

## Chapter II: Finances of the State

### Introduction

This Chapter attempts to place the State's 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 2019-20 to 2023-24, debt sustainability 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

**Table 2.1** presents the summary of the State Government's fiscal aggregates during 2023-24 *vis-à-vis* 2022-23. Each of these indicators is analysed in the succeeding paragraphs.

**Table 2.1: Summary of fiscal aggregates in 2023-24 compared to 2022-23**

(₹ in crore)

Receipts			Disbursements		
	2022-23	2023-24		2022-23	2023-24
<b>Section-A: Revenue Account</b>					
Own Tax Revenue	7827	8726	General Services	5406	5830
Non-Tax Revenue	3869	4219	Social Services	3545	5819
Share of Union Taxes/ Duties	3665	4360	Economic Services	3845	4681
Grants-in-aid from Government of India	1923	967	Grants-in-aid and Contributions	2088	519
<b>Total Section-A Revenue Receipts</b>	<b>17284</b>	<b>18272</b>	<b>Total Section-A Revenue Expenditure</b>	<b>14884</b>	<b>16849</b>
<b>Section-B: Capital Account and others</b>					
Miscellaneous Capital Receipts	00	00	<b>Capital Outlay</b>	<b>3425</b>	<b>3571</b>
			General Services	480	433
			Social Services	901	1091
			Economic Services	2044	2047
Recoveries of Loans and Advances	02	03	Loans and Advances disbursed	04	03
Public Debt Receipts*	2576	4153	Repayment of Public Debt*	1227	1391
Contingency Fund	00	00	Contingency Fund	00	48
Public Account Receipts (Gross)	17881	20840	Public Account Disbursements (Gross)	18060	20368
Opening Cash Balance	1822	1965	Closing Cash Balance	1965	3003
<b>Total Section-B Receipts</b>	<b>22281</b>	<b>26961</b>	<b>Total Section-B Disbursements</b>	<b>24681</b>	<b>28384</b>
<b>Grand Total (A +B)</b>	<b>39565</b>	<b>45233</b>	<b>Grand Total (A+B)</b>	<b>39565</b>	<b>45233</b>

(Source: Finance Accounts of the State)

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

**Appendix 2.1** shows the abstract of receipts and disbursements of the State Government during 2023-24 *vis-à-vis* the previous year while **Appendix 2.2**

presents the time series data on the State Government's finances for the five-year period from 2019-20 to 2023-24.

**Changes in key fiscal aggregates in 2023-24 compared to 2022-23**

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>➤ Revenue receipts increased by 5.72 <i>per cent</i>.</li> <li>➤ Own tax receipts increased by 11.49 <i>per cent</i>.</li> <li>➤ Own non-tax receipts increased by 9.05 <i>per cent</i>.</li> <li>➤ State's share of Union taxes and duties increased by 18.96 <i>per cent</i>.</li> <li>➤ Grants-in-aid from Government of India decreased by 49.71 <i>per cent</i>.</li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Revenue expenditure increased by 13.20 <i>per cent</i>.</li> <li>➤ Revenue expenditure on General Services (excluding grants-in-aid) increased by 7.84 <i>per cent</i>.</li> <li>➤ Revenue expenditure on Social Services (excluding grants-in-aid) increased by 64.15 <i>per cent</i>.</li> <li>➤ Revenue expenditure on Economic Services (excluding grants-in-aid) increased by 21.74 <i>per cent</i>.</li> <li>➤ Expenditure on grants-in-aid decreased by 75.14 <i>per cent</i>.</li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Capital expenditure increased by 4.26 <i>per cent</i>.</li> <li>➤ Capital expenditure on General Services decreased by 9.79 <i>per cent</i>.</li> <li>➤ Capital expenditure on Social Services increased by 21.09 <i>per cent</i>.</li> <li>➤ Capital expenditure on Economic Services increased by 0.15 <i>per cent</i>.</li> </ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"> <li>➤ Disbursement of loans and advances decreased by 25.00 <i>per cent</i>.</li> <li>➤ Recoveries of loans and advances increased by 50.00 <i>per cent</i>.</li> </ul>
<b>Public Debt</b>	<ul style="list-style-type: none"> <li>➤ Public debt receipts increased by 61.22 <i>per cent</i>.</li> <li>➤ Repayment of public debt increased by 13.37 <i>per cent</i>.</li> </ul>
<b>Public Account</b>	<ul style="list-style-type: none"> <li>➤ Public account receipts increased by 16.55 <i>per cent</i>.</li> <li>➤ Disbursement of public account increased by 12.80 <i>per cent</i>.</li> </ul>
<b>Cash Balance</b>	<ul style="list-style-type: none"> <li>➤ Cash balance increased by ₹ 1,038 crore (52.82 <i>per cent</i>).</li> </ul>

## 2.2 Sources and application of funds

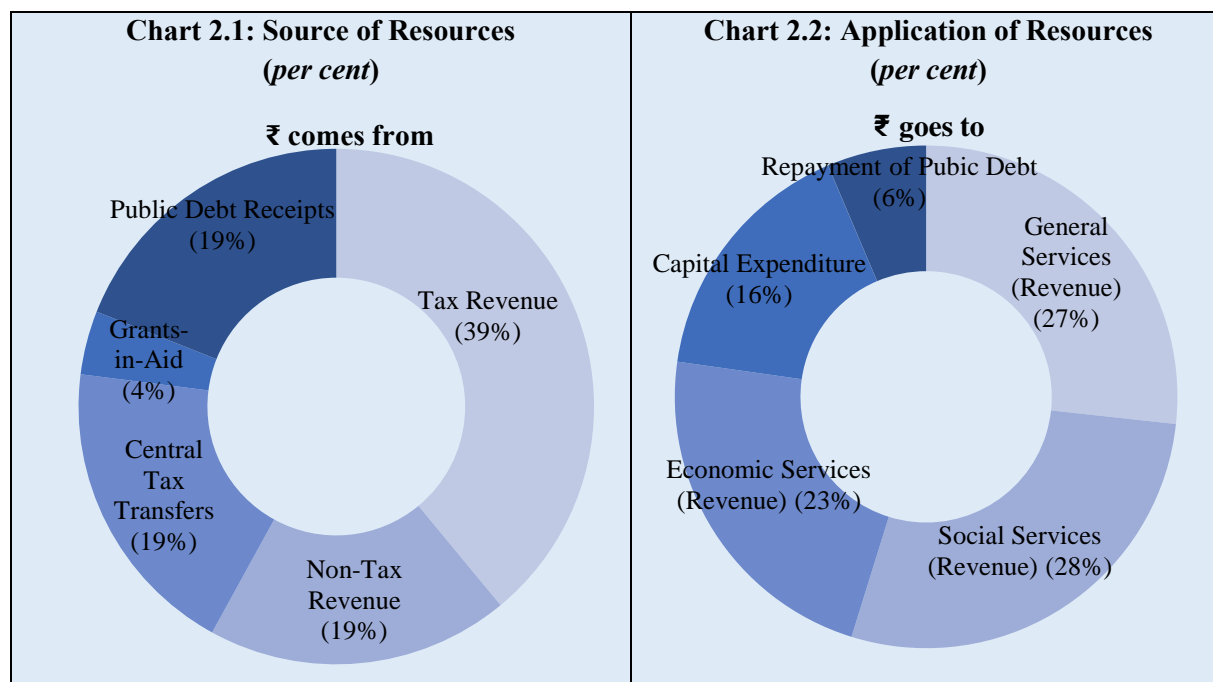
**Table 2.2** compares the sources and application of funds of the State Government during 2023-24 *vis-à-vis* 2022-23, while **Charts 2.1** and **2.2** give details of receipts into and expenditure from the Consolidated Fund during 2023-24.

**Table 2.2: Details of sources and application of funds during 2022-23 and 2023-24**

(₹ in crore)

	Particulars	2022-23	2023-24	Increase (+)/ Decrease (-)
<b>Sources</b>	Opening Cash Balance with RBI	1822	1965	143
	Revenue Receipts	17284	18272	988
	Miscellaneous Capital Receipts	00	00	00
	Recoveries of Loans and Advances	02	03	01
	Public Debt Receipts (Net)	1349	2762	1413
	Public Account Receipts (Net)	(-)179	472	651
	<b>Total</b>	<b>20278</b>	<b>23474</b>	<b>3196</b>
<b>Application</b>	Revenue Expenditure	14884	16849	1965
	Capital Expenditure	3425	3571	146
	Disbursement of Loans and Advances	04	03	(-) 01
	Closing Cash Balance with RBI	1965	3003	1038
	Expenditure from Contingency Fund (un-recouped)	00	48	48
	<b>Total</b>	<b>20278</b>	<b>23474</b>	<b>3196</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 (₹ 22,428 crore) as shown in Appendix 2.2 (Sl. No. 6)

Chart 2.2: Percentages have been calculated on total disbursement out of Consolidated Fund (₹ 21,814 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 (GIA) 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.

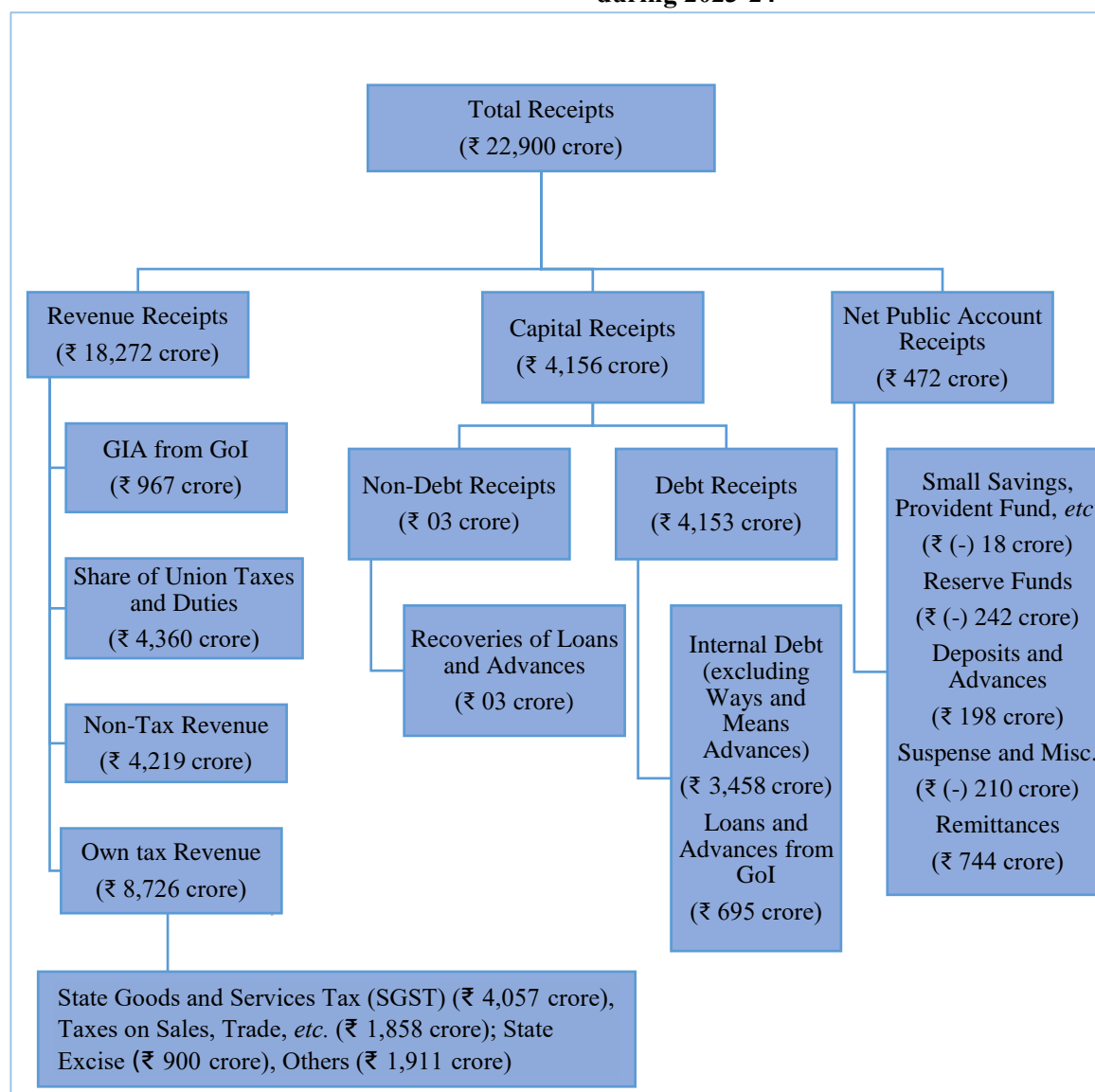
Both revenue and capital receipts form part of the Consolidated Fund of the State.

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 2023-24.

**Chart 2.3: Components and sub-components of financial resources during 2023-24**



(Source: Finance Accounts of the State) Misc.: Miscellaneous

## 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 Gross State Domestic Product (GSDP) over the five-year period (2019-24).

**Table 2.3: Trends in revenue receipts**

(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Revenue Receipts (RR)</b>	<b>11297</b>	<b>10440</b>	<b>14286</b>	<b>17284</b>	<b>18272</b>
Rate of growth of RR (per cent)	(-)1.23	(-)7.59	36.84	20.99	5.72
<b>Tax Revenue (₹ in crore)</b>	<b>7180</b>	<b>6447</b>	<b>9162</b>	<b>11492</b>	<b>13086</b>
Own tax Revenue	4700	4151	5805	7827	8726
States' share in Union taxes and duties	2480	2296	3357	3665	4360
<b>Non-tax Revenue</b>	<b>2737</b>	<b>2903</b>	<b>3787</b>	<b>3869</b>	<b>4219</b>
<b>Grant-in-Aid from GoI</b>	<b>1380</b>	<b>1090</b>	<b>1337</b>	<b>1923</b>	<b>967</b>
Rate of growth of Grant-in-Aid from GoI (per cent)	69.33	(-)21.01	22.66	43.83	(-)49.71
Own Revenue (Own Tax and Non-tax Revenue) (₹ in crore)	7437	7054	9592	11696	12945
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	(-)3.98	(-)5.15	35.98	21.93	10.68
<b>GSDP in Crore (2011-12 series)</b>	<b>75032</b>	<b>74158</b>	<b>84266</b>	<b>93672</b>	<b>106533</b>
Rate of growth of GSDP (per cent)	4.42	-1.16	13.63	11.16	13.73
RR/GSDP (per cent)	15.06	14.08	16.95	18.45	17.15
<b>Buoyancy Ratios<sup>1</sup></b>					
Revenue Buoyancy w.r.t GSDP	*	*	2.70	1.88	0.42
State's Own Revenue Buoyancy w.r.t. GSDP	*	*	2.64	1.96	0.78

(Source: Finance Accounts of the State)

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

<sup>1</sup> Buoyancy ratio indicates 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.

