



**STATE FINANCES AUDIT REPORT  
OF THE  
COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

**For the year ended 31 March 2019**

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**GOVERNMENT OF GOA**  
*Report No. 1 of the year 2020*

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## **PREFACE**

This Report for the year ended 31 March 2019 has been prepared for submission to the Governor of Goa under Article 151 of the Constitution of India.

This Report contains audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2019. Information has also been obtained from the Government of Goa, wherever necessary. It also provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to financial reporting during the current year.

The Report containing the findings of performance audit and audit of transactions in various Departments, Statutory Corporations, Boards and Government Companies and Revenue sector is presented separately.



# **EXECUTIVE SUMMARY**



## Executive Summary

### Background

Goa is situated in the western coastal region known as Konkan, bounded by Arabian sea in the west, Maharashtra in the north and Karnataka to the east and south. Goa is the smallest State in terms of geographical area (3,702 sq. km.) and has a coastline of about 131 km. Goa was incorporated as a Union Territory with Legislature in 1962. It was granted Statehood on 30 May 1987.

The decadal population growth of the State was 8.23 *per cent* (0.13 crore in 2001 to 0.15 crore in 2011). The density of population in the State increased from 364 persons per sq. km. to 394 persons per sq. km. in the last decade (2001-2011) as against the all India average of 382. The population below poverty line was 9.90 *per cent* as compared to 21.90 *per cent* for the Country. The State's Gross State Domestic Product (GSDP) in 2018-19 at Current prices was ₹ 77,172 crore.

This Report on the finances of the Government of Goa is being brought out with a view to objectively assess the financial performance of the State during 2018-19 and to provide the State Government and the State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged in Goa Fiscal Responsibility and Budget Management (First Amendment) Act, 2014 and budget and revised estimates of 2018-19.

### The Report

Based on the audited accounts of the Government of Goa for the year ended March 2019, this Report provides an analytical review of the Annual Accounts of the State Government. This Report is structured in three Chapters.

**Chapter I** is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2019. It provides an insight into trends of different components of the Government's receipts, expenditure and borrowing pattern, besides giving a brief account of fiscal imbalances.

**Chapter II** is based on audit of Appropriation Accounts and gives a grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery Departments.

**Chapter III** is an inventory of the Government's compliance with various reporting requirements and financial rules.

The report also compiles the data collected from various Government Departments/Organisations in support of the findings.

## **Achievements of the State Government: A Brief Summary**

The per capita income of Goa at ₹ 5,02,420 during 2018-19 was the highest in the country.

During 2018-19, the State achieved two of the three major fiscal targets set under the Goa Fiscal Responsibility and Budget Management (First Amendment) Act, 2014 *i.e.* (i) it is a revenue surplus State from 2014-15 onwards, and (ii) the ratio of fiscal deficit to Gross State Domestic Product (GSDP) at 2.32 *per cent* was below the ceiling of three *per cent*. In respect of Debt-GSDP ratio fixed at 25 *per cent* by the Goa FRBM (First Amendment) Act, 2014, the current ratio stands marginally higher at 26.45 *per cent*.

Revenue receipts increased by ₹ 384 crore (three *per cent*) during the year, and the own tax revenue of the State also increased by ₹ 140 crore (three *per cent*) during the year over the previous year.

The State Government needs to improve its Tax-GSDP ratio (6.31 *per cent*), which was lower than the normative assessment of Fourteenth Finance Commission (FC XIV) (8.37 *per cent*).

## **Contents of the Report**

### **Chapter I**

#### **Finances of the State Government**

##### ***Fiscal correction***

The growth rate of GSDP was 9.48 *per cent* against the FC XIV projection of 14.52 *per cent* during the year.

During 2018-19, the State achieved only one of the three major parameters specified by the FC XIV *viz.* the ratio of fiscal deficit to GSDP at 2.32 *per cent* was lower than the norm of three *per cent*.

The ratio of interest payment to revenue receipt (second parameter) at 11.75 *per cent* was marginally higher than the projected ratio of 11.68 *per cent* prescribed by FC XIV. And, the third parameter of fiscal liabilities to GSDP ratio at 26.45 *per cent* in 2018-19 was higher than the target fixed (25 *per cent*) in the Goa FRBM (First Amendment) Act, 2014 and 25.31 *per cent* projected by FC XIV.

The State continued to maintain revenue surplus during the period 2014-19. Revenue surplus during 2018-19 stood at ₹ 355 crore and was lower than the previous year's surplus by ₹ 156 crore.

*(Paragraphs 1.9.2, 1.10.1 and 1.11.1)*

##### ***Resource mobilisation***

Revenue receipts at ₹ 11,438 crore during 2018-19 increased by ₹ 384 crore (three *per cent*) over the previous year. Though State's own taxes increased by ₹ 140 crore, the tax-GSDP ratio (6.31 *per cent*) was less than the normative assessment of 8.37 *per cent* made by FC XIV.

The collections under non-tax revenue fell for the first time during the last five years by ₹ 159 crore over the previous year. The share of State's own resources comprising tax and non-tax revenue to total revenue receipts was 68 *per cent* while the Central tax transfers including grants-in-aid contributed 32 *per cent*.

*(Paragraphs 1.3, 1.3.1, 1.3.4 and 1.3.5)*

### ***Expenditure management***

Revenue expenditure increased continuously from ₹ 7,410 crore in 2014-15 to ₹ 11,083 crore in 2018-19 and grew by 5.12 *per cent* (₹ 540 crore) during 2018-19 over the previous year. The growth rate of revenue expenditure fluctuated from 5.12 *per cent* in 2018-19 to a high of 18.91 *per cent* in 2017-18. Revenue expenditure as a *per cent* of GSDP stood at 14 *per cent* during 2018-19. Capital expenditure (₹ 2,149 crore) constituted 16 *per cent* of the total expenditure in 2018-19. During the five year period 2014-19, capital expenditure increased by 74 *per cent*, while the total expenditure increased by 53 *per cent* during the same period.

Financial assistance to local bodies and other institutions continuously increased from ₹ 1,022.53 crore in 2014-15 to ₹ 1,780.46 crore in 2018-19. Expenditure on Subsidies (₹ 301 crore) constituted 2.63 *per cent* of revenue receipts.

As of 31 March 2019, the State Government invested ₹ 631 crore in Statutory Corporations, Joint Stock Companies and Co-operative Banks and Societies. The average return on investments in these Companies/Corporations was 0.27 *per cent* during 2014-19 while the Government paid an average interest ranging from 6.90 *per cent* to 7.59 *per cent* on its borrowings during the same period.

*(Paragraphs 1.6.2, 1.6.3, 1.6.4, 1.6.6 and 1.8.3)*

### ***Quality of expenditure***

The overall development expenditure to total expenditure decreased from 69.01 *per cent* in 2014-15 to 67.44 *per cent* in 2018-19. The State Government has given higher fiscal priority to health and family welfare during 2014-15 and 2018-19, as their ratios to total expenditure were significantly higher than that of General Category States.

*(Paragraphs 1.7.1 and 1.7.2)*

### ***Transactions under reserve funds***

There were eight reserve funds earmarked for specific purposes during 2018-19 of which, two funds were inoperative with a balance of ₹ 3.07 crore. The total accumulated balance in these funds as on 31 March 2019 was ₹ 1,850.44 crore of which, ₹ 954.18 crore was invested.

