3.1: Budget preparation process



(CSS: Centrally Sponsored Schemes; CS: Central Schemes.)

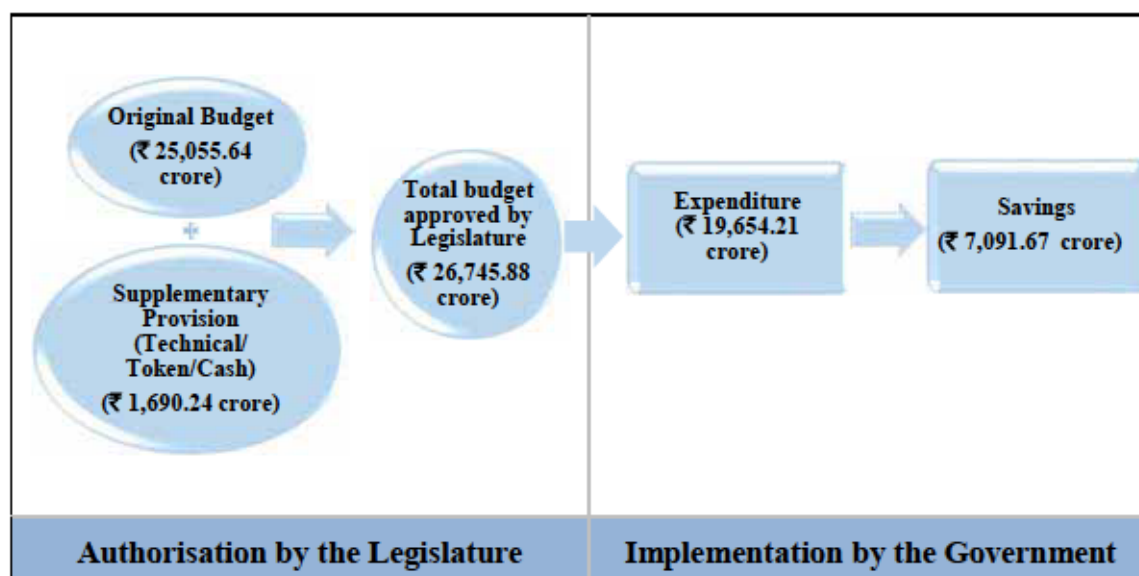


As soon as the detailed estimates and grants are passed by the Legislative Assembly in accordance with the procedure laid down in Articles 202-204 of the Constitution, FD communicates to all heads of departments and other budget controlling officers in writing, the allotments placed at their disposal during the budget year. Grant allocation communicating the grants are forwarded to the administrative departments concerned. FD also sends copies of the budget documents to the Accountant General. FD uploads all the relevant information and budgetary data on the 'e-DDO online fund allocation system' and access to the same is available to the authorities concerned.

FD also reviews requests made for supplementary grants and re-appropriations by the departments during the year. Apart from supplementary grants, re-appropriation can also be used to re-allocate funds within a grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the grant or charged appropriation.

Total amounts approved by the State Legislature in the original and supplementary budget, expenditure and savings during 2021-22 are depicted below.

**Chart 3.2: Original and supplementary budget, expenditure and savings during 2021-22**



(Source: Appropriation Accounts of the State)

Budget procedure envisages that sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should be neither larger nor smaller. Budget estimates of receipts should be based on existing rates of taxes, duties, fees *etc.*

### 3.1.1 Summary of total provisions, actual disbursements and savings during the financial year

Summarised position of total budget provision, disbursements and savings/excesses during 2021-22 is given in Table 3.1.

Table 3.1: Budget provision, disbursements and savings/excesses during 2021-22

(₹ in crore)

Total budget provision		Disbursements		Net savings(-)/excesses(+)	
Voted	Charged	Voted	Charged	Voted	Charged
22500.02	4245.86	15187.22	4466.99	(-)7312.80	(+)221.13

(Source: Appropriation Accounts of the State)

It could be seen from the table above that net savings of ₹ 7,312 crore occurred in the voted section while charged expenditure amounting to ₹ 221 crore was incurred in excess of budget provision during 2021-22.

### 3.1.2 Charged and voted disbursements

As per Article 112(2) of the Constitution, a distinction is made between charged and voted expenditure. Charged expenditure is the expenditure charged on the revenues of the State and not subject to the vote of Legislative Assembly under the Constitution. Voted expenditure is subject to the vote of Legislative Assembly. Article 202(3) of the Constitution specifies categories of expenditure that can be charged on the Consolidated Fund of the State.

Trend analysis of classification of total disbursements under charged and voted sections during the last five years (2017-22) is given below.

Table 3.2: Voted and charged disbursements and savings during 2017-22

(₹ in crore)

Year	Disbursements		Net savings(-)/excesses(+)		Percentage savings under voted section (utilisation)
	Voted	Charged	Voted	Charged	
2017-18	11484.95	3234.28	(-)3795.26	269.83	25 (75)
2018-19	11949.05	4779.95	(-)4611.36	2315.94	28 (72)
2019-20	11906.67	3619.21	(-)6855.54	824.16	37 (63)
2020-21	12620.32	5423.62	(-)6703.04	2600.36	35 (65)
2021-22	15187.22	4466.99	(-)7312.80	221.13	33 (67)

(Source: Appropriation Accounts of the State)

It may be seen from the table above that State Government utilised only 63 *per cent* to 75 *per cent* of total voted provisions during 2017-22. Repeated low utilisation over the years indicated poor budgetary management by the State Government. Audit is of the view that the State Government needs to prepare its budget estimates more realistically.

## 3.2 Appropriation Accounts

Appropriation Accounts are accounts of expenditure of the Government for each financial year, compared with the grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution. Appropriation Accounts are on gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate an understanding of utilisation of funds, management of finances including

monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India (CAG) seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation as per the Appropriation Act and the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

### 3.3 Comments on integrity of budgetary and accounting process

#### 3.3.1 Expenditure without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Expenditure on a new scheme/service should not be incurred without provision of funds, except after obtaining additional funds by re-appropriations, supplementary grants/appropriations or an advance from the Contingency Fund of the State.

#### Expenditure without budget provision

During 2021-22, State Government incurred an expenditure of ₹ 4.68 crore under six grants and one appropriation without any budget provision, as shown in Table 3.3.

Table 3.3: Expenditure without budget provision during 2021-22

Sr. No.	Name of Grant/Appropriation	Head of Account	Expenditure without provision (₹ in crore)
1	A2- Debt Services	6003-00-109-02-Loans from HUDCO	0.27
2	21- Public Works Department	2059-01-051-01-Office Buildings	0.42
3	21- Public Works Department	5054-04-796-01- Scheduled Tribe Development Scheme	3.04
4	26- Fire and Emergency Services	4059-01-051-01- Purchase of premises (excise)	*
5	35- Higher Education	2205-00-101-02- Goa College of Music	0.01
6	48- Health Services	2210-03-103-02- Primary Health Centre	0.21
7	64- Agriculture	4202-00-102-02- Capital Outlay on Education, Sports, Art and Culture	0.66
8	74- Water Resources	2701-04-001-08- Salauli Irrigation Project	0.02
9	74- Water Resources	2701-04-001-11- Anjunem Medium Irrigation Project	*
10	74- Water Resources	2711-01-103-02- Flood Control Works	0.05
<b>Total</b>			<b>4.68</b>

(Source: Appropriation Accounts of the State)

(\* Sr. No. 4: ₹ 1,644, and Sr. No. 9: ₹ 26,442)

Expenditure without budget provision during 2020-21 was ₹ 26.03 crore.

During the exit conference, Finance Department replied that due to misclassification of expenditure by various departments and non-passing of transfer entries for the same, there had been cases of expenditure without budget



provision. Further, the Department also stated that it would look into the issue and take steps to reconcile the expenditure with the controlling officers.

*Recommendation 1: State Government may ensure that expenditure is incurred only within the budget provision.*

### 3.3.2 Unnecessary or excessive supplementary grants

During a financial year, if the amount provided for a purpose is found to be inadequate or the need arises for an expenditure on some object or service for which no provision has been made, the State Legislature can sanction a supplementary provision.

State Legislature approved supplementary provisions of ₹ 1,690 crore in 55 grants and two appropriations for the year 2021-22. However, in 30 cases (supplementary provisions of ₹ five crore or more in each case), expenditure incurred (₹ 8,410 crore) was below the original provisions of ₹ 10,985 crore (Appendix 3.1). Thus, supplementary provisions aggregating ₹ 1,312 crore obtained during the year in these 30 cases proved unnecessary.

*Recommendation 2: The State Government needs to strengthen the estimation of fund requirements, and review the basis of supplementary provisions to avoid unnecessary allocations.*

### 3.3.3 Unspent amounts and surrendered appropriations and/or large savings/surrenders

While preparing budget estimates, utmost care must be taken to ensure that estimates are as close as possible to the likely expenditure during the year.

During 2021-22, cases of substantial savings were noticed. Total gross savings under various grants/appropriations amounted to ₹ 7,607 crore which was 28 *per cent* of the total authorisation (₹ 26,746 crore) during the year.

Of the total gross savings of ₹ 7,607 crore, savings of ₹ 100 crore or more amounting to ₹ 4,800 crore (63 *per cent*) occurred in 19 out of 88 grants, as detailed in Table 3.4.

Table 3.4: Grants with savings of ₹ 100 crore or more

(₹ in crore)						
Sr. No.	No. and name of grant	Total provision	Actual Expr.	Savings	Surrenders	Savings after surrender
<i>Revenue (voted)</i>						
1	13- Transport	272.11	160.04	112.07	112.05	0.02
2	17- Police	711.63	609.70	101.93	103.58	(-)1.65
3	21- Public Works	1671.99	1331.18	340.81	340.12	0.69
4	34- School Education	1826.39	1495.43	330.96	314.75	16.21
5	42- Sports and Youth Affairs	232.20	72.85	159.35	158.58	0.77
6	48- Health Services	808.84	668.36	140.48	136.53	3.95
7	55- Municipal Administration	235.98	77.45	158.53	136.65	21.88
8	57- Social Welfare	487.10	304.25	182.25	176.43	5.82



(₹ in crore)

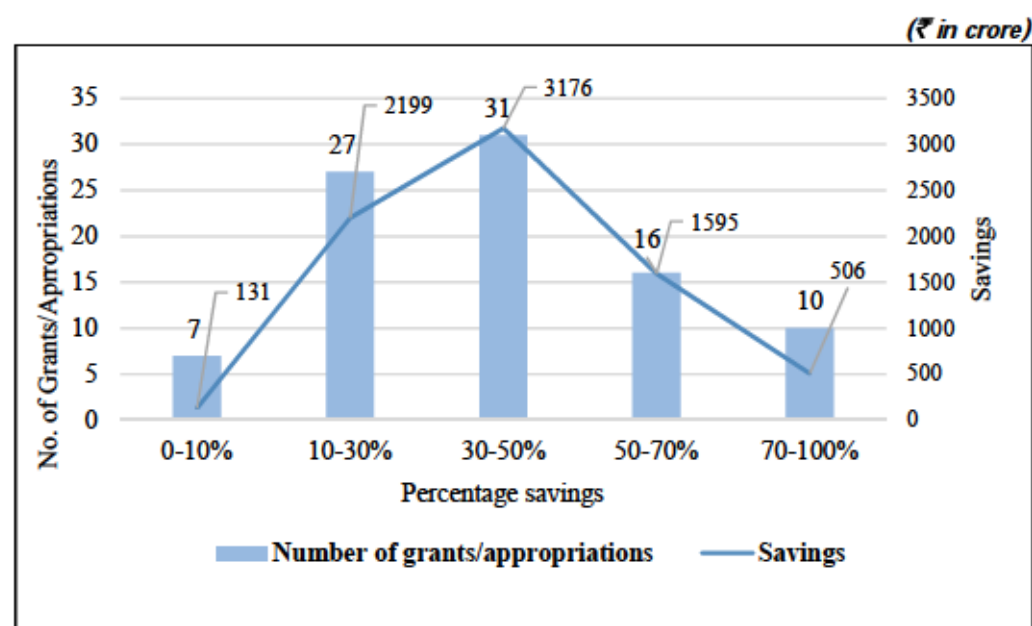
Sr. No.	No. and name of grant	Total provision	Actual Expr.	Savings	Surrenders	Savings after surrender
<b>Revenue (voted)</b>						
9	58- Women and Child Development	600.57	449.55	151.02	148.89	2.13
10	81- Department of Tribal Welfare	139.14	29.31	109.83	90.65	19.18
<b>Capital (voted)</b>						
11	21- Public Works	2054.43	799.13	1255.30	1284.91	(-)29.61
12	31- Panchayats	169.00	51.06	117.94	117.94	00
13	32- Finance	545.21	250.00	295.21	295.21	00
14	47- Goa Medical College	245.50	74.87	170.63	170.58	0.05
15	48- Health Services	245.90	96.68	149.22	147.88	1.34
16	55- Municipal Administration	411.66	196.35	215.31	215.31	00
17	74- Water Resource	425.76	192.93	232.83	233.05	(-)0.22
18	76- Electricity	699.04	263.80	435.24	428.93	6.31
19	82- Information Technology	140.80	00	140.80	140.80	00
<b>Total</b>		<b>11923.25</b>	<b>7122.94</b>	<b>4799.71</b>	<b>4752.84</b>	<b>46.87</b>

(Source: Appropriation Accounts of the State)

Main reasons for substantial savings during the year 2021-22, as furnished in the Appropriation Accounts, were non-implementation of schemes, non-receipt of cash assignment by various sub-divisions of PWD, non-filling of vacant posts, less work sanctioned, administrative reasons, non-clearance of bills, non-receipt of scholarships/stipend bills/medical reimbursement/LTC *etc.*

Distribution of number of grants/appropriations grouped by percentage of savings and total savings in each group amounting to ₹ 7,607 crore (gross savings) during 2021-22 is shown in Chart 3.3 below.

Chart 3.3: Number of grants/appropriations with total savings



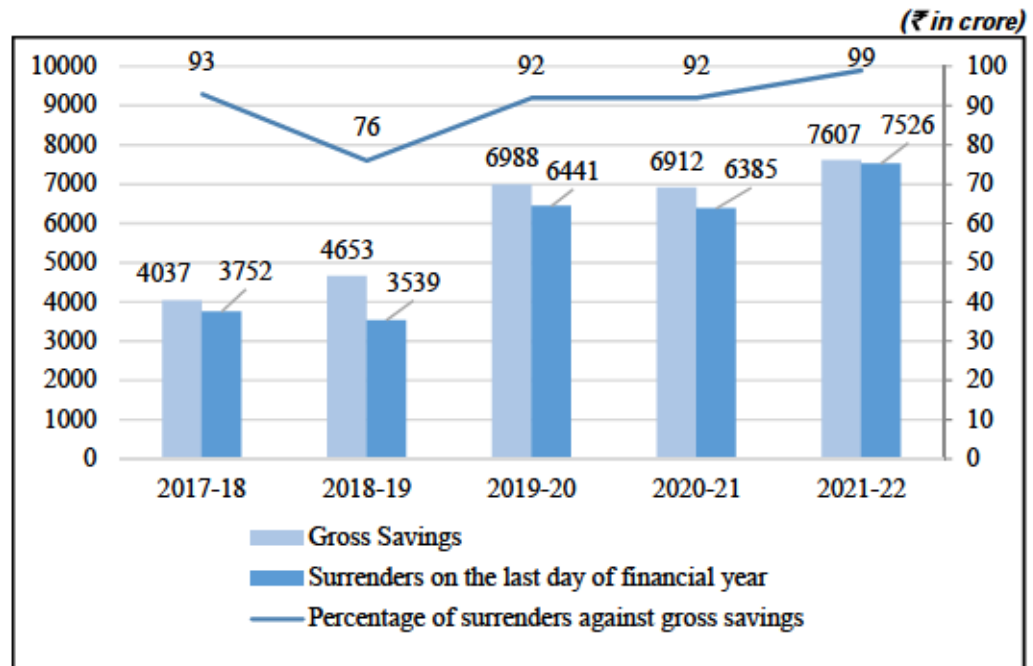
(Source: Appropriation Accounts of the State)

### Substantial surrenders

It is the duty of the Budget Controlling Officers to ensure that all anticipated savings are surrendered as soon as these are identified, without waiting until the end of the year, unless they are definitely required to meet excess requirement under some other units of the same grant. No savings can be held in reserve by the Budget Controlling Officers for meeting possible future excess requirements.

Trend analysis of quantum of surrenders made on the last day of the financial year *vis-à-vis* gross savings for five-year period is shown in Chart 3.4.

Chart 3.4: Savings and surrenders on the last day of financial year during 2017-22



(Source: Appropriation Accounts of the State)

As may be seen from Chart 3.4, against the gross savings of ₹ 7,607 crore during the year, ₹ 7,526 crore (99 *per cent*) was surrendered on the last day of the financial year (31 March 2022).

### Under-utilisation of budget grants

Audit scrutiny revealed that eight out of 88 grants utilised less than or equal to 30 *per cent* of the budget allocation during 2021-22. The status of utilisation under these eight grants in 2021-22 and previous four years (2017-21) is shown in Table 3.5.

Out of these eight grants, utilisation under Grant No. 63 (Rajya Sainik Board) was persistently less than 30 *per cent* of the total budget allocation during the last five years (2017-22). This was indicative of systemic problems in monitoring of budget utilisation and, thus, warrants a review by the State Government for corrective action.

**Table 3.5: Grants with budget utilisation of less than or equal to 30 per cent in 2021-22 and previous four years (2017-21)**

(₹ in crore)

Sr. No.	Grant	2017-18	2018-19	2019-20	2020-21	2021-22	No. of years*	Budget 2021-22	Total budget (5 years)
1	27 Official Language	45%	36%	35%	30%	22%	2	19.75	66.52
2	45 Department of Archives	54%	38%	35%	49%	11%	1	81.80	210.47
3	46 Museum	20%	23%	26%	31%	17%	4	13.97	51.67
4	60 Employment	40%	8%	10%	23%	19%	4	9.21	82.55
5	63 Rajya Sainik Board	25%	17%	28%	21%	9%	5	10.40	17.31
6	81 Department of Tribal Welfare	69%	58%	51%	34%	30%	1	287.14	1261.94
7	82 Information Technology	48%	31%	13%	27%	29%	3	283.62	1429.21
8	83 Mines	27%	60%	23%	12%	15%	4	43.06	204.09
<b>Total</b>								<b>748.95</b>	<b>3323.76</b>

(Source: Appropriation Accounts of the State)

\* Number of years with utilisation below 30 per cent

Shaded areas show under-utilisation of grants (less than or equal to 30 per cent)

Repeated under-utilisation of grants was indicative of deficient budgeting. This needs to be examined by the State Government and necessary corrective action taken.

#### Anticipated savings not surrendered

In 19 cases involving 16 grants, out of total savings of ₹ 2,134 crore, ₹ 181 crore was not surrendered (₹ one crore and above in each case), as detailed in Appendix 3.2. Timely surrender of unspent balances could have ensured their productive use in other areas with shortfalls.

#### Surrenders in excess of actual savings

In six grants, ₹ 1,615 crore was surrendered against savings of ₹ 1,569 crore, leading to excess surrender of ₹ 46 crore during 2021-22 (₹ one crore and above), as shown in Table 3.6.

**Table 3.6: Surrenders in excess of savings**

(₹ in crore)

Sr. No.	No. and Name of grant	Total provision	Expenditure	Savings	Amount surrendered	Excess surrender
<b>Revenue (voted)</b>						
1	02 General Administration and Coordination	109.88	81.23	28.65	30.14	1.49
2	17 Police	711.63	609.70	101.93	103.58	1.65
3	31 Panchayats	364.75	278.61	86.14	95.62	9.48
4	51 Goa Dental College	45.58	39.01	6.57	7.71	1.14
5	74 Water Resources	230.98	140.76	90.22	92.58	2.36
<b>Capital (voted)</b>						
6	21 Public Works	2054.43	799.13	1255.30	1284.91	29.61
<b>Total</b>		<b>3517.25</b>	<b>1948.44</b>	<b>1568.81</b>	<b>1614.54</b>	<b>45.73</b>

(Source: Appropriation Accounts of the State)

Directorate of Accounts did not furnish the reasons for surrenders in excess of actual savings (March 2023).

From the foregoing, it is evident that the departments concerned did not exercise necessary controls over the progress of expenditure through periodical reviews and necessary corrective action.

#### Persistent savings

In 10 cases involving eight grants, there were persistent savings of more than ₹ 100 crore ranging from 14 *per cent* to 95 *per cent* during the last three years as detailed in Table 3.7.

Table 3.7: Persistent savings under various grants

(₹ in crore)

Sr. No.	No. and name of grant	Year	Total provision	Actual expenditure	Savings	Percentage of savings
Revenue (voted)						
1	21 Public Works	2019-20	797.97	602.78	195.19	24
		2020-21	885.69	683.37	202.32	23
		2021-22	1671.99	1331.18	340.81	20
2	34 School Education	2019-20	1586.69	1332.08	254.61	16
		2020-21	1605.98	1380.29	225.69	14
		2021-22	1826.39	1495.43	330.96	18
3	48 Health Services	2019-20	681.78	488.91	192.87	28
		2020-21	748.82	539.61	209.21	28
		2021-22	808.84	668.36	140.48	17
4	55 Municipal Administration	2019-20	308.76	148.06	160.70	52
		2020-21	238.03	91.88	146.16	61
		2021-22	235.98	77.45	158.53	67
5	58 Women and Child Development	2019-20	503.54	320.24	183.30	36
		2020-21	563.52	295.31	268.21	48
		2021-22	600.57	449.55	151.02	25
Capital (voted)						
6	21 Public Works	2019-20	1407.40	431.20	976.20	69
		2020-21	1316.61	626.86	689.75	52
		2021-22	2054.43	799.13	1255.30	61
7	31 Panchayats	2019-20	122.45	8.70	133.75	93
		2020-21	133.21	18.33	114.88	86
		2021-22	169.00	51.06	117.94	70
8	32 Finance	2019-20	512.00	235.00	277.00	54
		2020-21	462.00	320.00	142.00	31
		2021-22	545.21	250.00	295.21	54
9	47 Goa Medical College	2019-20	192.16	86.59	105.57	55
		2020-21	210.60	69.38	141.22	67
		2021-22	245.50	74.87	170.63	70
10	55 Municipal Administration	2019-20	483.79	25.02	458.77	95
		2020-21	437.00	59.89	377.11	86
		2021-22	411.66	196.35	215.31	52

(Source: Appropriation Accounts of the State)



Persistent savings, as per Appropriation Accounts, were mainly due to short/non-release of funds by the State Government and reduction of expenditure under office expenses.