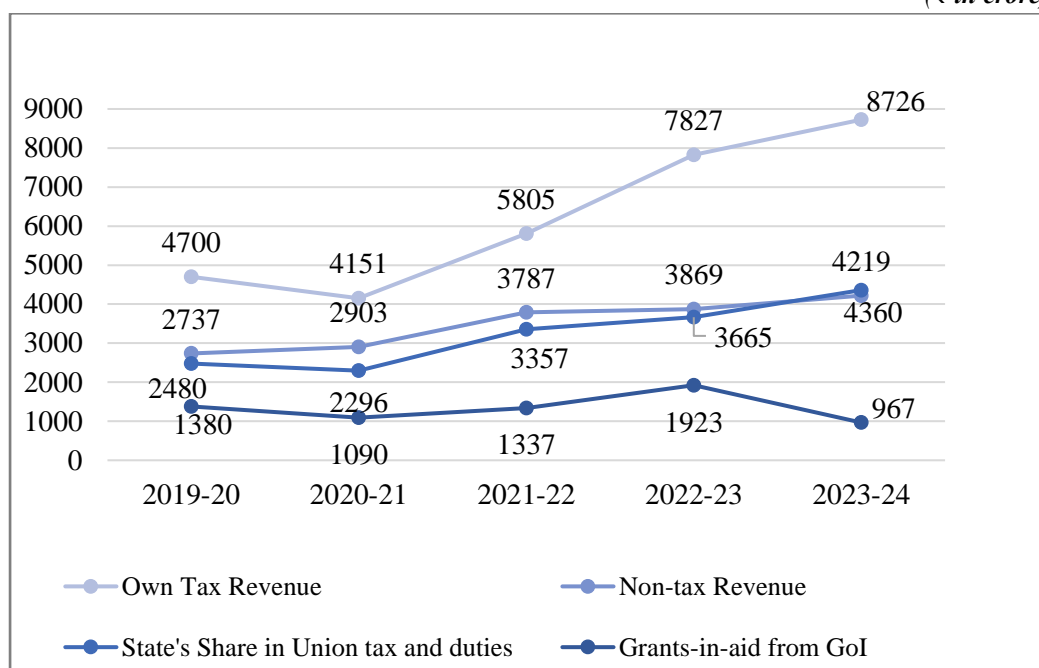
**Table 2.3** shows the following:

- Revenue receipts increased by 61.74 *per cent* from ₹ 11,297 crore in 2019-20 to ₹ 18,272 crore in 2023-24. During 2023-24, revenue receipts increased by ₹ 988 crore (5.72 *per cent*) over the previous year. The increase in receipts was due to increase in own tax revenue by ₹ 899 crore (11.48 *per cent*), non-tax revenue by ₹ 350 crore (9.05 *per cent*), receipts under State's share of union taxes by ₹ 695 crore (18.96 *per cent*). These were partly offset by decrease in grants-in-aid from GoI by ₹ 956 crore (49.71 *per cent*).
- The growth rate of State's own resources (own tax and non-tax revenue) registered an increase of only 10.68 *per cent* in 2023-24 against increase of 21.93 *per cent* in 2022-23.
- During 2023-24, 71 *per cent* of revenue receipts came from the State's own resources while State's share of Union taxes/duties and grants-in-aid together contributed 29 *per cent*. This indicated that the Government of Goa met its public expenditure largely from its own resources.
- The buoyancy of State's revenue and State's own resources with respect to GSDP was 0.42 and 0.78 respectively indicating that the growth rate of State's revenue and own resources was less than the growth rate of GSDP during 2023-24.
- Growth rate of State's revenue receipts at 5.72 *per cent* during 2023-24 was lower than the growth rate of General States (GS) (8.19 *per cent*) (**Appendix 1.1**).

Trends in 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.

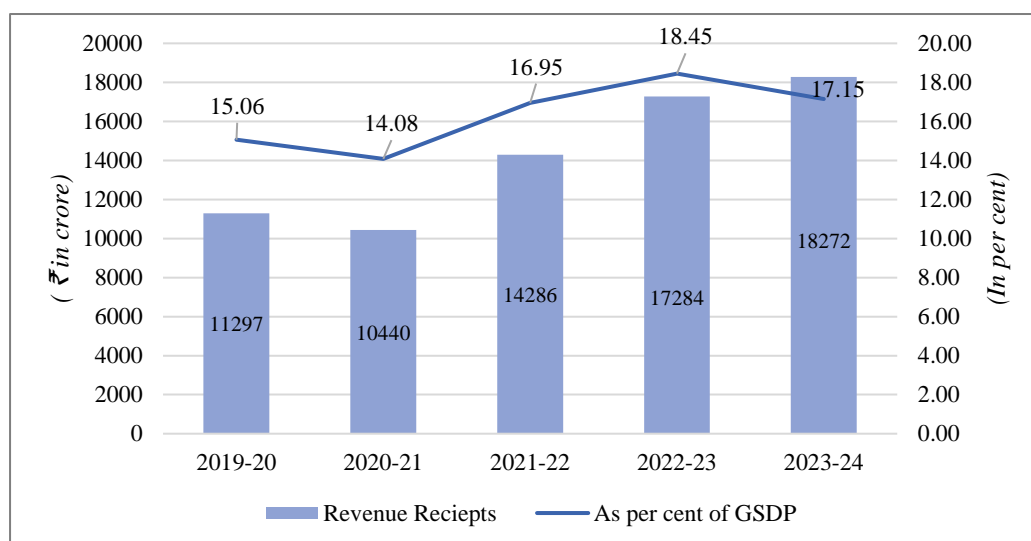
**Chart 2.4: Trends of components of revenue receipts**

(₹ in crore)



(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

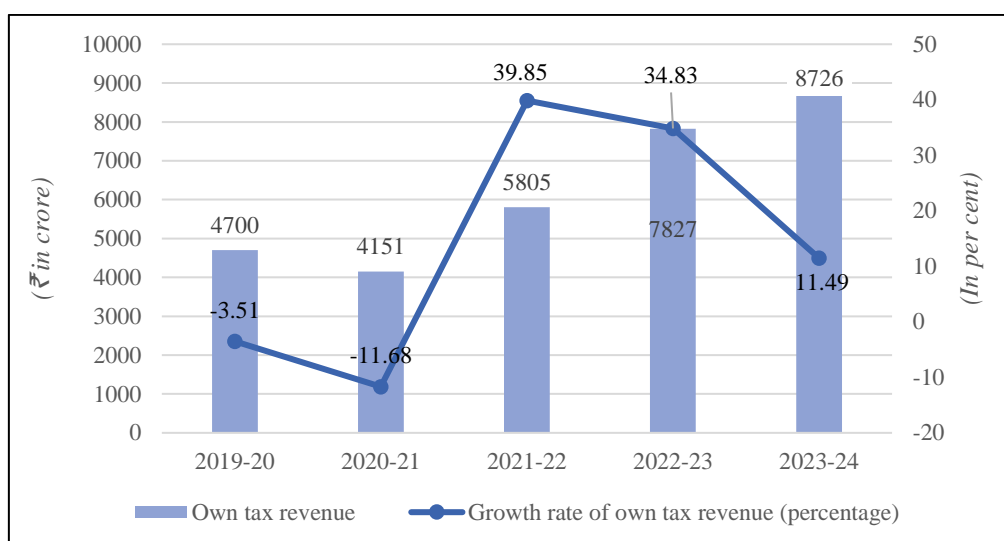
State's performance in mobilisation of additional resources, as distinct from its share of Union taxes/duties and grants-in-aid from GoI, should be assessed in terms of its own resources (own tax and non-tax revenues).

#### 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 2019-24



(Source: Finance Accounts of the State)

Table 2.4: Components of State's own tax revenue

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	
					BE	Actual
<b>SGST</b>	2438	1985	2758	3536	3835	4057
<b>Taxes on sales, trades etc.</b>	1033	990	1383	1899	2142	1858
<b>State excise</b>	492	515	650	866	841	900
<b>Taxes on vehicles</b>	269	220	261	412	499	483
<b>Stamp duty and registration fee</b>	393	350	645	986	1098	1247
<b>Land revenue</b>	37	34	66	84	95	127
<b>Taxes on goods and passengers</b>	32	41	22	25	38	25
<b>Other taxes</b>	6	16	20	19	41	29
<b>Total</b>	<b>4700</b>	<b>4151</b>	<b>5805</b>	<b>7827</b>	<b>8589</b>	<b>8726</b>

(Source: Finance Accounts of the State)

The State's own tax revenue in 2023-24 increased by ₹ 899 crore (11.49 *per cent*) over the previous year. The increase was mainly due to higher collections under SGST (₹ 521 crore), stamp duty and registration fee (₹ 261 crore), taxes on vehicles (₹ 71 crore), Land revenue (₹ 43 crore), and State excise (₹ 34 crore). The overall increase was marginally offset by a decrease in collections under taxes on sales, trade, etc. (₹ 41 crore).

During 2023-24, major contributors of tax revenue were SGST (46 *per cent*), taxes on sales, trades, etc. (21 *per cent*) and stamp duty and registration fees (14 *per cent*).

Growth rate of State's own tax revenue at 11.49 *per cent* during 2023-24 was higher than the growth rate of GS (10.58 *per cent*) over the year 2022-23 (Appendix 1.1).

## State Goods and Services Tax

As per the books of RBI, the amount of SGST was ₹ 4,057.18 crore which tallied with the figures as per the Finance Accounts. Hence, during 2023-24, there was no difference between the books of RBI and the Finance Accounts with respect to SGST.

## Arrears of revenue

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

The arrears of revenue as on 31 March 2024 amounted to ₹ 5,223.81 crore of which, ₹ 2,190.47 crore (42 *per cent*) was outstanding for more than three years. Further, ₹ 126.72 crore out of ₹ 5223.81 crore was under legal adjudication, leaving arrears of ₹ 5,097.09 crore, which were yet to be recovered. The details are shown in **Table 2.5**.

**Table 2.5: Revenue arrears as on 31 March 2024**

(₹ in crore)

Head of Revenue <sup>2</sup>	Amount of arrears as on 31 March 2024	Arrears more than three years old	Cases pending in Courts		Revenue arrears pending recovery as on 31 March 2024 leaving court cases
			No.	Amount	
1	2	3	4	5	6 = 2-5
Commercial Taxes Department	2173.56	1475.56	749	27.50	2146.06
Chief Electrical Engineer – Energy charges	462.55	144.05	10366	35.09	427.46
Chief Engineer – Water Resources Department					
i) Water Tax	2.00	0.61	143	0.10	1.90
ii) Water Charges	2242.75	431.20	-	-	2242.75
iii) Hire charges of machinery	0.22	0.22	-	-	0.22
iv) Rent of Command Area Development Authority complex, shops and hall	0.27	0.01	-	-	0.27
Principal Chief Engineer – Public Works Department	223.48	83.83	4254	20.12	203.36
Tourism Department	7.99	1.78	5	0.41	7.58
Director General of Police	54.12	6.29	2	0.05	54.07

<sup>2</sup> No information was received from 12 entities, namely, State Excise Department, Transport Department, Department of Cooperation, Agriculture Department, River Navigation Department, Goa Medical College, Education Department, Inspector General of Prisons, Custodian of Evacuee Properties, Collectorate (South Goa), Special Land Acquisition Officer and Commandant General, Home Guards

Head of Revenue <sup>2</sup>	Amount of arrears as on 31 March 2024	Arrears more than three years old	Cases pending in Courts		Revenue arrears pending recovery as on 31 March 2024 leaving court cases
			No.	Amount	
1	2	3	4	5	6 = 2-5
Animal Husbandry & Veterinary Services Department	43.19	43.19	7	43.19	0.00
Printing and Stationery Department	6.94	1.01	-	-	6.94
Town & Country Planning	0.73	0.54	-	-	0.73
Art and Culture	0.01	0.00	-	-	0.01
Civil Supplies and Consumer Affairs	0.05	0.04	-	-	0.05
Captain of Ports <sup>3</sup>	2.33	0.70	-	-	2.33
Industries, Trade and Commerce Department	0.04	0.04	-	-	0.04
Fisheries	0.89	0.20	7	0.06	0.83
Factories and Boilers	0.03	0.00	-	-	0.03
Goa Institute of Public Administration and Rural Development (GIPARD)	0.98	0.05	-	-	0.98
Chief Conservator of Forest	0.64	0.40	82	0.12	0.52
General Administration Department	0.92	0.64	-	-	0.92
Collector, North Goa	0.04	0.04	-	-	0.04
Institute of Psychiatry and Human Behaviour	0.08	0.07	1	0.08	-
<b>Total</b>	<b>5223.81</b>	<b>2190.47</b>	<b>15616</b>	<b>126.72</b>	<b>5097.09</b>

(Source: Information received from departments)

The revenue arrears of ₹ 5,097 crore accounted for 39 *per cent* of the State's own resources (₹ 12,945 crore) during the year.

During the Exit Conference (07/03/2025) the Finance Department stated that efforts are being made to collect the revenue arrears of all departments.

***Recommendation 1: The State Government may undertake necessary measures to recover outstanding revenue arrears, which is crucial for enhancing revenue receipts and achieving deficit targets.***

<sup>3</sup> In addition to above, M/s Swastik Cruises have to pay the rent of 48,87,197/- towards rent of Betim jetty for the period from June 2014 to December 2023.

### 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 1,211 cases of tax evasion detected by the Excise Department during 2023-24, assessment/investigation in respect of 1,092 cases had been completed and an additional demand of ₹ 1.03 crore with penalty raised. However, the number of cases awaiting disposal by the Department was still significantly high at 1,893 (including previous year's balance of cases) at the end of 2023-24.

Information furnished by the Commissioner of Commercial taxes showed that 249 cases of evasion of taxes in Value Added Tax (VAT) and Goods and Services Tax (GST) were pending at the beginning of 2023-24, and a further 25 cases were detected in 2023-24. Assessment/investigation in respect of 46 cases had been completed raising an additional demand of ₹ 6.83 crores. However, in respect of the remaining 228 cases of evasion of taxes detected, the assessment/ investigation was pending at the end of the year.

### 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 2023-24, claims received during the year, refunds allowed during the year and the cases pending at the close of 2023-24, as reported by the Commissioner of State Tax are given in Table 2.6.

**Table 2.6: Details of refund cases**

(₹ in crore)

Sl. No.	Particulars	GST		Sales tax/VAT	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of 2023-24	29	56.25	712	153.09
2.	Claims received during the year	385	432.21	245	13.06
3.	Refunds made during the year	236	359.16	186	17.97
4.	Refunds rejected during the year	113	62.55	1	0.01
5.	<b>Balance outstanding at the end of 2023-24</b>	<b>65</b>	<b>66.75</b>	<b>770</b>	<b>148.17</b>

(Source: Information furnished by departments)

As can be seen from the table above, State Tax Department disposed of 349 GST refund cases involving ₹ 422 crore, out of the 414 claims pending during 2023-24. Pending GST refund cases increased from 29 (₹ 56 crore) at the beginning of the year to 65 (₹ 67 crore) at the close of the year 2023-24.

In case of refunds under Sales tax/VAT, the Department could process only 187 out of 957 cases (20 *per cent*) during the year, leaving a balance of 770 cases involving ₹ 148 crore at the end of 2023-24.

### 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 2019-24 are shown in **Table 2.7**.

**Table 2.7: Components of State's non-tax revenue**

(₹ in crore)

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	
					BE	Actual
Interest receipts	63	83	22	49	7	33
Medium Irrigation	28	61	317	13	63	3
Other administrative services	260	191	309	437	607	886
Water supply and sanitation	148	136	177	231	222	197
Power	1960	2051	2191	2757	3581	2436
Non-ferrous mining and metallurgical industries	9	168	129	100	1156	179
Other non-tax receipts	269	213	642	282	390	485
<b>Total non-tax revenue</b>	<b>2737</b>	<b>2903</b>	<b>3787</b>	<b>3869</b>	<b>6026</b>	<b>4219</b>

(Source: Finance Accounts of the State)

Non-tax revenue accounted for 22 to 28 *per cent* of the revenue receipts of the State during the five-year period (2019-24). The non-tax revenue grew by ₹ 350 crore (9.05 *per cent*) during 2023-24 over the previous year. The increase was mainly on account of higher collections under Other Administrative Services (₹ 449 crore) and Other non-tax receipts (₹ 203 crore), partially offset by decrease in revenue under Power (₹ 321 crore).

The growth rate of the State's non-tax revenue at 9.05 *per cent* during 2023-24 was lower than the growth rate of General States (14.62 *per cent*) (**Appendix 1.1**) during the period.

### 2.3.2.3 Transfers from the Central Government

Transfers from GoI are guided by Finance Commission recommendations. The trend of Central transfers during the last five years covering the periods

of the Fourteenth Finance Commission (FC XIV) and the Fifteenth Finance Commission (FC XV) is shown in **Table 2.8**.