*(Paragraph 1.9.3)*

### ***Debt sustainability***

The outstanding fiscal liabilities of the State increased by 47 *per cent* from ₹ 13,877 crore in 2014-15 to ₹ 20,412 crore at the end of 2018-19. The outstanding liabilities of the State Government at the end of financial year 2018-19 (₹ 20,412 crore) comprised internal debt of ₹ 14,019 crore (69 *per cent*), public account of ₹ 5,192 crore (25 *per cent*) and loans and advances from GoI of ₹ 1,201 crore (six *per cent*).

The net availability of borrowed funds for current operations after debt redemption (principal and interest payments) increased from ₹ 484 crore in 2017-18 to ₹ 516 crore in 2018-19.

*(Paragraphs 1.9.2 and 1.10.1)*

## **Chapter II**

### **Financial Management and Budgetary Control**

During 2018-19, expenditure of ₹ 16,729 crore was incurred against the total grants and appropriations of ₹ 19,024.42 crore resulting in savings of ₹ 2,295.42 crore. The overall savings were the net result of savings of ₹ 4,653.96 crore, offset by an excess of ₹ 2,358.54 crore in one grant and one appropriation. The excess expenditure of ₹ 2,358.54 crore requires regularisation under Article 205 of the Constitution of India. Excess over provisions relating to previous years (2008-09 to 2017-18) amounting to ₹ 5,865.65 crore had not been regularised.

*(Paragraphs 2.2 and 2.3.1)*

Of the total savings of ₹ 4,653.96 crore during 2018-19, savings of ₹ 100 crore or more amounting to ₹ 2,497.13 crore (54 *per cent*) occurred in nine grants pertaining to Municipal Administration, Sports and Youth Affairs, Public Works, Finance, Electricity, School Education, Health Services, Women and Child Development and Information Technology.

*(Paragraph 2.3.2)*

## **Chapter III**

### **Financial Reporting**

As on 31 March 2019, 12,148 Utilisation Certificates (UCs) aggregating ₹ 2,340.66 crore for grants disbursed up to 2017-18 remained outstanding. Of 12,148 cases, 25 *per cent* (3,089 UCs) pertained to the Directorate of Art and Culture while 24 *per cent* (2,942 UCs) pertained to the Directorate of Panchayats, North Goa.

As of March 2019, 377 Detailed Contingent (DC) bills amounting to ₹ 141.85 crore drawn by various Departmental authorities on Abstract Contingent (AC) bills were pending settlement.

Pendency of UCs and DC bills for long periods was fraught with the risk of fraud and misappropriation.

*(Paragraphs 3.1 and 3.6)*

During 2018-19, expenditure aggregating ₹ 4,039 crore constituting 31 *per cent* of the total expenditure was classified under Minor Head '800-Other Expenditure'. Similarly, revenue receipts aggregating ₹ 657 crore constituting six *per cent* of total receipts were classified under Minor Head '800-Other Receipts'. Accounting of large items of expenditure and receipts under omnibus Minor Head –800 affects transparency in financial reporting as disaggregated information on different activities of the State Government is not displayed separately in the accounts.

*(Paragraph 3.5)*



# **CHAPTER – I**

## **FINANCES OF THE STATE GOVERNMENT**



## CHAPTER I

### FINANCES OF THE STATE GOVERNMENT

#### *Profile of Goa*

Goa is situated in the western coastal region known as Konkan, bounded by Arabian sea in the west, Maharashtra in the north and Karnataka to the east and south. Goa is the smallest State in terms of geographical area (3,702 sq. km.) and has a coastline of about 131 km. Goa was incorporated as a Union Territory with Legislature in 1962. It was granted Statehood on 30 May 1987. The basic statistics of the State is given in **Appendix 1.1**.

The State population increased from 0.13 crore in 2001 to 0.15 crore in 2011 recording a decadal growth of 8.23 *per cent*. The density of population in the State increased from 364 persons per sq. km. to 394 persons per sq. km. in the last decade from 2001 to 2011 as against the all India average of 382.

The population below the poverty line was 9.90 *per cent* as compared to 21.90 *per cent* for the Country. The State's Gross State Domestic Product (GSDP) in 2018-19 at current prices was ₹ 77,172 crore<sup>1</sup>. The per capita GSDP of the State at ₹ 5,02,420 during 2018-19 was higher than the all India average of ₹ 1,42,719 during the same period. The social indicators *viz.* literacy rate and rate of infant mortality (except life expectancy) were better than the all India average (**Appendix 1.1, Part A**).

#### *Gross State Domestic Product (GSDP)*

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP is an important indicator of the State economy as it indicates the standard of living of the State population. The trends in the annual growth rate of State GSDP at current prices<sup>2</sup> and constant prices from 2014-19 are indicated in **Table 1.1**.

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<sup>1</sup> Quick estimates for 2018-19 provided by Directorate of Planning, Statistics and Evaluation, Government of Goa

<sup>2</sup> Base year 2011-12

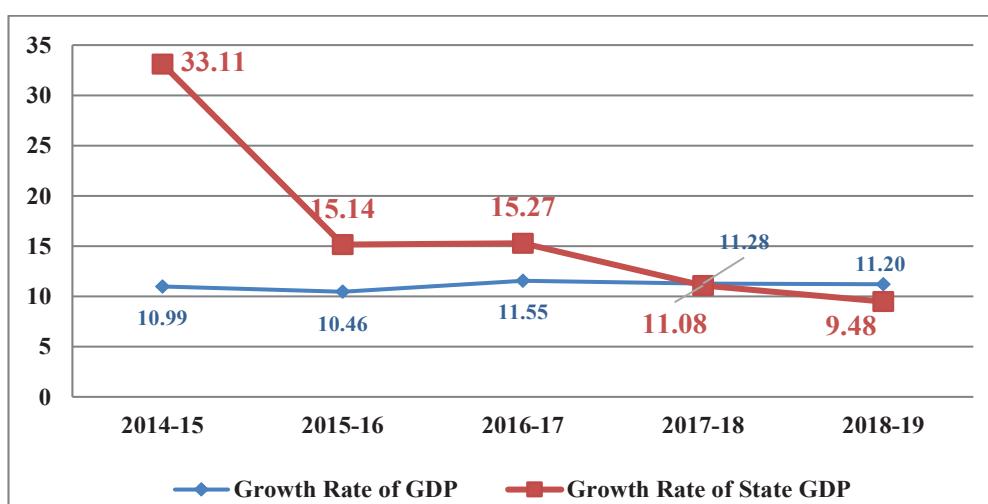
**Table 1.1: Annual growth rate of GDP and GSDP**

Year	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Current Prices</b>					
India's GDP (₹ in crore) <sup>3</sup>	12467959	13771874	15362386(R)	17095005(R)	19010164(P)
Growth rate of GDP (in per cent)	10.99	10.46	11.55	11.28	11.20
State GSDP (₹ in crore) <sup>4</sup> (base year 2011-12)	47814	55054	63459	70492(P)	77172(Q)
Growth rate of GSDP (in per cent)	33.11	15.14	15.27	11.08	9.48
State contribution to GDP	0.38	0.40	0.41	0.41	0.41
<b>Constant Prices</b>					
India's GDP (₹ in crore) <sup>5</sup>	10527674	11369493	12298327	13179857	14077586
Growth rate of GDP (in per cent)	7.40	8.00	8.17	7.17	6.89
State GSDP (₹ in crore) <sup>6</sup> (base year 2011-12)	40116	46091	51482	56762	66781
Growth rate of GSDP (in per cent)	27.08	14.89	11.70	10.25	17.65
State contribution to GDP	0.38	0.41	0.42	0.43	0.47

(Q) Quick estimates (P) Provisional Estimates (R) Revised Estimates

The GSDP of the State grew at the rate of 9.48 *per cent* (at Current prices) which was lower than the projection made in the Fourteenth Finance Commission (FC XIV) (14.52 *per cent*). A comparison of the growth rate of Country's GDP and State's GSDP (at Current prices) is depicted in **Chart 1.1**.