Persistent savings indicated that controls in the departments concerned with regard to preparation of budget estimates was not effective. On the other hand, several projects of the State Government could not be completed due to paucity of funds, as discussed in paragraph 3.4.2.

#### **Case Study: Persistent savings in Goa Medical College**

*The expenditure incurred by Goa Medical College (GMC) against its total allocations during the five-year period 2017-22 is as shown in the tables below.*

<b>Capital (Voted)</b>				
<b>Year</b>	<b>Allocation</b>	<b>Expenditure</b>	<b>Savings</b>	<b>Percentage of savings</b>
2017-18	91.87	19.44	72.43	78.84
2018-19	138.41	52.66	85.75	61.95
2019-20	192.16	86.59	105.57	54.94
2020-21	210.60	69.38	141.22	67.06
2021-22	245.50	74.87	170.63	69.50
<b>Total</b>	<b>878.54</b>	<b>302.94</b>	<b>575.6</b>	<b>65.52</b>
<b>Revenue (Voted)</b>				
<b>Year</b>	<b>Allocation</b>	<b>Expenditure</b>	<b>Savings</b>	<b>Percentage of savings</b>
2017-18	313.46	310.41	3.05	0.97
2018-19	423.4	358.24	65.16	15.39
2019-20	456.83	390.52	66.31	14.52
2020-21	580.88	467.44	113.44	19.53
2021-22	657.55	565.02	92.53	14.07
<b>Total</b>	<b>2432.12</b>	<b>2091.63</b>	<b>340.49</b>	<b>14.00</b>

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

*It may be seen that savings under the capital head ranged between 55 and 79 per cent in GMC during 2017-22. Poor utilisation of capital allocation by GMC resulted in failure to create public health infrastructure as envisaged in the successive budgets. GMC attributed (May 2022) persistent savings to delay in according administrative approvals and expenditure sanctions by the competent authorities for various public health infrastructure projects.*

During the exit conference, Finance Department stated that persistent savings were mainly due to non-release of Central and State shares for the schemes operated under various grants.

#### **Grants with 'Nil' expenditure**

During 2011-12 to 2021-22, entire budget provision of ₹ 33.84 crore under capital section in respect of Grant No. 63 (Rajya Sainik Board) remained unutilised at the end of each financial year, as shown in Table 3.8.

Table 3.8: 'Nil' expenditure under capital section

Year	Total Provision	Actual Expenditure	(₹ in lakh)
			Savings
2011-12	304.00	0.00	304.00
2012-13	330.00	0.00	330.00
2013-14	100.00	0.00	100.00
2014-15	100.00	0.00	100.00
2015-16	300.00	0.00	300.00
2016-17	300.00	0.00	300.00
2017-18	300.00	0.00	300.00
2018-19	300.00	0.00	300.00
2019-20	200.00	0.00	200.00
2020-21	250.00	0.00	250.00
2021-22	900.00	0.00	900.00
Total	3384.00	0.00	3384.00

(Source: Appropriation Accounts for the respective years)

**Recommendation 3:** State Government needs to be more realistic in preparation of budget estimates by taking into consideration the past performance of the departments in utilisation of grants, before allocating funds in the future.

### 3.3.4 Excess expenditure and its regularisation

Article 204 of the Constitution provides that no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by Law by the State Legislature.

Further, article 205 of the Constitution provides that if any money has been spent in excess of the amount granted during a financial year, the same would require regularisation by the State Legislature.

Failure to do so is in contravention of Constitutional provisions and defeats the objective of ensuring accountability of the executive to the Legislature over utilisation of public money.

There was an excess disbursement of ₹ 12,505.45 crore pertaining to the years 2008-09 to 2021-22, which was yet to be regularised by the State Legislature, as detailed in Table 3.9.

Table 3.9: Excess expenditure from 2008-22 requiring regularisation

(₹ in crore)

Year	Grant No. /Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts		Status of regularisation
			Voted	Charged	
2008-09 to 2014-15	8 Grants and 5 appropriations		171.44	1168.60	Not Regularised
2015-16	08	Treasury and Accounts Administration, North Goa	51.62	-	Not Regularised
	A2	Debt Services	-	2278.83	Not Regularised
2016-17	08	Treasury and Accounts Administration, North Goa	2.71	-	Not Regularised
	16	Collectorate, North Goa	0.15	-	Not Regularised
	A2	Debt Services	-	1680.34	Not Regularised
2017-18	01	Legislature Secretariat	0.20	-	Not Regularised
	08	Treasury and Accounts Administration, North Goa	173.56	-	Not Regularised
	50	Goa College of Pharmacy	0.22	-	Not Regularised
	A2	Debt Services	-	337.98	Not Regularised
2018-19	79	Goa Gazetteer	0.01	-	Not Regularised
	A2	Debt Services	-	2358.53	Not Regularised
2019-20	A2	Debt Services	-	956.85	Not Regularised
2020-21	A2	Debt Services	-	2808.95	Not Regularised
2021-22	08	Treasury and Accounts Administration, North Goa	161.73	-	Not Regularised
	A2	Debt Services	-	353.73	Not Regularised
Total			561.64	11943.81	Not Regularised
Grand total (2008-2022)			12505.45		

(Source: Appropriation Accounts of the State)

As may be seen from the table above, an excess disbursement of ₹ 11,989.99 crore<sup>1</sup> pertaining to the years 2008-09 to 2020-21 had not been regularised by the State Legislature.

Further, there was also an excess disbursement of ₹ 515.46 crore over the authorisation made by the State Legislature under one grant and one appropriation during the financial year 2021-22. The excess disbursement of ₹ 515.46 crore pertained to Debt Services - A2 (₹ 353.73 crore) and Treasury and Accounts Administration, North Goa - Grant No. 08 (₹ 167.73 crore), as detailed in Table 3.10.

<sup>1</sup> ₹ 12,505.45 crore – ₹ 515.46 crore

**Table 3.10: Major Head-wise excess disbursement over authorisation during 2021-22***(₹ in crore)*

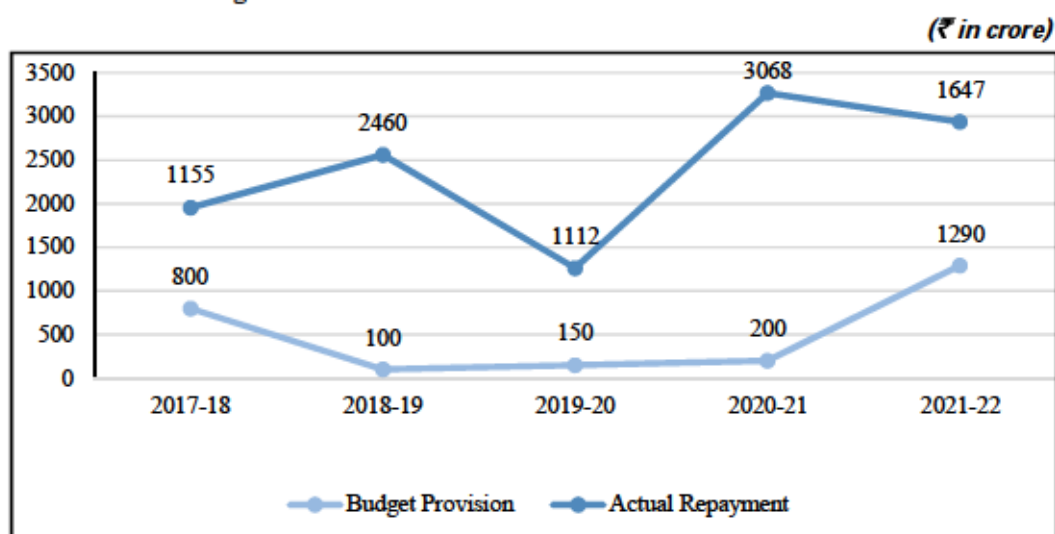
Sr. No.	Grant No.	Major Head	Major description Head	Total provision	Re-appropriation	Total	Expr.	Excess (+)/ saving(-)	Reasons for excess stated by FD
1	2	3	4	5	6	7 = 5+6	8	9= 8-7	10
1	A2	6003	Internal Debt of the State Government	2163.91	(+) 1.60	2165.51	2522.97	357.46	Mainly due to more repayment of ways and means advances than anticipated.
2		6004	Loans and Advances from Government	104.24	(-)5.27	98.97	95.24	(-)3.73	
Total (Charged)				2268.15	3.67	2264.48	2618.21	353.73	
3	8	2030	Stamp and Registration	7.57	(-)1.04	6.53	5.29	(-)1.24	-
4		2054	Treasury and Accounts Administration	28.24	(-)3.09	25.15	22.03	(-)3.12	
5		2071	Pensions and Other Retirement Benefits	1455.89	(-)3.36	1452.53	1633.84	181.31	Mainly due to payment of arrears of pre-2016 revision of pension & non-estimation of expenditure in connection with payment of retirement/ death gratuity for employees covered under New Pension Scheme.
6		2075	Miscellaneous General Service	24.83	(-)12.13	12.70	0.57	(-) 12.13	
7		2235	Social Security and welfare	14.50	(-)2.50	12.00	8.91	(-) 3.09	
Total (Voted)				1531.03	22.12	1508.91	1670.64	161.73	
Grand Total				3799.18	25.79	3773.39	4288.85	515.46	

*(Source: Appropriation Accounts of the State)*

As may be seen from Table 3.9, State Government incurred excess expenditure under Capital Head A2 - Debt Services persistently over the last seven years (2015-22). The excess expenditure, as indicated in the Appropriation Accounts of the relevant year, was primarily due to less provisions made for repayment of ways and means advances. This is illustrated in Chart 3.5 for the five-year period (2017-22).



Chart 3.5: Budget provision and actual repayment of ways and means advances during 2017-22



(Source: Appropriation Accounts of the State)

Evidently, State Government violated articles 204 and 205 of the Constitution by not only incurring expenditure without Legislative authorisation but also failing to regularise such unauthorised expenditure.

**Recommendation 4:** Excess expenditure over grants needs to be avoided through more effective budgetary controls.

### 3.4 Comments on effectiveness of budgetary and accounting process

#### 3.4.1 Budget projections and gap between expectations and actuals

Summarised position of actual expenditure during 2021-22 in 91 grants/appropriations is given in Table 3.11.

Table 3.11 : Actual expenditure *vis-à-vis* original/supplementary provisions

(₹ in crore)

	Nature of expenditure	Original Grant/App.	Supplementary grant/app.	Total provision	Actual expr.*	Net savings (-)/excesses (+)	Surrender during March Amount	As percentage of total provision
Voted	I. Revenue	14772.80	929.96	15702.76	12479.64	(-)3223.13	3252.24	20.71
	II. Capital	6048.75	728.70	6777.45	2703.71	(-)4073.74	4100.39	60.32
	III. Loans & Advances	19.81	0.00	19.81	3.87	(-)15.94		
	<b>Total</b>	<b>20841.36</b>	<b>1658.66</b>	<b>22500.02</b>	<b>15187.22</b>	<b>(-)7312.80</b>	<b>7352.63</b>	<b>32.68</b>
Charged	IV. Revenue	1944.11	31.57	1975.68	1848.21	(-)127.47	165.05	8.47
	V. Capital	5.70	0.00	5.70	0.57	(-)5.13	5.13	90
	VII. Public Debt	2264.48	0.00	2264.48	2618.21	(+)353.73	3.67	0.16
	<b>Total</b>	<b>4214.29</b>	<b>31.57</b>	<b>4245.86</b>	<b>4466.99</b>	<b>(+)221.13</b>	<b>173.85</b>	<b>4.09</b>
<b>Grand Total</b>		<b>25055.65</b>	<b>1690.23</b>	<b>26745.88</b>	<b>19654.21</b>	<b>7091.67</b>	<b>7526.48</b>	<b>28.14</b>

(Source: Appropriation Accounts of the State)

\*Figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹ 100.96 crore; Capital: ₹ 23.36 crore; Total: ₹ 124.32 crore).

Net savings of ₹ 7,092 crore was the result of gross savings of ₹ 7,607 crore in 88 grants and three appropriations under revenue section and 71 grants and one appropriation under capital section, offset by an excess of ₹ 515 crore under one grant and one appropriation. Supplementary provisions of ₹ 1,690 crore was obtained during the year which constituted seven *per cent* of the original provision.

Gross savings (₹ 7,607 crore) constituted 28 *per cent* of the total budget provision of ₹ 26,746 crore, and was more than four times the supplementary provisions (₹ 1,690 crore) made during the year. This indicated that supplementary provisions were made without proper scrutiny of requirements.

Overall trend of original budget, actual expenditure and savings/excesses during 2017-22 is detailed in Table 3.12.

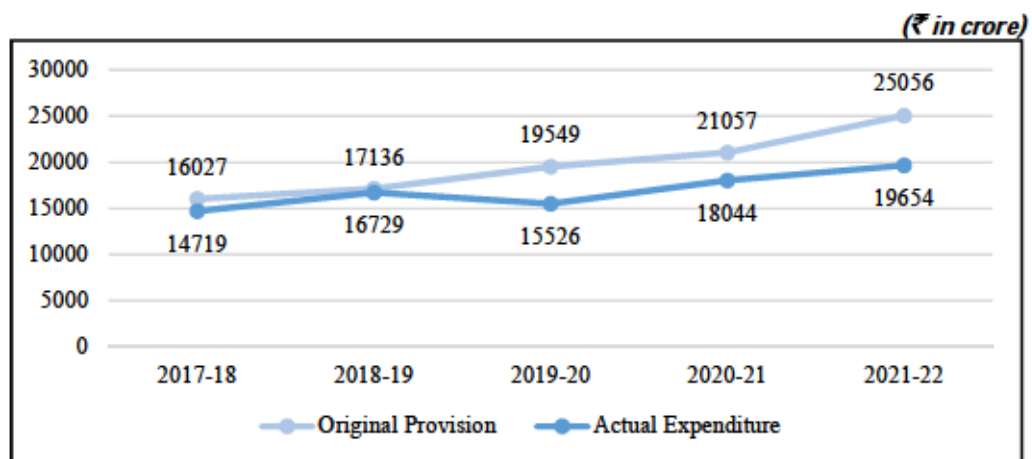
Table 3.12: Original budget, actual expenditure and savings/excesses during 2017-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Original budget	16027.00	17135.75	19548.69	21056.35	25055.65
Supplementary budget	2217.66	1888.67	2008.57	1090.27	1690.23
Total provision	18244.66	19024.42	21557.26	22146.62	26745.88
Percentage of supplementary provision to original budget	13.84	11.02	10.27	5.18	6.75
Actual expenditure	14719.23	16729.00	15525.88	18043.94	19654.21
Net savings (-)/excesses (+)	(-)3525.43	(-)2295.42	(-)6031.38	(-)4102.68	(-)7091.67
Percentage of savings to total provision	19.32	12.07	27.98	18.52	26.52
Budget utilisation (per cent)	80.68	87.93	72.02	81.48	73.48

(Source: Appropriation Accounts of the State)

As seen from the table above the percentage of supplementary provisions to original provisions ranged between five *per cent* and 14 *per cent* during 2017-22. Supplementary provisions, however, proved unnecessary, as savings were significantly higher than the supplementary provisions in all the five years. Further, against the total provisions, unutilised provisions or savings ranged between 12 *per cent* and 28 *per cent* during 2017-22.

Chart 3.6: Original provision *vis-à-vis* actual expenditure during 2017-22



(Source: Appropriation Accounts of the State)

It may be seen from the Chart 3.6 that expenditure was significantly below the original budget provisions throughout the period from 2019-22, indicating that supplementary provisions made by the State Government during the same period was not necessary.

### 3.4.2 Supplementary budget and opportunity cost

At times, while demanding supplementary provision, the departments report to Legislature large additional requirements for different purposes under various schemes/activities, but finally they are unable to spend not only the entire supplementary provision but also the original budget provision. As a result, substantial amounts of grants are left unutilised. At the same time, some of the schemes/projects remain incomplete for want of funds and the intended benefits do not reach the public at large. Further, delay in programme/project implementation has the attendant risk of cost escalation. Thus, the opportunity cost of unutilised budget provision is significant.

Table 3.13 presents the details of 19 such cases involving 16 grants where excessive/unnecessary supplementary provisions resulted in savings of ₹ 100 crore or more in each case during 2021-22.

**Table 3.13: Unutilised grants of ₹ 100 crore or more against original/supplementary provision**

(₹ in crore)

Sr. No.	Name of grant	Original provision	Supplementary provision	Total	Actual expr.	Unutilised grants/savings
1	13 Transport (Revenue Voted)	226.49	45.62	272.11	160.04	112.07
2	17 Police (Revenue Voted)	656.09	55.54	711.63	609.70	101.93
3	21 Public Works (Revenue Voted)	1671.99	00	1671.99	1331.18	340.81
4	34 School Education (Revenue Voted)	1796.07	30.32	1826.39	1495.43	330.96
5	42 Sports and Youth Affairs (Revenue Voted)	230.95	1.26	232.21	72.85	159.36
6	48 Health Services (Revenue Voted)	705.84	103.00	808.84	668.36	140.48
7	55 Municipal Administration (Revenue Voted)	234.04	1.95	235.99	77.45	158.54
8	57 Social Welfare (Revenue Voted)	408.05	79.05	487.10	304.25	182.85
9	58 Women and Child Development (Revenue Voted)	478.80	121.77	600.57	449.55	151.02
10	81 Department of Tribal Welfare (Revenue Voted)	129.14	10.00	139.14	29.31	109.83
11	21 Public Works (Capital Voted)	1854.16	200.27	2054.43	799.13	1255.30
12	31 Panchayats (Capital Voted)	169.00	00	169.00	51.06	117.94
13	32 Finance (Capital Voted)	460.21	85.00	545.21	250.00	295.21
14	47 Goa Medical College (Capital Voted)	85.50	160.00	245.50	74.87	170.63
15	48 Health Services (Capital Voted)	245.90	00	245.90	96.68	149.22



Sr. No.	Name of grant	Original provision	Supplementary provision	Total	Actual expr.	Unutilised grants/savings
16	55 Municipal Administration (Capital Voted)	295.80	115.86	411.66	196.35	215.31
17	74 Water Resources (Capital Voted)	425.76	00	425.76	192.93	232.83
18	76 Electricity (Capital Voted)	699.04	00	699.04	263.80	435.24
19	82 Information Technology (Capital Voted)	140.80	00	140.80	00	140.80
<b>Total</b>		<b>10913.63</b>	<b>1009.64</b>	<b>11923.27</b>	<b>7122.94</b>	<b>4800.33</b>

(Source: Appropriation Accounts of the State)

As per information provided by the State Government, 141 projects with a progressive expenditure of ₹ 248.61 crore pertaining to irrigation, water supply and sanitation (30 projects) and roads, bridges and buildings (111 projects) were incomplete as on March 2022, due to paucity of funds. The savings due to unnecessary supplementary provisions could have been used for the purpose of these projects.

### 3.4.3 Progress of expenditure

Government funds should be evenly spent throughout the year. Rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates temporary cash crunches due to mismatch of Government receipts and expenditure, especially during the fag end of the financial year.

In the State of Goa, no significant rush of expenditure was noticed during 2021-22, as shown in the Table 3.14.

Table 3.14: Progress of expenditure during 2021-22

Sr. No.	Month	Expenditure (₹ in crore)	Monthly expenditure as percentage of total expenditure
1	April	1080	6.39
2	May	1004	5.94
3	June	1294	7.65
4	July	1170	6.92
5	August	1345	7.95
6	September	1332	7.88
7	October	1181	6.98
8	November	1262	7.46
9	December	1549	9.16
10	January	1399	8.28
11	February	1862	11.01
12	March	2430	14.38
<b>Total</b>		<b>16908*</b>	<b>100</b>

(Source: Monthly Civil Accounts of the State)

\* This does not include disbursements made on account of loans and advances during the year (₹ 3.84 crore).

### 3.5 Outcome of review of selected grants

The authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing timely and accurate estimates and ensuring that the grants placed at



their disposal are spent only on the objects for which it has been provided and to surrender savings if no longer required.

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

#### Grant No. 34 - School Education

Directorate of Education deals with the organization, development and regulation of school education in the State. The Directorate aims to provide quality education across the wide spectrum of schools, spanning from pre-school to higher secondary schools.

Grants for school education consists of six Major Heads namely 2202- General Education, 2203- Technical Education, 2235- Social Security and Welfare, 2071- Pensions and Other Retirement Benefits, 2075- Miscellaneous General Services and 4202- Capital Outlay on Education, Sports, Art and Culture.

#### Grant No. 58 - Women and Child Development

Directorate of Women and Child Development aims at promoting social and economic empowerment of women through policies and programmes, creating awareness about rights and enable them to realise their full potential. Similarly, the department's mission for care, development and protection of children is focused on providing institutional and legislative support, access to learning for children and enabling them to grow to their full potential.

This grant consists of four Major Heads namely 2235- Social Security and Welfare, 2236- Nutrition, 2071- Pensions and Other Retirement Benefits and 4235- Capital Outlay on Social Security and Welfare.

#### 3.5.1 Budget and expenditure

A summary of overall budget provision, actual disbursements and savings under Grant No. 34 and 58 for the years 2019-22 is shown in Table 3.15.