**Table 2.8: Transfers from GoI during the last five 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 XIV Period</b>			
<b>2019-20</b>	2480	1380	3860
<b>FC XV Period</b>			
<b>2020-21</b>	2296	1090	3386
<b>2021-22</b>	3357	1337	4694
<b>2022-23</b>	3665	1923	5588
<b>2023-24</b>	4360	967	5327
<b>Total</b>	<b>16158</b>	<b>6697</b>	<b>22855</b>

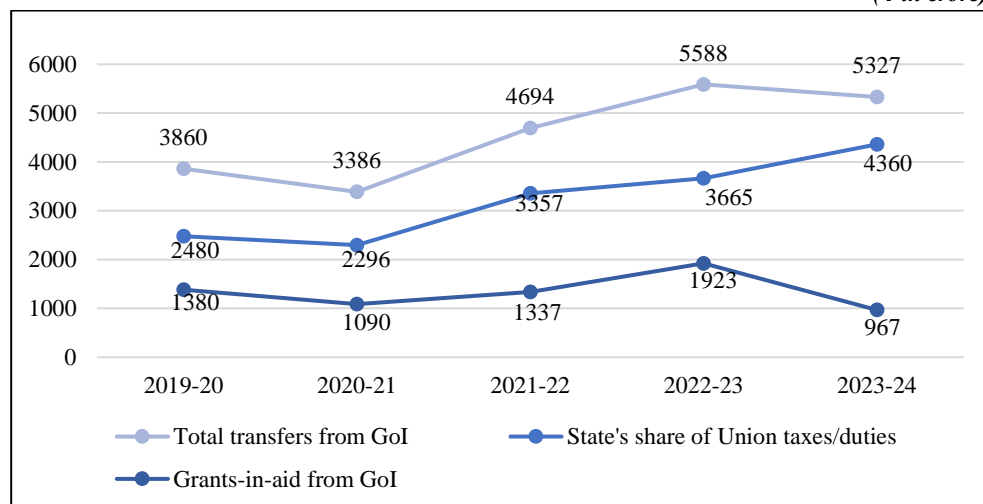
(Source: Finance Accounts of the State)

Transfers from GoI increased from ₹ 3,860 crore in 2019-20 to ₹ 5,327 crore in 2023-24. State's share of Union taxes/duties increased by ₹ 695 crore but grants-in-aid from GoI decreased by ₹ 956 crore in 2023-24 over the previous year.

**Chart 2.7** shows the trend in transfers from GoI during the last five years (2019-24).

**Chart 2.7: Trends in transfers from GoI during last five 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 period 2021-22 to 2025-26 was fixed

at 0.386 *per cent* by FC XV. Different components of State's share of Union taxes and duties during 2019-24 are shown in **Table 2.9**.

**Table 2.9: Different components of State's share of Union taxes and duties during 2019-24**

(₹ in crore)

Components	2019-20	2020-21	2021-22	2022-23	2023-24
Central Goods and Services Tax (CGST)	704	682	976	1036	1323
Integrated Goods and Services Tax (IGST)	00	00	00	00	00
Corporation tax	845	694	1009	1228	1309
Taxes on income other than corporation tax	663	711	1001	1200	1511
Other taxes on income and expenditure	00	00	00	00	00
Taxes on wealth	0.04	00	0.16	00	00
Customs	157	121	225	144	153
Union excise duties	109	77	110	45	58
Service tax	00	10	32	06	01
Others taxes and duties on commodities and services	02	01	04	06	05
<b>Total State's share of Union taxes/duties</b>	<b>2480</b>	<b>2296</b>	<b>3357</b>	<b>3665</b>	<b>4360</b>
Percentage increase (+)/ decrease (-) over previous year	(-)13.83	(-)7.42	46.21	9.17	18.96
Central tax transfers as percentage of revenue receipts	21.95	22.00	23.50	21.20	23.86

(Source: Finance Accounts of the State)

During the period 2019-24, State's share of Union taxes and duties to revenue receipts fluctuated between 21 *per cent* and 24 *per cent*. The growth rate of State's share of Union taxes/duties was 18.96 *per cent* in 2023-24 compared to 9.17 *per cent* in 2022-23.

During 2023-24, a significant growth was observed over previous year under receipts from Taxes on income other than corporation tax (₹ 311 crore), CGST (₹ 287 crore) and Corporation Tax (₹ 81 crore).

### Grants-in-aid from GoI

Grants-in-aid received by the State Government from GoI during 2019-24 are detailed in **Table 2.10**.

Table 2.10: Grants-in-aid from GoI

(₹ in crore)

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Centrally Sponsored Schemes	367	165	119	272	360
Finance Commission Grants	164	74	117	41	11
Other grants (including GST compensation)	849	851	1101	1610	596
<b>Total</b>	<b>1380</b>	<b>1090</b>	<b>1337</b>	<b>1923</b>	<b>967</b>
Percentage increase over the previous year	69.33	(-)21.01	22.66	43.83	(-)49.71
Percentage of grants-in-aid to revenue receipts	12.22	10.44	9.36	11.13	5.29

(Source: Finance Accounts of the State)

Grants-in-aid from GoI decreased from ₹ 1,380 crore in 2019-20 to ₹ 967 crore in 2023-24. Decrease in grants-in-aid by ₹ 956 crore (49.71 per cent) during 2023-24 over 2022-23 was mainly due to reduced compensation for loss of revenue arising out of implementation of GST (₹ 1,188 crore). During 2023-24, grants-in-aid accounted for five per cent of the total revenue receipts of the State Government.

Reduction rate of grants-in-aid during 2023-24 was (-) 49.71 per cent whereas, it was (-) 21.89 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.

Table 2.11: Details of FC XV grants awarded and received during 2023-24

(₹ in crore)

Name of Grant	Recommendation of FC XV	Actual release by GoI	Release by State Government	Difference between the amount recommended by FC XV and that released by GoI
	2023-24	2023-24	2023-24	2023-24
<b>Grants to Panchayat, Urban Local Bodies</b>	<b>88.00</b>	<b>0.00</b>	<b>0.00</b>	<b>88.00</b>
(a) General Basic (PRIs)	58.00	0.00	0.00	0.00
Performance/Tied Grants	34.80	0.00	0.00	0.00
Untied Grants	23.20	0.00	0.00	0.00
(b) General Basic (ULBs)	30.00	0.00	0.00	0.00
Performance/Tied Grant	18.00	0.00	0.00	0.00
General Basic/Untied Grant	12.00	0.00	0.00	0.00
<b>Grants to Revenue Department</b>	<b>15.00</b>	<b>10.80</b>	<b>10.80</b>	<b>4.20</b>



Name of Grant	Recommendation of FC XV	Actual release by GoI	Release by State Government	Difference between the amount recommended by FC XV and that released by GoI
	2023-24	2023-24	2023-24	2023-24
<b>State Disaster Risk Management Fund (SDRMF)</b>				
(a) State Disaster Response Fund-Central Share	12.00	9.60	9.60	2.40
(b) State Disaster Mitigation Fund-Central Share	3.00	1.20	1.20	1.80
<b>Grants to Health and Family Welfare Department</b>	<b>33.02</b>	<b>0.00</b>	<b>0.00</b>	<b>33.02</b>
(a) Support for diagnostic infrastructure to the primary healthcare facilities-sub centres	1.69	0.00	0.00	1.69
(b) Support for diagnostic infrastructure to the primary healthcare facilities-PHCs	1.23	0.00	0.00	1.23
(c) Financial requirement for establishing block Level Public Health Units	2.53	0.00	0.00	2.53
(d) Grants for Building less Sub-centres, PHCs, CHCs	1.61	0.00	0.00	1.61
(e) Financial requirement for Conversion of Rural PHCs and SCs into Health and Wellness Centre	4.20	0.00	0.00	4.20
(f) Support for diagnostic infrastructure to the primary healthcare facilities-UPHCs	0.26	0.00	0.00	0.26
(g) Grants for Urban Health and Wellness Centres (UHWCs)	21.50	0.00	0.00	21.50
<b>Grand Total</b>	<b>136.02</b>	<b>10.80</b>	<b>10.80</b>	<b>125.22</b>

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

PHCs=Primary Health Centres, CHCs=Community Health Centres, SCs=Sub- Centres, UPHCs=Urban Primary Health Centres

For the year 2023-24, FC XV recommended basic grants of ₹ 58 crore and ₹ 30 crore to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. The State Government did not receive any grants for the year 2023-24 for PRIs and ULBs.

Similarly, grants pertaining to Health and Family Welfare amounting to ₹ 33.02 crore recommended by the FC XV for the year 2023-24 were not released by GoI to the State Government.

**Recommendation 2: The State Government may make concerted efforts to secure grants recommended by the Finance Commissions, as these significantly contribute to augmenting the State's resources.**

## State Finance Commission

The FC XV 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.

Reports of the First and Second SFC were pending to be submitted to the Legislature along with Action Taken Reports (December 2024). The First SFC made recommendations *inter alia* for transfer of state's own revenues and share of central taxes to local bodies for transferred activities. Devolution from Annual State Plan was also recommended against transferred activities, which were however rejected by the Government with a reason that States tax revenue was under pressure and funds would be transferred to the local bodies as per their requirements.

The second SFC *inter alia* undertook the task of mapping the devolved functions with activities, to facilitate their implementation and made recommendations on devolution of finances according to the programmes/schemes executed by different tiers. The committee constituted (July 2010) to consider the implementation of recommendations did not submit its report for more than 14 years (December 2024), rendering the work of both the SFCs infructuous.

The Third SFC was constituted (December 2016) after a delay of more than six years. However, the Commission did not commence functioning due to the lack of infrastructure support, like office space, *etc.* from the Government.

The Government notified the reconstitution of Third SFC in January 2022. It was specified in the notification that the Chairman and the Members would initially hold full time office for a period of one year and submit their report before expiry of their term. The Commission submitted their report in June 2024, but the report has not been placed before State Legislative Assembly (December 2024).

The Third SFC gave seven financial and twelve non-financial recommendations. The commission in its recommendation continued the existing devolution of 10 *per cent* of the Goa's own tax revenue. Further, the commission recommended additional budget provision of ₹ 50 crore per year with an annual increase of 10 *per cent* every year during 2024-28 as compensation for revenue loss caused by implementation of GST. The

Commission also recommended introduction of professional tax by the local bodies of Goa. Among non-financial recommendations, the commission has suggested to revive traditional water bodies by using 30 *per cent* of tied grants. The Government have accepted the non-financial recommendations in principle, it has partially accepted the financial recommendations made by the SFC.

While the non-financial recommendations have been broadly accepted by the Government, further steps are required to address the financial recommendations, which are under review and consideration.

***Recommendation 3: The State Government may consider the recommendations given by the State Finance Commissions at the earliest, so that the accepted ones can be implemented promptly.***

### 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 during 2019-24.

**Table 2.12: Trends in growth and composition of capital receipts**

(₹ in crore)

Sources of capital receipts	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Capital receipts</b>	<b>2704</b>	<b>4590</b>	<b>3515</b>	<b>2578</b>	<b>4156</b>
<b>Non-debt capital receipts</b>	<b>04</b>	<b>03</b>	<b>02</b>	<b>02</b>	<b>03</b>
Miscellaneous capital receipts	00	00	00	00	00
Recovery of loans and advances	04	03	02	02	03
Rate of growth of non-debt capital receipts ( <i>per cent</i> )	(-)20.00	(-)25.00	(-)33.33	0.00	50.00
<b>Debt capital receipts</b>	<b>2700</b>	<b>4587</b>	<b>3513</b>	<b>2576</b>	<b>4153</b>
Internal debt*	2654	3604	2500	2003	3458
Growth rate ( <i>per cent</i> )	7.93	35.80	(-)30.63	(-) 19.88	72.64
Loans and advances from GoI	46	983	1013	573	695
Growth rate ( <i>per cent</i> )	(-)34.29	2036.96	3.05	(-) 43.44	21.29
Rate of growth of debt capital receipts ( <i>per cent</i> )	6.76	69.89	(-)23.42	(-) 26.67	61.22
Rate of growth of GSDP ( <i>per cent</i> )	4.42	-1.16	13.63	11.16	13.73
Rate of growth of capital receipts ( <i>per cent</i> )	6.71	69.75	(-)23.42	(-) 26.67	61.21

(Source: Finance Accounts of the State)

\*Excluding ways and means advances

During 2023-24, market borrowings of ₹ 2,550 crore constituted 61 *per cent* of the total debt capital receipts of the State Government. This was followed by GoI loans of ₹ 695 crore (17 *per cent*), Loans from Financial

Institutions ₹ 458 crore (11 *per cent*) and National Bank for Agriculture and Rural Development (NABARD) ₹ 450 crore (11 *per cent*).

Capital receipts increased by 61.21 *per cent* from ₹ 2,578 crore in 2022-23 to ₹ 4,156 crore in 2023-24. The increase was mainly on account of higher market borrowings (₹ 1200 crore) and increase in loans from Financial Institutions (₹ 305 crore).

### 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 estimates (Budget Estimate) are given in **Table 2.13**.

**Table 2.13: Tax and non-tax revenue *vis-à-vis* projections for 2023-24**

(₹ in crore)

	FC XV projections	Budget Estimates (BE)	Actuals	Percentage variation of actuals over	
				FC XV projections	Budget estimates
<b>Own Tax revenue</b>	8403	8589	8726	(+) 3.84	(+) 1.60
<b>Non-tax revenue</b>	1710	6026	4219	(+) 146.73	(-) 29.99

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

The State's actual own tax revenue exceeded the Budget Estimates (BE) by ₹ 137 crore, reflecting a positive performance in this area. However, the State's actual non-tax revenue fell short of the BE by ₹ 1,807 crore. The shortfall in non-tax revenue was primarily driven by significant under-collections in two key sectors: 'Power,' with a deficit of ₹ 1,145 crore, and 'Non-Ferrous Mining and Metallurgical Industries,' which recorded a shortfall of ₹ 977 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 2.14** presents the trends in total expenditure over a period of five years (2019-24) depicting its composition in terms of 'economic classification'.

Table 2.14: Total expenditure and its composition

(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total expenditure (TE)	13295	14091	16912	18313	20423
Revenue expenditure (RE)	11622	12093	14227	14884	16849
Capital expenditure (CE)	1660	1997	2681	3425	3571
Loans and advances	13	01	04	04	03
TE/GSDP ( <i>per cent</i> )	17.72	19.00	20.07	19.55	19.17
RE/GSDP ( <i>per cent</i> )	15.49	16.31	16.88	15.89	15.82
CE/GSDP ( <i>per cent</i> )	2.21	2.69	3.18	3.66	3.35
Loans and advances/GSDP ( <i>per cent</i> )	*	*	*	*	*

(Source: Finance Accounts of the State)

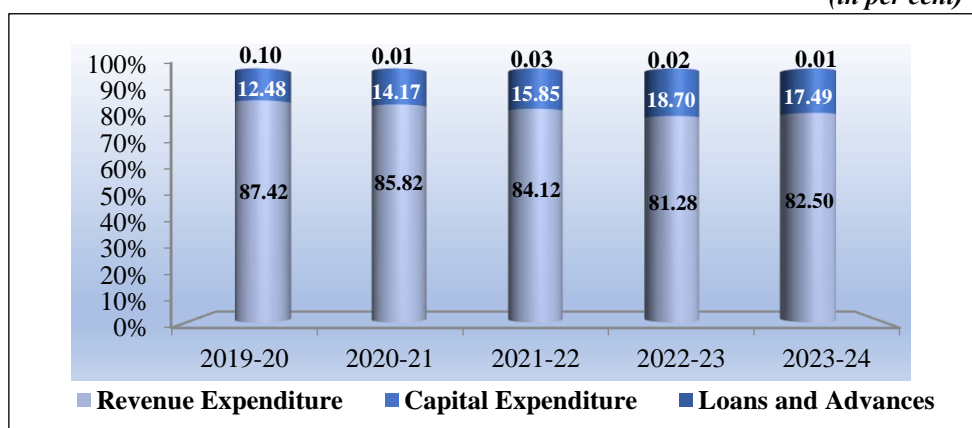
\*The percentage of loans and advances to GSDP was negligible.

Total expenditure of the State Government increased by ₹ 7,128 crore (53.61 *per cent*) during the period 2019-24. Increase of total expenditure by ₹ 2,110 crore (11.52 *per cent*) during 2023-24 over the previous year was on account of ₹ 1,965 crore increase in revenue expenditure and ₹ 146 crore increase in capital expenditure. As a percentage of GSDP, total expenditure remained in the range of 17.72 to 20.07 *per cent* during 2019-24. The percentage of capital expenditure to GSDP decreased from 3.66 *per cent* in 2022-23 to 3.35 *per cent* in 2023-24.

The share of revenue expenditure, capital expenditure and loans and advances in total expenditure during 2019-24 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 2.14**, revenue expenditure increased by ₹ 1,965 crore during 2023-24 over 2022-23, its share in total expenditure increased from 81.28 *per cent* in 2022-23 to 82.50 *per cent* in 2023-24 (**Chart 2.8**). On the other hand, while capital expenditure increased by ₹ 146 crore, however, its share in total expenditure decreased from 18.70 to 17.49 *per cent* during this period.

Growth rate of total expenditure at 11.52 *per cent* in 2023-24 was higher than the growth rate of General States (10.56 *per cent*) (Appendix 1.1).