**Chart 1.1: Comparison of growth rate of Country's GDP to State's GDP (at Current prices)**



<sup>3</sup> Economic Survey 2019-20

<sup>4</sup> Directorate of Planning, Statistics and Evaluation, Government of Goa

<sup>5</sup> Economic Survey 2019-20

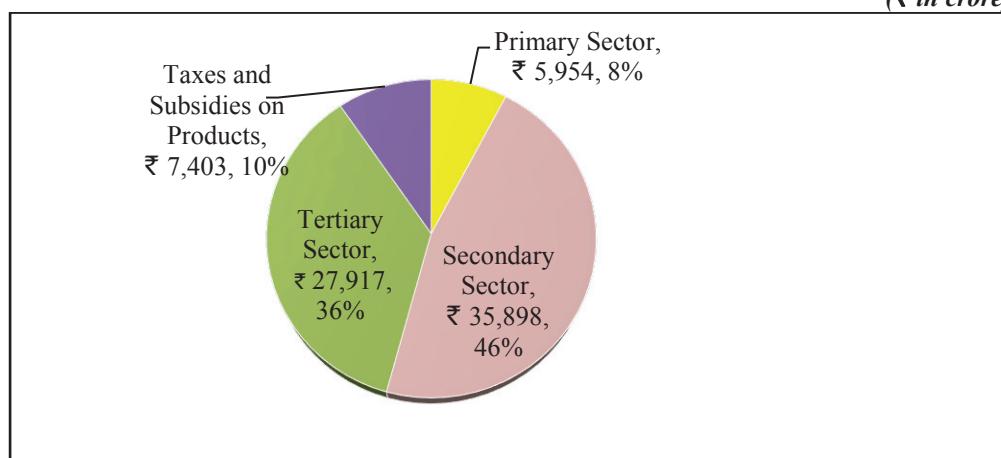
<sup>6</sup> Economic Survey 2019-20, Government of Goa

**Chart 1.1** shows that the growth rate of the State GDP has fallen in the last five years from 33.11 *per cent* in 2014-15 to 9.48 *per cent* in 2018-19. Also, in the first three years the growth rate of State GDP was higher than India’s GDP, but, in the last two years, it has fallen behind the national growth rate.

The sector-wise comparison of GSDP at market price by industry of origin of the State for the year 2018-19 is presented below.

**Chart 1.2: Sector-wise composition of GSDP during 2018-19**

(₹ in crore)



(Source: Department of Planning, Statistics and Evaluation)

**Chart 1.2** shows that the secondary sector and tertiary sector continued to be a dominant source and accounted for 46 *per cent* and 36 *per cent* of GSDP respectively. Of the remaining 18 *per cent*, primary sector contributed eight *per cent* and taxes and subsidies on products contributed 10 *per cent*.

## 1.1 Introduction

This chapter provides a broad perspective on the finances of the Government of Goa during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year and the overall trends during the preceding five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.1, Part B** and **Part C**. The methodology adopted for assessment of the fiscal position of the State is given in **Appendix 1.2**.

### 1.1.1 Summary of Fiscal Operations in 2018-19

A summary of the State Government’s fiscal transactions during 2018-19 *vis-à-vis* previous four years (2014-18) is presented in **Table 1.2**. Details of receipts and disbursements and the overall fiscal position during 2018-19 are given in **Appendix 1.3**.

Table 1.2: Summary of fiscal operations during 2014-15 to 2018-19

(₹ in crore)					
Receipts	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue receipts</b>	<b>7689</b>	<b>8552</b>	<b>9565</b>	<b>11054</b>	<b>11438</b>
Tax revenue	3896	3975	4261	4731	4871
Non-tax revenue	2326	2432	2712	3033	2874
Share of Union Taxes/Duties	901	1924	2299	2544	2878
Grants from Government of India	566	221	293	745	815
<b>Capital Receipts</b>	<b>1277</b>	<b>1857</b>	<b>1528</b>	<b>2013</b>	<b>2534</b>
Miscellaneous Capital Receipts	0	0	0	0	0
Recoveries of Loans and Advances	10	10	9	7	5
Public debt receipts*	1267	1847	1519	2006	2529
<b>Appropriation to Contingency Fund</b>	<b>200</b>	<b>130</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Public Account Receipts</b>	<b>9290</b>	<b>10941</b>	<b>11128</b>	<b>13377</b>	<b>13684</b>
<b>Opening Cash Balance</b>					
a) Earmarked Balances	565	634	671	762	847
b) Cash balance	218	158	96	220	149
<b>Total</b>	<b>19239</b>	<b>22273</b>	<b>22987</b>	<b>27426</b>	<b>28652</b>

Disbursements	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue expenditure</b>	<b>7410</b>	<b>8420</b>	<b>8866</b>	<b>10543</b>	<b>11083</b>
General services	2370	2560	2872	3517	3793
Social services	1929	2191	2266	2732	2646
Economic services	2091	2472	2403	2659	2869
Grants-in-aid and Contributions	1020	1197	1325	1635	1775
<b>Capital Outlay</b>	<b>1234</b>	<b>1622</b>	<b>1639</b>	<b>2094</b>	<b>2149</b>
Loans and Advances disbursed	3	3	3	34	3
Repayment of Public Debt*	366	439	468	790	920
<b>Appropriation from Contingency Fund</b>	<b>200</b>	<b>130</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Public Account Disbursements</b>	<b>9233</b>	<b>10893</b>	<b>11029</b>	<b>12969</b>	<b>13189</b>
<b>Closing Cash Balance</b>					
a) Earmarked Balances	634	671	763	848	954
b) Cash balance	158	96	220	148	352
<b>Total</b>	<b>19239</b>	<b>22273</b>	<b>22987</b>	<b>27426</b>	<b>28652</b>

(Source: Finance Accounts of the State Government for the years 2014-15 to 2018-19)

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

- Revenue receipts grew by ₹ 384 crore (three per cent) over the previous year. This was lower than the last year's growth rate of 15.56 per cent. State's tax revenue increased by ₹ 140 crore (three per cent). Similarly, all other components of revenue receipts showed an increasing trend during 2018-19 except non-tax revenue, which showed a decrease of ₹159 crore (five per cent) over the previous year. The State's share of Union taxes increased by ₹ 334 crore (13 per cent) while grants from Government of India (GoI) increased by ₹ 70 crore (nine per cent).
- Revenue expenditure increased by ₹ 540 crore (five per cent) over the previous year, mainly due to increase in expenditure on General Services by ₹ 276 crore (eight per cent) and Economic Services by ₹ 210 crore (eight per cent), offset by a decrease in expenditure under Social Services by ₹ 86 crore (three per cent). The grants-in-aid released by the State Government increased by ₹ 140 crore (nine per cent) over the previous year.