Table 3.15: Budget provision and actual expenditure under Grant No. 34 and 58

(₹ in crore)						
Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of savings
<b>Grant No. 34: School Education (Revenue-voted)</b>						
2019-20	1477.69	109.00	1586.69	1332.08	254.61	16.05
2020-21	1605.98	0.00	1605.98	1380.29	225.69	14.05
2021-22	1796.07	30.32	1826.39	1495.43	330.96	18.12
<b>Grant No. 34: School Education (Capital-voted)</b>						
2019-20	146.85	5.00	151.85	60.49	91.36	60.16
2020-21	145.85	0.00	145.85	0.18	145.67	99.88
2021-22	45.42	50.00	95.42	13.30	82.12	86.06
<b>Grant No. 58: Women and Child Development (Revenue-voted)</b>						
2019-20	483.98	19.56	503.54	320.25	183.29	36.40
2020-21	512.42	51.10	563.52	295.31	268.21	47.60
2021-22	478.80	121.77	600.57	449.55	151.02	25.15
<b>Grant No. 58: Women and Child Development (Capital-voted)</b>						
2019-20	17.48	0.00	17.48	0.41	17.07	97.65
2020-21	36.60	0.00	36.60	0.14	36.46	99.62
2021-22	33.47	0.00	33.47	0.78	32.69	97.67

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

It may be seen that in Grant No. 34, there were persistent savings under capital section ranging from 60.16 *per cent* to 99.88 *per cent* during 2019-22. Further, unnecessary supplementary provisions were made under this grant even though actual expenditure was below the original provisions under revenue section (2019-20 & 2021-22) and capital section (2019-20 & 2021-22).

In Grant No. 58, there were persistent savings ranging from 97.65 *per cent* to 99.62 *per cent* (under capital section) during 2019-22.

Main reasons for savings under these two grants, as indicated in the Appropriation Accounts, were non-finalisation of proposals, fewer bills received than expected, fewer purchases, fewer claims from beneficiaries, non-recruitment of staff, non-undertaking of works *etc.*

### 3.5.2 Non-utilisation of entire provision

In seven sub-heads under Grant No. 34 and one sub-head under Grant No. 58, there were 100 *per cent* savings against provisions made during 2021-22. The provisioned amount remained un-utilised due to non-implementation of schemes/programmes.

**Table 3.16: Details of Sub Heads with substantial surrenders during the year 2021-22**

(₹ in lakh)

Sr. No.	Head of Account	Total Grant/ Appropriation	Amount surrendered	Percentage of surrender
<b>Grant No. 34</b>				
1	2202-01-800-21- Grants for children with special needs	200.00	200.00	100.00
2	2202-02-796-03- Mid Day Meal	200.00	200.00	100.00
3	2202-02-796-04- Financial assistance for ST children for purchase of books and examination fees	500.00	500.00	100.00
4	2202-02-800-11- Computer literacy and studies in schools	200.00	200.00	100.00
5	2202-02-800-33- Laptop scheme-2011 for students of XI standard	1500.00	1500.00	100.00
6	2202-02-800-34- Upgradation and strengthening of Goa Board of Secondary and Higher Secondary Education	1400.01	1400.01	100.00
7	4202-01-800-13- Infrastructure works for Sanjay Centre for Special Education	2000.00	2000.00	100.00
<b>Grant No. 58</b>				
1	2235-02-103-37- Mahila police volunteers scheme	231.00	231.00	100.00

(Source: Appropriation Accounts of the State)

### 3.5.3 Substantial savings under sub-heads

Scrutiny of Grant No. 34 and 58 for the year 2021-22 showed that budget allocations under 14 schemes were surrendered (ranging from ₹ 1.34 crore to ₹ 138.55 crore) in the last month of the financial year (amount exceeding ₹ one crore in each case).

Table 3.17: Substantial savings surrendered in the last month of the year

(₹ in lakh)

Sr. No.	Name of scheme	Total grants	Expenditure	Surrenders	Percentage of surrenders
<b>Grant No. 34</b>					
1	2202-01-106-10- Samagra Shiksha	6000.00	2871.96	1809.79	30.16
2	2202-01-800-10- Establishment of Bal Bhavan	950.00	675.00	275.00	28.95
3	2202-01-800-21- Grants for Children with Special need	200.00	11.32	188.69	94.35
4	2202-01-800-33- Special Grants to Konkani/Marathi School	800.00	204.75	595.25	74.41
5	2202-02-110-01- Salary and Maintenance Grants to non- Govt, Secondary Schools	75000.00	61039.26	13854.73	18.47
6	2202-02-800-08- Vocational Guidance at +2 stage	5080.00	3935.02	1136.99	22.38
7	4202-01-201-01- Buildings(Education)	1000.00	4.53	993.66	99.37
8	4202-01-202-01- Buildings(Education)	1000.00	127.76	872.06	87.21
<b>Grant No. 58</b>					
1	2235-02-102-03- Integrated Child Development Scheme including Health cover	6284.35	5267.98	921.69	14.67
2	2235-02-103-02- Yashashvini	158.00	4.96	153.06	96.87
3	2235-02-103-05- Swawlamban	1000.00	251.10	748.90	74.89
4	2235-02-103-09- Fin. Incentives to Mother who deliver a Girl Child (Mamata)	651.00	134.30	516.65	79.36
5	4235-02-102-01- Construction of Anganwadi Centre and Godown	3000.00	22.67	2978.35	99.28
6	4235-02-106-01- Construction of Institutional Complex and Protective Home Building	137.00	2.78	134.24	97.99

(Source: Appropriation Accounts of the State)

### 3.5.4 Inappropriate re-appropriations

In seven sub-heads under Grant No. 34 and Grant No. 58, funds available after re-appropriation from these sub-heads were not sufficient to meet the obligations, resulting in excess expenditure of ₹ 558.45 lakh during 2019-22 (excess expenditure of ₹ 20 lakh and above). Details are shown in Table 3.18.

Table 3.18: Inappropriate re-appropriations resulting in excess expenditure

(₹ in lakh)

Sr. No.	Year	Head of Account	Original budget	Funds available after re-appropriation	Final expenditure	Excess expenditure
<b>Grant No. 34</b>						
1	2019-20	2202-01-106-01 - Government Primary School	16472.00	15274.55	15426.94	152.39
2	2019-20	2202-02-109-02 - Government High Schools	8288.01	7375.14	7398.55	23.41
3	2020-21 <sup>2</sup>	2202-01-106-01 - Government Primary School	16942.60	16304.69	16361.01	56.32
<b>Total</b>			<b>41702.61</b>	<b>38954.38</b>	<b>39186.5</b>	<b>232.12</b>

<sup>2</sup> No cases of inappropriate re-appropriations were noticed during 2021-22.



Sr. No.	Year	Head of Account	Original budget	Funds available after re-appropriation	Final expenditure	Excess expenditure
<b>Grant No. 58</b>						
1	2019-20	2235-02-001-01-Directorate of Women and Child Development	302.52	200.23	233.80	33.57
2	2019-20	2235-02-102-03-Integrated Child Development Scheme including Health Cover	4385.27	3768.24	3815.32	47.08
3	2019-20	2235-02-106-01-Programme for Delinquent Children	392.83	59.82	268.31	208.49
4	2020-21	2235-02-001-01-Directorate of Women and Child Development	625.52	205.25	242.44	37.19
<b>Total</b>			<b>5706.14</b>	<b>4233.54</b>	<b>4559.87</b>	<b>326.33</b>

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

### 3.5.5 Rush of expenditure

Women and Child Development Department (Grant No. 58) spent ₹ 14.57 crore out of total expenditure of ₹ 15.68 crore (93 *per cent*) in March 2022, indicating rush of expenditure in the last month of financial year. Details are given in Table 3.19.

**Table 3.19: Flow of expenditure during March of the year**

(₹ in lakh)				
Sr. No.	Head of Account (up to Sub Head)	Expenditure during March 2022	Total expr. incurred during the year	Percentage of expenditure incurred during March 2022
1	2235-02-102-19- Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (SABLA)	45.80	45.82	99.96
2	2235-02-102-25-National Nutrition Mission	305.49	374.79	81.51
3	2235-02-103-08- Indira Gandhi Matritva Sahyog Yojna (IGMSY)	68.61	92.89	73.86
4	2235-02-103-32-National Creche Scheme for Children of Working Mothers	14.10	14.10	100
5	2235-02-108-11-District Child Protection Unit	1023.41	1040.44	98.36
<b>Total</b>		<b>1457.41</b>	<b>1568.04</b>	<b>92.94</b>

(Source: Appropriation Accounts of the State)

### 3.5.6 Non-receipt of Utilisation Certificates

Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantee institutions<sup>3</sup> and after verification, these should be forwarded to the Directorate of Accounts within 12 months from the date of their sanction, unless specified otherwise.

As on 31 March 2022, 1,029 UCs involving ₹ 161.95 crore for the period 1994-21 under Grant No. 34 and 427 UCs involving ₹ 14.16 crore for the period 1991-21 under Grant No. 58 were outstanding, as shown in Table 3.20.

<sup>3</sup> Government-aided schools, Anganwadi centers, Child Development Project Offices *etc.*



Table 3.20: Non-receipt of Utilisation Certificates

(₹ in crore)			
Name of Grant	Year	No. of UCs awaited	Amount
34 - School Education	Up to March 2018-2019	910	137.73
	2019-20	82	20.63
	2020-21	37	3.59
	<b>Total</b>	<b>1029</b>	<b>161.95</b>
58 - Women & Child Development	Up to March 2018-2019	305	6.76
	2019-2020	57	3.57
	2020-2021	65	3.83
	<b>Total</b>	<b>427</b>	<b>14.16</b>

(Source: Information furnished by Directorate of Accounts, Government of Goa)

### 3.6 Conclusion

- State Government incurred an expenditure of ₹ 4.68 crore without any budget provision under six grants and one appropriation. This was in violation of Article 204 of the Constitution, which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by law by the State Legislature.
- At the end of the financial year, 26.52 *per cent* of the total budgetary provision remained unutilised. Supplementary provisions, constituting 6.75 *per cent* of the original budget, made during the year proved unnecessary, as savings were significantly higher than the supplementary provisions.
- Excess expenditure amounting to ₹ 515.46 crore during the current year as well as ₹ 11,989.99 crore for the period from 2008-09 to 2020-21 was pending regularisation, in terms of Article 205 of the Constitution.
- Persistent savings of ₹ 100 crore or more were noticed during the last three years (2019-22) under Municipal Administration, Public Works and Panchayats.

*Chapter 4*

**Quality of Accounts and  
Financial Reporting  
Practices**



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

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance in any organisation. Reports on compliance and controls, if operational and effective, assist the Government in meeting its 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 as well as the timeliness and quality of reporting on the status of such compliance during the year 2021-22.

### 4.1 Funds transferred directly to State implementing agencies

The Central Government transfers a sizeable quantum of funds directly to the State implementing agencies<sup>1</sup> for implementation of various schemes/programmes in the social and economic sectors. As the funds are not routed through the State budget/State treasury system, the Finance Accounts of the State do not capture these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them do not reflect the complete picture.

With effect from 01 April 2014, GoI decided to release all assistance for Centrally Sponsored Schemes/Additional Central Assistance directly to the State Governments and not to the State implementing agencies. In Goa, however, Central funds of ₹ 1,951.61 crore were transferred directly to the State implementing agencies during 2021-22. Major schemes receiving direct transfers of Central funds were Jal Jeevan Mission (₹ 22.76 crore) and Scheme for faster adoption and manufacturing of (Hybrid and) Electric Vehicles in India (₹ 23.30 crore).

### 4.2 Delay in submission of utilisation certificates

Rule 238 of General Financial Rules, 2017 prescribes that Utilisation Certificates (UCs) for grants provided for a specific purpose should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Directorate of Accounts within one year from the date of their sanction, unless specified otherwise.

At the end of 2021-22, 10,534 UCs aggregating ₹ 1,971.11 crore were outstanding against grants disbursed up to 2020-21. Department-wise break-up of outstanding UCs is given in Appendix 4.1 while the age-wise pendency is summarised in Table 4.1.

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<sup>1</sup> State implementing agencies are organisations/institutions including non-Governmental organisations and Central autonomous bodies authorised by the State Government to receive funds from the GoI for implementation of specific programmes in the State.



Table 4.1: Age-wise status of outstanding UCs as of 31 March 2022

Sr. No.	Range of delay (in years)	Utilisation certificates outstanding	
		No.	Amount (₹ in crore)
1.	1-3	1884	678.82
2.	3-5	1774	473.83
3.	5-7	1074	185.10
4.	7 and above	5802	633.36
	<b>Total</b>	<b>10534</b>	<b>1971.11</b>

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

Of the total outstanding UCs, 3,658 UCs (35 *per cent*) amounting to ₹ 1,152.65 crore (58 *per cent*) were outstanding from one to five years while 6,876 UCs (65 *per cent*) involving ₹ 818.46 crore (42 *per cent*) were pending for more than five years.

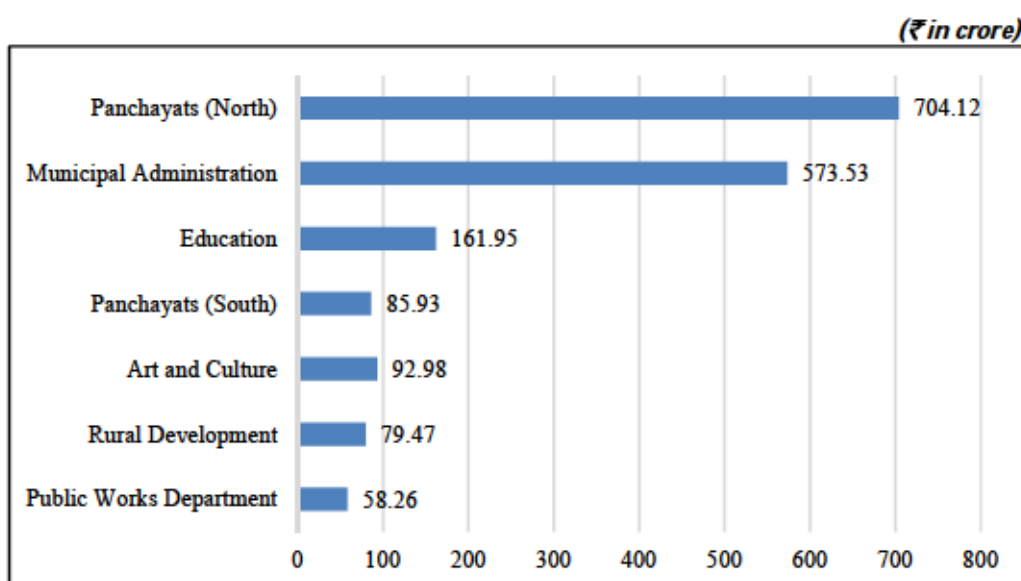
Table 4.2: Year-wise break up of outstanding UCs

(₹ in crore)		
Year	No. of UCs	Amount
Up to 2011-12	4178	363.14
2012-13	477	78.79
2013-14	620	111.86
2014-15	527	79.57
2015-16	479	63.39
2016-17	595	121.71
2017-18	778	317.86
2018-19	996	155.97
2019-20	911	203.82
2020-21	973	475.00
<b>Total</b>	<b>10534</b>	<b>1971.11</b>

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

Major cases of non-submission of UCs pertained to Directorate of Panchayats (North) (33 *per cent*), Directorate of Panchayats (South) (25 *per cent*) and Directorate of Education (10 *per cent*).

Chart 4.1: Departments with highest outstanding UCs in terms of money value



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

### Directorate of Panchayats (North)

Appendix 4.1 shows that Directorate of Panchayats (North) had the highest number of pending UCs (3,460 out of total 10,534). Scrutiny of records further revealed the following:

- Records pertaining to grants disbursed to Directorate of Panchayats (North) prior to 2015-16 were not traceable in the Directorate of Accounts, Goa.
- UCs for the period 2010-11 to 2020-21 amounting to ₹ 617 crore (out of total ₹ 704.12 crore) were pending settlement as of December 2022.
- Grants register to be maintained by the sanctioning authority in GFR 21 was not being maintained by Directorate of Panchayats (North). Hence, there was no control mechanism for monitoring grant utilisation/submission of UCs.

During the exit conference, Principal Secretary (Finance) stated that departments with high pendency of UCs would be identified by the Finance Department and action would be taken to reduce the pendency in submission of UCs.

UCs are the only mechanism for the departments to verify that the money has been utilised for the purpose for which it was given. In the absence of UCs, there is no assurance that money disbursed had been used for the intended purpose. Large number of the outstanding UCs, thus, indicated deficient monitoring and follow-up mechanism in the departments concerned and also highlighted the risk of fraud/diversion/embezzlement of funds.

### 4.3 Abstract Contingent bills

Controlling and Disbursing officers of the departments are authorised to draw sums of money by preparing Abstract Contingent (AC) bills, by debiting service heads. They are required to present Detailed Contingent (DC) bills (*i.e.*, vouchers in support of final expenditure) to the Directorate of Accounts within three months from the date of drawal of funds on AC bills. If previous AC bills are outstanding for over three months, proposals for drawal of further AC bills would require sanction of Finance Department.

Details of submission of DC bills against AC bills drawn up to March 2022 are given in Table 4.3.

Table 4.3: Pendency in submission of DC bills against AC bills

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Up to 2019-20	11046	4937.31	10847	4888.53	199	48.78
2020-21	527	782.91	483	775.88	44	7.03
2021-22	600	699.25	413	661.87	187	37.38
<b>Total</b>	<b>12173</b>	<b>6419.47</b>	<b>11743</b>	<b>6326.28</b>	<b>430</b>	<b>93.19</b>

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

As may be seen from the table above, departments had drawn 600 AC bills for an amount of ₹ 699.25 crore in 2021-22 and submitted 413 DC bills for an amount of ₹ 661.87 crore. Thus, 187 AC bills amounting to ₹ 37.38 crore remained unadjusted as of 30 June 2022. There was no assurance that the expenditure of ₹ 37.38 crore had actually been incurred during the financial year for the purpose for which it was sanctioned/authorised by the Legislature.

In addition, 199 DC bills amounting to ₹ 48.78 crore for the years up to 2019-20 and 44 DC bills amounting to ₹ 7.03 crore for the year 2020-21 were yet to be submitted by the departments concerned. Thus, at the end of March 2022, 430 DC bills amounting to ₹ 93.19 crore were pending settlement.

Age analysis of outstanding DC bills is shown in Table 4.4.

**Table 4.4: Age-wise status of outstanding DC bills as of 31 March 2022**

Sr. No.	Range of delay (in years)	Outstanding DC bills	
		No.	Amount (₹ in crore)
1.	1 - 3	231	44.41
2.	3 - 5	58	23.95
3.	5 - 7	33	14.69
4.	7 and above	108	10.14
	<b>Total</b>	<b>430</b>	<b>93.19</b>

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

Year-wise details of outstanding DC bills are shown in Table 4.5.

**Table 4.5: Year-wise details of outstanding DC bills**

(₹ in crore)

Year	Outstanding DC bills	Amount of DC bills
Up to March 2011	37	0.92
2011-12	12	3.34
2012-13	07	0.16
2013-14	17	0.28
2014-15	18	5.13
2015-16	17	0.31
2016-17	21	12.33
2017-18	12	2.36
2018-19	12	7.98
2019-20	46	15.97
2020-21	44	7.03
2021-22	187	37.38
<b>Total</b>	<b>430</b>	<b>93.19</b>

(Source: Information furnished by Directorate of Accounts)

Oldest outstanding DC bill for ₹ 40,000 pertained to Collectorate, North Goa for the year 1989.

Major defaulting departments that did not submit DC bills were: Collectorate, North Goa (₹ 34.20 crore), Collectorate, South Goa (₹ 29.28 crore) and Director General of Police (₹ 6.80 crore).

#### **Collectorate, North Goa**

Collectorate, North Goa had the highest number of pending DC bills. Scrutiny of records relating to pending DC bills of Collectorate, North Goa revealed the following:

- AC bill register was not maintained by the Collectorate since 2019-20. Hence, there was no control mechanism to monitor the pending AC bills.



- Out of 140 AC bills pending with the Collectorate as of March 2022, 33 AC bills drawn between 1989 and 2017 amounting ₹ 12.78 crore were not traceable from the records maintained by the Collectorate.
- Of the pending 140 AC bills, 127 AC bills pertained to election expenditure. These bills were pending due to delay in receipt of vouchers/bills from the Returning Officers concerned.

During the exit conference, Principal Secretary (Finance) assured that corrective action would be taken to reduce the pendency.

Advances drawn and not accounted for within the prescribed period increases the risk of wastage/misappropriation/malfeasance *etc.* State Government may fix responsibility for non-submission of DC bills for prolonged periods of time.

**Recommendation 1:** State Government may ensure timely submission of Utilisation Certificates by departments in respect of grants released for specific purposes. Further, advances drawn on Abstract Contingent bills may be closely monitored for ensuring timely submission of Detailed Contingent bills.

#### 4.4 Personal Deposit Accounts

Personal Deposit (PD) Accounts/Personal Ledger Accounts (PLA) are deposit accounts opened with the approval of the Finance Department (FD) and kept in treasuries in the name of the Administrators<sup>2</sup> of the accounts. Every PD/PLA so authorised to be opened would form part of Public Account.

As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, Administrators are entitled to credit receipts into and effect withdrawals directly from the treasury account for a specific purpose. The Administrators shall only be Government Officers acting in their official or any other capacity.

Rule 180 of Receipts and Payments Rules, 1997 further stipulates that if a PD Account is not operated for a considerable period and there is reason to believe that the need for the deposit account has ceased, the same should be closed in consultation with the officer in whose favour the deposit account has been operated.

Year-wise position of PD/PLA from 2019-20 to 2021-22 is given in Table 4.6.

Table 4.6: Year-wise details of PD/PLA

(₹ in crore)				
Year	Opening balance	Receipts	Disbursements	Closing balance
2019-20	108.77	51.17	37.34	122.60
2020-21	122.60	52.93	56.54	118.99
2021-22	118.99	28.51	48.86	98.64

(Source: Information furnished by Directorate of Accounts)

As on 31 March 2022, a sum of ₹ 98.64 crore was held under 117 PD/PLA by 21 departments. Additions during the year were ₹ 28.51 crore out of which,

<sup>2</sup> PD Account holders



₹ 2.54 crore was transferred to PD Accounts from the Consolidated Fund of the State and the remaining ₹ 25.97 crore was credited through challans. However, none of the Administrators of 117 accounts had reconciled the closing balance of ₹ 98.64 crore with the Directorate of Accounts.

It was further observed that 22 out of 117 PD/PLA held by eight<sup>3</sup> treasury and sub-treasury offices with a balance of ₹ 26.84 lakh were inoperative for more than three years.