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

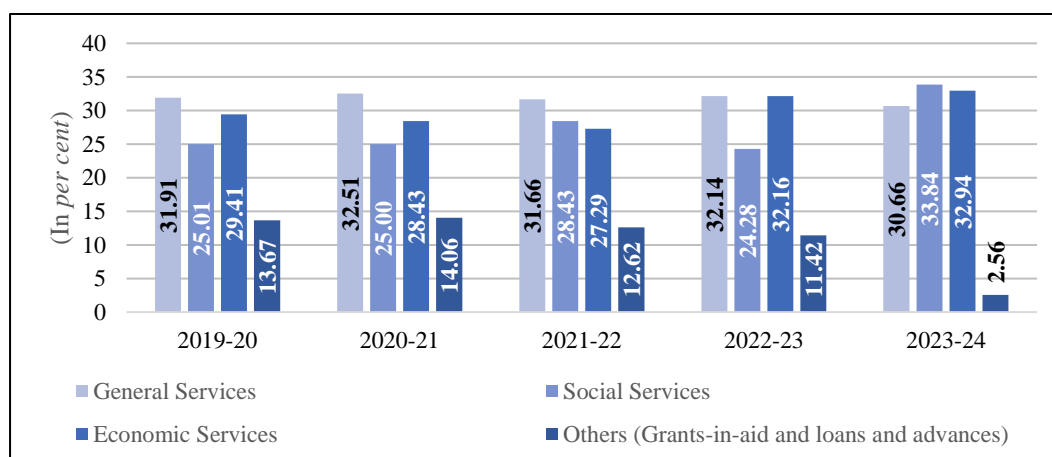
**Table 2.15: Relative shares of various sectors in total expenditure**  
(in per cent)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
General services	31.91	32.51	31.66	32.14	30.66
Social services	25.01	25.00	28.43	24.28	33.84
Economic services	29.41	28.43	27.29	32.16	32.94
Others (Grants-in-aid and loans and advances)	13.67	14.06	12.62	11.42	2.56

(Source: Finance Accounts of the State)

Chart 2.9 shows the sector-wise representation of total expenditure of the State during 2019-24.

**Chart 2.9: Sector-wise total expenditure during 2019-24**



(Source: Finance Accounts of the State)

Chart 2.9 shows that during 2019-24, expenditure on General Services has been largely stable, ranging between 30.66 *per cent* and 32.51 *per cent*. Expenditure on Social Services showed a fluctuating trend. In first two years it was 25 *per cent*. It increased to 28.43 *per cent* in 2021-22, and dipped to 24.28 *per cent* in 2022-23 followed by increase to 33.84 *per cent* in 2023-24.

Expenditure on Economic Services exhibited a fluctuating trend, from 29.41 *per cent* in 2019-20, decreasing to 27.29 *per cent* in 2021-22, and reaching to a level of 32.94 *per cent* in 2023-24. The category of 'Others,' encompassing grants-in-aid and loans and advances was largely stable

between 11.42 *per cent* and 14.06 *per cent* during 2019-23 but registered a significant decline in 2023-24 to 2.56 *per cent*.

## 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 2.16**.

**Table 2.16: Revenue expenditure – basic parameters**

(₹ in crore)					
Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total expenditure (TE)	13295	14091	16912	18313	20423
Revenue expenditure (RE)	11622	12093	14227	14884	16849
Rate of growth of RE (per cent)	4.86	4.05	17.65	4.62	13.20
RE/TE (per cent)	87.42	85.82	84.12	81.28	82.50
RE/GSDP (per cent)	15.49	16.31	16.88	15.89	15.82
RE/RR (per cent)	102.89	115.83	99.59	86.11	92.21
Buoyancy of revenue expenditure with					
GSDP	1.10	*	1.29	0.41	0.96

(Source: Finance Accounts of the State)

\*Growth of GSDP in 2020-21 being negative, buoyancy cannot be calculated

Revenue expenditure increased from ₹ 11,622 crore in 2019-20 to ₹ 16,849 crore in 2023-24 and grew by ₹ 1,965 crore (13.20 *per cent*) during 2023-24 over the previous year.

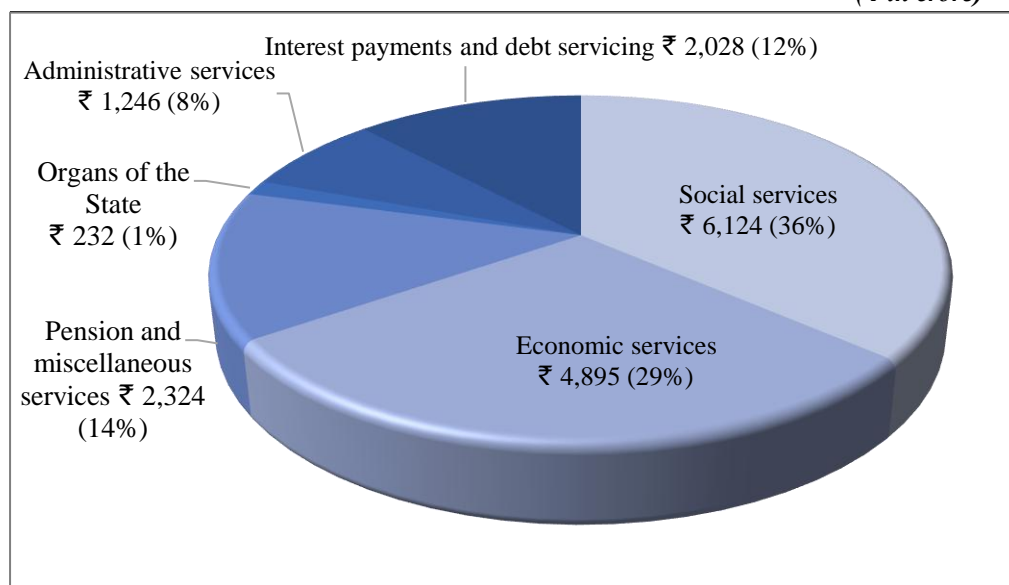
Revenue expenditure constituted 82.50 *per cent* of the total expenditure during 2023-24. The growth rate of revenue expenditure witnessed a fluctuating trend decreasing from 4.86 *per cent* in 2019-20 to 4.05 *per cent* in 2020-21, followed by an increase to 17.65 *per cent* in 2021-22 with a decline to 13.20 *per cent* in 2023-24. The buoyancy of revenue expenditure to GSDP indicated that revenue expenditure grew at a faster rate than GSDP in 2019-20 and 2021-22, but at a slower rate in 2022-23 and 2023-24.

The percentage of revenue expenditure to GSDP ranged between 15.49 *per cent* and 16.88 *per cent*. Growth rate of revenue expenditure at 13.20 *per cent* in 2023-24 was higher than the growth rate of General States (8.90 *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**

(₹ in crore)



(Source: Finance Accounts of the State)

#### 2.4.2.1 Major changes in revenue expenditure

**Table 2.17** shows significant increase in revenue expenditure under various heads of account during the current year *vis-à-vis* previous year.

**Table 2.17: Variations in revenue expenditure during 2023-24  
*vis-à-vis* 2022-23**

(₹ in crore)

Major Heads of Account	2022-23	2023-24	Increase(+)/Decrease (-)
2071 - Pensions and Other Retirement Benefits	2119	2300	181
2202 - General Education	1997	2174	177
2215- Water Supply and Sanitation	240	468	228
2801- Power	2744	3395	651
2515 - Other Rural Development Programmes	170	100	(-)70
2235 - Social Security and Welfare	908	702	(-) 206

(Source: Finance Accounts of the State)

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

- Higher expenditure towards Direction and Administration of Thermal Power generation (MH 2801).
- Increased financial assistance under superannuation and retirement allowances, family pensions, increased expenditure in Government contribution towards pensions to Legislators (MH 2071).



- Increased expenditure towards Tribal area sub-plan. (MH 2202) and Urban Water Supply Programmes<sup>4</sup> (MH 2215).

The increase in revenue expenditure during 2023-24 was partly offset mainly by decrease in expenditure under welfare of aged, infirm and destitute *etc.* (MH 2235) and Panchayati Raj and Community Development (MH 2515).

#### 2.4.2.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, and pensions. It has first charge on Government resources. Higher committed expenditure leaves the Government with lesser flexibility for development purposes.

Apart from above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike say capital expenditure, which varies depending upon the Governments' priorities and availability of resources. For example, the following items may be considered as inflexible expenditure:

- i. Devolution to local bodies: statutory devolutions to local bodies for pay and allowances (devolution/transfer for capital expenditure).
- ii. Statutory requirements of contribution to Reserve Funds – 'Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/Response Fund (SDMF/SDRF)', *etc.*
- iii. Recoupment of Contingency Fund – Amount recouped within the year.
- iv. Transfer of cess to reserve fund/other body, which are statutorily required.
- v. Share contribution of Centrally Sponsored Scheme (CSS) against the Central Fund received – Amount of State share to be transferred to Single Nodal Agencies (SNAs)/spent by the State.

**Table 2.18** presents the trend of committed expenditure and its components during 2019-24.

<sup>4</sup> Towards raw water charges to Water Resources Department

**Table 2.18: Trend of committed and inflexible expenditure  
and its components**

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Components of Committed Expenditure</b>					
Salaries and wages	2935	2959	3294	3805	4068
GIA to Panchayats for pay and allowances	12	23	17	24	00
Interest payments	1465	1590	1783	1816	1889
Pension	1313	1412	1848	2119	2300
<b>Committed expenditure* (CE)</b>	<b>5725</b>	<b>5984</b>	<b>6942</b>	<b>7764</b>	<b>8257</b>
<b>Components of Inflexible Expenditure</b>					
Statutory devolution to local bodies	211	231	167	163	42
Contribution to Reserve Funds	459	115	322	356	544
Recoupment of Contingency Fund	(-1)	0	0	0	0
Transfer of cess to reserve fund / other body	-	47	16	14	124
<b>Inflexible Expenditure (IE)</b>	<b>669</b>	<b>393</b>	<b>505</b>	<b>533</b>	<b>710</b>
<b>Committed Expenditure as a percentage of Revenue Receipts (RR)</b>					
<b>Revenue Receipts</b>	<b>11297</b>	<b>10440</b>	<b>14286</b>	<b>17284</b>	<b>18272</b>
Salaries and wages	25.98	28.34	23.06	22.01	22.26
Grants-in-aid to Panchayats for pay and allowances	0.11	0.22	0.12	0.14	0.00
Interest payments	12.97	15.23	12.48	10.51	10.34
Pension	11.62	13.52	12.94	12.26	12.59
<b>CE as a percentage of RR</b>	<b>50.68</b>	<b>57.32</b>	<b>48.59</b>	<b>44.92</b>	<b>45.19</b>
<b>IE as a percentage of RR</b>	<b>5.92</b>	<b>3.76</b>	<b>3.53</b>	<b>3.08</b>	<b>3.89</b>
<b>Committed Expenditure as a percentage of Revenue Expenditure (RE)</b>					
<b>Revenue Expenditure</b>	<b>11622</b>	<b>12093</b>	<b>14227</b>	<b>14884</b>	<b>16849</b>
Salaries and wages	25.25	24.47	23.15	25.56	24.14
Grants-in-aid to Panchayats for pay and allowances	0.10	0.19	0.12	0.16	0.00
Interest payments	12.61	13.15	12.53	12.20	11.21
Pension	11.30	11.68	12.99	14.24	13.65
<b>CE as a percentage of RE</b>	<b>49.26</b>	<b>49.48</b>	<b>48.79</b>	<b>52.16</b>	<b>49.01</b>
<b>IE as a percentage of RE</b>	<b>5.76</b>	<b>3.25</b>	<b>3.55</b>	<b>3.58</b>	<b>4.21</b>
<b>Non-committed RE</b>	<b>5897</b>	<b>6109</b>	<b>7285</b>	<b>7120</b>	<b>8592</b>
Percentage of RE	50.74	50.52	51.21	47.84	50.99
Percentage of TE	44.36	43.35	43.08	38.88	42.07
<b>Subsidies</b>	<b>262</b>	<b>266</b>	<b>275</b>	<b>299</b>	<b>620</b>
Subsidies as <i>percentage</i> of non-committed expenditure	4.44	4.35	3.77	4.20	7.22

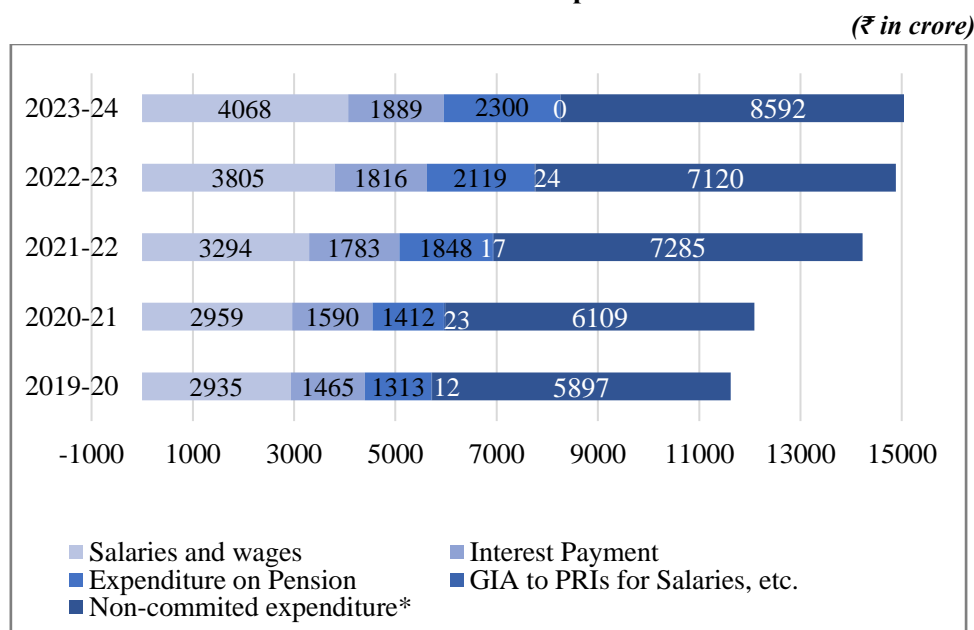
(Source: Finance Accounts of the State for the respective years)

\*Including figures of grants-in-aid to Panchayats for pay and allowances.

Total committed expenditure showed an increasing trend during 2019-24. During 2023-24, committed expenditure constituted 45 *per cent* of revenue receipts and 49 *per cent* of revenue expenditure.

**Chart 2.11** presents the trends of various components of committed expenditure and non-committed expenditure during 2019-24.

**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 2023-24 would be ₹ 8,592 crore (₹ 16,849 crore – ₹ 8,257 crore)

### Salaries and wages

During 2023-24, expenditure on salaries and wages increased by 6.91 per cent which was lower than the growth rate of 15.51 per cent registered during 2022-23 over the year 2021-22.

Growth rate of salary and wages at 6.91 per cent during 2023-24 was lower than the growth rate of General States (7.52 per cent) (**Appendix 1.1**).

### Pension payment

Pension payment increased by 8.54 per cent during 2023-24 over the previous year. Expenditure on pensions in 2023-24 accounted for 13 per cent of the revenue receipts and 14 per cent of revenue expenditure of the State Government.

Actual expenditure on pensions during 2023-24 *vis-à-vis* assessment made by FC XV and projections of the State Government in BE are shown in **Table 2.19**.

**Table 2.19: 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
2023-24	1503	2226	2300

(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 as well as the State Government's own projections made in BE for 2023-24.

Expenditure on pension payment during 2023-24 grew by 8.54 per cent over the previous year while it grew by 6.27 per cent in General States (Appendix 1.1).

### Interest payment

Interest payment increased from ₹ 1,465 crore in 2019-20 to ₹ 1,889 crore in 2023-24. However, during 2023-24 the increase was only (₹ 73 crore) over the previous year. Component-wise details of interest payment made by the State Government during 2019-24 are shown in Table 2.20.