- Capital outlay increased by ₹ 55 crore (three *per cent*) over the previous year and the disbursement of loans and advances decreased by ₹ 31 crore.
- The Public Debt receipts increased by ₹ 523 crore whereas, Public Debt repayments increased by ₹ 130 crore.
- The net Public Account receipts increased by ₹ 87 crore.

The status of other fiscal indicators *i.e.* revenue surplus, fiscal deficit and primary deficit are discussed in **Paragraphs 1.1.3** and **1.11** of this Report.

### ***1.1.2 Composition of sources and application of funds in the consolidated fund during 2018-19***

#### ***1.1.2.1 Review of fiscal situation***

In pursuance of the recommendations of the Twelfth Finance Commission, Government of Goa enacted the Goa Fiscal Responsibility and Budget Management (FRBM) Act, 2006. It came into force on 15 May 2006 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, greater transparency in fiscal operations of the Government in a medium term fiscal framework. In compliance with the Act, Goa FRBM Rules, 2007 were introduced by the Finance Department in November 2007. The Act was amended with effect from March 2014 by passing the Goa FRBM (First Amendment) Act, 2014 in March 2014.

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

- a) Revenue deficit as a percentage of total revenue receipt;
- b) Fiscal deficit as a percentage of GSDP;
- c) Outstanding total liabilities as a percentage of GSDP; and
- d) Ratio of Interest payment to total revenue receipt.

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

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

- As per provision of Section 5(a) of the Goa FRBM (First Amendment) Act, 2014, the State Government was to eliminate revenue deficit<sup>7</sup> from the financial year 2014-15 and maintain at that level or generate revenue surplus thereafter. The State Government achieved this target in 2014-15 and has maintained revenue surplus since then. The budget estimates (BE), revised estimates (RE) and actual figures in respect of revenue deficit/surplus during last three years is summarised below.

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<sup>7</sup> Revenue deficit = Revenue receipts – Revenue expenditure; (+) indicates surplus and (-) indicates deficit

**Table 1.3: Revenue deficit/surplus in last three years**

	(₹ in crore)		
Revenue deficit(-)/surplus(+) as per	2016-17	2017-18	2018-19
Budget estimates	159	203	145
Revised estimates	49	309	145
Actuals	699	511	355

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

- Section 5(b) of the Goa FRBM (First Amendment) Act, 2014 envisaged achievement of fiscal deficit<sup>8</sup> at three *per cent* of GSDP by 2013-14 and thereafter to maintain the ratio or reduce it. The fiscal deficit to GSDP ratio was first brought below three *per cent* in 2014-15 and it remained so thereafter.

**Table 1.4: Fiscal deficit/GSDP**

	Budget estimates	Revised estimates	Actuals
2016-17	5.23	4.78	1.50
2017-18	5.73	4.81	2.29
2018-19	5.33	5.33	2.32

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

- The provisions of Section 5(d) of the Goa FRBM (First Amendment) Act, 2014 prescribed that total outstanding debt<sup>9</sup> to GSDP be brought down to 27 *per cent* by 31 March 2015 and thereafter maintained below 25 *per cent*. Over the period 2014-15 to 2017-18, the ratio of outstanding debt to GSDP reduced from 29.02 *per cent* to 26.32 *per cent*. In 2018-19, it increased marginally to 26.45 *per cent*.

### 1.1.3 Budget estimates vis-à-vis actuals

The budget papers presented by the State Government provide estimation of revenue and expenditure for a particular fiscal year. The importance of accuracy in estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from BE are indicative of non-attainment/non-optimisation of desired fiscal objectives due to various reasons, some within the control of the Government and some beyond its control. The State Government presented its RE of financial year 2018-19 along with BE of 2019-20 on 18 July 2019.

A comparison of actuals *vis-à-vis* BE and RE for the year 2018-19 is summarised in **Table 1.5** and detailed comparison is shown in **Appendix 1.4**.

<sup>8</sup> Fiscal deficit is the difference between the total income of government (revenue receipts + non-debt capital receipts) and its total expenditure (revenue expenditure + capital expenditure + disbursement of loans and advances)

<sup>9</sup> Total outstanding debt includes public debt and public account liabilities. Public debt includes only internal debt and loans from GoI. Public account liability includes liabilities under small saving funds, GPF, reserve funds *etc.*

**Table 1.5: Budget estimates, revised estimates and actuals for the year 2018-19**

(₹ in crore)

Fiscal parameters	Budget estimates	Revised estimates	Actuals	Difference between actuals and BE	Difference between actuals and RE
Own tax revenue	5278	5278	4871	(-)407	(-)407
Non-tax revenue	2869	2869	2874	5	5
State's share of Union taxes and duties	2979	2979	2878	(-)101	(-)101
Grants-in-aid from GoI	754	754	815	61	61
Revenue receipts	11881	11881	11438	(-)443	(-)443
Revenue expenditure	11736	11736	11083	(-)653	(-)653
Interest payments	1372	1372	1344	(-)28	(-)28
Net Capital outlay	(-)4189	(-)4189	(-)2149	2040	2040
Net loans and advances	-70	-70	2	72	72
Revenue deficit (-) /surplus (+)	145	145	355	210	210
Fiscal deficit (-) /surplus (+)	(-)4114	(-)4114	(-)1792	2322	2322
Primary deficit (-) /surplus(+)	(-)2742	(-)2742	(-)448	2294	2294

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

The important parameters are analysed below.

### **Revenue receipts**

Revenue receipts were lower than the BE and RE by ₹ 443 crore each (3.73 per cent) mainly due to less receipts of ₹ 595 crore (19.04 per cent) under State Goods and Services Tax (SGST). The State's receipt from its share of Union taxes and duties was also less compared to the BE and RE by ₹ 101 crore. The lower than estimated receipts were partly offset by greater than expected in flow of funds through grants in aid (₹ 61 crore).

### **Revenue expenditure**

Actual revenue expenditure was less than BE and RE by ₹ 653 crore each (5.56 per cent). The revenue expenditure was lower as compared to BE and RE mainly due to lesser than budgeted expenditure under social and economic services.

### **Capital expenditure**

The capital expenditure was less than BE and RE by ₹ 2,040 crore each (48.69 per cent). The shortfall in capital expenditure as compared to BE and RE was mainly under Water Supply and Sanitation (₹ 495 crore); Energy (₹ 278 crore); Public Works (₹ 176 crore); Education, Sports, Art and Culture (₹ 146 crore); Roads and Bridges (₹ 308 crore); and Urban Development (₹ 105 crore).

The trends of Revenue Receipts, Revenue Expenditure and Capital Expenditure at Current and Constant Prices are depicted in **Table 1.6**.