Scrutiny of PD Accounts of Director of Small Savings and Lotteries revealed that bank guarantee amounting to ₹ two crore of a lottery agent was forfeited and deposited in PD Accounts during 2021-22, rather than crediting the same into Government Account. Thus, revenue of the Government remained parked in PD Accounts, which was irregular.

During the exit conference, Director of Accounts stated that action to close the inoperative PD Accounts had already been initiated. The Director added that necessary steps would be taken to transfer the unspent balances lying in PD/PLA to the Consolidated Fund.

Administrators may ensure that unspent balances lying in PD Accounts are transferred to the Consolidated Fund of the State by the end of financial year, as non-transfer of such unspent balances entails the risk of locking-up of public funds, fraud and misappropriation.

**Recommendation 2:** Finance Department may periodically review all the PD Accounts to ensure that amounts unnecessarily lying in these Accounts are immediately remitted to the Consolidated Fund.

#### 4.5 Bookings under Minor Head '800- Other Expenditure'

The omnibus Minor Head 800 is intended to be operated when the appropriate minor head has not been provided in the accounts.

Audit scrutiny revealed that State Government has operated this minor head extensively during the five-year period (2017-22). The amounts booked under this minor head are shown in Table 4.7.

**Table 4.7: Bookings under Minor Head 800-Other Receipts/Other Expenditure**

Year	Expenditure under Minor Head 800 (₹ in crore)	As percentage of total expenditure	Receipts under Minor Head 800 (₹ in crore)	As percentage of total receipts
2017-18	3820.68	30.15	352.80	3.18
2018-19	4039.50	30.52	656.62	5.73
2019-20	4117.84	30.97	386.46	3.42
2020-21	4079.61	28.96	384.91	3.69
2021-22	4708.07	27.85	502.85	3.52

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

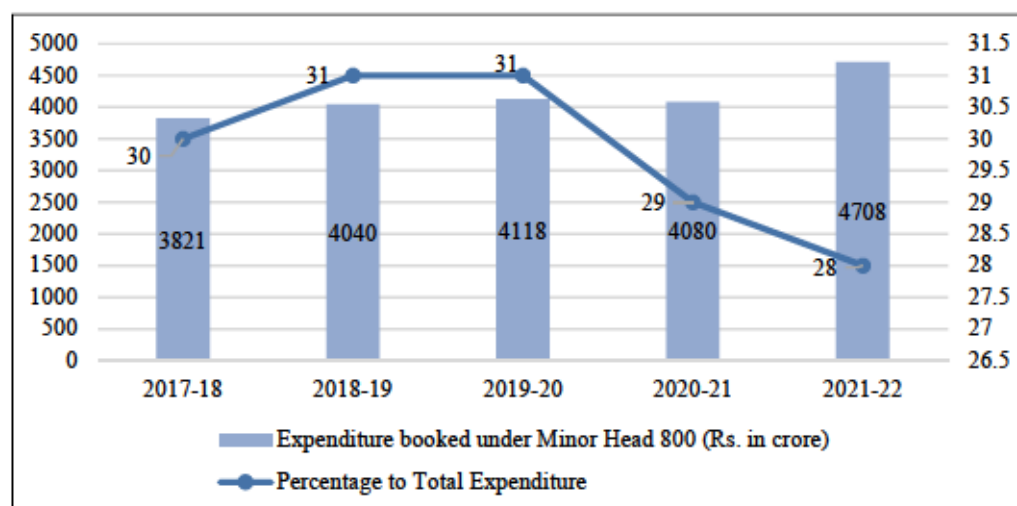
Finance Accounts 2021-22 of Government of Goa disclosed that expenditure aggregating ₹ 4,708.07 crore, constituting 28 *per cent* of the total expenditure (₹ 16,908 crore) was classified under Minor Head '800-Other Expenditure' in

<sup>3</sup> One treasury office at North Panaji and seven sub-treasury offices at Mapusa, Pernem, Bicholim, Valpoi, Margao, Canacona and Sanguem

61 Major Heads under revenue and capital sections. Similarly, receipts aggregating ₹ 502.85 crore, constituting four *per cent* of the total revenue receipts (₹ 14,286 crore) was classified under Minor Head ‘800-Other Receipts’ in 42 Major Heads.

Chart 4.2 shows the trends in booking of expenditure under Minor Head 800, during 2017-22.

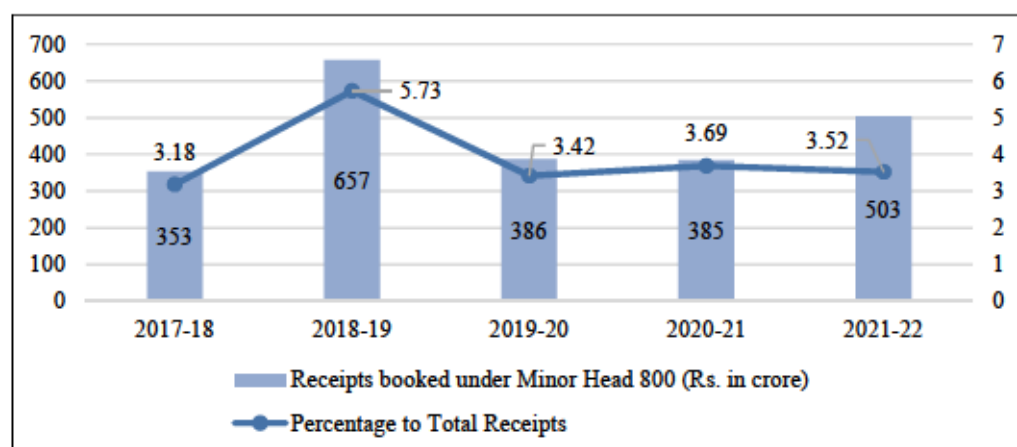
**Chart 4.2: Trends in booking of expenditure under omnibus Minor Head 800**



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

It may be seen from Chart 4.2 that booking of expenditure under omnibus Minor Head 800 increased by ₹ 887 crore (23 *per cent*) during 2017-22. Further, share of bookings under Minor Head 800 to total expenditure ranged between 28 *per cent* and 31 *per cent* during the same period.

**Chart 4.3: Trends in booking of receipts under omnibus Minor Head 800**



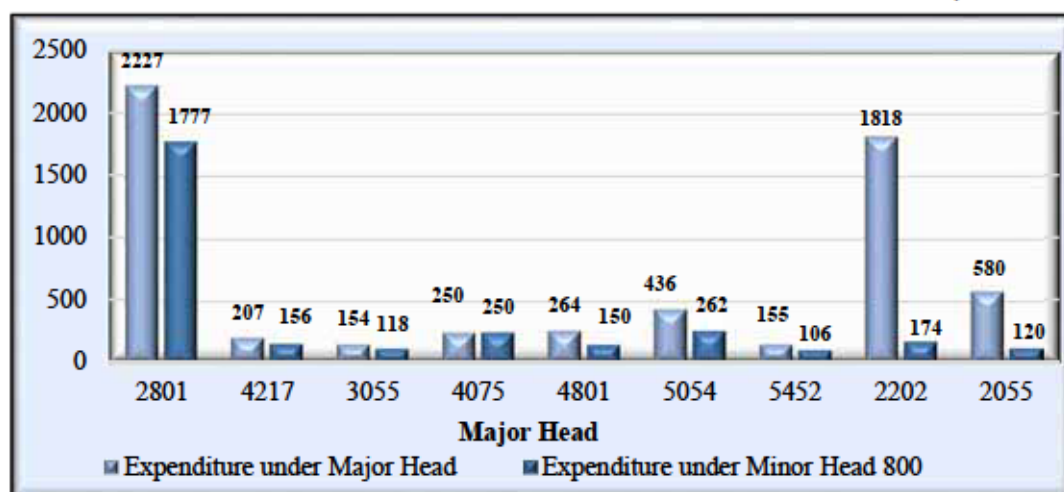
(Source: Finance Accounts of the State for the respective years)

It may be seen from Chart 4.3 above that receipts booked under Minor Head 800 have increased by ₹ 150 crore (42 *per cent*) during 2017-22. Further, share of receipts (booked under Minor Head 800) to total revenue receipts ranged between 3.18 *per cent* and 5.73 *per cent* during the same period.

Cases where expenditure of more than ₹ 100 crore was booked under Minor Head 800 under a particular Major Head during 2021-22 is shown in Chart 4.4.

**Chart 4.4: Major heads where expenditure of more than ₹ 100 crore was booked under Minor Head 800**

(₹ in crore)



(Source: Finance Accounts of the State)

As may be seen from Chart 4.4, there were nine Major Heads where an expenditure of ₹ 100 crore or more was booked under Minor Head 800. Except Major Heads 2202 and 2055, remaining seven Major Heads had more than 50 *per cent* of their total expenditure booked under Minor Head 800.

In the case of Major Head 2801 (Power), an expenditure of ₹ 1,777 crore (80 *per cent*) was booked under Minor Head 800. This expenditure was incurred towards cost of bulk supply of power from National Thermal Power Corporation Limited, Karnataka Power Transmission Corporation Limited and Rajasthan State Petroleum Corporation Limited. The expenditure could have been booked either partially or wholly under Minor Head 101 (Purchase of Power) falling under any of the Sub-Major Heads namely, 02 (Thermal Power Generation), 01 (Hydel Power Generation) or 06 (Rural Electrification).

Further, in case of Major Head 4075 (Other Miscellaneous General Services), State Government booked ₹ 250 crore under Minor Head 800 – ‘Contribution to Goa State Infrastructure Development Corporation’ (GSIDC). However, it is pertinent to mention that GSIDC is a Special Purpose Vehicle (SPV) formed by the State Government for speedy implementation of infrastructure projects, such as, roads, bridges, fly-overs, bus-stands, hospitals, tourism related projects *etc.* Therefore, contribution to GSIDC could have been booked under Minor Heads 051 (Construction) or 201 (Land acquisition) or 101 (Bridges) or 337 (Road Works) *etc.* under other appropriate Capital Major Heads such as, 4059 – Public Works or 5054 – Roads and Bridges as the case may be, instead of booking under omnibus Minor Head 800.

The only case of receipt of more than ₹ 100 crore classified under Minor Head 800 was noticed under Major Head 0070-60 – Fees towards Casino Operations (₹ 186.36 crore).

During the exit conference, Finance Department stated a circular has been issued to all the departments to avoid booking under omnibus Minor Head 800, if an appropriate Minor Head is available under the relevant Major Head.



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

**Recommendation 3: State Government may avoid booking receipts/expenditure under Omnibus Minor Head – 800 where appropriate heads of account are available.**

#### 4.6 Outstanding balances under Suspense, Debt, Deposit and Remittances (DDSR) Heads

Suspense Head is intended for temporary accommodation of transactions affecting the balances of the State, pending final adjustments.

Remittances embrace all adjusting heads, under which remittances of cash between treasuries, and transfers between different accounting circles are booked. The initial debits or credits to the heads in these divisions are cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

Finance Accounts reflect the net balances under suspense and remittance heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government

Transactions and net balances under 8658-Suspense Accounts are detailed in Table 4.8 below.

**Table 4.8: Balances under Suspense and Remittance Heads**

Name of Minor Head	2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts office Suspense	490.66	497.56	495.79	496.04	504.34	494.73
Net	Cr. 6.90		Cr. 0.25		Dr. 9.61	
102 - Suspense Account (Civil)	44.64	44.23	44.92	45.22	45.17	45.67
Net	Dr. 0.41		Cr. 0.30		Cr. 0.50	
107 – Cash Settlement Suspense Account	492.34	289.02	524.54	289.02	550.50	289.02
Net	Dr. 203.32		Dr. 235.52		Dr. 261.48	
109 - Reserve Bank Suspense	(-)3.42	(-)1.27	(-)4.58	(-)1.19	(-)5.32	(-)1.26
Net	Cr. 2.15		Cr. 3.39		Cr. 4.06	
110 - Reserve Bank Suspense – Central Accounts Office	4073.09	3272.69	4076.32	3273.62	4277.50	3473.62
Net	Dr. 800.40		Dr. 802.70		Dr. 803.88	
112 – Tax Deducted at Source	4.86	15.24	20.91	38.34	18.52	40.61
Net	Cr. 10.38		Cr. 17.43		Cr. 22.09	
129 – Material Purchase Settlement Suspense A/c	-	34.76	-	34.76	-	34.76
Net	Cr. 34.76		Cr. 34.76		Cr. 34.76	
<b>Total Net</b>	<b>Dr. 949.94</b>		<b>Dr. 982.09</b>		<b>Dr. 1013.54</b>	

(Source: Finance Accounts of the State)

Gross figures under major suspense and remittance heads show that aggregate net balance under Major Head 8658 was ₹ 1,013.54 crore (Dr.) in 2021-22,



which was not booked under the relevant heads of account, thus, rendering the net expenditure figures mentioned in the Finance Accounts non-transparent to that extent.

#### **Account Officer (PAO)-Suspense - (Minor Head 101)**

This head is intended for settlement of transactions between Director of Accounts and various Pay and Accounts Officers. Outstanding debit balance under this head would mean that payments were made by the Director of Accounts, which were yet to be recovered. Outstanding credit balance would mean that payments have been received by the Director of Accounts on behalf of a Pay and Accounts Officer, which were yet to be paid. During 2021-22, net debit balance under this head was ₹ 9.61 crore.

#### **Suspense Account-Civil - (Minor Head 102)**

This minor head is operated by the Director of Accounts to provisionally accommodate the differences noticed in the transactions which cannot be taken to the final head of expenditure/receipt accounts for want of certain information/documents *viz.* challans, vouchers *etc.* Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively. The net credit balance under this head was ₹ 0.50 crore at the end of 2021-22.

#### **Tax Deducted at Source (TDS) Suspense - (Minor Head 112)**

This minor head is intended to accommodate receipts on account of income tax deducted at source. Receipts on account of TDS are credited to Major Head 8658 - Suspense Accounts under Minor Head 112 - TDS Suspense. These credits are to be cleared by the end of each financial year and credited to the Income Tax Department. At the end of March 2022, there was an outstanding credit balance of ₹ 22.09 crore under this head which was yet to be credited to Income Tax Department.

### **4.7 Non-reconciliation of departmental figures**

To exercise effective budgetary control over receipts/expenditure and to ensure accuracy in accounts, all controlling officers are required to reconcile every month, the receipts and expenditure recorded in their books with the figures accounted for by the Directorate of Accounts.

Non-reconciliation dilutes the assurance that all the receipts/expenditure have been taken to the correct Head of Account. Failure to exercise this check might result in misclassification and incorrect booking of receipts and expenditure in the accounts, raising concerns about accuracy of accounts. It also is a reflection of weak internal controls within the Government.

Timely reconciliation enables the controlling officers of departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The Public Accounts Committee in its 48<sup>th</sup> Report (1992) recommended punitive action against erring Budget Controlling Authorities (BCA). Even though non-reconciliation of departmental expenditure was pointed out regularly in the Audit Reports, lapses on the part of controlling officers in this regard persisted during 2021-22 as well.

During 2021-22, 18 out of 91 BCA did not carry out reconciliation in respect of 1,253 units under their control for expenditure involving ₹ 4,902.51 crore. Of the 73 BCA who carried out reconciliations, six BCA carried out reconciliations only for part of the year in respect of 501 units under their control involving ₹ 232.31 crore. Details of seven major BCA (out of 18) who did not reconcile their expenditure (₹ 4,818.73 crore) are shown in Table 4.9.

**Table 4.9: Major BCA who did not reconcile their expenditure**

(₹ in crore)

Sr. No.	BCA who did not reconcile their expenditure	Amount not reconciled
1	Public Works Department	2130.31
2	School Education	1508.73
3	Higher Education	418.02
4	Water Resources Department	333.69
5	Directorate of Panchayats	329.67
6	Collectorate (South Goa)	53.44
7	Collectorate (North Goa)	44.87
	<b>Total</b>	<b>4818.73</b>

(Source: Information furnished by Directorate of Accounts)

Similarly, 32 out of 91 BCA did not carry out reconciliation in respect of units under their control for receipts involving ₹ 7,086.59 crore. Of the 59 BCA who carried out reconciliations, six BCA carried out reconciliations only for part of the year in respect of units under their control involving ₹ 5.53 crore. Details of five major BCA (out of 32) who did not reconcile their receipts (₹ 6,586.20 crore) are indicated in Table 4.10.

**Table 4.10: Major BCA who did not reconcile their receipts**

(₹ in crore)

Sr. No.	BCA who did not reconcile their receipts	Amount not reconciled
1	Commercial Tax	5063.95
2	Transport	283.42
3	Public Works Department	256.75
4	Water Resources Department	702.05
5	Notary Services	280.03
	<b>Total</b>	<b>6586.20</b>

(Source: Information furnished by Directorate of Accounts)

During the exit conference, Principal Secretary (Finance) accepted the audit observation and assured that departments would take necessary steps to ensure timely reconciliation of receipts/expenditure.

**Recommendation 4: Budget Controlling Authorities may regularly reconcile their receipts and expenditure with Directorate of Accounts to ensure accuracy in reporting of receipts and expenditure figures in accounts.**

#### 4.8 Compliance with Accounting Standards

As per article 150 of the Constitution, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. The CAG has set up a Government Accounting Standards Advisory Board (GASAB) in 2002 for formulating standards for Government accounting and financial reporting, in order to enhance accountability mechanisms. On the advice of the CAG, the President of India has so far notified three Indian Government Accounting Standards (IGAS).

Table 4.11 provides the status of compliance with these three Accounting Standards.

**Table 4.11: Compliance with Accounting Standards**

Sr. No.	Accounting Standard	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	<b>IGAS-1: Guarantees Given by the Government – Disclosure requirements</b>	This standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding guarantees <i>etc.</i> at the end of the year.	Not complied	Details of guarantees were not disclosed in the budget documents. Further, details of designated authority for tracking guarantees, automatic debit mechanism and structured payment arrangements, if any, were also not disclosed.
2.	<b>IGAS-2: Accounting and Classification of Grants-in-Aid (GIA)</b>	As per IGAS-2, expenditure relating to GIA should be classified as revenue expenditure even if it involves creation of assets, except in cases specifically authorised by the President on the advice of the CAG.	Not complied	Detailed information in respect of GIA given in kind and GIA used to create capital assets were not disclosed.
3.	<b>IGAS-3: Loans and Advances made by Government</b>	It is related to recognition, measurement, valuation and reporting of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices. It also ensures adequate disclosure on loans and advances made by the Government.	Not complied	Disclosures on repayment of loans in arrears, loans in perpetuity, interest payment in arrears, if any, were not made by the State Government. Non-payment of interest and loans may have an impact on the revenue and fiscal deficits.

(Source: Finance Accounts of the State and respective IGAS)

#### 4.9 Submission of Accounts/Separate Audit Reports of autonomous bodies

Several autonomous bodies have been set up by the State Government in the field of education, irrigation, housing *etc.* Of these, audit of accounts of 14 bodies in the State have been entrusted to the CAG. These bodies are audited by the CAG for verification of their accounts, financial transactions, operational activities, internal management and financial control system and procedures.

Status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and their placement in the Legislature is given in the Appendix 4.2. Delay in submission of accounts to Audit and placement



of SARs in the Legislature by the autonomous bodies is summarised in Table 4.12.

**Table 4.12: Delays in submission of accounts and tabling of SARs**

Submission of accounts for audit		Presentation of Report in Legislature	
Delay(in months)	No. of autonomous bodies	Delay (in years)	Number of autonomous bodies
0-3	01	0-1	03
3-6	00	1-3	02
6-9	04	3-5	02
9-25	02	5 years and above	01
25 months and above	06	-	-

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

As may be seen from Appendix 4.2, there were 35 accounts pending submission by 13 autonomous bodies for various periods. This is summarised in Table 4.13 below.

Further, submission of accounts by 13 autonomous bodies was delayed by three to 151 months while presentation of one out of eight accounts in the State Legislature was delayed by more than five years.

**Table 4.13: Arrears in submission of accounts by Autonomous Bodies**

Sr. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to January 2023
1	Goa University	2021-22	01
2	Goa Housing Board	2021-22	01
3	Goa Tillari Irrigation Development Corporation	2012-13	04
4	Khadi and Village Industries Board	2020-21	02
5	Goa State Commission for Backward Classes	2020-21	02
6	South Goa Zilla Panchayat	2018-19	04
7	North Goa Zilla Panchayat	2009-10	13
8	Goa State Legal Services Authority	2021-22	01
9	District Legal Services Authority, South Goa	2021-22	01
10	District Legal Services Authority, North Goa	2019-20	03
11	Goa State Compensatory Afforestation Fund Management and Planning Authority	2016-17	01
12	Goa Samagra Shiksha Abhiyan Society	2019-20	01
13	Real Estate Regulatory Authority	2021-22	01
<b>Total</b>			<b>35</b>

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

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 State Government was also delayed.

#### 4.10 Departmental commercial undertakings/corporations/companies

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *proforma* accounts in the prescribed format annually, showing the working results of financial operations so that the Government can assess their working. The accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business.



In the absence of timely finalisation of such *proforma* accounts, the viability of these undertakings remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring viability and improving the efficiency of these undertakings cannot be taken in time.

Heads of departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General for audit within a specified timeframe. As of September 2022, there were two such undertakings<sup>4</sup>, one of which had heavy arrears in accounts. Department-wise position of arrears in preparation of *proforma* accounts and investments made by the Government in these two undertakings is given in Table 4.14.

**Table 4.14: Position of arrears as on 30 September 2022 in preparation of *proforma* Accounts**

Department	No. of undertaking under the Department	Name of undertaking	Year up to which accounts finalised	Investment as per last accounts (₹ in crore)
Inland Water Transport	1	River Navigation Department	2005-06	108.29
Power	1	Electricity Department	2020-21	1757.94
<b>Total</b>				<b>1866.23</b>

(Source: Information furnished by departments concerned)

#### 4.11 Misappropriations, losses and defalcations

Rule 33 of the General Financial Rules, 2017 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.

State Government reported 27 cases of misappropriation, defalcation *etc.* involving Government money of ₹ 1.79 crore up to December 2022, on which final action was pending. Department-wise/age-wise break-up of pending cases is given in Appendix 4.3.