**Table 2.20: Component-wise details of interest payments made by the State Government during 2019-24**

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Interest payments</b>	<b>1465</b>	<b>1590</b>	<b>1783</b>	<b>1816</b>	<b>1889</b>
Of which, interest payment made on					
<b>1. Internal debt</b>	<b>1188</b>	<b>1328</b>	<b>1497</b>	<b>1548</b>	<b>1623</b>
i. Market loans	934	1096	1279	1340	1382
ii. National Small Savings Fund (NSSF)	221	189	184	165	145
iii. National Bank for Agriculture and Rural Development (NABARD)	25	36	30	38	62
Loans from other financial institutions	04	02	01	01	29
Ways and means advances & overdrafts	01	02	00	00	00
Management of debt (payable to RBI for open market borrowings)	03	03	03	04	05
<b>2. Loans from GoI</b>	<b>19</b>	<b>23</b>	<b>20</b>	<b>21</b>	<b>14</b>
<b>3. Deposits, small savings and PF, etc.</b>	<b>258</b>	<b>239</b>	<b>266</b>	<b>247</b>	<b>252</b>
i. Small savings and PF, etc.	176	171	202	175	176
ii. Deposits and advances	82	68	64	72	76

(Source: Finance Accounts of the State)

The ratio of interest payment to revenue receipts is an important indicator of the debt sustainability of the State. This ratio stood at 10 per cent during 2023-24 and was lower than the previous year (11 per cent).

Interest payment with reference to assessment made by FC XV and projections of the State Government in BE are shown in Table 2.21.

**Table 2.21: 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
2023-24	2274	1998	1889

(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 lesser than the assessment of FC XV and State Government's own projections made in BE for 2023-24.

#### 2.4.2.3 Undischarged liabilities under National Pension System

In order to limit future pension liabilities, the State Government introduced a 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 increased its contribution towards the scheme from 10 to 14 *per cent* since 01 April 2021. The State Government signed (January 2010) an agreement with National Pension System (NPS) trust for fund management of the scheme and adopted the central framework for implementation of the scheme.

During 2023-24, State Government collected ₹ 249.88 crore from its employees as contribution towards new pension scheme and also contributed ₹ 349.03 crore as its share. Against the total collected funds of ₹ 719.26 crore (including un-transferred balance of ₹ 120.35 crore from previous year) due to be transferred to NSDL, State Government transferred only ₹ 623.35 crore. Thus, State Government's liability as on 31 March 2024 was ₹ 108.93 crore (₹ 95.91 crore due plus ₹ 13.02 crore as accrued interest), under the scheme. The cash balance of the Government was overstated by this amount.

#### 2.4.2.4 Subsidies

Subsidies as a percentage of revenue receipts and revenue expenditure during 2019-24 were as shown in the **Table 2.22**.

**Table 2.22: Expenditure on subsidies during 2019-24**

	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies	262	266	275	299	620
Subsidies as percentage of revenue expenditure	2.25	2.20	1.93	2.01	3.68
Subsidies as percentage of revenue receipts	2.32	2.55	1.92	1.73	3.39

(Source: Finance Accounts of the State)

During 2023-24, a significant portion of subsidy went to Social Welfare (₹ 343 crore), road transport (₹ 130 crore), crop husbandry (₹ 65 crore) and dairy development (₹ 41 crore). Expenditure on subsidies increased remarkably by 107.36 *per cent* during 2023-24 over the previous year. Expenditure on subsidies in 2023-24 accounted for 3.39 *per cent* of the revenue receipts and 3.68 *per cent* of 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 (₹ 527.50 crore) constituted three *per cent* of the State's revenue expenditure during 2023-24.

Quantum of assistance provided by way of grants and loans to local bodies and other institutions during 2019-24 is presented in **Table 2.23**.

**Table 2.23: Financial assistance to local bodies and other institutions**

	(₹ in crore)				
Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
Panchayati Raj Institutions	86.65	183.12	140.55	111.78	24.35
Urban Local Bodies	135.52	71.39	43.60	74.89	18.03
Public Sector Undertakings	26.85	24.74	31.81	32.78	24.86
Autonomous Bodies	1201.26	1319.52	1372.16	1378.61	227.95
Others	358.82	388.40	557.08	500.08	232.31
<b>Total</b>	<b>1809.10</b>	<b>1987.17</b>	<b>2145.20</b>	<b>2098.14</b>	<b>527.50</b>
Assistance as percentage of revenue expenditure	15.57	16.43	15.08	14.10	3.13

(Source: Finance Accounts of the State)

Financial assistance to local bodies and other institutions during 2023-24 decreased by ₹ 1,570.64 crore (74.86 *per cent*) over 2022-23.

### 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 as a percentage of total expenditure during 2019-24 are indicated in **Table 2.24**.

**Table 2.24: Capital expenditure-basic parameters**

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Total expenditure (TE)</b>	13295	14091	16912	18313	20423
<b>Capital expenditure (CE)*</b>	1660	1997	2681	3425	3571
<b>Rate of growth of capital expenditure (per cent)</b>	(-)22.75	20.30	34.25	27.75	4.26
<b>CE/TE (per cent)</b>	12.49	14.17	15.85	18.70	17.49

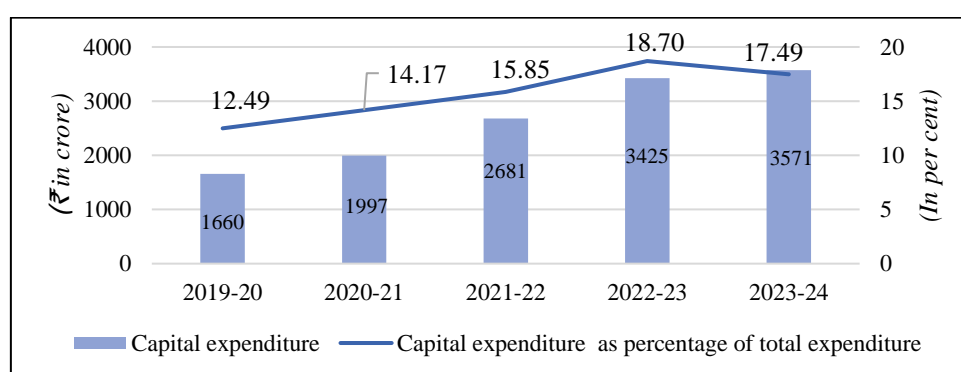
(Source: Finance Accounts of the State)

\*Capital Expenditure excludes loans and advances, which is discussed separately under Paragraph 2.4.3.2

Capital expenditure increased significantly from ₹ 1,660 crore in 2019-20 to ₹ 3,571 crore in 2023-24. In 2023-24, it saw a rise of ₹ 146 crore, representing a four *per cent* increase over 2022-23. Over the five-year period from 2019-20 to 2023-24, the share of capital expenditure in total expenditure in 2023-24 was 17.49 *per cent*, which was slightly lesser than the previous year (2022-23).

**Chart 2.12** shows the capital expenditure and its share in total expenditure during 2019-24.

**Chart 2.12: Capital expenditure and its share in total expenditure during 2019-24**



(Source: Finance Accounts of the State)

#### 2.4.3.1 Major changes in capital expenditure

**Table 2.25** highlights cases of significant increase or decrease in capital expenditure under various heads of accounts during 2023-24 *vis-à-vis* the previous year.

**Table 2.25: Capital expenditure during 2023-24 vis-à-vis 2022-23**

(₹ in crore)

Major Heads of Accounts	2022-23	2023-24	Increase (+)/ Decrease (-)
4059 - Capital Outlay on Public Works	165	403	238
5054 - Capital Outlay on Roads and Bridges	678	829	151
4217 - Capital Outlay on Urban Development	236	321	85
4075- Capital Outlay on Miscellaneous General Services	305	-	(-) 305

(Source: Finance Accounts of the State)

Analysis of expenditure under Capital outlay on Public Works (MH 4059) revealed that the increase during 2023-24 was mainly due to more expenditure incurred under General- Construction (4059-80-051) than the previous year (2022-23). Under MH 5054 Capital outlay on Roads and Bridges, the increase was due to increase in expenditure (₹ 79 crore) incurred under 'District and other Roads other expenditure (5054-04-800)'.

Further, decrease in Capital outlay on Miscellaneous General Services (MH 4075) was primarily attributed to a reduction in Other Expenditure (₹ 305 crore).

During 2023-24, Capital expenditure grew only by 4.26 per cent over the previous year while it grew by 26.16 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 while continuing to 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 2023-24 vis-à-vis previous years.

##### (i) Quality of investment in companies, corporations and other bodies

Return on investment on capital invested in State Public Sector Enterprises (SPSEs) 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 2024. As on 31 March 2024 total Government investment in companies, corporations and other bodies was ₹ 703.17 crore. Return on this investment ranged from 0.17 to 0.24 *per cent* during 2019-24 while the Government paid an interest up to 6.82 *per cent* on its borrowings during the same period. This indicated that returns on investment had been very poor.

**Table 2.26** shows returns on investment of the State Government during 2019-24.

**Table 2.26: Returns on investment**

(₹ in crore)

Investments/Returns/Cost of borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
Investment at the end of the year	640.71	650.10	657.56	698.17	703.17
Return on investments	1.42	1.29	1.61	1.47	1.23
Return on investments ( <i>per cent</i> )	0.22	0.20	0.24	0.21	0.17
Average rate of interest on Government borrowings ( <i>per cent</i> )	6.82	6.48	6.41	6.11	5.98
Difference between average interest rate on borrowings and return on investments ( <i>per cent</i> )	6.60	6.28	6.17	5.90	5.81
Difference between interest paid on Government borrowings and return on investments (₹ in crore)	1464	1589	1781	1815	1888

(Source: Finance Accounts of the State)

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

During 2023-24 the State Government invested ₹ five crore in Apex Co-operative Bank.

## (ii) 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 2.27** presents the outstanding loans and advances as on 31 March 2024, interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.27: Status of loans and advances

(₹ in crore)

Loans disbursed/interest receipts/cost of borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
Opening balance	95.77	105.61	104.21	105.92	108.13
Amount advanced during the year	13.42	1.61	3.87	4.31	3.04
Amount repaid during the year	3.58	3.01	2.16	2.10	2.99
<b>Closing balance</b>	<b>105.61</b>	<b>104.21</b>	<b>105.92</b>	<b>108.13</b>	<b>108.18</b>
Interest received (₹ in crore)	2.05	1.63	1.65	1.16	1.35
Interest receipts as percentage of average outstanding loans and advances	2.04	1.55	1.57	1.08	1.25
Interest payments as percentage of outstanding borrowings of the Government	6.50	6.00	6.12	5.99	5.75
Difference between interest receipts and interest payments (per cent)	4.46	4.45	4.55	4.91	4.50

(Source: Finance Accounts of the State)

Total outstanding loans and advances increased from ₹ 96 crore in 2019-20 to ₹ 108 crore in 2023-24. Disbursements during the year were ₹ 3.04 crore compared to ₹ 4.31 crore in the previous year.

Loans were disbursed mainly under economic sector for tribal area sub-plan (₹ 0.30 crore) and Agriculture and allied activities (₹ 0.08 crore). Under social services loan was disbursed for secondary education (₹ 0.30 crore). ₹ 1.36 crore was also disbursed to Government servants for purchase of motor conveyances and computers, ₹ 1.00 crore was paid to MLAs for House Building Advance. State Government received interest of ₹ 1.35 crore during the current year while it paid interest of ₹ 1,889 crore on its overall liabilities (₹ 32,867 crore).

### (iii) Capital locked in incomplete projects

An assessment of capital blocked in incomplete capital works is also an indicator of the quality of capital expenditure. As per the Finance Accounts 2023-24, there were 339<sup>5</sup> incomplete projects on which an expenditure of ₹ 973.23 crore had been incurred till 31 March 2024. Out of these, 63 projects were reported to be 100 per cent physically completed but had not yet attained financial closure and 128 projects were planned for completion after 31 March 2024. Information on either the scheduled completion date or the percentage of physical progress was unavailable for 33 projects.

<sup>5</sup> The information of list of incomplete works relating to some of the Divisions of Public Works/ Water Resources Department/ Power Projects has not been provided by the respective Divisions/Departments and hence, to the extent such information is not complete (Source: Appendix IX of Finance Accounts 2023-24; Vol – II).

Details of the rest of the incomplete projects (115) are shown in **Tables 2.28** and **2.29**.

**Table 2.28: Year-wise details of incomplete projects as on 31 March 2024**

Year of commencement	No. of incomplete projects*	Estimated cost (₹ in crore)	Expenditure as on 31 March 2024 (₹ in crore)
2015-16	01	2.36	2.36
2016-17	02	8.48	7.13
2017-18	00	0.00	0.00
2018-19	06	21.42	45.71
2019-20	06	61.45	56.17
2020-21	03	7.99	3.89
2021-22	30	500.08	300.61
2022-23	25	136.73	41.30
2023-24	42	142.58	26.98
<b>Total</b>	<b>115</b>	<b>881.09</b>	<b>484.15</b>

\* (Source: Appendix IX of Finance Accounts 2023-24; Vol – II). The details of incomplete works relating to some of the Divisions of Public Works/ Water Resources Department/ Power Projects has not been provided. To that extent, such information is not complete.

Thus, there were 115 incomplete projects (more than ₹ one crore each) as on 31 March 2024 for which ₹ 484.15 crore had been spent as of March 2024. Of these, one project<sup>6</sup> which commenced as long back as 2015-16 remained incomplete as of March 2024.

**Table 2.29: Age-analysis of incomplete projects as on 31 March 2024**

Sl. No.	Range of delay (in years)	Incomplete projects		
		Number	Estimated cost (₹ in crore)	Expenditure as on 31 March 24 (₹ in crore)
1	1-3	102	790.70	375.29
2	3-5	8	70.54	91.51
3	5-7	5	19.85	17.35
	<b>Total</b>	<b>115</b>	<b>881.09</b>	<b>484.15</b>

(Source: Finance Accounts of the State)

It is seen from **Table 2.29** that of the 115 incomplete projects, 102 projects with an estimated cost of ₹ 790.70 crore were delayed by one to three years.

Department-wise profile of incomplete projects as on 31 March 2024 is shown in **Table 2.30**.

<sup>6</sup> Improvement, widening and providing hotmix carpet to left out roads in V.P Morjim under Mandrem Constituency in Pernem Taluka. (95 per cent complete)

**Table 2.30: Department-wise profile of incomplete projects  
as on 31 March 2024**

Department	No. of incomplete projects	Estimated cost (₹ in crore)	Expenditure as on 31 March 2024 (₹ in crore)
Roads, Bridges and Buildings	99	687.77	311.96
Irrigation, Water Supply and Sanitation	16	193.32	172.19
<b>Total</b>	<b>115</b>	<b>881.09</b>	<b>484.15</b>

(Source: Finance Accounts of the State)

Roads, Bridges and Buildings department accounted for 78 per cent of the estimated cost of incomplete projects.

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 4: A robust monitoring mechanism may be established by the State Government to track the progress of projects, ensuring adherence to timelines and preventing unnecessary delays.**

#### 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>7</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 2.31** 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 2019-20 and 2023-24.