**Table 1.6: Trends in Revenue Receipts, Revenue Expenditure and Capital Outlay at Current and Constant prices**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
GSDP at constant prices (₹ in crore) <sup>10</sup>	40116	46091	51482	56762	66781
GSDP at current prices (₹ in crore)	47814	55054	63459	70492	77172
GSDP Deflator <sup>11</sup>	119	119	123	124	116
<b>Revenue Receipts at current and constant prices</b>					
RR at current prices (₹ in crore)	7689	8552	9565	11054	11438
Rate of growth of RR at current prices (per cent)	19.21	11.22	11.85	15.56	3.47
RR at constant prices (₹ in crore)	6461	7187	7776	8915	9860
Rate of growth of RR at constant prices (per cent)	14.19	11.24	8.20	14.65	10.60
<b>Revenue Expenditure at current and constant prices</b>					
RE at current prices (₹ in crore)	7410	8420	8866	10543	11083
Rate of growth of RE at current prices (per cent)	8.92	13.63	5.30	18.91	5.12
RE at constant prices (₹ in crore)	6227	7076	7208	8502	9554
Rate of growth of RE at constant prices (per cent)	4.34	13.63	1.87	17.95	12.37
<b>Capital Expenditure at current and constant prices</b>					
CE at current prices (₹ in crore)	1234	1622	1639	2094	2149
Rate of growth of CE at current prices (per cent)	22.42	31.44	1.05	27.76	2.63
CE at constant prices (₹ in crore)	1037	1363	1333	1689	1853
Rate of growth of CE at constant prices (per cent)	17.31	31.44	-2.20	26.71	9.71

### Deficit/surplus

Against the projected revenue surplus of ₹ 145 crore in BE and RE, the State had an actual revenue surplus of ₹ 355 crore. Against primary deficit of ₹ 2,742 crore as projected in BE and RE, the State had primary deficit of ₹ 448 crore. In 2018-19, fiscal deficit stood at ₹ 1,792 crore which was lower than estimates in BE and RE by ₹ 2,322 crore.

## 1.2 Resources of the State

### 1.2.1 Resources of the State as per Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the GoI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts

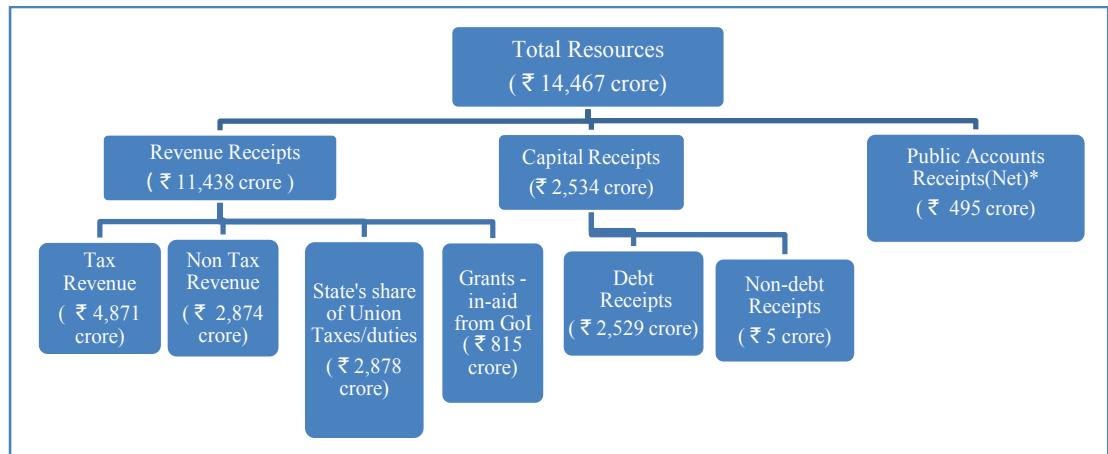
<sup>10</sup> Economic Survey, Government of Goa, 2019-20

<sup>11</sup> GSDP deflator is calculated by dividing GSDP at current prices by GSDP at constant prices. For converting Revenue receipts, Revenue expenditure and Capital expenditure at current prices into constant prices, GSDP Deflator is used

from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Besides, the funds available in the Public Accounts after disbursement is also utilised by the State Government to finance its deficits.

**Table 1.2** presents the receipts and disbursements of the State during the current year as recorded in the Annual Finance Accounts. **Chart 1.3** depicts the components and sub-components of resources during the year 2018-19.

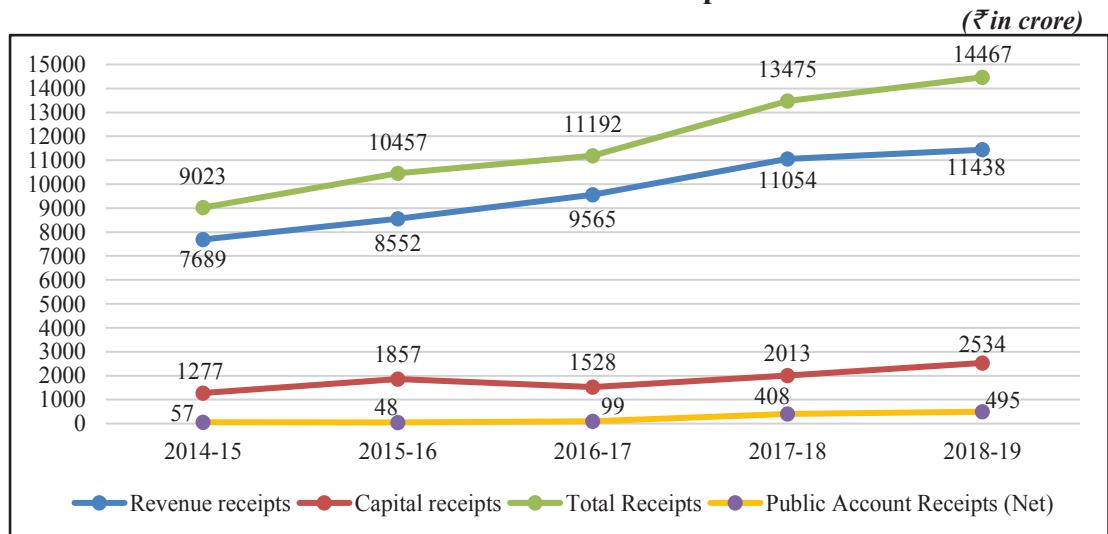
**Chart 1.3: Components and sub-components of resources in 2018-19**



\* Public account receipts -Public account disbursements (₹ 13684 - ₹ 13189= ₹ 495) crore

**Chart 1.4** depicts the trends of various components of receipts of the State during the period 2014-19.

**Chart 1.4: Trends in total receipts**

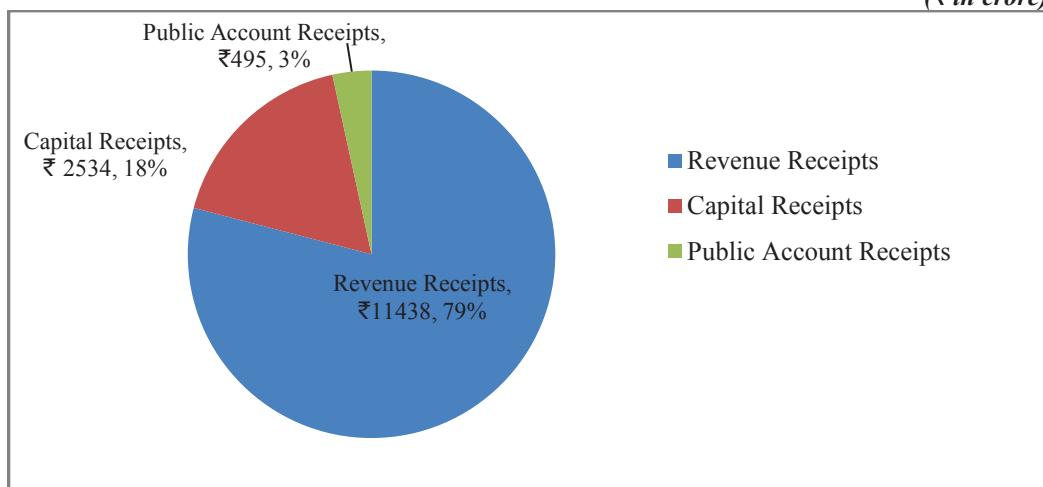


(Source: Finance Accounts of the State for respective years)

**Chart 1.5** depicts the composition of resources of the State in total receipts during the current year 2018-19.

**Chart 1.5: Composition of Receipts during 2018-19**

(₹ in crore)



(Source: Finance Accounts of the State)

The total receipts of the State increased from ₹ 9,023 crore in 2014-15 to ₹ 14,467 crore in 2018-19 showing an increase of 60 *per cent* during the last five years. During 2018-19, the total receipts increased by ₹ 992 crore (seven *per cent*) over the previous year.