As may be seen from Appendix 4.3, out of 27 cases, 13 cases pertained to Directorate of Panchayats, Panaji. Out of these 13 cases, five cases amounting to ₹ 5.14 lakh were pending for more than 10 years.

Age profile of pending cases and number of pending misappropriation cases are summarised in Table 4.15.

**Table 4.15: Age profile of pending misappropriation cases**

Age profile and nature of pending cases			
Range in years	No. of cases	Amount involved (₹ in lakh)	Nature/characteristics of cases
0-5	06	9.25	Misappropriation of cash/stores
5-10	07	53.39	
10 years and above	14	116.19	
<b>Total</b>	<b>27</b>	<b>178.83</b>	

(Source: Information furnished by departments concerned)

<sup>4</sup> River Navigation Department and Electricity Department

Reasons for pendency of 27 cases have been classified under three categories (Table 4.16).

**Table 4.16: Reasons for outstanding cases of misappropriation**

Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in lakh)
Departmental action started but not completed	21	176.22
Pending in courts of law	05	1.70
Awaiting orders for recovery/write-off	01	0.91
<b>Total</b>	<b>27</b>	<b>178.83</b>

(Source: Information furnished by departments concerned)

#### 4.12 Follow-up action on State Finances Audit Report

State Finances Audit Reports of the Government of Goa are being presented to the State Legislature from 2008-09 to 2020-21 (13 Reports). However, out of 13 Reports tabled in the State Legislature, the Public Accounts Committee discussed only two Reports (2008-09 and 2009-10).

#### 4.13 Conclusion

- During 2021-22, 28 *per cent* of the total expenditure of the State Government was classified under Minor Head 800 – Other Expenditure. Indiscriminate bookings under omnibus Minor Head 800 – Other Expenditure not only affected transparency in financial reporting but also prevented proper analysis of allocative priorities and quality of expenditure.
- Utilisation Certificates (UCs) aggregating ₹ 1,971.11 crore were outstanding against grants disbursed up to 2020-21. Similarly, Abstract Contingent (AC) bills amounting to ₹ 93.19 crore were pending due to non-submission of Detailed Contingent (DC) bills. Non-submission of UCs and DC bills by the departments for funds drawn for specific purposes violated the prescribed financial rules and State Government directives.
- Non-reconciliation of receipts (₹ 7,086.59 crore) and expenditure (₹ 4,902.51 crore) booked by the Controlling Officers with the figures maintained by the Directorate of Accounts reflected poorly on the internal control system within the Government and raised concerns about accuracy of accounts.
- Thirteen autonomous bodies, which fell within the ambit of CAG's audit, had arrears of accounts ranging from 03 to 151 months.



*Chapter 5*

**Financial Performance  
of State Public Sector  
Enterprises**





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

### 5.1 Introduction

This chapter presents the summary of financial performance of State Public Sector Enterprises (SPSE)<sup>1</sup> as reflected in their accounts/information furnished by them, and results of oversight functions of the Comptroller and Auditor General of India (CAG). It highlights some of the significant comments issued by the CAG as a result of supplementary audit of the accounts of SPSE, and the impact of such comments on the succeeding financial statements.

SPSE are established by State Governments to carry out activities of a commercial nature for the development of the State as well as to cater to the welfare of its people.

A Government company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government company.

Statutory corporations are established by State Governments and governed by their respective legislations.

#### 5.1.1 Mandate of Audit

Audit of Government companies is conducted by the CAG under the provisions of Section 143 of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the regulations made thereunder. Under the provisions of Sections 139 (5) and (7) of Companies Act, 2013, CAG appoints the chartered accountants as statutory auditors for Government companies and gives directions on the manner in which the accounts are to be audited.

In addition, CAG has the right to conduct a supplementary audit and issue comments upon or supplement the audit reports of the statutory auditors under Section 143 of the Companies Act, 2013.

Audit of statutory corporations are conducted as per the respective governing acts of the corporations.

### 5.2 Status of accounts of SPSE and their performance

At the beginning of 2021-22, there were 16 SPSE under the purview of CAG audit, which included 14 Government companies and two statutory corporations<sup>2</sup>. Details of 16 SPSE is given in Appendix 5.1.

Apart from 14 Government companies, one company *i.e.* Goa Auto Accessories Limited was dissolved by National Company Law Tribunal (NCLT) during 2021-22.

<sup>1</sup> SPSE include Government companies and Statutory corporations of Government of Goa

<sup>2</sup> Goa Industrial Development Corporation and Goa Information Technology Development Corporation

This chapter analyses the financial performance of 15<sup>3</sup> SPSE, based on their latest finalised financial statements received till 30 September 2022<sup>4</sup> and as per information received from these SPSE.

### 5.2.1 Status of accounts of SPSE

Table 5.1 shows the status of accounts of all the 16 SPSE as on 30 September 2022.

**Table 5.1: Status of accounts of SPSE**

Nature of SPSE	Total No.	No. of SPSE which submitted their accounts during the reporting period <sup>5</sup>				No. of SPSE whose accounts were in arrears as on 30 September 2022 (No. of accounts in arrears)
		Accounts for 2021-22	Accounts for 2020-21	Accounts up to 2019-20	Total	
Government Companies	14	01	07	00	08	13(43)
Statutory Corporations	2	00	01	00	01	2(17)
<b>Total</b>	<b>16</b>	<b>01</b>	<b>08</b>	<b>00</b>	<b>9</b>	<b>15(60)</b>

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

Thus, 15 out of 16 SPSE had 60 accounts in arrears as on September 2022.

### 5.2.2 Summary of financial performance of SPSE

Appendix 5.2 shows the detailed financial position and working results of all the 16 SPSE, as per their latest finalised accounts as on 30 September 2022. Table 5.2 shows the summarised financial position of these 16 SPSE.

**Table 5.2: Summary of financial performance of SPSE**

(₹ in crore)

Particulars	No. of SPSE	Amount
Number of State SPSE	16	Not applicable
Paid-up capital	16	382.16
Long term loans	09	889.51
Net profit	07	70.42
Net loss	08	32.81
Dividend Paid/Payable	02	1.41
Total assets	15	3408.75
Shareholders' Fund/Net Worth	16	449.86

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

## 5.3 Contribution of SPSE to economy of the State

Ratio of turnover of SPSE to the Gross State Domestic Product (GSDP) shows the contribution of SPSE to State's economy.

On the basis of nature of activities undertaken, Government companies and statutory corporations have been categorised into seven sectors. Sector-wise

<sup>3</sup> One Statutory corporation namely, Goa Information and Technology Development Corporation Limited has not submitted accounts since its inception in 2006-07. Therefore, financial performance of only 15 SPSE has been analysed in this chapter, unless mentioned otherwise.

<sup>4</sup> Due date for submission of financial statements for the year 2021-22

<sup>5</sup> From October 2021 to September 2022

turnover of 15 SPSE *vis-à-vis* their share in State's GSDP during the last three years (2019-22) is shown in Table 5.3.

**Table 5.3: Turnover of SPSE *vis-a-vis* GSDP**

(₹ in crore)				
Sr. No.	Sector	2019-20	2020-21	2021-22
1	Public Works	536.13	586.22	294.02
2	Transport	200.99	204.82	150.80
3	Industries and Commerce	167.02	157.98	131.50
4	Agriculture, Food and Allied Industries	123.23	126.78	107.60
5	Information Technology and Communication	25.40	21.66	101.41
6	Culture and Tourism	37.77	27.02	27.02
7	Others	15.01	12.00	12.00
<b>Total Turnover</b>		<b>1105.55</b>	<b>1136.47</b>	<b>824.35</b>
<b>GSDP of Goa</b>		<b>80449</b>	<b>81502</b>	<b>85380</b>
<b>Percentage of turnover to GSDP of Goa</b>		<b>1.37</b>	<b>1.39</b>	<b>0.97</b>

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

Contribution of SPSE to State's GSDP declined from 1.37 *per cent* in 2019-20 to 0.97 *per cent* in 2021-22. Further, turnover of SPSE decreased by 25.44 *per cent* during 2021-22 compared to 2019-20. During the last three years, Compound Annual Growth Rate (CAGR) of GSDP was 3.02 *per cent* while CAGR of turnover of SPSE was (-) 13.65 *per cent*.

Public works sector had the highest turnover in all the three years (2019-22) and constituted 35.67 *per cent* of the combined turnover of all the seven sectors during 2021-22. This was followed by transport sector at 18.29 *per cent*.

However, turnover of public works sector decreased by ₹ 292.20 crore from ₹ 586.22 crore in 2020-21 to ₹ 294.02 crore in 2021-22. This was mainly due to decrease in turnover of Goa State Infrastructure Development Corporation (GSIDC) by almost 50 *per cent* from ₹ 583.32 crore in 2020-21 to ₹ 288.15 crore during 2021-22.

#### **5.4 Investments in SPSE and budgetary support to SPSE**

##### *Investments in SPSE*

Quantum of investments (equity and loans) in SPSE at the end of 31 March 2021 and March 2022 is shown in Table 5.4.



Table 5.4: Equity and long-term loans in SPSE

(₹ in crore)

Source of investment	As on 31 March 2021			As on 31 March 2022		
	Equity	Long-term loans	Total	Equity	Long-term loans	Total
State Government	315.42	4.75	320.17	309.20	4.75	313.95
Central Government	51.63	3.14	54.77	53.06	3.14	56.20
SPSE	1.80	-	1.80	1.80	-	1.80
Others (Financial Institutions, Banks and Central PSE)	18.10	1034.63	1052.73	18.10	881.62	899.72
<b>Total</b>	<b>386.95</b>	<b>1042.52</b>	<b>1429.47</b>	<b>382.16</b>	<b>889.51</b>	<b>1271.67</b>
Share of investment of State Government in SPSE (per cent)	81.51	0.46	22.39	80.91	0.53	24.69

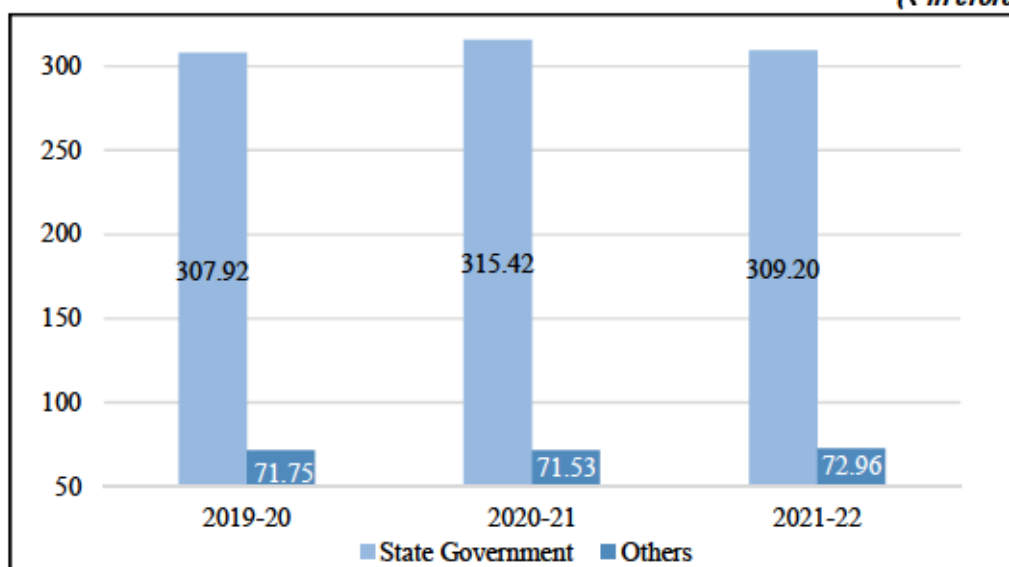
(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

Out of total equity holding, equity held by the State Government in SPSE constituted 80.91 *per cent* during 2021-22.

Equity holding of State Government and others (Central Government, SPSE, Financial Institutions, banks *etc.*) in SPSE during 2019-22 is depicted in Chart 5.1.

Chart 5.1: Equity holding of State Government and others in SPSE

(₹ in crore)



(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

Sector-wise investments of State Government in SPSE during the last two years (2020-22) is given in Table 5.5.

Table 5.5: Sector-wise investments of State Government in SPSE

₹ in crore)

Sector-wise investments by State Government						
Sector	2020-21			2021-22		
	Equity	Loans	Total	Equity	Loans	Total
Industries and Commerce	117.72	0.00	117.72	111.50	0.00	111.50
Public Works	11.20	0.00	11.20	11.20	0.00	11.20
Information Technology & Communication	13.40	0.00	13.40	13.40	0.00	13.40
Agriculture, Food and Allied Industries	5.25	1.24	6.49	5.25	1.24	6.49
Culture and Tourism	22.65	2.06	24.71	22.65	2.06	24.71
Transport	108.45	0.00	108.45	108.45	0.00	108.45
Others	36.75	1.45	38.20	36.75	1.45	38.20
<b>Total</b>	<b>315.42</b>	<b>4.75</b>	<b>320.17</b>	<b>309.20</b>	<b>4.75</b>	<b>313.95</b>

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

As on 31 March 2022, State Government's total investment of ₹ 313.95 crore in SPSE comprised equity capital of ₹ 309.20 crore (98.49 *per cent*) and long-term loans of ₹ 4.75 crore (1.51 *per cent*). State Government invested mainly in Industries and Commerce and Transport sectors, which together constituted 71 *per cent* of the total equity during 2021-22.

### Budgetary support to SPSE

State Government provides financial support to SPSE in various forms through its annual budget. Further, State Government also helps SPSE in raising loans from banks and public financial institutions by giving guarantees for repayment of principal and interest.

Summarised details of budgetary outgo in the form of equity, loans, grants/subsidies, loans converted to equity, outstanding guarantees *etc.* for the last three years ending March 2022 are given in Table 5.6.

Table 5.6: Budgetary support to SPSE

₹ in crore)

Sr. No.	Particulars	2019-20		2020-21		2021-22	
		No. of SPSE	Amount	No. of SPSE	Amount	No. of SPSE	Amount
(i)	Equity Capital Outgo	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	Loans given	1	1.20	Nil	Nil	1	1.20
(iii)	Grants/Subsidies provided	8	370.08	10	493.68	11	784.58
(iv)	<b>Total outgo (i+ii+iii)</b>		<b>371.28</b>		<b>493.68</b>		<b>785.78</b>
(v)	Loans written off	Nil	Nil	Nil	Nil	Nil	Nil
(vi)	Loans converted into equity	Nil	Nil	Nil	Nil	Nil	Nil
(vii)	Guarantees issued	1	30.00	2	312.87	1	363.30
(viii)	Outstanding Guarantees	3	499.85	3	677.67	2	385.44

(Source: Information furnished by SPSE)

As can be seen from table above, budgetary support by State Government towards equity, loans and grants/subsidies ranged between ₹ 371.28 crore and ₹ 785.78 crore during last three years (2019-22). Outstanding guarantee commitments of the State Government decreased from ₹ 499.85 crore in 2019-20 to ₹ 385.44 crore in 2021-22.

### 5.4.1 Restructuring, disinvestment and privatisation of SPSE

During 2021-22, no disinvestment, restructuring or privatisation of SPSE was done by the State Government. As already indicated in paragraph 5.2, one SPSE (Goa Auto Accessories Limited), which was under liquidation process since August 2020, had been dissolved by NCLT on 28 February 2022.

### 5.4.2 Analysis of outstanding loans given to SPSE

#### 5.4.2.1 Outstanding long-term loans

As on 31 March 2022, outstanding long-term loans in nine out of 15 SPSE was ₹ 889.51 crore (Table 5.4). Outstanding long-term loans of nine SPSE decreased by ₹ 153.01 during 2021-22 (₹ 889.51 crore) over the previous year (₹ 1,042.52 crore).

Out of total outstanding loans as on 31 March 2022 (₹ 889.51 crore), loans amounting to ₹ 884.76 crore was given by the Central Government, financial institutions, banks, Central PSE *etc.* The remaining loan of ₹ 4.75 crore was extended by the State Government, of which, a significant amount (₹ 2.05 crore) was given to Goa Tourism Development Corporation.

#### 5.4.2.2 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts.

Coverage of long-term loans by value of total assets in nine SPSE as on 31 March 2022 was positive, as shown in Table 5.7.

Table 5.7: Coverage of long-term loans with total assets in nine SPSE

Nature of SPSE	Positive Coverage			
	No. of SPSE	Long-term loans	Assets	Percentage of assets to loans
Government Companies	8	762.52	2651.37	347.72
Statutory Corporations	1	126.99	613.34	482.98
Total	9	889.51	3264.71	367.02

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

#### 5.4.2.3 Interest coverage

Interest Coverage Ratio (ICR) is used to determine the ability of a company to pay interest on its outstanding long-term/short-term debts. It is calculated by dividing the company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on its debts. An ICR below one indicates that the company was not generating sufficient revenues to meet its expenses on interest.

Details of positive and negative ICR of nine SPSE during last three years (2019-22) are given in Table 5.8.



Table 5.8: Interest Coverage Ratio of nine SPSE

Year	No. of SPSE having liability of loan and interest	No. of SPSE with ICR $\geq$ 1	No. of SPSE with ICR<1
2019-20	9	4	5 <sup>6</sup>
2020-21	9	5	4 <sup>7</sup>
2021-22	9	5	4 <sup>8</sup>

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

As may be seen from the table above, four out of nine SPSE had an ICR of less than one during 2021-22.

## 5.5 Returns from SPSE

Out of 15 SPSE, seven earned profits (₹ 70.42 crore) and eight reported losses (₹ 32.81 crore), as per latest accounts received by Audit up to 30 September 2022.

### 5.5.1 Profits earned by SPSE

Details of SPSE which earned profits of more than ₹ one crore is shown in Table 5.9.

Table 5.9: SPSE which earned profit of more than ₹ one crore

(₹ in crore)

Sr. No.	Name of SPSE	Profit
1	Goa State Infrastructure Development Corporation Limited	2.04
2	Economic Development Corporation Limited	66.69
Total		68.73

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

The above two SPSE contributed 98 *per cent* of the total profits earned by seven SPSE. These two SPSE could register profits largely because they were working in a monopolistic or near monopolistic environment. For instance, EDC, a premier financial institution, lends primarily to Government companies. Similarly, GSIDC executes works on behalf of the State Government for which it gets development fees, in addition to expenses incurred by it on project implementation. The remaining five SPSE (Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited, Goa Handicrafts, Rural & Small-Scale Industries Development Corporation Limited, Sewerage and Infrastructural Development Corporation of Goa Limited, Imagine Panaji Smart City Development Limited and Goa Electronics Limited) were engaged in social sector/other activities and earned marginal profits during the year.

<sup>6</sup> Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited, Sewerage and Infrastructural Development Corporation of Goa Limited, Kadamba Transport Corporation Limited, Information Technology Corporation of Goa Limited and Goa Industrial Development Corporation

<sup>7</sup> Goa Tourism Development Corporation Limited, Kadamba Transport Corporation Limited, Goa Industrial Development Corporation and Information Technology Corporation of Goa Limited

<sup>8</sup> Goa State Horticulture Corporation Limited, Goa Tourism Development Corporation Limited, Kadamba Transport Corporation Limited and Goa Industrial Development Corporation



### 5.5.2 Losses incurred by SPSE

Eight<sup>9</sup> out of 15 SPSE incurred losses, as per latest accounts received by Audit up to 30 September 2022. Losses incurred by these SPSE decreased from ₹ 140.91 crore in 2019-20 to ₹ 32.81 crore in 2021-22, as shown in Table 5.10.

Table 5.10: Number of SPSE incurring losses

(₹ in crore)

Year	No. of SPSE which incurred loss	Loss during the year	Accumulated losses at the end of March 2022
2019-20	06	140.91	259.47
2020-21	09	56.63	296.87
2021-22	08	32.81	303.51

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

Out of total loss of ₹ 32.81 crore incurred by eight SPSE, loss of ₹ 12.51 crore (38 *per cent*) was incurred by one statutory corporation (Goa Industrial Development Corporation), which falls under Industries, Trade and Commerce sector.

Details of SPSE which incurred losses of ₹ one crore and above is shown in Table 5.11.

Table 5.11: SPSE that incurred losses of ₹ one crore and above

Sr. No.	Name of SPSE	Loss (₹ in crore)
1	Kadamba Transport Corporation Limited	7.67
2	Goa Industrial Development Corporation Limited	12.51
3	Goa Meat Complex Limited	1.22
4	Goa State Scheduled Tribes Finance and Development Corporation Limited	2.92
5	Goa Tourism Development Corporation Limited	4.98
6	Info Tech Corporation of Goa Limited	2.33
Total		31.63

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

These six SPSE accounted for nearly 97 *per cent* of the total losses incurred by eight SPSE.

### 5.5.3 Erosion of net worth of SPSE

Net worth means the sum total of paid-up capital, free reserves and surplus minus accumulated losses and deferred revenue expenditure. It is essentially a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment of the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As on 31 March 2022, net worth of three<sup>10</sup> out of 15 SPSE had been completely eroded due to accumulated losses. Total net worth of these three

<sup>9</sup> Goa Forest Development Corporation Limited, Goa Meat Complex Limited, Goa State Scheduled Tribes Finance and Development Corporation Limited, Sewerage and Infrastructural Development Corporation of Goa Limited, Kadamba Transport Corporation Limited, Goa State Horticulture Corporation Limited, Goa Tourism Development Corporation Limited and Goa Industrial Development Corporation Limited

<sup>10</sup> Goa Meat Complex Limited, Kadamba Transport Corporation Limited and Goa Industrial Development Corporation

SPSE was (-) ₹ 114.87 crore, against their paid-up capital of ₹ 163.54 crore.

Maximum erosion of net worth was noticed in two SPSE namely, Kadamba Transport Corporation Limited and Goa Industrial Development Corporation, whose negative net worth was ₹ 61.37 crore and ₹ 52.80 crore respectively at the end of March 2022. Details of SPSE having negative net worth as on 31 March 2022 are shown in Appendix 5.3.

In three SPSE whose net worth had been completely eroded, equity of State Government as on 31 March 2022 was ₹ 126.17 crore and there were no loans outstanding from the State Government.