<sup>7</sup> Ratio of expenditure under a category to total expenditure

**Table 2.31: Fiscal priorities of the State in 2019-20 and 2023-24**

	AE/ GSDP	CE/ AE	SSE/ AE	ESE/ AE	DE/ AE	Education/ AE	Health/ AE
<b>General States Average (2019-20)</b>	15.88	14.02	37.04	29.54	66.58	15.79	5.25
<b>Goa State (2019-20)</b>	17.72	12.58	37.12	30.97	68.09	14.41	8.48
<b>General States Average (2023-24)</b>	15.66	16.50	37.92	30.01	67.93	14.36	5.71
<b>Goa State (2023-24)</b>	19.17	17.50	35.33	33.99	69.32	12.19	8.32

(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

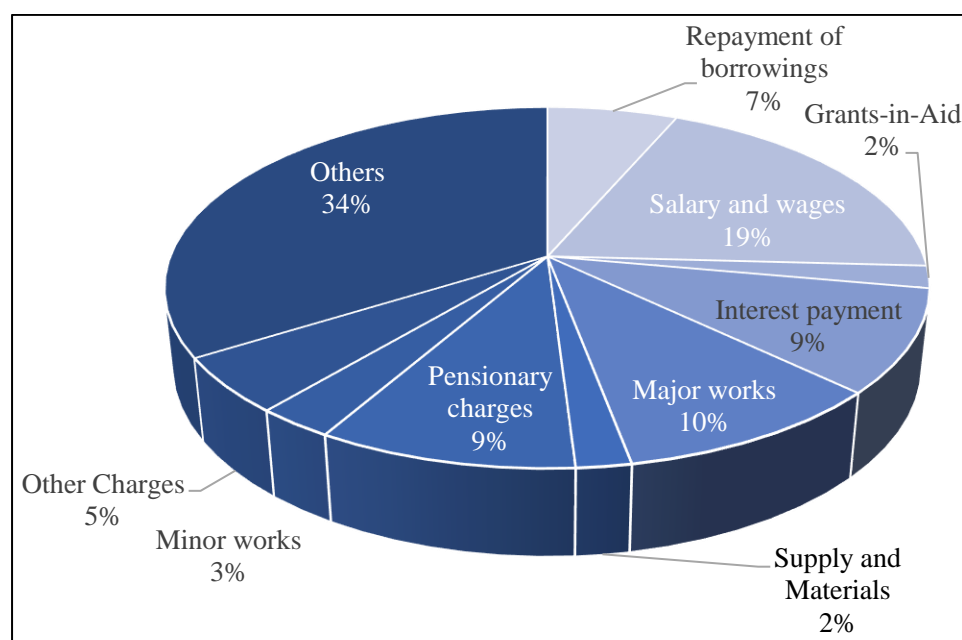
Analysis of the fiscal priorities of the State as shown in **Table 2.31** revealed the following:

- Aggregate expenditure to GSDP in Goa during 2019-20 and 2023-24 was higher than the General States.
- Economic sector expenditure in Goa (as a proportion of aggregate expenditure) was higher in 2019-20 and 2023-24 than the General States average. Social sector expenditure (as a proportion of aggregate expenditure) was higher in 2019-20 and lower in 2023-24 than the General States.
- Capital expenditure (as a proportion of aggregate expenditure) in Goa was lower than General States in 2019-20 and higher in 2023-24.
- Development expenditure (as a proportion of aggregate expenditure) in Goa was higher than General States in 2019-20 and 2023-24.
- Goa's spending on education, sports, art and culture (as a proportion of aggregate expenditure) was higher than General States in 2019-20 and 2023-24.
- Goa gave higher fiscal priority to health and family welfare than General States during 2019-20 and 2023-24 as its expenditure in this sector was more in 2019-20 and 2023-24 than the average of General States.

#### **2.4.5 Object head-wise expenditure**

The Object head-wise expenditure during 2023-24 showing information regarding specific object/purpose of expenditure is presented in **Chart 2.13**.

**Chart 2.13: Object head-wise expenditure**



(Source: Finance Accounts of the State)

The **Chart 2.13** shows that during 2023-24, 19 *per cent* of total expenditure was spent on salary and wages. The remaining 81 *per cent* was non-salary expenditure, such as works, repayment of borrowings, pension payment, grants-in-aid, interest payments and others.

## 2.5 Public Account

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances and others, 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 2.32**.

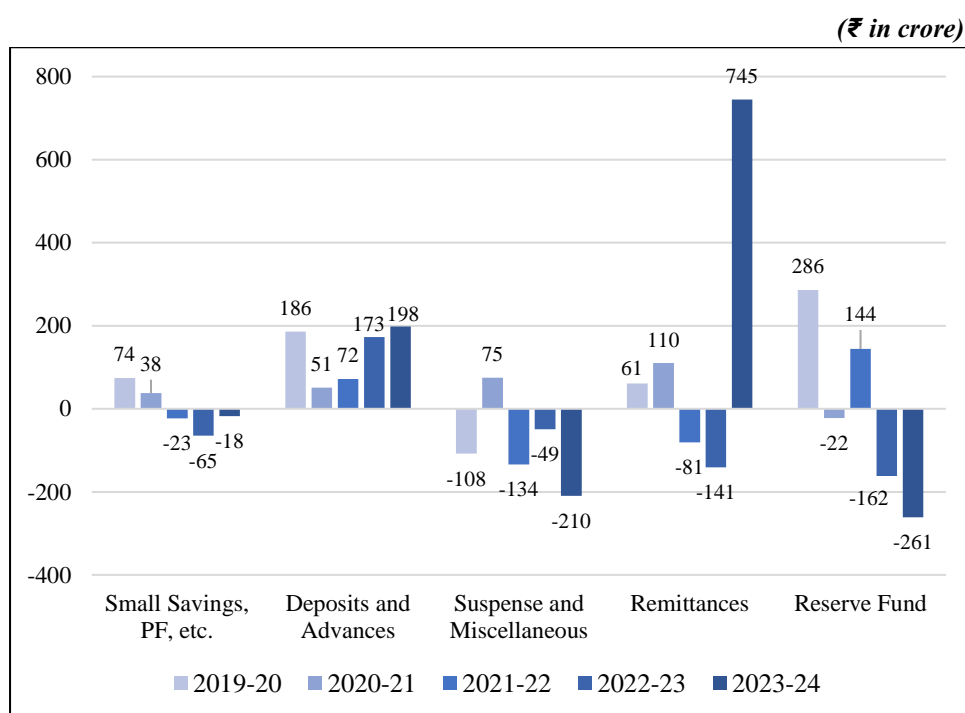
**Table 2.32: Component-wise net balances in public account during 2019-24***(₹ in crore)*

Sector	Sub-Sector	2019-20	2020-21	2021-22	2022-23	2023-24
<b>I. Small Savings, Provident Funds, etc.</b>	Small Savings, Provident Funds, etc.	74	38	(-) 23	(-)65	(-)18
<b>J. Reserve Funds</b>	(a) Reserve Funds bearing Interest	249	(-)16	32	(-)03	176
	(b) Reserve Funds not bearing Interest	37	(-)06	112	(-)94	(-) 419
<b>Sub-total:</b>		<b>286</b>	<b>(-) 22</b>	<b>144</b>	<b>(-) 162</b>	<b>(-) 261</b>
<b>K. Deposits and Advances</b>	(a) Deposits bearing Interest	142	(-)120	10	55	67
	(b) Deposits not bearing Interest	44	171	62	118	131
	(c) Advances	-	-	-	-	-
<b>Sub-total:</b>		<b>186</b>	<b>51</b>	<b>72</b>	<b>173</b>	<b>198</b>
<b>L. Suspense and Miscellaneous</b>	(a) Suspense	12	(-)32	(-)32	(-)1243	(-)99.50
	(b) Other Accounts	(-)120	107	(-)102	1194	(-)110.50
	(c) Accounts with Governments of Foreign Countries	-	-	-	-	-
	(d) Miscellaneous	-	-	-	-	-
<b>Sub-total:</b>		<b>(-) 108</b>	<b>75</b>	<b>(-) 134</b>	<b>(-) 49</b>	<b>(-)210</b>
<b>M. Remittances</b>	(a) Money Orders and other Remittances	61	110	(-)81	(-)141	745
	(b) Inter-Governmental Adjustment Account	-	-	-	-	-
<b>Sub-total:</b>		<b>61</b>	<b>110</b>	<b>(-) 81</b>	<b>(-) 141</b>	<b>745</b>
<b>Total</b>		<b>499</b>	<b>252</b>	<b>(-) 22</b>	<b>(-) 179</b>	<b>472</b>

*(Source: Finance Accounts of the State)*

During 2023-24, Public Account receipts exceeded disbursements by ₹ 472 crore, marking a shift from the previous two years, where net disbursements were higher. Notably, net disbursements had increased from ₹ (-)179 crore in 2022-23 to a net receipt of ₹ 472 crore in 2023-24. This improvement, primarily attributed to higher receipts under the "Deposits and Advances" and "Remittances" heads.

Yearly changes in composition of balances in Public Account over the five-year period (2019-24) 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 ten<sup>8</sup> reserve funds earmarked for specific purposes during 2023-24, of which two funds were inoperative with a balance of ₹ three crore. The total accumulated balance in these funds as on 31 March 2024 was ₹ 1,919 crore, of which ₹ 1,416 crore (74 per cent) was invested. Transactions under these reserve funds during 2023-24 are shown in Table 2.33.

**Table 2.33: 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	70.66	15.93	1.69	84.90
8121-129-State Compensatory Fund	208.14	184.19	23.29	369.04
8121-130 State Disaster Mitigation Fund	8.00	1.25	-	9.25
8222-101-Sinking Fund	832.62	93.33	0	925.95

<sup>8</sup> An account of these funds is included in Statement No. 21 and 22 of the Finance Accounts 2023-24.



Classification	Opening balance	Receipts	Payment	Closing balance
<b>Active/Operative reserve funds</b>				
8229-110-Electricity Development Fund	600.28	218.81	762.24	56.85
8235-117-Guarantee Redemption Fund	400.82	30.26	0	431.08
8235-200-Beaches Improvement Fund	38.84	0.12	0	38.96
8229-123-State Consumer Welfare Funds	0.24	0.01	0	0.25
<b>Total</b>	<b>2159.60</b>	<b>543.90</b>	<b>787.22</b>	<b>1916.28</b>
<b>Inactive/Inoperative reserve funds</b>				
8235-119-National Calamity Contingency Fund	2.99	-	-	2.99
8235-200-Special Fund for Compensatory Afforestation	0.08	-	-	0.08
<b>Total</b>	<b>3.07</b>	<b>-</b>	<b>-</b>	<b>3.07</b>
<b>Grand Total</b>	<b>2162.67</b>	<b>543.90</b>	<b>787.22</b>	<b>1919.35</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 Twelfth Finance Commission (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 its 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 ₹ 30 crore as against ₹ 151.52<sup>9</sup> crore to be contributed to the fund. The fund also attracted interest receipts amounting to ₹ 63.33 crore on investments as on 31 March 2023 (₹ 832.62 crore). Thus, the total accumulated fund as on 31 March 2024 was ₹ 925.95 crore. No expenditure was incurred from the fund during the year.

### 2.5.2.2 State Disaster Risk Management Fund

As per recommendations of the Fifteenth Finance Commission (FC XV), State Government had to set up the State Disaster Risk Management Fund

<sup>9</sup> ₹ 151.52 crore = 0.5 *per cent* of ₹ 30,304 crore (Fiscal liabilities at the beginning of 2023-24).

(SDRMF) in 2020-21. SDRMF comprises of State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF). The sharing pattern was kept same as recommended by Thirteenth Finance Commission. The Central and State Governments were required to contribute to the fund in the ratio of 75:25.

The Central and State Governments contributions were to be transferred to the Public Account (Major Head 8121), while the expenditure (corresponding amount of transfer) in case of SDRF to be charged to the Fund during the year was to be shown under Major Head 2245-05-101 (Transfers to Reserve Fund and Deposit Accounts- SDRF).

However, corresponding booking of actual expenditure on relief works to be done under the Head 2245 (Relief on account of Natural Calamities) – 05 (State Disaster Response Fund) – 901 (Deduct-Amount met from State Disaster Response Fund) as required under the guidelines devised by the Ministry of Home Affairs (12 January 2022) on the recommendations of FC XV.

As on 01 April 2023, the State Disaster Response Fund (MH 8121 - 122) had an opening balance of ₹ 70.66 crore. Out of total receipts of ₹ 15.93 crore during 2023-24, the State contribution was ₹ 3.20 crore, Central contribution was ₹ 9.60 crore and interest receipts amounted to ₹ 3.13 crore.

Audit observed that while making transfer of Central and State Governments contributions amounting to ₹ 12.80 crore from MH 2245 to MH 8121, the amount was incorrectly booked under the head 2245-07-102 instead of 2245-05-101 as prescribed by the guidelines issued by the MHA for the administration of the State Disaster Response Fund (SDRF).

Besides, it was also observed that an expenditure of ₹ 1.70 crore incurred on natural calamities through Personal Deposit Account (PDA)/Personal Ledger Account (PLA) opened for the purpose, was incorrectly shown under the Public Account (8121-122) contrary to the accounting procedure prescribed by the MHA for booking of actual expenditure on natural calamities.

Similarly, as per accounting procedure devised by the MHA with regard to the administration of State Disaster Mitigation Fund (SDMF) on the recommendations of FC XV vide their OM dated 14 January 2022, the Central and State Governments contributions were to be transferred to the Public Account (Major Head 8121-130), while the expenditure (corresponding amount of transfer to SDMF) to be charged to the Fund during the year was to be shown under Major Head 2245-08- 797 (Transfers to Reserve Fund and Deposit Accounts- SDMF).

It was, however, observed that while making transfer of an amount of ₹ 1.20 crore pertaining to Central contribution for the year 2022-23 towards SDMF in the Public Account (Major Head 8121-130), it was contrary to the accounting procedure, booked under the head 2245-08-102 instead of booking the same under "2245- Relief on Account of Natural Calamities-08-State Disaster Mitigation Fund-797-Transfers to Reserve Fund and Deposit Accounts" as prescribed by the guidelines issued by the GoI<sup>10</sup>.

During the Exit Conference (07/03/2025) the Finance Department stated a review meeting will be held with concerned department for opening the correct heads and implementing appropriate accounting procedures.

### 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 SPSEs or other bodies and invoked by the beneficiaries.

During the year, no amount was contributed by the Government to the Fund. The total accumulation of the Fund was ₹ 431.08 crore as on 31 March 2024 (₹ 400.82 crore as on 31 March 2023). The Fund has reached the desirable level of 5 *per cent* of outstanding guarantees at the end of the previous year (₹ 404.92 crore).

### 2.5.2.4 Collection of Cess/Surcharge

Cess is levied by government for a specific purpose, and the proceeds are required to be kept in a separate fund, with distinct accounting to ensure that it is incurred on the specific purpose. The details of collection of various Cess/Surcharge (other than Labour Cess) by the State Government during the year 2023-24 is given in the **Table 2.34** below:

**Table 2.34: Position of collection of Cess/Surcharge by the State Government during 2023-24**

(₹ in crore)

Sl. No.	Name of Cess	Name of the Department	Cess/Surcharge Collected during 2023-24
1.	Rates and Cesses on Land	Collectorate, South Goa	1.61
2.	Library Cess in the form of Surcharge of Excise Duty	Excise Department	21.50
3.	Receipts under the Goa Rural Improvement and Welfare Cess Act, 2000 (Goa Act of 2000)	Transport Department	28.59
4.	Cess on Biodegradable	Department of Science and Technology	0.73
5.	Green Cess	Department of Science and Technology	66.15
	<b>Total</b>		<b>118.58</b>

(Source: Finance Accounts)

<sup>10</sup> O.M. No. 33-02/2020-NDM-I issued by Ministry of Home Affairs on 14/01/2022.

As seen from the above table, the State Government collected ₹ 118.58 crore (other than Labour Cess) on account of Cess/Fee/Surcharge like Rates and Cesses on Land, Library Cess in the form of Surcharge on Excise duty, Cess on Biodegradable, Green Cess and Receipts under the Goa Rural Improvement and Welfare Cess Act, 2000 (Goa Act of 2000). The entire amount of ₹ 118.58 crore was not transferred to the designated Fund by the State Government during the year 2023-24, which resulted in understatement of Revenue Expenditure to that extent by the Government.

During the Exit Conference (07/03/2025) the Finance Department stated that appropriate action will be taken on the matter.

## 2.6 Public liability 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 Goa Fiscal Responsibility and Budget Management (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 2019-24 are shown in Table 2.35.

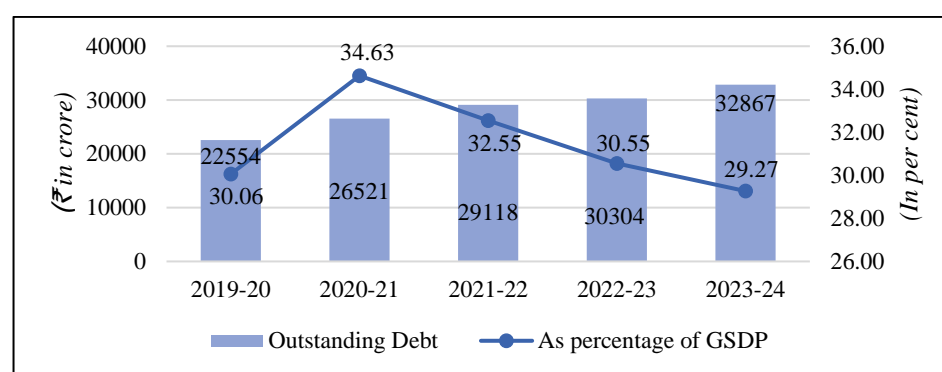
Table 2.35: Total outstanding debt during 2019-24

	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Total outstanding debt	22554	26521	29118	30304	32867
Rate of growth of outstanding debt (per cent)	10.49	17.59	9.79	4.07	8.45
GSDP	75032	74158	84266	93672	106533
Debt/GSDP (per cent) <sup>11</sup>	30.06	34.63	32.55	30.55	29.27

(Source: Finance Accounts of the State)

<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 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.