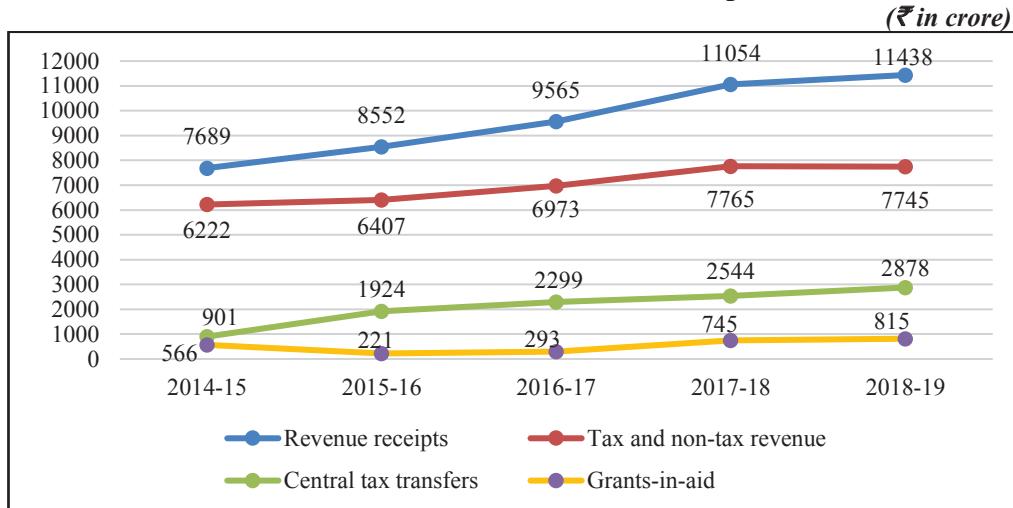
The share of revenue receipts in total receipts was 79 *per cent* during 2018-19. The net public account receipts (₹ 495 crore) accounted for three *per cent* of total receipts during 2018-19.

Capital receipts increased from ₹ 1,277 crore in 2014-15 to ₹ 2,534 crore in 2018-19 with a growth of 98 *per cent* during the period and also accounted for 18 *per cent* of total receipts during 2018-19.

### 1.3 Revenue receipts

The revenue receipts of the Government are detailed in Statement No. 14 of the Finance Accounts. Revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GoI. The trends of revenue receipts over the period 2014-19 are presented in **Chart 1.6** and also in **Appendix 1.5**.

Chart 1.6: Trends in revenue receipts

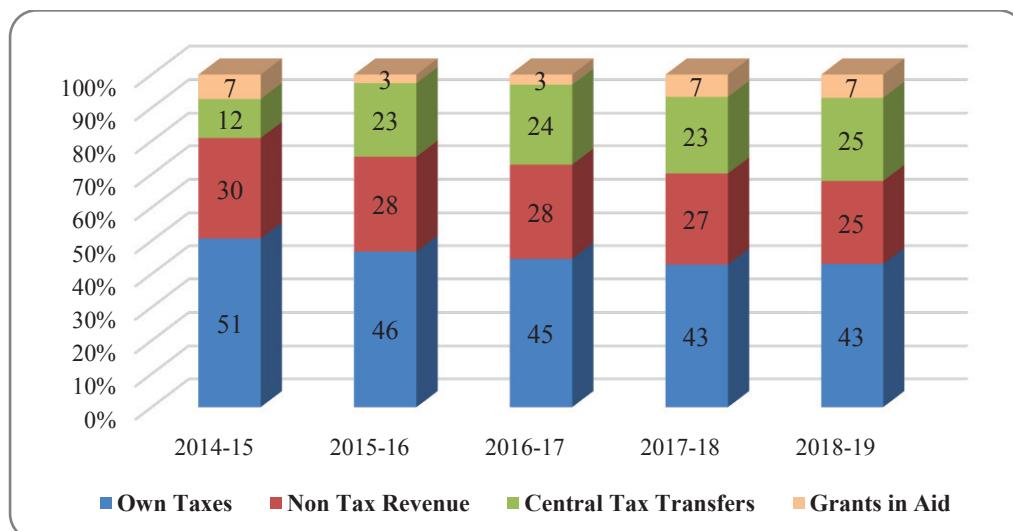


(Source: Finance Accounts of the State for respective years)

Revenue receipts grew by ₹ 384 crore (three *per cent*) over the previous year, but, this was lower than the last year's growth rate of 15.56 *per cent*. All the components of revenue receipts showed an increasing trend during 2018-19, except non-tax revenue, which showed a decrease of ₹ 159 crore (five *per cent*) over the previous year. The grants from GoI increased by ₹ 70 crore (nine *per cent*), State's share of Union taxes by ₹ 334 crore (13 *per cent*) while State's tax revenue increased by ₹ 140 crore (three *per cent*).

The composition of revenue receipts over the period 2014-19 are presented in Chart 1.7.

Chart 1.7: Composition of State's revenue receipts during 2014-19



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

Chart 1.7 shows that 68 *per cent* of the revenue came from State's own resources (own tax and non-tax revenue) during 2018-19 and the remaining 32 *per cent* came from GoI in the form of State's share of taxes and grants-in-aid. The share of own tax revenue in revenue receipts decreased from 51 *per cent* in 2014-15 to 43 *per cent* in 2018-19, whereas, the share of non-tax revenue decreased from 30 *per cent* in 2014-15 to 25 *per cent* in 2018-19.

During 2009-10 to 2017-18, the compound annual growth rate (CAGR) of State revenue receipts (13.20 *per cent*) was lower than growth rate (15.03 *per cent*) of general category states (GCS). The growth rate of State revenue receipts during 2018-19 (3.47 *per cent*) was also substantially lower than GCS (12.77 *per cent*) (**Appendix 1.1**).

### **1.3.1 Trends of revenue receipts relative to GSDP**

The trends in revenue receipts relative to GSDP at current prices are presented in **Table 1.7**.