**Recommendation 1: State Government may review the functioning of all loss-making SPSE, including those whose net-worth had been completely eroded, and take necessary steps to improve their financial performance.**

#### 5.5.4 Dividends paid by SPSE

A higher dividend pay-out ratio means that a larger portion of a company's earnings is being distributed to shareholders as dividends, while a lower dividend pay-out ratio means that a smaller portion of earnings is being paid out.

Out of 16 SPSE, State Government infused equity in 15<sup>11</sup> SPSE. Dividends paid by these 15 SPSE for the period 2019-22 is shown in Table 5.12.

Table 5.12: Dividends paid by SPSE during 2019-22

(₹ in crore)

Year	No. of SPSE where equity infused by State Government		No. of SPSE which earned profits during the year		No. of SPSE which declared/paid dividends during the year		Dividend pay-out ratio (percentage)
	No. of SPSE	Equity infused	No. of SPSE	Equity infused	No. of SPSE	Dividends declared/paid by SPSE	
1	2	3	4	5	6	7	8=7/5*100
2019-20	15	307.92	08	191.05	02 <sup>12</sup>	1.41	0.74
2020-21	15	314.92	05	118.99	02 <sup>13</sup>	1.41	1.18
2021-22	15	309.20	06	126.54	02 <sup>14</sup>	1.41	1.11

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

#### 5.5.5 Return on capital employed

Return on Capital Employed (ROCE) is a profitability metric that measures a company's long-term profitability and the efficiency with which total capital

<sup>11</sup> Goa Electronics Limited being a subsidiary of Economic Development Corporation Limited, State Government does not hold any equity in Goa Electronics Limited.

<sup>12</sup> Economic Development Corporation Limited and Goa State Infrastructure Development Corporation Limited

<sup>13</sup> Economic Development Corporation Limited and Goa State Infrastructure Development Corporation Limited

<sup>14</sup> Economic Development Corporation Limited and Goa State Infrastructure Development Corporation Limited

is employed by a company. ROCE is calculated by dividing company's earnings before interest and taxes (EBIT) by capital employed<sup>15</sup>. A higher ROCE means that a company is using its capital more efficiently to generate profits.

ROCE of 15 SPSE for the period 2019-22 is detailed in Appendix 5.4 while the summarised position is shown in Table 5.13.

**Table 5.13: Return on capital employed by SPSE**

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2019-20	151.26	1516.22	9.98
2020-21	110.95	1457.24	7.61
2021-22	145.24	1339.11	10.85

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

### 5.5.6 Return on equity of SPSE

Return on Equity or RoE shows how effectively the management is using the company's assets to create profits. RoE is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund.

Shareholders' fund of a company is calculated by adding paid-up capital and free reserves net of accumulated losses and deferred revenue expenditure. It reveals how much would be left for a company's shareholders if all assets were sold and all debts repaid. A positive shareholders' fund reveals that the company has enough assets to cover its liabilities while negative shareholders fund means that liabilities exceed its assets.

RoE is expressed as a percentage and can be calculated for any company if the net income and shareholders' fund are both positive. A higher RoE indicates that a company is generating more profits relative to the amount of money that shareholders have invested in the company, while a lower RoE indicates that the company is generating less profit per rupee of shareholders' equity.

RoE of 15 SPSE for the period 2019-22 is shown in Appendix 5.5 while the summarised position is indicated in Table 5.14.

**Table 5.14: Return on equity of SPSE**

Year	No. of SPSE for which RoE calculated	Net income for the year (₹ in crore)	Shareholders' fund (₹ in crore)	RoE (in per cent)
2019-20	15	(-)98.47	427.82	(-)23.02
2020-21	15	(-)14.58	414.74	(-)3.52
2021-22	15	37.61	449.86	8.36

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

### 5.5.7 Rate of real return on investment

Rate of Real Return on Investments (RoRR) measures the profitability and efficiency with which equity and similar non-interest-bearing capital have been employed, after adjusting them for their time value, and assumes

<sup>15</sup> Paid-up share capital + free reserves and surpluses + long-term loans - accumulated losses - deferred revenue expenditure



significance when compared with the conventional Rate of Return (RoR), which is calculated by dividing the Profit After Tax (PAT) by the sum of all such investments counted on historical cost basis.

By the end of 31 March 2022, Government of Goa infused capital of ₹ 1,034 crore in 15<sup>16</sup> SPSE in the form of equity and interest free loans (IFL). In view of significant investments, RoRR on such investments is essential. Traditional calculation of return based only on historical cost of investments may not be a correct indicator of the adequacy of the RoRR on the investments, because, such calculations ignore the present value (PV) of money. Therefore, PV of the investments is computed to assess the RoRR.

In order to bring the historical cost of investments to its PV at the end of each year up to 31 March 2022, past investments/year-wise capital infused in SPSE have been compounded at the year-wise average rate of interest on Government borrowings, which is considered as the minimum cost of funds for the year concerned.

PV of investments in SPSE was computed on the basis of following assumptions:

- For the purpose of calculation of RoRR, information furnished by the SPSE in respect of equity/loans/loans converted as on 31 March 2022 has been considered.
- Average rate of interest on Government borrowings for the financial year concerned was adopted as the compound rate for arriving at PV, since it represents the cost incurred towards investment for the year and therefore, considered as the minimum expected RoRR.

Year-wise details of the investments and the present value of such investments made by the State Government for the period 2000-2001 to 2021-22 is depicted in Appendix 5.6. As may be seen from the Appendix, State Government's investment as on 31 March 2022 stood at ₹ 313.95 crore *i.e.* ₹ 309.20 crore as equity and ₹ 4.75 crore as IFL.

Table 5.15 summarises the details of investment made by the State Government and RoRR during the last five years (2017-22).

<sup>16</sup> Goa Electronics Limited being a subsidiary of Economic Development Corporation Limited, State Government does not hold any equity in Goa Electronics Limited.



Table 5.15: Summary of year-wise details of investment made by State Government and RoRR during 2017-22

(₹ in crore)

Year	PV of total investment at the beginning of the year	Investment during the year by State Government	Total investment	Average rate of interest (per cent)	PV of total investment at the end of the year	Minimum expected return	Total earnings/ losses for the year	RoRR, considering PV of investment (per cent)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)=H/F x100
2017-18	781.69	(0.55)	781.14	7.03	836.05	54.91	49.52	5.92
2018-19	836.05	11.43	847.48	6.95	906.38	58.90	53.01	5.85
2019-20	906.38	0.01	906.39	6.82	968.21	61.82	(98.47)	(10.17)
2020-21	968.21	1.28	969.49	6.48	1032.31	62.82	(14.58)	(1.41)
2021-22	1032.31	1.20	1033.51	6.41	1099.76	66.25	37.61	3.42

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

Figures in parenthesis indicate losses

As may be seen from the table above, RoRR ranged between 5.92 *per cent* and (-) 10.17 *per cent* during the last five years. However, it improved from (-) 1.41 *per cent* in 2020-21 to 3.42 *per cent* in 2021-22.

Rate of Return (RoR) on State Government investments (historical cost *vis-a-vis* present value) is depicted in Table 5.16.

Table 5.16: Rate of Return on State Government investment

(₹ in crore)

Year	Total earnings/ losses (-)	Investment by the State Government at historical cost at the end of year	RoR (per cent)	Investment by the State Government at present value at end of year	RoRR (per cent)
2021-22	37.61	313.95	11.98	1099.76	3.42

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

## 5.6 Oversight role of CAG

### 5.6.1 Appointment of statutory auditors by CAG

CAG appoints statutory auditors for Government companies as per Section 139 (5)/(7) of the Companies Act, 2013 (Act). The Sections stipulate that statutory auditors in case of Government companies are to be appointed by the CAG within a period of 180 days from the commencement of the financial year and 60 days from the date of registration, in case of appointment of first auditor. CAG has the right to conduct a supplementary audit and issue comments there upon or supplement the Audit Report of the statutory auditor. Statutes governing some corporations require that their accounts be audited by the CAG and a report submitted to the State Legislature.

### 5.6.2 Submission of accounts by SPSE

#### 5.6.2.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working of a Government company is to be prepared within three months of its Annual General Meeting (AGM). The Annual Report must be laid before the Legislative Assembly, together with a copy of comments of the CAG there upon or as supplement to the Audit Report. Almost similar provisions exist in

the respective Acts regulating statutory corporations. This mechanism provides necessary legislative control over the utilisation of public funds invested in the companies.

Section 96 of the Companies Act, 2013 requires every company to hold an AGM of its shareholders once in every calendar year. Further, not more than 15 months shall elapse between the date of one AGM and that of the next.

Section 129 of the Companies Act, 2013 stipulates that the audited financial statements for the financial year shall be placed in the AGM by 30 September of the following year, for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

#### 5.6.2.2 Timeliness in preparation of accounts

As of 31 March 2022, there were 16 SPSE under the purview of CAG's audit. Out of 16 SPSE, only one<sup>17</sup> SPSE submitted accounts for the year 2021-22 while the remaining 15 had their accounts in arrears. Ten out of 15 SPSE submitted accounts for the previous years up to 30 September 2022.

Details of arrears in submission of accounts as on 30 September 2022 is shown in Table 5.17.

Table 5.17: Details of finalisation of accounts

Particulars		Government companies		Statutory corporations		Total SPSE	
Total No. of SPSE		14		02		16	
No. of SPSE which presented accounts of 2021-22 for CAG's audit by 30 September 2022		01		00		01	
No. of accounts in arrears		43 (of 13 companies)		17 (of 02 corporations)		60	
No. of SPSE which submitted accounts for previous years (No. of accounts)		09(09)		01(01)		10(10)	
Break-up of arrears of accounts		Govt. companies	No. in arrears	Statutory corporations	No. in arrears	No. of SPSE	No. in arrears
Age-wise analysis of arrears	One year (2021-22)	13	13	02	02	15	15
	Two years (2019-20 and 2020-21)	05	10	01	02	06	12
	Three years and more	05	20	02	13	07	33
	Total		43		17		60

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

List of SPSE with status of accounts in arrears is shown in Appendix 5.1.

**Recommendation 2: State Government may issue necessary instructions to administrative departments to set targets for timely submission of accounts by SPSE and ensuring speedy clearance of accounts in arrears.**

<sup>17</sup> Goa Electronics Limited

### **5.6.3 CAG's oversight - Audit of annual accounts and supplementary audit**

#### **5.6.3.1 Financial reporting framework**

Companies are required to prepare financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, as recommended by the Institute of Chartered Accountants of India (ICAI), after consultation with and after examination of the recommendations made by the National Financial Reporting Authority.

Statutory corporations are required to prepare their accounts in the format prescribed under the rules framed in consultation with the CAG and any other specific provision in the Act governing such corporations.

#### **5.6.3.2 Audit of accounts of Government companies by statutory auditors**

Statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013 conduct audit of accounts of Government companies and submit their report in accordance with Section 143 of the Companies Act, 2013.

CAG plays an oversight role by monitoring the performance of statutory auditors in the audit of public sector undertakings, with the overall objective of ensuring that the statutory auditors discharge the functions assigned to them properly and effectively. The oversight function of the CAG is discharged by exercising the power:

- to issue directions to the statutory auditors under Section 143(5) of the Companies Act, 2013; and
- to supplement or comment upon the statutory auditor's report under Section 143(6) of the Companies Act, 2013.

#### **5.6.3.3 Supplementary audit of annual accounts of Government companies**

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of ICAI and directions given by the CAG. The statutory auditors are required to submit the audit report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, reported under Section 143 (6) of the Companies Act, 2013 are to be placed before the AGM of respective Government company.



## 5.7 Results of CAG's oversight role

### 5.7.1 Audit of accounts of Government companies under Section 143 of the Companies Act, 2013

As on 30 September 2022, only one<sup>18</sup> out of 16 SPSE submitted its financial statements for the year 2021-22. Further, during the period 01 October 2021 to 30 September 2022, 10 SPSE submitted 10 financial statements/accounts for previous years, the oldest being for the year 2013-14. The remaining five did not submit any financial statements/accounts during the period 01 October 2021 to 30 September 2022.

Of these 11 accounts, Non-Review Certificates were issued in respect of four accounts and seven accounts<sup>19</sup> were reviewed. The results of the review are detailed below.

#### 5.7.1.1 Significant comments of the CAG issued as supplement to the Statutory Auditors' Reports on SPSE

Significant comments issued by the CAG on the supplementary audit are detailed below. Due to impact of these comments, losses increased by ₹ 20.10 crore. Similarly, assets and liabilities increased by ₹ 3.42 crore and ₹ 23.52 crore, respectively. Further, material facts of ₹ 23.48 crore were not disclosed under notes to accounts.

#### *Comments on profitability*

Sr. No.	Name of Company	Comment
1	Goa Industrial Development Corporation (2020-21)	<p>Non-accounting/provisioning of liability of interest on lease rent of ₹ 1.59 crore was refundable to two SEZ allottees on account of orders (December 2004) of Hon'ble High Court of Bombay at Goa. Subsequently, the Company, with the approval of Government of Goa, decided to settle the issue by refunding the amount collected from allottees along with interest. This resulted in understatement of deficit for the year – Contingent Expenses (Schedule No. 3) with corresponding understatement of sundry creditors (Schedule No. 14) by ₹ 20.08 crore.</p> <p>State Government allowed deferment of payment of annual instalments of premium by lessees for the year 2020-21 without interest and penalty. Accordingly, the Company waived the interest receivable of ₹ 0.76 crore for the year 2019-20. This resulted in overstatement of deficit with corresponding understatement of 'Interest Accrued but not Received on Plots' under income accrued but not due (Schedule No. 10) by ₹ 0.76 crore.</p>

<sup>18</sup> Goa Electronics Limited

<sup>19</sup> Goa Electronics Limited, Sewerage and Infrastructure Development Corporation of Goa Limited, Economic Development Corporation Limited, Kadamba Transport Corporation Limited, Goa Industrial Development Corporation, Goa State Infrastructure Development Corporation Limited and Goa State Horticulture Corporation Limited



**Comments on financial position**

Sr. No.	Name of Company	Comment
1	Goa Industrial Development Corporation (2020-21)	<p>Instalment amount of ₹ 10.05 crore, including interest of ₹ 2.77 crore, collected from entrepreneurs against sheds given on hire-purchase scheme remained unadjusted. This resulted in:</p> <ul style="list-style-type: none"> <li>• overstatement of 'Shed Account' under development of industrial areas/estate (Schedule No. 2) by ₹ 10.05 crore and 'Sheds given on Hire Purchase Scheme' by ₹ 12.82 crore; and</li> <li>• understatement of income by ₹ 2.77 crore with consequent overstatement of accumulated deficit by ₹ 2.77 crore.</li> </ul> <p>Incorrect accounting of refund of license fee to five SEZ allottees under taxes and fees, resulted in understatement of liabilities – sundry creditors and deficit by ₹ 6.21 crore.</p> <p>Credit balance in sundry debtors for hire-purchase of shed was not supported by relevant documents/details to confirm the liability. Therefore, the veracity of the liability to the extent of ₹ 1.70 crore could not be vouched by Audit.</p> <p>Non-recognition of enhancement in the value of land, due to additional compensation payable to landlords, as per orders (December 2004) of Hon'ble High Court of Bombay at Goa in respect of land acquired in Kerim village of Ponda taluka, resulted in:</p> <ul style="list-style-type: none"> <li>• understatement of creditors (Schedule No. 14) for land acquisition by ₹ 0.37 crore;</li> <li>• understatement of fixed assets - freehold land under development of industrial areas/estate (Schedule No. 2) by ₹ 5.12 crore; and</li> <li>• overstatement of deposits by ₹ 4.75 crore.</li> </ul> <p>Incorrect accounting of lease rent receivable due to difference in amount shown in the balance sheet (₹ 15.35 crore) and that shown in the records of Estate Division (₹ 18.01 crore), resulted in understatement of assets - sundry debtors for lease rent of land (Schedule No. 9) by ₹ 2.66 crore.</p>

**Comments on disclosure/general**

Sr. No.	Name of Company	Comment
1	Goa Industrial Development Corporation (2020-21)	<p>Ministry of Coal, GoI declared (September 2019) the Company as the successful allottee for the Dongri Tal II Coal Block, Madhya Pradesh. As per provisions of the allotment agreement executed on 30 October 2019, Company was to remit an upfront fee of ₹ 9.07 crore, ₹ 14.41 crore as fixed amount and a bank guarantee of ₹ 163.96 crore for issue of allotment order. State Government granted approval (December 2019) to the Company to raise funds from the open market. This material fact was not suitably disclosed in the notes to financial statements.</p> <p>Paragraph 4 (Revenue Recognition) of the significant accounting policies of the Company states that revenue in respect of annual rent on plots/sheds and annual rent on leased assets should be accounted for on accrual basis. However, in the absence of detailed working of individual cases of annual rent leviable, accrued and due in respect of all the leased assets of the Company (including sheds), adherence to the stated accounting policy could not be verified in audit.</p>

Sr. No.	Name of Company	Comment
2	Goa State Horticultural Corporation Limited (2016-17)	The Company did not disclose the fact of uncertainty in recovery of trade receivables (Note No. 11) of amount outstanding from various debtors (₹ 0.42 crore) prior to 2013-14. The Company did not recover the amount even at the time of preparing the subsequent financial statements. Therefore, the chances of recovery appeared to be remote and this material fact should have been disclosed.
3	Sewerage and Infrastructure Development Corporation of Goa Limited (2020-21)	The Company did not disclose contingent liabilities of ₹ 30 lakh payable on account of its share of damages, as per lower courts' judgement, which was under appeal.

**Comments on auditor's report**

Sr. No.	Name of Company	Comment
1	Goa State Horticultural Corporation Limited (2016-17)	Independent auditor's report under point No.1 on 'Basis for qualified opinion' showed that out of total grant of ₹ 3,81,18,285 received during the year from Government of Goa under 'Government intervention for control of price rise scheme', an amount of ₹ 3,64,91,540 was credited to Profit and Loss account and the balance of ₹ 16,26,745 was shown as refundable to the Government.  Opinion of the independent auditor was found to be factually incorrect, as the amount finally credited to the Profit and Loss account was only ₹ 2,61,83,661, as shown under item (b) of Note No. 15 - Other Income. Thus, the amount refundable to the Government worked out to ₹ 1,19,34,624 and not ₹ 16,26,745.
2	Sewerage and Infrastructure Development Corporation of Goa Limited (2020-21)	Independent auditor's report was not in conformity with the requirements of Standards of Auditing (SA) 700 and 705 as (a) auditors expressed a 'qualified opinion' on the financial statements, and (b) auditors also expressed a 'disclaimer opinion' on the financial statements for the matters mentioned under basis for disclaimer opinion.  As the auditors were responsible to form and express an opinion on the financial statements as a whole, expressing a qualified opinion as well as a disclaimer opinion on the same financial statements was misleading.  Besides, as per paragraph 22 of SA 705, the title of the first para of the report should have been 'Qualified Opinion' instead of 'Opinion'.

**Comments on cash flows**

Sr. No.	Name of Company	Comment
1	Goa Electronics Limited (2020-21)	Interest received (₹ 28.07 lakh) was incorrectly shown as an item of cash outflow instead of cash inflow. Consequently, net cash flow from investing activities (outflow) was overstated by ₹ 56.14 lakh and the net cash flow from operating activities (inflow) was overstated by ₹ 56.14 lakh.

### 5.7.2 Management letter

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

Material observations on financial statements of SPSE are reported as comments by the CAG under Section 143(6) of the Companies Act, 2013. Besides, irregularities or deficiencies observed by the CAG in the financial reports or during the reporting process are also communicated to the management through management letters for taking corrective action.

Such irregularities or deficiencies generally relate to (a) non-provisioning for various liabilities, (b) adjustments arising out of audit findings, and (c) inadequate disclosures or non-disclosure of certain information on which management assured that corrective action would be taken in the subsequent year.

During 2021-22, Audit issued three management letters to three SPSE, as shown in Appendix 5.7

### 5.8 Submission of Accounts/Separate Audit Reports of autonomous bodies

Audit of accounts of 14 autonomous bodies/authorities in the State has been entrusted to the CAG under Section 19(2), 19(3) and 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

As of January 2023, accounts of only one out of 14 autonomous bodies namely, Goa Secondary and Higher Secondary Education Board was received up to the accounting year 2021-22. Accounts of remaining 13 autonomous bodies were pending for different periods, as detailed in Appendix 4.2. The Appendix showed that accounts of North Goa Zilla Panchayat had been pending since 2009-10. Pendency of accounts for submission to Audit was brought to the notice of the departments concerned of the State Government from time-to-time. Paragraph 4.9 shows the details of delay in submission of accounts from autonomous bodies.

No adverse opinion was issued for accounts audited during 2021-22.

### 5.9 Conclusion

- During 2021-22, SPSE (Government companies and statutory corporations) registered an annual turnover of ₹ 824.35 crore, which was 0.97 *per cent* of the GDP of the State.
- At the end of 31 March 2022, investment of State Government in SPSE in the form of equity and long-term loans was ₹ 313.95 crore, against the total investment of ₹ 1,271.67 crore. Outstanding long-term loans of SPSE as on 31 March 2022 decreased by ₹ 153.01 crore, from ₹ 1,042.52 crore in 2020-21 to ₹ 889.51 crore in 2021-22.
- Out of 15 SPSE, seven SPSE earned profits of ₹ 70.42 crore, while eight incurred losses of ₹ 32.81 crore. As on 31 March 2022, eight SPSE had accumulated losses of ₹ 303.51 crore. Sixty accounts of 15 SPSE were in arrears.


- 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.