Chart 2.15: Trends of outstanding debt during 2019-24



(Source: Finance Accounts of the State)

Total outstanding debt of the State Government increased by 46 per cent during the last five years from ₹ 22,554 crore in 2019-20 to ₹ 32,867 crore in 2023-24. During 2023-24, it increased by 8.45 per cent over the previous year, which was relatively higher than the growth rate recorded in 2022-23 over 2021-22 (4.07 per cent).

### 2.6.1 Debt profile: components

Table 2.36 presents the component-wise overall debt indicators for the period 2019-24.

Table 2.36: Component-wise debt trends

	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Total outstanding debt (A+B)</b>	22554	26521	29118	30304	32867
<b>A. Public debt</b>					
(i) Internal Debt	15746	18697	20321	21174	23316
(ii) Loans from GoI	1148	2033	2951	3446	4066
<b>B. Liabilities on Public Account</b>	5660	5791	5846	5684	5485
<b>C. Off-budget borrowings</b>	919	789	370	800	706
<b>Rate of growth of outstanding debt (per cent)</b>	10.49	17.59	9.79	4.07	8.45
<b>GSDP</b>	75032	74158	84266	93672	106533
<b>Debt/GSDP (per cent)<sup>12</sup></b>	30.06	34.63	32.55	30.55	29.27
<b>Interest payments</b>	1465	1590	1783	1816	1889
<b>Burden of interest payments (IP/RR) (per cent)</b>	12.97	15.23	12.48	10.51	10.34
<b>Total debt receipts</b>	5351	8963	6646	4324	6253
<b>Total debt repayments (debt redemption)<sup>13</sup></b>	4674	6586	5832	4954	5579
<b>Total debt available</b>	677	2377	814	(-) 630	674
<b>Debt repayments/debt receipts (per cent)</b>	87	73	88	115	89

(Source: Finance Accounts of the State)

Total outstanding debt (₹ 32,867 crore) of the State Government at the end of 2023-24 comprised internal debt ₹ 23,316 crore (71 per cent), Public

<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 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>13</sup> Debt redemption (₹ 5,579 crore) = Total debt repayments during the year (₹ 3,690 crore) + Total interest payments during the year (₹ 1,889 crore)

Account liability of ₹ 5,485 crore (17 *per cent*) and loans and advances from GoI of ₹ 4,066 crore (12 *per cent*). Internal debt comprised market loans (₹ 19,574 crore), special securities issued to NSSF (₹ 1,318 crore), NABARD<sup>14</sup> (₹ 1,782 crore) and loans from financial institutions (₹ 642 crore).

In the fiscal year 2023-24, the total debt rose by ₹ 2,563 crore, which was a notable increase compared to the ₹ 1,186 crore increase recorded in the preceding fiscal year, 2022-23. This increase was mainly due to higher net market borrowings of the State *i.e.* ₹ 1,560 crore in 2023-24 *vis-à-vis* ₹ 500 crore in 2022-23. Loans from Financial Institutions and remittances have also increased.

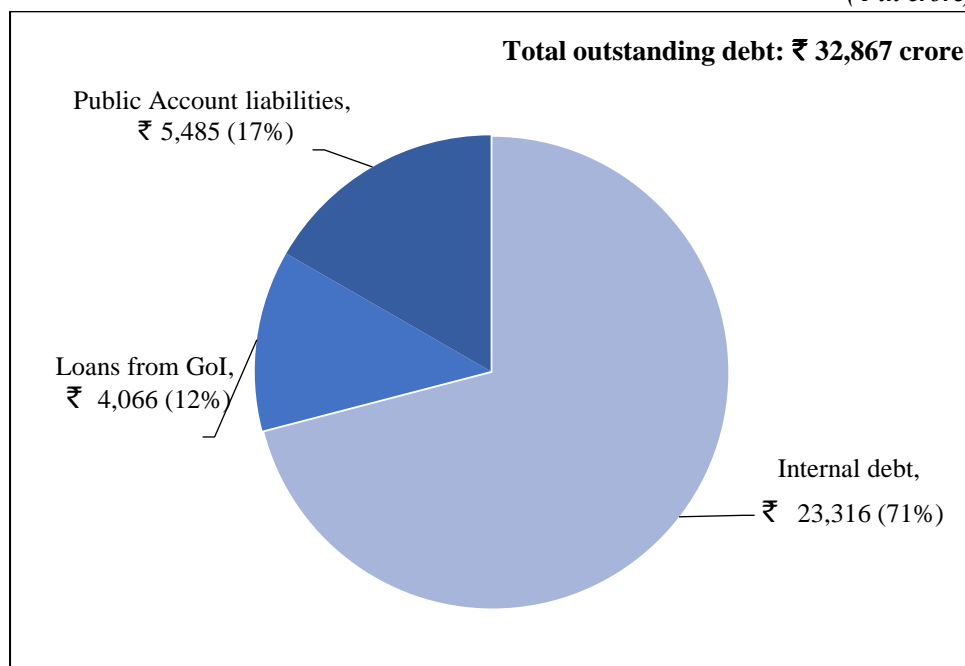
Total outstanding debt-GSDP ratio increased from 30.06 *per cent* in 2019-20 to 32.55 *per cent* in 2021-22. During 2022-23, the debt-GSDP ratio showed a decline to 30.55 *per cent*, which further reduced during 2023-24 to 29.27 *per cent*.

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 (2019-24).

**Chart 2.16** presents the break-up of total outstanding debt at the end of March 2024 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 2024**

(₹ in crore)

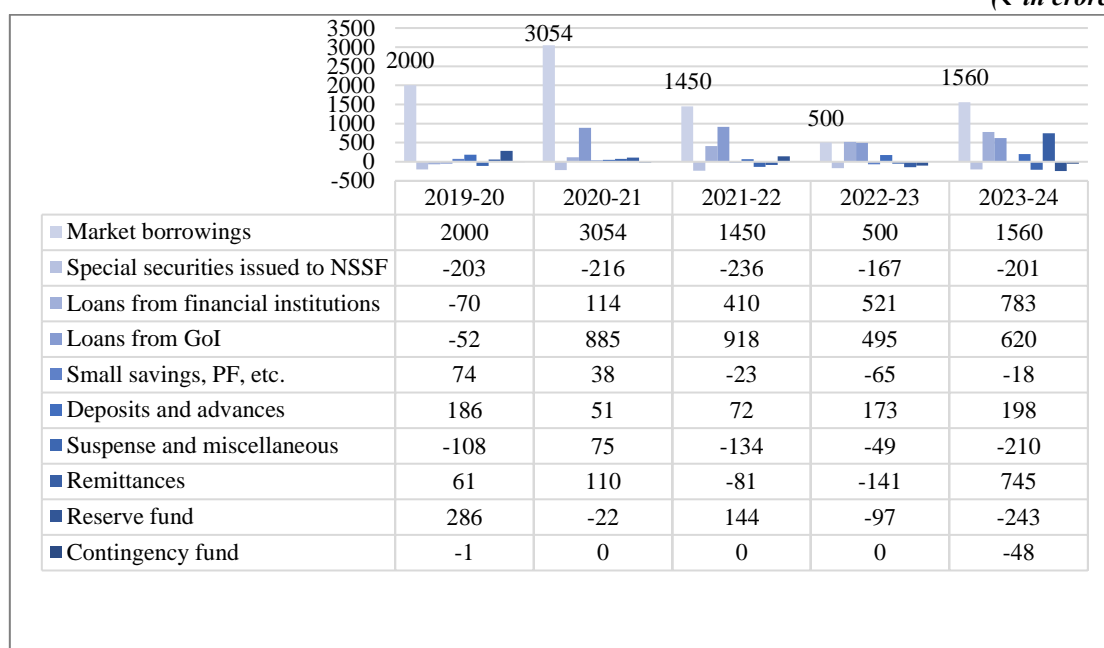


(Source: Finance Accounts of the State)

<sup>14</sup> National Bank for Agriculture and Rural Development

Chart 2.17: Component-wise debt trends

₹ in crore)



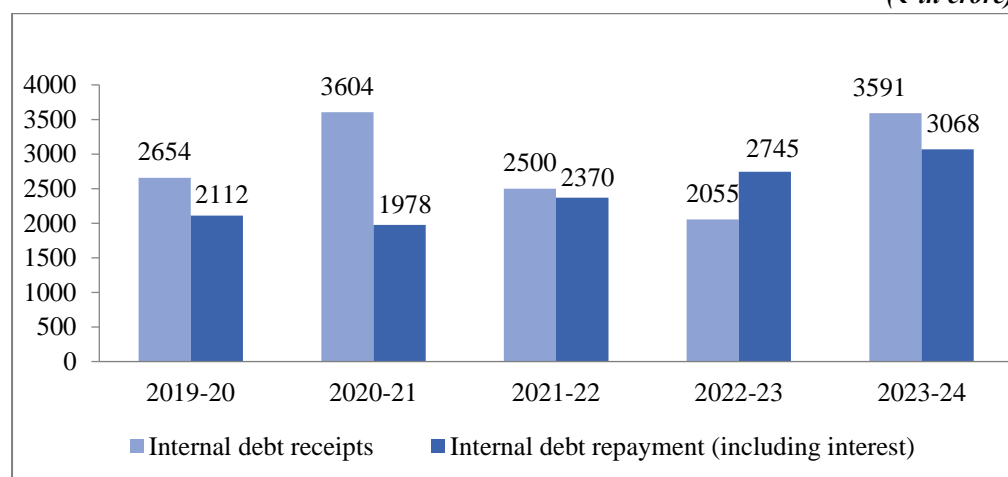
(Source: Finance Accounts of the State)

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 2019-24.

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

₹ in crore)



(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 2.37** shows the item-wise net disbursements/outflow and financing pattern of fiscal deficit during 2019-24.

Table 2.37: Components of fiscal deficit and its item-wise financing pattern

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Components of fiscal deficit</b>	<b>(-)1994</b>	<b>(-)3648</b>	<b>(-)2624</b>	<b>(-)1027</b>	<b>(-)2148</b>
1 Revenue deficit (-) /surplus (+)	(-)325	(-)1652 <sup>15</sup>	59	2400	1423
2 Net capital expenditure <sup>16</sup>	(-)1660	(-)1997	(-)2681	(-)3425	(-)3571
3 Net loans and advances	(-) 09	01	(-)02	(-)02	00
<b>Financing pattern of fiscal deficit (Net figures)</b>					
1 Market borrowings	2000	3054	1450	500	1560
2 Loans from GoI	(-)52	885	918	495	620
3 Special securities issued to NSSF	(-)203	(-)216	(-)236	(-)167	(-)201
4 Loans from financial institutions	(-)70	114	410	521	783
5 Small savings, PF, etc.	74	38	(-)23	(-)65	(-)18
6 Deposits and advances	186	51	72	173	198
7 Suspense and miscellaneous	(-)108	75	(-)134	(-)49	(-)210
8 Remittances	61	110	(-)81	(-)141	745
9 Reserve funds	286	(-)22	144	(-)97	(-)243
10 Contingency fund	(-)01	00	00	0	(-)48
<b>Overall Deficit</b>	<b>2173</b>	<b>4089</b>	<b>2520</b>	<b>1170</b>	<b>3186</b>
11 Increase(+)/Decrease(-) in cash balance	(-)179	(-)441	104	(-)143	(-)1038

(Source: Finance Accounts of the State)

Table 2.37 reveals that during 2023-24, net market borrowings (₹ 1,560 crore), loans from GoI (₹ 620 crore) and loans from financial institutions (₹ 783 crore), were the main source of funds 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 ₹ 32,867 crore at the close of 2023-24, ₹ 5,485 crore pertained to other liabilities (Public Account liabilities). The maturity profile of the remaining public debt (₹ 27,382 crore) is shown in Table 2.38 and Chart 2.19.

<sup>15</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).

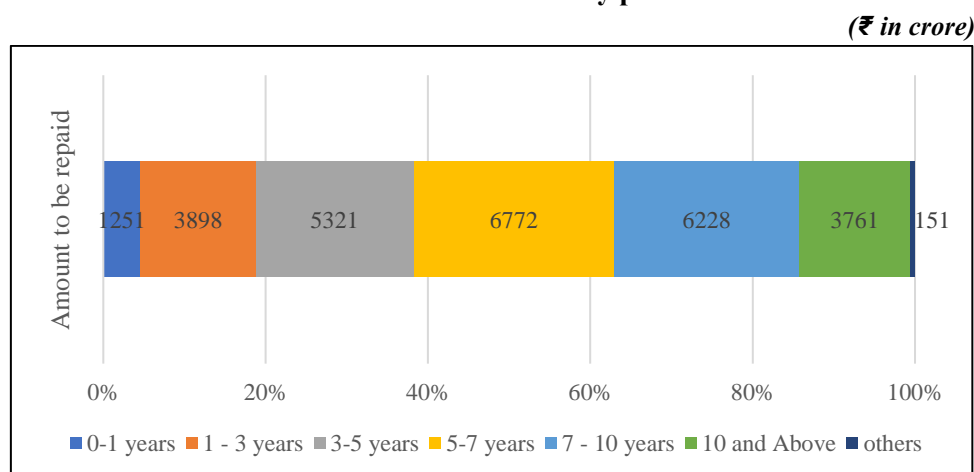
<sup>16</sup> Net capital expenditure is miscellaneous capital receipts minus capital expenditure.



**Table 2.38: Debt maturity profile of repayment of public debt**

Period of repayment (Years)	Repayment schedule of total outstanding public debt (₹ in crore)	Repayments <i>vis-à-vis</i> total outstanding public debt (per cent)
0 – 1	1251	04
1 – 3	3898	14
3 – 5	5321	19
5 – 7	6772	25
7 -10	6228	23
10 and above <sup>17</sup>	3761	14
Loans pertaining to Union Territory	151	01
<b>Total</b>	<b>27382</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 2024 indicated that 85 *per cent* of the total public debt (₹ 23,470 crore) would be repayable within the next 10 years.

**Recommendation 5:** *Given the increasing trend of committed expenditure over the last five years, the State Government may work out a well-thought-out debt management strategy.*

### 2.6.3 Repayment schedule of public debt

Of the total outstanding debt of ₹ 32,867 crore, share of public debt was ₹ 27,382 crore (83 *per cent*) at the end of 2023-24. Repayment schedule of outstanding public debt (principal and interest) is depicted in **Table 2.39**.

<sup>17</sup> Includes repayments pertaining to 'Scheme for Special Assistance to States for Capital Investment' amounting to ₹ 1,477 crore, which was given to the State Government by GoI during 2020-24 in the form of 50-year interest free loan for capital investment projects.

**Table 2.39: Repayment schedule of public debt and interest**

(₹ in crore)

Period of repayment (Years)	Repayment of public debt	Repayment of public debt	Total
2024-25	1251	1464	2715
2025-26	2028	1370	3398
2026-27	1870	1223	3093
2027-28	2377	1104	3481
2028-29	2944	949	3893
2029-30	3103	738	3841
2030-31	3669	530	4199
2031-32	2241	295	2536
2032-33	1031	146	1177
2033-34 and beyond	6868	213	7081
<b>Total</b>	<b>27382</b>	<b>8032</b>	<b>35414</b>

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

As may be seen from **Table 2.38**, State Government would have to repay public debt of ₹ 5,149 crore and interest of ₹ 4,057 crore in next three financial years *i.e.* up to 2026-27. In the following two years (2027-29), principal of ₹ 5,321 crore and interest of ₹ 2,053 crore would be payable. Thus, total principal repayment with interest during the next five years (2024-29) would be ₹ 16,580 crore.

From 2029-30 onwards, State Government would have to repay public debt of ₹ 16,912 crore with interest of ₹ 1,922 crore.

## 2.7 Debt sustainability analysis

Debt is considered sustainable, if the borrower (State Government) is in a position to service its debt in the present 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 debt.

Trends of debt sustainability indicators for the period 2019-24 are shown in **Table 2.40**.