**Table 1.7: Trends of revenue receipts relative to GSDP**

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue Receipts (RR)</b> (₹ in crore)	7689	8552	9565	11054	11438
Rate of growth of RR ( <i>per cent</i> )	19.21	11.22	11.84	15.56	3.48
State's own taxes (₹ in crore)	3896	3975	4261	4731	4871
Rate of growth of own taxes ( <i>per cent</i> )	8.77	2.03	7.19	11.05	2.94
Percentage of RR to GSDP	16.08	15.53	15.07	15.68	14.82
Percentage of State's own taxes to GSDP	8.15	7.22	6.71	6.71	6.31
Percentage of State's own taxes to RR	51	46	45	43	43

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

The revenue receipts grew at an average annual growth rate of 12.26 *per cent* and increased from ₹ 7,689 crore in 2014-15 to ₹ 11,438 crore in 2018-19. The growth rate of revenue receipts has decreased substantially in the last five years from 19.21 *per cent* in 2014-15 to 3.48 *per cent* in 2018-19. GSDP at current prices increased from ₹ 70,492 crore in 2017-18 to ₹ 77,172 crore in 2018-19, representing growth of 9.48 *per cent*. Revenue receipts to GSDP ratio decreased from 16.08 *per cent* in 2014-15 to 14.82 *per cent* in 2018-19. The ratio of State's own taxes to GSDP had been continuously on a decline from 2014-15 onwards, meaning that State's own taxes have not kept pace with the rate at which the GSDP grew during 2014-19.

### **1.3.2 Trends of buoyancy ratios**

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. The value of more than one indicates high degree of responsiveness of a fiscal variable with respect to the base variable. As GSDP grows, the ability of the Government to mobilise revenue should also increase. The trends of buoyancy of revenue receipts with respect to change in GSDP are presented in **Table 1.8**.

**Table 1.8: Trends of buoyancy of revenue receipts**

Buoyancy ratios	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue buoyancy with respect to GSDP	0.58	0.74	0.78	1.40	0.37
State's own tax buoyancy with respect to GSDP	0.26	0.13	0.47	1.00	0.31
Revenue buoyancy with respect to State's own taxes	2.19	5.54	1.65	1.41	1.18

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

As can be seen from the above table, the buoyancy of revenue receipts to GSDP was less than one during the period 2014-15 to 2018-19 (except during 2017-18), indicating that revenue receipts grew at a lower rate than the growth rate of GSDP. Likewise, the State's own tax buoyancy ratio to GSDP improved from 0.26 in 2014-15 to 0.31 in 2018-19.

### 1.3.3 State's own resources

The State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Union Finance Commission and central assistance for Schemes. The State's performance in mobilisation of resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

The State's actual tax and non-tax receipts for the year 2018-19 *vis-a-vis* assessment made by FC XIV and BE and RE of the State Government are given in **Table 1.9** and the growth rate of tax/non-tax revenue during 2014-19 is shown in **Table 1.10**.

**Table 1.9: Tax and non-tax revenue projections and actuals for 2018-19**

	FC XIV projection	Budget estimates	Revised estimates	Actuals
Tax revenue	7922	5278	5278	4871
Non-tax revenue	950	2869	2869	2874

(₹ in crore)

(Source: Finance Accounts 2018-19, Budget estimates, FC XIV report)

The actual tax revenue of the State in 2018-19 was lower than the projections made in the FC XIV, BE and RE. The actual tax revenue was lower than RE mainly due to less collection of Stamps and Registration Fees (₹ 181 crore) and State Goods and Services Tax (₹ 595 crore). The actual non-tax revenue was marginally higher than the BE and RE by ₹ five crore.

**Table 1.10: Growth rate of tax/non-tax revenue during the period 2014-19**

	2014-15	2015-16	2016-17	2017-18	2018-19
Tax revenue (₹ in crore)	3896	3975	4261	4731	4871
Rate of growth (in per cent)	8.77	2.03	7.19	11.05	2.94
Non-tax revenue (₹ in crore)	2326	2432	2712	3033	2874
Rate of growth (in per cent)	39.95	4.56	11.52	11.84	-5.24

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

It may be seen that the rate of growth of tax revenue during 2018-19 over previous year decreased by around eight *per cent*. The collections under non-tax revenue was less than the previous year by ₹ 159 crore.

### 1.3.4 Tax revenue

The main components of the State’s tax revenue during 2014-15 to 2018-19 are given in **Table 1.11**.

**Table 1.11: Main components of State’s tax revenue**

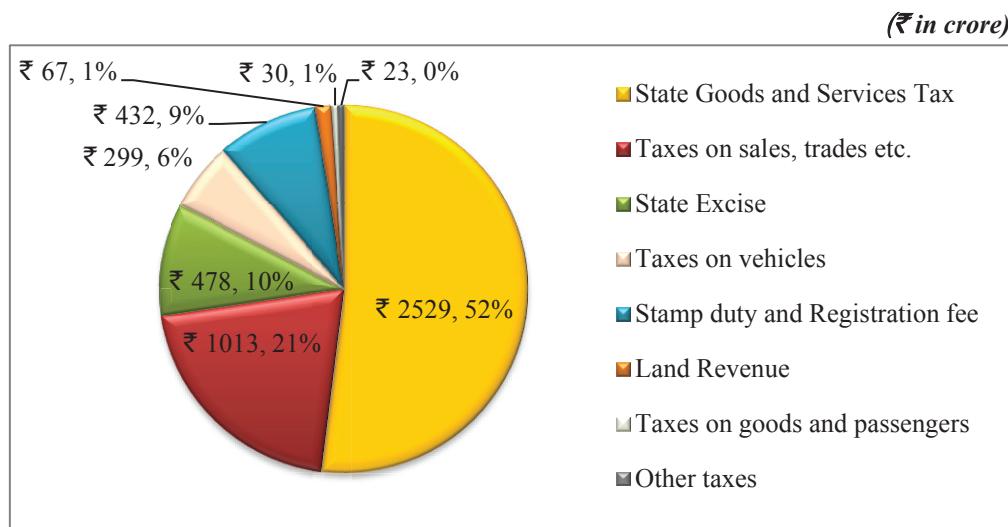
Revenue head	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage increase (+)/ decrease(-) during the year
	(₹ in crore)					
State Goods and Services Tax (SGST) <sup>12S</sup>	Not Applicable			1464	2529	72.75
Taxes on sales, trades etc.	1860	2116	2438	1622	1013	-37.55
State excise	268	319	321	410	478	16.59
Taxes on vehicles	181	196	244	314	299	-4.78
Stamp duty and Registration fee	660	525	365	529	432	-18.49
Land Revenue	25	24	39	42	67	59.52
Taxes on goods and passengers	404	464	454	210	30	-85.71
Other taxes	498	331	400	140	23	-83.57
<b>Total</b>	<b>3896</b>	<b>3975</b>	<b>4261</b>	<b>4731</b>	<b>4871</b>	<b>2.94</b>

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

<sup>S</sup> Includes Advance apportionment from IGST and Apportionment of IGST- Transfer-in of Tax component to SGST

The components of tax revenue for the year 2018-19 are presented in **Chart 1.8**.

**Chart 1.8: Sector-wise components of tax revenue for the year 2018-19**



(Source: Finance Accounts of the State)

The State’s own tax revenue in 2018-19 increased by ₹ 140 crore (2.94 *per cent*) over the previous year which was less than the growth

<sup>12</sup> Implemented w.e.f. 01 July 2017

registered in the previous year (11.05 *per cent*). SGST and taxes on sales, trade *etc.* accounted for nearly 52 *per cent* and 21 *per cent* of the total tax revenue. The share of taxes on sales, trade *etc.* in total own tax revenue fell from 34 *per cent* in the previous year to 21 *per cent* in the current year on account of implementation of GST.