**Panaji**  
**The 23 June 2023**

  
**(ANITHA BALAKRISHNA)**  
**Principal Accountant General, Goa**

**Countersigned**

**New Delhi**  
**The 27 June 2023**

  
**(GIRISH CHANDRA MURMU)**  
**Comptroller and Auditor General of India**





# Appendices



**APPENDIX 1.1**  
(Referred to in paragraph 1.1)

A. General Data (Basic statistics of the State)		
Sr. No.	Particulars	Figures
1.	Area	3702 sq. km.
2.	Population	
a.	2012	0.15 crore
b.	2022	0.16 crore
3.	Density of Population (as per 2011 census) (All India Density = 382 persons per sq. km.)	394 persons per sq. km.
	Density of Population <sup>#</sup> (2022) (All India Density = 418 persons per sq. km.)	423 persons per sq. km.
4.	Population below poverty line (BPL) <sup>\$</sup> (All India Average = 21.92 per cent)	5.09 per cent
5.	Literacy rate <sup>*</sup> (2021-22) (All India = 73.00 per cent)	88.70 per cent
6.	Infant mortality <sup>^</sup> (All India Average per 1000 live births : 2020- in years = 28 per 1,000 live births)	Five
7.	Life Expectancy at birth <sup>@</sup> (All India (2015-19) = 69.70 years)	68.50 years
8.	Gross State Domestic Product (GSDP) 2021-22 at current price	₹ 85,380
9.	Per capita GSDP CAGR (2012-22)	Goa 8.67 All India 8.86
10.	GSDP CAGR (2012-22)	Goa 9.37 All India 10.11
11.	Decadal Population Growth(2012-22)	Goa 6.67 All India 12.12

B. Financial Data									
Particulars		2012-13 to 2015-16 (CAGR)		2016-17 to 2019-20 (CAGR)		Growth rate of 2020-21 over 2019-20		Growth rate of 2021-22 over 2020-21	
		GS	Goa	GS	Goa	GS	Goa	GS	Goa
		(Per cent)							
a	Revenue Receipts	13.79	13.52	8.68	5.70	(-)4.12	(-)7.59	25.60	36.84
b	Own Tax Revenue	8.92	10.58	9.15	3.32	(-)4.06	(-)11.68	25.62	39.85
c	Non Tax Revenue	9.80	9.88	15.41	0.31	(-)34.63	6.07	45.35	30.45
d	State's shares in Union Taxes & Duties	19.36	35.29	2.46	2.56	(-)8.21	(-)7.42	48.60	46.21
e	Grants-in-Aid from Govt. of India	26.45	(-)9.28	14.27	67.62	18.80	(-)21.01	(-)5.37	22.66
f	Total Receipts	16.78	12.06	9.29	8.07	7.00	(-)7.59	15.57	18.43
g	Revenue Expenditure	14.51	11.58	9.59	9.44	6.12	4.05	12.25	17.65
h	Capital Expenditure	25.38	19.76	(-)4.95	0.63	(-)2.09	20.30	25.59	34.25
i	Disbursement of Loans and Advances	46.06	(-)9.14	(-)30.87	63.03	2.31	(-)92.31	1.22	300.00
j	Total Expenditure	16.32	12.76	6.99	8.16	4.99	5.99	13.96	20.02
k	RE on Education	12.31	11.07	9.26	10.66	(-)0.90	3.26	11.47	4.18
l	RE on Health & Family Welfare	17.22	9.55	11.86	16.86	15.29	11.52	19.71	20.33
m	Salary and Wages	10.50	10.84	9.86	11.23	2.83	0.82	11.23	11.30
n	Pension	12.16	13.76	15.01	15.87	6.48	8.23	11.88	30.89
o	Subsidies	26.05	22.73	7.89	1.85	10.77	1.49	18.29	3.38

\*Source: Economic Survey 2021-22

\$ Ministry of Statistics and Programme Implementation

<sup>^</sup> Sample Registration System (SRS) Bulletin

<sup>@</sup> SRS based Abridged Life Tables 2015-19, Registrar General of India

<sup>#</sup> Projected population as on 1<sup>st</sup> March by Ministry of Health & Family welfare



**APPENDIX 2.1**  
*(Referred to in paragraph 2.1)*  
**Abstract of receipts and disbursements for the year 2021-22**

(₹ in crore)

Section-A: Revenue					
Receipts			Disbursements		
2020-21		2021-22	2020-21	2021-22	
10440.29	I Revenue receipts	14286.27	12092.66	I Revenue expenditure	14226.88
4150.68	Tax revenue	5805.23	4144.29	General services	4963.88
			4528.53	Social Services (inclusive of GIA and contribution)	5558.59
2902.80	Non-tax revenue	3787.25	2051.69	Education, Sports, Art and Culture	2137.51
			1087.49	Health and Family Welfare	1308.62
2296.53	State's share of Union Taxes	3356.98	518.33	Water Supply, Sanitation, Housing and Urban Development	1130.12
			25.32	Information and Broadcasting	69.43
74.32	Non-Plan grants	117.95	67.31	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	48.36
-	Grants for State Plan Schemes	149.70	60.58	Labour and labour Welfare	66.02
			715.13	Social Welfare and Nutrition	795.77
204.49	Grants for Central and Centrally sponsored Plan Schemes	158.00	2.68	Others	2.76
811.47	Other Transfers to States with Legislatures	911.16	3419.84	Economic Services (inclusive of GIA and contribution)	3704.41
			403.33	Agriculture and Allied Activities	432.21
			267.91	Rural Development	304.42
			7.77	Special Areas Programmes	13.72
			144.29	Irrigation and Flood control	130.92
			2045.77	Energy	2236.94
			65.26	Industry and Minerals	129.63
			369.30	Transport	330.22
			17.72	Science, Technology and Environment	53.78
			98.49	General Economic Services	72.57
		14286.27	12092.66	Total	14226.88
1652.37	II. Revenue deficit carried over to Section B		-	II. Revenue deficit/surplus carried over to Section B	59.39
12092.66	Total		12092.66	Total	14286.27

Section-B : Others					
Receipts			Disbursements		
2020-21		2021-22	2020-21	2021-22	
1485.12	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	1925.83	-	III. Opening Overdraft from Reserve Bank of India	
-	IV. Miscellaneous Capital receipts	-	1996.67	IV. Capital Outlay	2680.93
			436.62	General Services	394.15
			602.79	Social Services	927.60
			34.07	Education, Sports, Art and Culture	132.91
			118.75	Health and Family Welfare	188.81
			430.61	Water Supply, Sanitation, Housing and Urban Development	575.76
			-	Information and Broadcasting	-
			18.22	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	29.35
			0.14	Social Welfare and Nutrition	0.78
			1.00	Other Social Services	-
			957.26	Economic Services	1359.17
			(-)6.96	Agriculture and Allied Activities	(-)3.23
			18.33	Rural Development	51.06
			1.76	Special Areas Programmes	2.77
			170.17	Irrigation and Flood Control	190.15
			223.70	Energy	264.54
			9.29	Industry and Minerals	14.38
			288.81	Transport	542.75
			179.68	Science, Technology and Environment	141.61
			72.48	General Economic Services	155.14
			1996.67	Total	2680.93
3.01	V. Recoveries of Loans and Advances	2.16	1.61	V. Loans and Advances disbursed	3.87
2.48	From Government Servants	2.55	1.28	To Government Servants	0.87
0.53	From Others	(-)0.39	0.33	To Others	3.00
-	VI. Revenue Surplus brought down	59.39	1652.37	VI. Revenue Deficit brought down	-

Receipts			Disbursements		
2020-21		2021-22	2020-21	2021-22	
4586.98	VII. Public debt receipts	3512.87	751.15	VII. Repayment of Public debt	971.26
-	External debt		-	External debt	-
3604.24	Internal debt other than Ways and Means Advances and overdrafts	2500.00	652.75	Internal debt other than Ways and Means Advances and Overdrafts	876.02
-	Net transactions under Ways and Means Advances	-	-	Net transactions under Ways and Means Advances	-
-	Net transactions under overdraft	-	-	Net transactions under overdraft	-
982.74	Loans and Advances from Central Government	1012.87	98.40	Repayment of Loans and Advances to Central Government	95.24
-	VIII. Appropriation to Contingency Fund	-	-	VIII. Appropriation to Contingency Fund	-
-	IX. Amount transferred to Contingency Fund	-	(-)0.08	IX. Expenditure from Contingency Fund	-
12956.76	X. Public Account receipts	14811.02	12704.33	X. Public Account disbursements	14833.18
429.67	Small Savings and Provident Funds	415.79	391.39	Small Savings and Provident Funds	439.29
115.43	Reserve Funds	321.91	137.18	Reserve Funds	178.16
8571.13	Suspense and Miscellaneous	9829.55	8495.91	Suspense and Miscellaneous	9963.51
3074.67	Remittances	3486.89	2965.22	Remittances	3567.88
765.86	Deposits and Advances	756.88	714.63	Deposits and Advances	684.54
-	XI. Closing Overdraft from Reserve Bank of India		1925.82	XI. Cash Balance at end	1822.02
			968.20	Investment of earmarked balance	1105.47
			(-)5.08	Deposits with Reserve Bank	(-)6.51
			1.81	Departmental Cash Balance including permanent Advances	1.90
			960.89	Cash Balance Investment	721.16
31124.53	Total	34597.54	31124.53	Total	34597.54

(Source: Finance accounts of the State)

**APPENDIX 2.2**  
(Referred to in paragraph 2.1)  
Time series data on the State Government finances

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Part-A Receipts</b>					
<b>1. Revenue Receipts</b>	11054	11438	11297	10440	14286
<b>(i) Tax Revenue</b>	4732(43)	4871(43)	4700(42)	4151(40)	5805(41)
State Goods and Services Tax (SGST)	1464(31)	2529(52)	2438(52)	1985(48)	2758(48)
Taxes on Sales, Trade etc.	1622(34)	1013(21)	1033(22)	990(24)	1383(24)
State Excise	410(9)	478(10)	492(10)	515(12)	650(11)
Taxes on Vehicles	314(7)	299(6)	269(6)	220(5)	261(4)
Stamp duty and Registration fee	530(11)	432(9)	393(8)	350(9)	645(11)
Land Revenue	42(1)	67(1)	37(1)	34(1)	66(1)
Taxes on goods and passengers	210(4)	30(1)	32(1)	41(1)	22(0.5)
Other Taxes	140(3)	23(0)	6(0)	16(0)	20(0.5)
<b>(ii) Non-Tax Revenue</b>	3033(27)	2874(25)	2737(24)	2903(28)	3787(27)
<b>(iii) State's share in Union taxes and duties</b>	2544(23)	2878(25)	2480(22)	2296(22)	3357(23)
<b>(iv) Grants-in-aid from Government of India</b>	745(7)	815(7)	1380(12)	1090(10)	1337(9)
<b>2. Misc. Capital Receipts</b>	-	-	-	-	-
<b>3. Recoveries of Loans and Advances</b>	7	5	4	3	2
<b>4. Total Revenue and Non-debt capital receipt (1+2+3)</b>	11061	11443	11301	10443	14288
<b>5. Public Debt Receipts</b>	2006	2529	2700	4587	3513
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1928	2459	2654	3604	2500
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	78	70	46	983	1013
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	13067	13972	14001	15030	17801
<b>7. Contingency Fund Receipts</b>	-	-	-	-	-
<b>8. Public Accounts receipts</b>	13377	13684	12736	12957	14811
<b>9. Total receipts of the State (6+7+8)</b>	26444	27656	26737	27987	32612
<b>Part-B Expenditure/Disbursement</b>	12637	13232	13283	14090	16908
<b>10. Revenue Expenditure</b>	10543(83)	11083(84)	11622(87)	12093(86)	14227(84)
General Services (including interests payments)	3517(34)	3793(34)	3942(34)	4144(34)	4964(35)
Social Services (including GIA and contributions)	4155(39)	4223(38)	4339(37)	4529(38)	5559(39)
Economic Services (including GIA and contributions)	2871(27)	3067(28)	3341(29)	3420(28)	3704(26)
<b>11. Capital Expenditure</b>	2094(17)	2149(16)	1660(12)	1997(14)	2681(16)
General Services	409(20)	515(24)	300(18)	437(22)	394(15)
Social Services	654(31)	763(36)	587(35)	603(30)	928(35)
Economic Services	1031(49)	871(41)	773(47)	957(48)	1359(50)

(Figures in parentheses indicate percentages)



	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Part-B Expenditure/Disbursement</b>					
12. Disbursement of Loans and Advances	34	03	13	01	4
13. Total (10+11+12)	12671	13235	13295	14091	16912
14. Repayments of Public Debt	790	920	1025	751	971
Internal Debt (excluding Ways and Means Advances and Overdrafts)	702	827	927	653	876
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	88	93	98	98	95
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	13461	14157	14321	14843	17883
17. Net Loans and Advances	(-27)	2	(-9)	1	(-2)
18. Contingency Fund disbursements	-	2	-	-	-
19. Public Accounts disbursements	12969	13189	12237	12704	14833
20. Total disbursement by the State (16+18+19)	26430	27348	26558	27547	32716
<b>Part-C Deficits</b>					
21. Revenue Deficit(-)/Revenue Surplus (+)(1-10)	511	355	(-325)	(-1653)	59
22. Fiscal Deficit (4-13)	(-1610)	(-1792)	(-1994)	(-3648)	(-2624)
23. Primary Deficit(-)/Surplus(+) (22+24)	(-366)	(-448)	(-529)	(-2058)	(-841)
<b>Part-D Other Data</b>					
24. Interest Payments (included in revenue expenditure)	1244	1344	1465	1590	1783
24. Financial Assistance to local bodies <i>etc.</i>	1671	1775	1804	1981	2145
25. Ways and Means Advances (WMA)/Overdraft availed (days)	88	320	96	167	83
Ways and Means advances availed	88	296	96	167	83
Overdraft availed	-	24	-	-	-
26. Interest on WMA/Overdraft	1	3	1.01	1.96	0.78
27. Gross State Domestic Product (GSDP)	69352	71853	74828	78338	85380
28. Outstanding fiscal liabilities (year-end)	18552	20412	22554	26521	29118
29. Outstanding guarantees including interest (year-end)	741	1093	883	967	662
30. Maximum amount guaranteed (year-end)	962	1467	1076	1355	1193
31. Number of incomplete projects	153	266	207	203	141
32. Capital blocked in incomplete projects	1204	1304	1007	545	249

<i>Part-E Fiscal Health Indicators (in per cent)</i>	2017-18	2018-19	2019-20	2020-21	2021-22
<b>I Resource Mobilisation</b>					
Own Tax revenue/GSDP	6.82	6.78	6.28	5.30	6.80
Own Non-Tax Revenue/GSDP	4.37	4.00	3.66	3.71	4.44
Central Transfer/GSDP	3.67	4.01	3.31	2.93	3.93
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	18.27	18.42	17.77	17.99	19.81
Total Expenditure/Revenue Receipts	114.63	115.71	117.69	134.97	118.38
Revenue Expenditure/Total Expenditure	83.21	83.74	87.42	85.82	84.12
Expenditure on Social Services/Total Expenditure	26.73	37.67	37.05	36.42	38.36
Expenditure on Economic Services/Total Expenditure	29.12	29.75	30.94	31.06	29.94
Capital Expenditure/Total Expenditure	16.53	16.24	12.48	14.17	15.85
Capital Expenditure on Social and Economic Services/Total Expenditure	13.30	12.35	10.23	11.07	13.52
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	0.74	0.49	(-)0.44	(-)2.11	0.07
Fiscal deficit/GSDP	(-)2.32	(-)2.49	(-)2.67	(-)4.66	(-)3.07
Primary Deficit (surplus)/GSDP	(-)0.53	(-)0.62	(-)0.71	(-)2.63	(-)0.99
Revenue Deficit/Fiscal Deficit	(-)31.74	(-)19.81	16.34	45.31	(-)2.25
Primary Revenue Balance/GSDP	2.53	2.36	1.52	(-)0.08	2.16
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	26.75	28.41	30.14	32.78 <sup>1</sup>	32.13 <sup>2</sup>
Fiscal Liabilities/RR	167.84	178.46	199.65	254.03	203.82
Debt Redemption (Principal + Interest)/Total Debt Receipts	101.41	89.52	92.22	51.04	78.39

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

<sup>1</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 840 crore pertaining to 2020-21 *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

<sup>2</sup> As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government.

**APPENDIX 3.1**  
(Referred to in paragraph 3.3.2)

**Unnecessary supplementary provisions of ₹ five crore or more during 2021-22**

(₹ in crore)

Sr. No.	Name of the Grant	Original provision	Supplementary provision	Actual expenditure	Savings out of original provision
<b>Revenue (voted)</b>					
1.	2 General Administration and Coordination	95.78	14.10	81.23	14.55
2.	13 Transport	226.49	45.62	160.04	66.45
3.	17 Police	656.09	55.54	609.70	46.39
4.	31 Panchayats	299.25	65.50	278.61	20.64
5.	34 School Education	1796.07	30.32	1495.43	300.64
6.	36 Technical Education	55.22	40.00	40.45	14.77
7.	43 Art and Culture	125.20	5.60	100.30	24.9
8.	48 Health Services	705.84	103.00	668.36	37.48
9.	56 Information and Publicity	71.39	37.11	69.63	1.76
10.	57 Social Welfare	408.05	79.05	304.25	103.80
11.	58 Women and Child Development	478.80	121.77	449.55	29.25
12.	62 Law	34.09	7.27	21.17	12.92
13.	64 Agriculture	194.47	7.49	145.59	48.88
14.	66 Fisheries	46.43	24.15	37.54	8.89
15.	68 Animal Husbandry and Veterinary Services	121.81	29.97	104.47	17.34
16.	69 Handicraft, Textile and Coir	13.12	5.00	11.30	1.82
17.	70 Civil Supplies	77.27	5.00	53.15	24.12
18.	76 Electricity	2326.32	45.00	2272.90	53.42
19.	81 Department of Tribal Welfare	129.14	10.00	29.31	99.83
20.	82 Information Technology	122.82	20.00	81.41	41.41
<b>Total</b>		<b>7983.65</b>	<b>751.49</b>	<b>7014.39</b>	<b>969.26</b>
<b>Capital (voted)</b>					
21.	02 General Administration and Coordination	66.55	30.00	3.00	63.55
22.	17 Police	38.68	12.50	5.40	33.28
23.	21 Public Works	1854.16	200.27	799.13	1055.03
24.	32 Finance	460.21	85.00	250.00	210.21
25.	34 School Education	45.42	50.00	13.30	32.12
26.	39 Government Polytechnic, Curchorem	0.70	5.00	0.37	0.33
27.	55 Municipal Administration	295.80	115.86	196.35	99.45
28.	57 Social Welfare	20.32	15.00	0.25	20.07
29.	81 Department of Tribal Welfare	129.00	19.00	57.11	71.89
30.	84 Civil Aviation	91.00	27.91	71.09	19.91
<b>Total</b>		<b>3001.84</b>	<b>560.54</b>	<b>1396.00</b>	<b>1605.84</b>
<b>Grand Total</b>		<b>10985.49</b>	<b>1312.03</b>	<b>8410.39</b>	<b>2575.10</b>

(Source: Appropriation Accounts of the State)

## APPENDIX 3.2

(Referred to in paragraph 3.3.3)

Details of savings of ₹ one crore and above not surrendered during 2021-22

(₹ in crore)

Sr. No.	Name of grant	Savings	Amount surrendered	Amount not surrendered
<b>Revenue (voted)</b>				
1.	4 District and Session Court, South Goa	5.98	3.46	2.52
2.	24 Environment	36.44	21.41	15.03
3.	33 Revenue	3.92	0.62	3.30
4.	34 School Education	330.96	314.75	16.21
5.	47 Goa Medical College	92.53	91.07	1.46
6.	48 Health Services	140.48	136.53	3.95
7.	55 Municipal Administration	158.53	136.65	21.88
8.	57 Social Welfare	182.85	176.43	6.42
9.	58 Women and Child Development	151.02	148.89	2.13
10.	68 Forests	47.32	14.48	32.84
11.	76 Electricity	98.43	91.73	6.70
12.	81 Department of Tribal Welfare	109.84	90.65	19.19
13.	83 Mines	36.52	3.97	32.55
<b>Capital (voted)</b>				
14.	17 Police	45.78	43.70	2.08
15.	39 Government Polytechnic, Curchorem	5.33	3.64	1.69
16.	40 Goa College of Engineering	12.66	11.16	1.50
17.	48 Health Services	149.22	147.88	1.34
18.	76 Electricity	435.24	428.93	6.31
19.	81 Department of Tribal Welfare	90.89	86.55	4.34
<b>Total</b>		<b>2133.94</b>	<b>1952.50</b>	<b>181.44</b>

(Source: Appropriation Accounts of the State)



**APPENDIX 4.1**  
**(Referred to in paragraph 4.2)**  
**Department-wise status of outstanding UCs**

Sr. No.	Name of Department	No. of utilisation certificates	Amount (₹ in crore)
1	Directorate of Education	1029	161.95
2	Department of Tribal Welfare	172	9.31
3	Town and Country Planning Department	01	0.69
4	Directorate of Municipal Administration	653	573.53
5	i) Directorate of Women and Child Welfare ii) Directorate of Social Welfare	427 502	14.16 35.46
6	Department of Science, Technology and Environment	177	27.60
7	i) Directorate of Panchayats (South) ii) Directorate of Panchayats (North)	2668 3460	85.93 704.12
8	General Administration Department (GIRDA)	19	11.36
9	Directorate of Official Language	03	0.02
10	Legislature Department	02	0.04
11	Directorate of Health Services	06	9.54
12	Directorate of Agriculture	49	58.01
13	Department of Forests	03	1.30
14	Under Secretary, Finance (Home)	122	0.40
15	Under Secretary, Revenue	02	1.18
16	Public Health Department	25	0.17
17	Directorate of Sports and Youth Affairs	185	5.21
18	Directorate of Art and Culture	884	92.98
19	Directorate of Fisheries	08	1.95
20	Animal Husbandry and Veterinary services	47	5.11
21	Department of Rural Development	56	79.47
22	Directorate of Industries, Trade & Commerce	01	2.26
23	Department of Information & Technology	12	16.18
24	Directorate of Transport	04	12.21
25	Public Works Department	13	58.26
26	Civil Aviation	02	0.16
27	Department of New & Renewable Energy	02	2.55
	<b>Total</b>	<b>10534</b>	<b>1971.11</b>

(Source: Information provided by Directorate of Accounts)

## APPENDIX 4.2

(Referred to in paragraph 4.9)

## Statement showing delay in submission of accounts and tabling of SARs of autonomous bodies in State Legislature as of January 2023