Table 2.40: Trends of debt sustainability indicators

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
1	Overall Liabilities or Overall Debt (*Excluding Back-to-Back Loans)	22554	25681*	27431*	28617*	31180*
2	Rate of Growth of Overall Debt (per cent)	10.50	13.86	6.81	4.32	8.96
3	GSDP (in nominal terms)	75032	74158	84266	93672	106533
4	Nominal GSDP growth (per cent)	4.42	-1.16	13.63	11.16	13.73
5	Overall Debt/GSDP* (per cent)	30.06	34.63	32.55	30.55	29.27
6	Maturity profile of all kinds of borrowings (Public Debt) (excluding liabilities under Public Accounts, if any) (per cent)					
6a	0-2 years	9.75	10.44	11.68	10.99	11.97
6b	2-5 years	21.97	21.26	21.43	24.65	26.26
6c	5-10 years	62.80	59.74	57.14	51.14	47.48
6d	Over 10 years	5.48	8.56	9.75	13.22	14.29
7	Repayment to Gross Borrowings (per cent)	60.0	55.7	60.9	72.6	59.0
8	Net borrowings available as a percentage of Gross Borrowings	40.0	44.3	39.1	27.4	41.0
9	Interest payments on Overall Debt	1465.09	1590.37	1782.53	1816.44	1889.28
10	Effective rate of interest on Overall Debt (per cent)	7.36	7.11	7.26	7.07	6.94
11	Interest payment to Revenue Receipts (per cent)	12.97	15.23	12.49	10.51	10.33
12	Revenue Deficit/Surplus (12+9)	-325.1	-1653	59.4	2399.2	1423.1
13	Primary Revenue Balance (PRB)	1140	-62	1842	4216	3312
14	Primary Balance (PB)	-529	-2058	-841	789	-259
15	PB/GSDP (per cent)	-0.70	-2.77	-1.00	0.84	-0.24
16	Difference between RoI and effective rate of interest on Overall Debt	-5.31	-5.56	-5.69	-5.99	-5.69
17	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	96 days	167 days	83 days	3 days	11 days
18	Debt Stabilisation (Quantum spread + Primary balance)	-1145	-4024	770	1859	1669
19	<b>Domar Criteria</b>					
a	GSDP (in constant terms)	54812	52605	53168	54436	57977
b	Real Growth (in constant terms)	3.30	-4.03	1.07	2.38	6.50
c	Inflation based on CPI (per cent)	4.33	6.07	4.63	3.15	2.95
d	Effective Rate of interest	7.36	7.11	7.26	7.07	6.94

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
e	Real effective rate of interest (Effective rate of interest-Inflation) (19.d – 19.c)	3.03	1.04	2.63	3.92	3.99
f	Growth Interest Differential (Real growth-Real effective rate of interest) (19.b – 19.e)	0.27	-5.07	-1.56	-1.54	2.51
Source: Finance Accounts and Central Statistical Office (CSO), Ministry of Statistics & Programme Implementation, GoI.						
*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 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 (2020-21: ₹ 26,521 cr – ₹ 840 cr; 2021-22: ₹ 29,118 cr - ₹ 1,687 cr; 2022-23: ₹ 30,304 cr - ₹ 1,687 cr.; 2023-24: ₹ 32,867 cr – ₹ 1,687 cr).						
PRB: Revenue Receipts-Revenue Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa. PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa. Effective Rate of Interest: {Interest Payments/[(Average Outstanding Debt of Previous and Current Financial Year (Excluding Non-Interest Bearing Liabilities viz: Reserve Funds not bearing Interest, Deposits not bearing Interest, Back to Back Loans in-lieu of shortfall in GST compensation, and Block Loans of 50 years). Liquidity Management: Amount availed against SDF, WMA & OD Quantum Spread: Interest Spread*Debt. RoI: Return on Investment = (Interest receipts/Average of Outstanding Loans and Advances Disbursed of Previous and Current Financial Year * 100).						

Analysis of various debt sustainability indicators as shown in **Table 2.18** and **Table 2.40** revealed the following:

- **Debt as percentage of GSDP:** The Debt-GSDP ratio remained more than 30 per cent during 2019-23 but decreased below 30 per cent in 2023-24. *High Debt to GSDP Ratio signifies that the State's burden is substantial compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility.*
- **Rate of nominal growth of GSDP and Rate of growth of debt:** The nominal GSDP growth rate was less than the rate of growth of overall debt in the first two years (2019-20 and 2020-21). Thereafter it improved and surpassed the rate of growth of debt during 2021-24.
- **Domar Model-Rate of real growth and real rate of interest:** In 2019-20 and 2023-24, the rate of real growth was more than real effective rate of interest.
- **Primary balances and primary revenue balances:** Primary balances remained negative in all years except in 2022-23. Primary Revenue Balance remained negative only in 2020-21. *Primary balances increased from ₹ 529 crore in 2019-20 to ₹ 2,058 crore in 2020-21, becoming*

*surplus in 2022-23 with ₹ 789 crore. In 2023-24, the balance dipped to ₹ 259 crore indicating that debt is on unsustainable path.*

- **Interest payment as percent to revenue receipt and revenue expenditure:** The burden of interest payment on overall debt as percentage of revenue receipts ranged between 10.33 *per cent* to 12.97 *per cent* during 2019-24, except in 2020-21 when it was 15.23 *per cent*. As percentage of revenue expenditure, it remained more than 13 *per cent* in 2020-21. Thereafter, it declined every year, from 12.53 *per cent* in 2021-22 to 11.21 *per cent* in 2023-24. *This declining trend indicates a sustainable debt trajectory.*
- **Maturity profile and cost of borrowing:** Maturity profile of the state's public debt reveals that 62 *per cent* (₹ 16,912 crore) of total public debt (₹ 27,382 crore) as on 31 March 2024 is repayable after more than five years indicating a longer horizon of debt.
- **Liquidity:** During 2023-24 the State Government availed ₹ 133.28 crore ways and means advances. The number of occasions of taking Ways and Means advances from RBI has decreased from 96 times in 2019-20 to 11 times in 2023-2024 and amount of WMA is in decreasing trend during last five years. Although the amount obtained as Ways and Means advances in 2023-24 is higher than the amount obtained in 2022-23 (₹ 52.43 crore), it is still significantly lower than WMA taken during 2019-20 to 2021-22, which ranged between ₹ 1,112.12 crore and ₹ 3,067.90 crore. During 2023-24, an amount of ₹ 0.03 crore was paid as interest on WMA by the State Government. *Sustainable use of WMA in small amount indicates the better liquidity management, and short term sustainability.*
- **Fiscal imbalances (FB):** During 2023-24, ratio of Overall debt to GSDP slightly decreased over previous year. The fiscal Balance was negative in 2019-20 and 2020-21, but improved and became positive during 2021-22 to 2023-24. This indicates the state has scope for fiscal expansion through borrowings.

**The Domar model and primary balances:** The Domar gap (Growth Interest Differential i.e. Real growth-Real effective rate of interest) remained positive in 2019-20 and 2023-24, while primary balances of the state remained negative in four out last five years. The primary deficit showed an unstable trend. With growing interest liability of the State on borrowings, it is too early to conclude that debt is sustainable for the State.

***Recommendation 6: State Government may consider developing a debt sustainability framework for achieving long-term sustainability in fiscal management.***

## 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 2.41: Utilisation of borrowed funds**

(₹ in crore)

Year		2019-20	2020-21	2021-22	2022-23	2023-24
<b>Total borrowings (public debt receipts)</b>	<b>1</b>	2700	4587	3513	2576	4153
<b>Repayment of principal on total borrowings (per cent)</b>	<b>2</b>	1025 (37.96)	751 (16.37)	971 (27.64)	1227 (47.63)	1391 (33.49)
<b>Net capital expenditure (per cent)</b>	<b>3</b>	1660 (61.48)	1997 (43.54)	2681 (76.32)	3425 (132.96)	3571 (85.99)
<b>Net loans and advances</b>	<b>4</b>	(-09)	01	(-02)	(-02)	0
<b>Portion of revenue expenditure met out of net available borrowings</b>	<b>5= (1-2-3-4)</b>	24	1838	(-)137	(-)2074	(-) 809

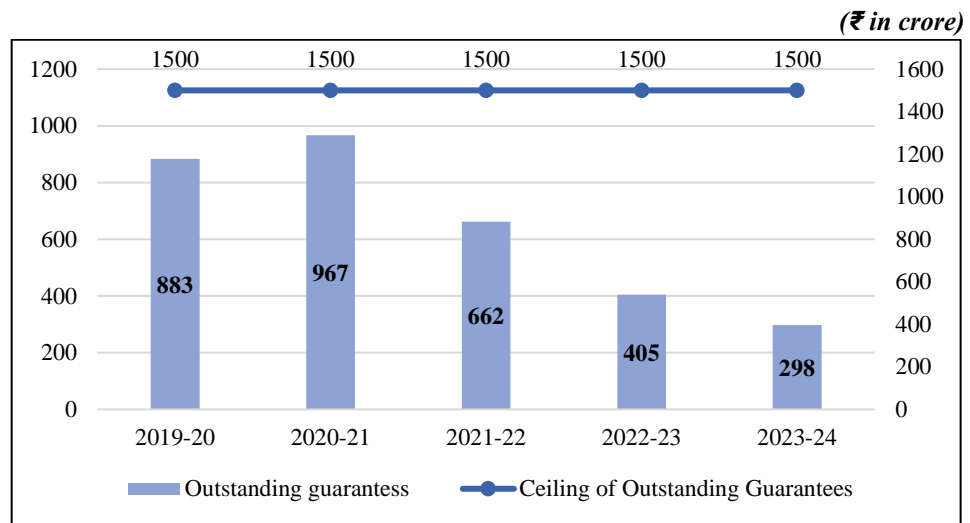
(Source: Finance Accounts of the State)

Details as per **Table 2.41** shows that the borrowings were not used for meeting the revenue expenditure during 2023-24. Consequently, major portion of public debt receipts was deployed by the State Government towards Capital spending. The percentage of repayment of borrowing to total borrowing marginally decreased from 37.96 *per cent* in 2019-20 to 33.49 *per cent* in 2023-24.

## 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 2019-24**

(Source: Finance Accounts of the State)

It could be seen from the **Chart 2.20** 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 ₹ 298 crore during 2023-24 decreased by ₹ 107 crore from the previous year due to fulfillment of debt obligations by borrowing entities. Of the total outstanding guarantees of ₹ 298 crore, ₹ 170 crore (57 *per cent*) pertained to loans from Bank of Maharashtra availed for construction of Mandovi bridge and ₹ 33 crore (11 *per cent*) for loans sanctioned to Government servants by Bank of India for construction/purchase of houses. Outstanding guarantees accounted for 1.63 *per cent* of the total revenue receipts of the State Government (₹ 18,272 crore) and 0.28 *per cent* of GSDP (₹ 1,06,533 crore). The State Government has exempted borrowing institutions from the payment of guarantee fee.

During 2023-24, 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 2023-24, the State Government's limit to borrow under ordinary WMA was fixed at ₹ 203 crore and the State Government utilised the same on 11 occasions (amounting to a total of ₹ 133.28 crore) when its cash balances dipped below the minimum levels. The entire borrowed amount of ₹ 133.28 crore along with accrued interest of ₹ 0.03 crore was repaid during 2023-24.

**Table 2.42** depicts the cash balances and investments made by State Government out of cash balances during the year.

**Table 2.42: Cash balances and their investment**

(₹ in crore)

	Opening balance (01 April 2023)	Closing balance (31 March 2024)
<b>A. General Cash Balance</b>		
Cash in treasuries	00	00
Deposits with RBI	136.41	-7.40
Deposits with other Banks	00	00
Remittances in transit – Local	00	00
Investments held in cash balance investment account	546.48	1592.96
<b>Total (A)</b>	<b>682.89</b>	<b>1585.56</b>
<b>B. Other Cash Balances and Investments</b>		
Cash with departmental officers viz., Public Works Department, Forest Department, District Collectors, etc.	1.48	1.48
Permanent advances for contingent expenditure with departmental officers	0.35	0.36
Investment out of earmarked funds	1280.03	1416.00
<b>Total (B)</b>	<b>1281.86</b>	<b>1417.84</b>
<b>Total (A + B)</b>	<b>1964.75</b>	<b>3003.40</b>
<b>Interest realised</b>	<b>31.43</b>	<b>22.94</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 2024 was ₹ 7.40 crore (credit). Cash balance reported by RBI as on 31 March 2024 was ₹ 7.04 crore (debit). Directorate of Accounts stated that the difference of ₹ 0.36 crore (credit) between the two figures was under reconciliation.

State Government's cash balances of ₹ 3,003 crore at the end of the current year were higher by ₹ 1,038 crore (53 per cent) over the previous year. During the year, State Government invested ₹ 1,593 crore in GoI treasury bills which earned an interest of ₹ 23 crore. Further, ₹ 1,416 crore was invested out of earmarked/reserve funds which earned an interest of ₹ 97 crore<sup>18</sup> during the year.

<sup>18</sup> State Disaster Response Fund: ₹ 3.13 crore; Consolidated Sinking Fund: ₹ 63.33 crore; Guarantee Redemption Fund: ₹ 30.26 crore



**Table 2.43** shows the increase/decrease in cash balance investment account during last five years (2019-24).

**Table 2.43: Cash Balance Investment Account (Major Head-8673)**

(₹ in crore)

Year	Opening balance	Closing balance	Increase (+) / decrease (-)	Interest earned
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
2022-23	721.16	546.48	(-)174.68	31.43
2023-24	546.48	1592.96*	(+) 1046.48	22.94

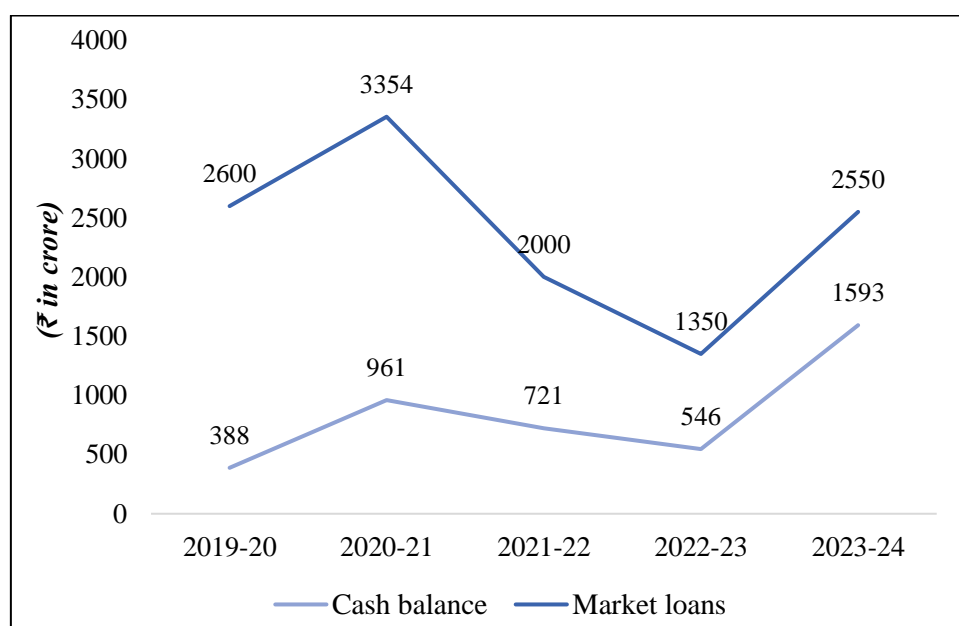
(Source: Finance Accounts of the State)

Closing balance of ₹ 1,592.96 crore for 2023-24 has overstatement of ₹ 108.93 crore.

Cash balances in investment account during 2023-24 increased by ₹ 1,046 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 (2019-24).

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



(Source: Finance Accounts of the State)

## 2.8 Conclusion

- State Government continued to record revenue surplus in 2023-24 for the third consecutive year. However, the revenue surplus during 2023-24 was only ₹ 1,423 crore as compared to ₹ 2,400 crore in 2022-23.
- The outstanding debt of the State Government decreased from 30.06 per cent of GSDP in 2019-20 to 29.27 per cent in 2023-24. However, the outstanding debt to GSDP ratio breached the target of 25 per cent of

GSDP set by the GFRBM (First Amendment) Act, 2014 in all the five years during 2019-24.

- State Government's expenditure was largely financed from its own resources, with 71 *per cent* of revenue coming from its own tax and non-tax revenue.
- Total committed expenditure showed an increasing trend during 2019-24. During 2023-24, committed expenditure constituted 49 *per cent* of revenue expenditure, which was less than the expenditure observed (52 *per cent*) in 2022-23.
- The maturity profile of outstanding stock of public debt as on 31 March 2024 indicated that 85 *per cent* of the total public debt would be repayable within the next 10 years.