Sr. No.	Name of body/authority	Period of entrustment of audit and section under which audited	Year for which accounts received by Audit	Period up to which SAR issued to State Government	Whether SAR required to be placed in the Legislature/Date of issue of SAR by Audit to State Government/Date of placement of SAR	Delay in submission of accounts to Audit up to January 2023 (months)
	1	2	3	4	5	6
1	Goa University	01.04.2020 to 31.03.2025 Section 19(3)	2020-21	2020-21	Yes /28.11.2022/Not yet placed	2021-22 (07)
2	Goa Housing Board	01.04.2017 to 31.03.2022 Section 19(3)	2020-21	2019-20	Yes/21.12.2022/Not yet placed	2021-22 (03)
3	Goa Tillari Irrigation Development Corporation	01.04.2012 to 31.03.2016 Section 19(3)	2011-12	2011-12	Yes/29.07.2019/Not yet placed	2012-13 (115) 2013-14 (103) 2014-15 (91) 2015-16 (79)
4	Khadi and Village Industries Board	01.04.2018 to 31.03.2023 Section 19(3)	2019-20	2019-20	Yes/12.07.2022/Not yet placed	2020-21 (18) 2021-22 (06)
5	Goa State Commission for Backward Classes	01.04.2019 to 31.03.2024 Section 19(3)	2019-20	2019-20	Yes/16.04.2021/Not yet placed	2020-21 (19) 2021-22 (07)
6	Goa Secondary and Higher Secondary Education Board	01.04.2020 to 31.03.2025 Section 20(1)	2021-22	2020-21	Yes/04.04.2022/Not yet placed	2021-22 (06)
7	South Goa Zilla Panchayat	01.04.2019 to 31.03.2024 Section 20(1)	2017-18	2017-18	Yes/16.04.2019/Not yet placed	2018-19 (43) 2019-20 (31) 2020-21 (19) 2021-22 (07)
8	North Goa Zilla Panchayat	01.04.2019 to 31.03.2024 Section 20(1)	2008-09	2008-09	Yes/24.06.2015/Not yet placed	2009-10 (151) 2010-11 (139) 2011-12 (127) 2012-13 (115) 2013-14 (103) 2014-15 (91) 2015-16 (79) 2016-17 (67) 2017-18 (55) 2018-19 (43) 2019-20 (31) 2020-21 (19) 2021-22 (07)
9	Goa State Legal Services Authority	As per Act; Section 19(2)	2020-21	2020-21	No/21.11.2022/Not Applicable	2021-22 (07)
10	District Legal Services Authority, South Goa	As per Act; Section 19(2)	2020-21	2020-21	No /27.09.202/ Not Applicable	2021-22 (07)
11	District Legal Services Authority, North Goa	As per Act; Section 19(2)	2018-19	2018-19	No /06.06.2022/ Not Applicable	2019-20 (31) 2020-21 (19) 2021-22 (07)

Sr. No.	Name of body/authority	Period of entrustment of audit and section under which audited	Year for which accounts received by Audit	Period up to which SAR issued to State Government	Whether SAR required to be placed in the Legislature/Date of issue of SAR by Audit to State Government/Date of placement of SAR	Delay in submission of accounts to Audit up to January 2023 (months)
	1	2	3	4	5	6
12	Goa State Compensatory Afforestation Fund Management and Planning Authority	01.04.2012 to 31.03.2017 Section 20(1)	2015-16	2015-16	Yes /08.06.2017/Not yet placed	2016-17 (67)
13	Goa Samagra Shiksha Abhiyan Society	01.04.2015 to 31.03.2020 Section 20(1)	2018-19	2018-19	Yes /01.01.2021/Not yet placed	2019-20 (31)
14	Real Estate Regulatory Authority	As per Act; Section 19(2)	2020-21	2019-20	No /30.05.2022/ Not Applicable	2021-22 (07)

(Source: Information compiled by Audit)

## APPENDIX 4.3

(Referred to in paragraph 4.10)

Department-wise/age-wise break-up of the cases of misappropriations, defalcations, etc.  
(Cases where final action was pending at the end of December 2022)

(Figures in bracket indicate ₹ in lakh)

Sr. No.	Name of Department	Up to 5 years	5 to 10 years	10 years and above	Total No. of cases
1	Directorate of Panchayats	5 (7.86)	3	5 (5.14)	13 (13.00)
2	Director General of Police			1 (not assessed)	1 (not assessed)
3	Directorate of Civil Supplies and Consumer Affairs	-	-	3 (5.92)	3 (5.92)
4	Directorate of Sports and Youth Affairs	-	1 (0.50)	-	1 (0.50)
5	Directorate of Transport	-	1 (8.13)	-	1 (8.13)
6	Animal Husbandry & Veterinary Services	-	1 (0.25)	-	1 (0.25)
7	Collectorate, North Goa	1 (1.39)	-	-	1 (1.39)
8	Chief Electrical Engineer	-	1(44.51)	5(105.13)	6(149.64)
	<b>Total</b>	<b>6 (9.25)</b>	<b>7 (53.39)</b>	<b>14 (116.19)</b>	<b>27 (178.83)</b>

(Source: Information provided by various departments)



**APPENDIX 5.1**  
**(Referred to in paragraph 5.2 & 5.6.2.2)**  
**List of SPSE and status of their accounts as on 30 September 2022**

Sr. No.	Name of SPSE	Date of incorporation	Accounts finalised up to	Year for which accounts not finalised/received	No. of accounts in arrears
1	2	3	4	5	6
<b>Government companies</b>					
1	Goa Forest Development Corporation Limited	11.04.1997	2016-17	2017-18 to 2021-22	5
2	Goa Meat Complex Limited	November 1982	2020-21	2021-22	1
3	Goa State Horticulture Corporation Limited	03.08.1993	2016-17	2017-18 to 2021-22	5
4	Goa Handicrafts, Rural & Small-Scale Industries Development	03.11.1980	2020-21	2021-22	1
5	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	02.04.1990	2009-10	2010-11 to 2021-22	12
6	Goa State Scheduled Tribes Finance and Development Corporation Limited	March 2004	2020-21	2021-22	1
7	Goa State Infrastructure Development Corporation Limited	20.02.2001	2020-21	2021-22	1
8	Sewerage and Infrastructural Development Corporation of Goa Limited	02.02.2001	2020-21	2021-22	1
9	Imagine Panaji Smart City Development Limited	16.08.2016	2016-17	2017-18 to 2021-22	5
10	Goa Tourism Development Corporation Limited	30.03.1982	2020-21	2021-22	1
11	Kadamba Transport Corporation Limited	15.10.1980	2020-21	2021-22	1
12	Economic Development Corporation Limited	12.03.1975	2020-21	2021-22	1
13	Information Technology Corporation of Goa Limited	18.04.1990	2013-14	2014-15 to 2021-22	8
14	Goa Electronics Limited	1976	2021-22	0	0
				<b>Total</b>	<b>43</b>
<b>Statutory corporations</b>					
15	Goa Industrial Development Corporation	01.02.1966	2020-21	2021-22	1
16	Goa Information Technology Development Corporation Limited	2006	Due from 2006	2006-07 to 2021-22	16
				<b>Total</b>	<b>17</b>
				<b>Grand Total</b>	<b>60</b>

(Source: Information compiled by Audit on the basis of accounts finalised up to 30 September 2022)

**APPENDIX 5.2**  
(Referred to in paragraph 5.2.2)  
**Summarised financial position and working results of 16 SPSE as per latest finalised accounts as of 30 September 2022**

Sr. No.	Name of SPSE	Account finalised up to	Year in which the account was finalised	Profit/loss (-) before interest & tax	Net profit/loss (-)	Turnover	Paid-up capital	Capital employed	Net worth <sup>1</sup>	Accumulated profit/loss (-)
1	2	3	4	5	6	7	8	9	10	11
1	Goa Forest Development Corporation Limited	2016-17	2020-21	-0.77	-0.77	7.94	2.70	5.59	5.59	2.91
2	Goa Meat Complex Limited	2020-21	2021-22	-0.93	-1.22	3.57	0.63	-0.77	-0.69	-1.32
3	Goa State Horticulture Corporation Limited	2016-17	2022-23	-0.23	-0.41	104.02	5	4.48	3.24	-1.76
4	Goa Handicrafts, Rural & Small-Scale Industries Development	2020-21	2022-23	0.31	0.3	11.1	8	1.66	1.66	-6.34
5	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	2009-10	2020-21	0.18	0.07	0.93	3.5	6.06	2.92	-0.63
6	Goa State Scheduled Tribes Finance and Development Corporation Limited	2020-21	2021-22	-2.92	-2.92	3.06	45.15	47.69	46.24	1.09
7	Goa State Infrastructure Development Corporation Limited	2020-21	2021-22	70.4	2.04	288.15	3.72	515.8	39.51	35.79
8	Sewerage and Infrastructural Development Corporation of Goa Limited	2020-21	2021-22	0.46	0.35	5.87	7.55	203.21	19.78	12.23

<sup>1</sup> Net worth is the sum total of paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure.

Sr. No.	Name of SPSE	Account finalised up to	Year in which the account was finalised	Profit/loss (-) before interest & tax	Net profit/loss (-)	Turnover	Paid-up capital	Capital employed	Net worth <sup>1</sup>	Accumulated profit/loss (-)
9	Imagine Panaji Smart City Development Limited	2016-17	2018-19	0.01	0.01	0.07	1	1.01	1.01	0.01
10	Goa Tourism Development Corporation Limited	2020-21	2021-22	-4.93	-4.98	27.02	22.65	9.68	7.63	-15.02
11	Kadamba Transport Corporation Limited	2020-21	2021-22	-6.61	-7.67	150.8	108.46	-61.37	-61.37	-169.82
12	EDC Limited	2020-21	2021-22	86.96	66.7	82.76	100.92	428.97	417.04	316.12
13	Information Technology Corporation of Goa Limited	2013-14	2021-22	2.16	-2.33	82.71	16.33	98	15.01	-1.32
14	Goa Electronics Limited	2021-22	2022-23	1.26	0.95	18.71	1.8	4.85	4.85	3.05
	<b>Total</b>			<b>145.35</b>	<b>50.12</b>	<b>786.71</b>	<b>327.38</b>	<b>1264.86</b>	<b>502.42</b>	<b>174.99</b>
15	Goa Industrial Development Corporation	2020-21	2021-22	-0.44	-12.51	37.64	54.50	82.59	-52.81	-107.30
16	Goa Information Technology Development Corporation Limited	Due from 2006		0	0	0	0.25	0	0.25	0
	<b>Total</b>			<b>-0.44</b>	<b>-12.51</b>	<b>37.64</b>	<b>54.75</b>	<b>82.59</b>	<b>-52.56</b>	<b>-107.30</b>
	<b>Grand Total</b>			<b>144.91</b>	<b>37.61</b>	<b>824.35</b>	<b>382.16</b>	<b>1347.45</b>	<b>449.86</b>	<b>67.69</b>

(Source: Information compiled by Audit on the basis of accounts finalised up to 30 September 2022)

**APPENDIX 5.3**  
**(Referred to in paragraph 5.5.3)**  
**Details of SPSE whose net worth has been eroded**

(₹ in crore)

Sr. No.	Name of SPSE	Accounts finalised up to	Paid-up capital	Net profit/loss after interest, tax and dividend	Accumulated losses	Net worth	State Government equity as on 31 March 2022	State Government loans as on 31 March 2022
1	Goa Meat Complex Limited	2020-21	0.62	-1.22	-1.31	-0.70	0.25	0.00
2	Kadamba Transport Corporation Limited	2020-21	108.44	-7.67	-169.82	-61.37	108.45	0.00
3	Goa Industrial Development Corporation	2020-21	54.48	-12.51	-107.30	-52.80	17.47	0.00
		<b>Total</b>	<b>163.54</b>	<b>-21.4</b>	<b>-270.02</b>	<b>-114.87</b>	<b>126.17</b>	<b>0.00</b>

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)



**APPENDIX 5.4**  
**(Referred to in paragraph 5.5.5)**  
**Statement showing return on Capital Employed (ROCE) by SPSE for 2019-22**

Sr. No.	Name of SPSE	2019-20			2020-21			2021-22		
		EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (per cent)	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (per cent)
1	Goa Forest Development Corporation Limited	3.08	6.37	48.35	-0.77	5.59	-13.77	-0.77	5.59	-13.77
2	Goa Meat Complex Limited	-0.45	0.62	-72.58	-0.45	0.52	-86.54	-0.93	-0.7	132.86
3	Goa State Horticulture Corporation Limited	0.29	6.37	4.55	-1.16	4.89	-23.72	-0.22	4.48	-4.91
4	Goa Handicrafts, Rural & Small-Scale Industries Development	0.26	-0.67	-38.81	0.31	0.2	155	0.31	1.66	18.67
5	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	-0.57	5.37	-10.61	0.18	6.01	3	0.18	6.06	2.97
6	Goa State Scheduled Tribes Finance and Development Corporation Limited	0.68	50.61	1.34	-2.92	47.69	-6.12	-2.92	47.69	-6.12
7	Goa State Infrastructure Development Corporation Limited	89.56	727.56	12.31	77.04	596.38	12.92	70.4	515.8	13.65
8	Sewerage and Infrastructural Development Corporation of Goa Limited	-0.99	254.25	-0.39	-2.82	213.83	-1.32	0.46	203.21	0.23
9	Imagine Panaji Smart City Development Limited	0.01	1.01	0.99	0.01	1.01	0.99	0.01	1.01	0.99
10	Goa Tourism Development Corporation Limited	1.46	22.12	6.6	-4.94	9.68	-51.03	-4.94	9.68	-51.03
11	Kadamba Transport Corporation Limited	-20.12	-28.85	69.74	-10.73	-47.62	22.53	-6.61	-61.37	10.77
12	EDC Limited	76.29	395.96	19.27	73.52	373.36	19.69	86.96	428.97	20.27
13	Information Technology Corporation of Goa Limited	0.27	112.24	0.24	0.27	112.24	0.24	2.49	98	2.54
14	Goa Electronics Limited	1.35	-17.89	-7.55	1.6	2.87	55.75	1.26	4.85	25.98
15	Goa Industrial Development Corporation	0.14	-18.85	-0.74	-18.19	130.59	-13.93	-0.44	74.18	-0.59
	<b>Total</b>	<b>151.26</b>	<b>1516.22</b>	<b>9.98</b>	<b>110.95</b>	<b>1457.24</b>	<b>7.61</b>	<b>145.24</b>	<b>1339.11</b>	<b>10.85</b>

(Source: Information compiled by Audit on the basis of accounts finalised up to 30 September 2022)

**APPENDIX 5.5**  
*(Referred to in paragraph 5.5.6)*  
**Statement showing Return on equity of SPSE during 2019-22**

Sr. No.	Name of SPSE	2019-20			2020-21			2021-22		
		Net profit/ loss after tax (₹ in crore)	Net worth (₹ in crore)	RoE (per cent)	Net profit/ loss after tax (₹ in crore)	Net worth (₹ in crore)	RoE (per cent)	Net Profit/ loss after tax (₹ in crore)	Net worth (₹ in crore)	RoE (per cent)
1	Goa Forest Development Corporation Limited	2.81	6.37	44.11	-0.77	5.59	-13.77	-0.77	5.59	-13.77
2	Goa Meat Complex Limited	-0.45	0.62	-72.58	-0.45	0.52	-86.54	-1.22	-0.69	174.26
3	Goa State Horticulture Corporation Limited	0.22	5.13	4.29	-1.35	3.65	-37.99	-0.41	3.24	-12.62
4	Goa Handicrafts, Rural & Small-Scale Industries Development	0.26	-0.67	-38.81	0.31	0.20	155	0.30	1.66	18.07
5	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	-0.70	2.95	-23.73	0.07	2.87	2.44	0.07	2.92	2.40
6	Goa State Scheduled Tribes Finance and Development Corporation Limited	0.68	49.16	1.38	-2.92	46.24	-6.31	-2.92	46.24	-6.31
7	Goa State Infrastructure Development Corporation Limited	1.97	36.20	5.44	2.10	38.29	5.48	2.04	39.51	5.15
8	Sewerage and Infrastructural Development Corporation of Goa Limited	-1.47	22.16	-6.63	-2.73	19.43	-14.05	0.34	19.78	1.77
9	Imagine Panaji Smart City Development Limited	0.01	1.01	0.99	0.01	1.01	0.99	0.01	1.01	0.99
10	Goa Tourism Development Corporation Limited	1.46	20.82	7.01	-4.98	7.62	-65.27	-4.98	7.63	-65.27

Sr. No.	Name of SPSE	2019-20			2020-21			2021-22		
		Net profit/ loss after tax (₹ in crore)	Net worth (₹ in crore)	RoE (per cent)	Net profit/ loss after tax (₹ in crore)	Net worth (₹ in crore)	RoE (per cent)	Net Profit/ loss after tax (₹ in crore)	Net worth (₹ in crore)	RoE (per cent)
11	Kadamba Transport Corporation Limited	-22.88	-51.42	44.5	-12.68	-64.64	19.62	-7.67	-61.37	12.49
12	EDC Limited	33.86	354.89	9.54	38.13	373.36	10.21	66.69	417.04	15.99
13.	Information Technology Corporation of Goa Limited	-0.02	17.34	-0.12	-0.02	17.34	-0.12	-2.33	15.01	15.52
14.	Goa Electronics Limited	1.17	-17.89	-6.54	1.42	2.87	49.48	0.96	4.85	19.79
15.	Goa Industrial Development Corporation	-115.39	-18.85	612.15	-30.71	-39.62	77.53	-12.51	-52.81	23.69
	<b>Grand Total</b>	<b>-98.47</b>	<b>427.82</b>	<b>-23.02</b>	<b>-14.58</b>	<b>414.74</b>	<b>-3.52</b>	<b>37.61</b>	<b>449.86</b>	<b>8.36</b>

(Source: Information compiled by Audit on the basis of accounts finalised up to 30 September 2022)

**APPENDIX 5.6**  
(Referred to in paragraph 5.5.7)

**Statement showing year-wise details of investment vis-à-vis its present value for the period 2000-01 to 2021-22**

Year	Present value of total investment at the beginning of the year	Equity infused by the state Government during the year	Interest free loans given by the state Government during the year	Interest free loans converted during the year	Total investment during the year	Average rate of interest on Government borrowings (in per cent)	Total investment at the end of the year	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year <sup>2</sup>
i	ii	iii	iv	v	vi=(iii+iv-v)	vii	viii=(ii+vi)	ix=viii*{1+(vii/100)}	x={viii*vii/100}	xi
Upto 1999-20	Nil	24.29	1.49	Nil	25.78	9.07	25.78	28.12	2.34	Nil
2000-01	28.12	71.41	Nil	Nil	71.41	9.07	99.53	108.56	9.03	(7.18)
2001-02	108.56	10.10	Nil	Nil	10.10	9.47	118.66	129.90	11.24	(16.10)
2002-03	129.90	4.55	Nil	Nil	4.55	9.25	134.45	146.89	12.44	(32.64)
2003-04	146.89	12.37	Nil	Nil	12.37	8.95	159.26	173.51	14.25	(40.55)
2004-05	173.51	9.53	Nil	Nil	9.53	7.89	183.04	197.48	14.44	(18.39)
2005-06	197.48	1.93	Nil	Nil	1.93	8.54	199.41	216.44	17.03	(0.92)
2006-07	216.44	31.15	1.00	Nil	32.15	7.97	248.59	268.40	19.81	54.14
2007-08	268.40	25.80	Nil	Nil	25.80	7.46	294.20	316.15	21.95	96.97
2008-09	316.15	20.80	6.39	Nil	27.19	7.64	343.34	369.57	26.23	24.35
2009-10	369.57	12.59	Nil	Nil	12.59	7.79	382.16	411.93	29.77	25.40
2010-11	411.93	12.42	(0.60)	Nil	11.82	7.62	423.75	456.04	32.29	6.18
2011-12	456.04	16.90	(1.33)	Nil	15.57	7.59	471.61	507.41	35.80	(3.19)

<sup>2</sup> Total earnings for the year depicts total of net earnings (profit/loss) for the year concerned relating to 15 SPSE where capital was infused by the State Government.



Year	Present value of total investment at the beginning of the year	Equity infused by the state Government during the year	Interest free loans given by the state Government during the year	Interest free loans converted during the year	Total investment during the year	Average rate of interest on Government borrowings (in per cent)	Total investment at the end of the year	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year <sup>2</sup>
i	ii	iii	iv	v	vi=(iii+iv-v)	vii	viii=(ii+v i)	ix=viii*{1+(vii/100)}	x={viii*vii/100}	xi
2012-13	507.41	36.10	Nil	Nil	36.10	7.69	543.51	585.31	41.80	31.92
2013-14	585.31	0.50	(0.53)	Nil	(0.03)	7.44	585.28	628.82	43.54	22.64
2014-15	628.82	Nil	(0.53)	Nil	(0.53)	7.59	628.29	675.98	47.69	7.35
2015-16	675.98	5.50	(0.53)	Nil	4.97	7.30	680.95	730.66	49.71	50.98
2016-17	730.66	Nil	(0.72)	Nil	(0.72)	7.09	729.94	781.69	51.75	47.83
2017-18	781.69	Nil	(0.55)	Nil	(0.55)	7.03	781.14	836.05	54.91	49.52
2018-19	836.05	11.97	(0.54)	Nil	11.43	6.95	847.48	906.38	58.90	53.01
2019-20	906.38	0.01	Nil	Nil	0.01	6.82	906.39	968.21	61.82	(98.47)
2020-21	968.21	1.28	Nil	Nil	1.28	6.48	969.49	1032.31	62.82	(14.58)
2021-22	1032.31	Nil	1.20	Nil	1.20	6.41	1033.51	1099.76	66.25	37.61
<b>Total</b>		<b>309.20</b>	<b>4.75</b>	<b>Nil</b>	<b>313.95</b>					

(Source: Information compiled on the basis of accounts finalised up to 30 September 2022)

Figures in parenthesis indicate losses

**APPENDIX 5.7**  
**(Referred to in paragraph 5.7.2)**  
**Statement showing list of SPSE where Management Letters were issued**

Sr. No.	Name of SPSE	Year of account
1	Kadamba Transport Corporation Limited	2020-21
2	Goa Industrial Development Corporation	2020-21
3	Goa State Infrastructure Corporation Limited	2020-21

*(Source: Information compiled by Audit on the basis of accounts finalised up to 30 September 2022)*



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