State excise increased by ₹ 68 crore (17 *per cent*) over the previous year, mainly due to increased collections under Indian Made Foreign Liquor (₹ 25 crore), Malt liquor (₹ 15 crore), Foreign Liquor and Spirits (₹ 13 crore) and Liquor (₹ 9 crore).

During 2018-19, own tax revenue as a percentage of GSDP (6.31 *per cent*) was lower than the normative assessment of FC XIV (8.37 *per cent*).

### **Implementation of Goods and Services Tax**

Goa implemented GST with effect from 01 July 2017. GST is levied on *intra-State* supply of goods or services (except alcohol for human consumption and five<sup>13</sup> specified petroleum products) and its components are shared by the Centre (CGST) and the State (SGST). Further, IGST is levied and collected by the Central Government on *inter-State* supply of goods and services. The IGST so collected is apportioned between the Centre and the concerned State where the goods and services are consumed.

The GoI enacted the Goods and Services Tax (Compensation to States) Act, 2017 to compensate the States, if the share of a State falls short of the revenue earned in the pre-GST regime. The compensation was to be given by considering the base figure of revenue of a State for the year 2015-16, escalated by 14 *per cent per annum* for the next five years commencing from 01 July 2017. For the State of Goa, the audited base year (2015-16) revenue to be subsumed<sup>14</sup> by the GST regime was fixed by GoI at ₹ 2,181.38 crore. Thus, the protected revenue for Goa worked out to ₹ 3,232 crore<sup>15</sup> for the period 01 April 2018 to 31 March 2019.

Against the protected revenue of ₹ 3,232 crore, the State Government earned a revenue of ₹ 2,529<sup>16</sup> crore during 01 April 2018 to 31 March 2019 and therefore, entitled to a compensation of ₹ 703 crore. The revenue earned was inclusive of ₹ 354 crore representing advance apportionment of unsettled IGST on *ad hoc* basis, in terms of Section 11(3) of GST Settlement of Funds Rules, 2017, which was subject to adjustment in 10 installments in the next financial year *i.e.* 2019-20 against the amount finally apportioned. GoI released compensation of ₹ 476 crore to the State in the form of grants-in-aid against its entitlement of ₹ 703 crore.

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<sup>13</sup> Petroleum crude, High speed diesel, Motor spirit (Petrol), Natural gas and aviation turbine fuel

<sup>14</sup> Taxes that have been subsumed under GST were Value Added Tax, Central Sales Tax, Entertainment Tax, Luxury Tax, Entry tax, Cesses & Surcharges, Duties on Excise on medicinal and toilet preparations excluding VAT and CST on alcohol for human consumption and five specified petroleum products

<sup>15</sup> Base year revenue of ₹ 2,181.38 crore escalated at compound rate of 14% annually for three years (2016-17, 2017-18 and 2018-19) worked out to ₹ 3,232 crore for 2018-19. Therefore, the *pro-rata* protected revenue for the period 01 April 2018 to 31 March 2019 was ₹ 3,232 crore

<sup>16</sup> SGST collection by State: ₹ 1,421 crore; Provisional apportionment of IGST: ₹ 754 crore; Advance apportionment of IGST: ₹ 354 crore. Provisional apportionment and Advance apportionment of IGST are released by GoI

With automation of the collection of Goods and Services Tax (GST) having taken place, it is essential for Audit to transition from sample checks to a comprehensive check of all transactions, to fulfill the CAG’s Constitutional mandate of certifying the Accounts. The required access to data is yet to be provided. Not having access to the data pertaining to all GST transactions has come in the way of comprehensively auditing the GST receipts. The accounts for the year 2018-19 were therefore, certified on the basis of test audit, as was done when records were manually maintained, as a one-time exception.

During 2009-10 to 2017-18, the CAGR of tax revenue (13.14 *per cent*) in the State was lower than the growth rate of GCS (14.84 *per cent*). Compared to 2017-18, the growth rate of own tax revenue in 2018-19 (2.94 *per cent*) was significantly lower than the growth rate of GCS (12.72 *per cent*) (**Appendix 1.1**).

### 1.3.5 Non-tax revenue

The main components of the State’s non-tax revenue receipts during 2014-15 to 2018-19 are shown in **Table 1.12**.

**Table 1.12: Main components of State’s non-tax revenue**

(₹ in crore)

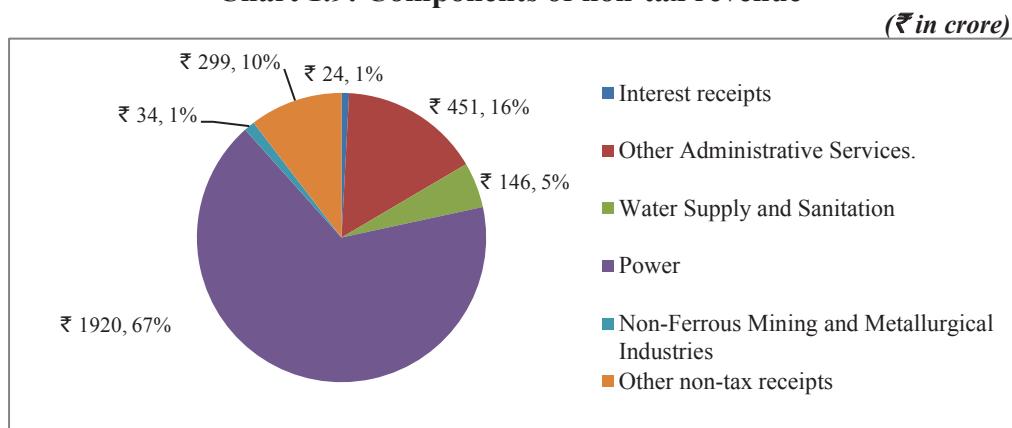
Revenue head	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage increase(+)/ decrease(-) in 2018-19 over 2017-18
Interest receipts	17	18	20	27	24	-11.11
Other Administrative Services	123	109	152	140	451	222.14
Water Supply and Sanitation	102	115	120	130	146	12.31
Power	1322	1709	1766	2119	1920	-9.39
Non-Ferrous Mining and Metallurgical Industries	531	217	348	333	34	-89.79
Other non-tax receipts	231	264	306	284	299	5.28
<b>Total non-tax revenue</b>	<b>2326</b>	<b>2432</b>	<b>2712</b>	<b>3033</b>	<b>2874</b>	<b>-5.24</b>

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

The collections under non-tax revenue fell for the first time during the last five years by ₹ 159 crore over the previous year. The major cause of the decline was the fall under ‘Non-ferrous Mining and Metallurgical Industries’ (₹ 299 crore) and ‘Power’ (₹ 199 crore). This was partially offset by increase in receipts under ‘Other Administrative Services’ (₹ 311 crore)

The components of non-tax revenue for the year 2018-19 are presented in **Chart 1.9**.

Chart 1.9: Components of non-tax revenue



Collection under non-tax revenue decreased by 5.24 per cent from ₹ 3,033 crore in 2017-18 to ₹ 2,874 crore in 2018-19. Receipt under 'Power' (₹ 1,920 crore) has been the major source of non-tax revenue (67 per cent) of the State during the year. However, the net yield from 'Power' was ₹ 26 crore as there was an expenditure of ₹ 1,894 crore under revenue head by the Electricity Department. This net revenue was significantly less than the net revenue of ₹ 449 crore earned during 2017-18.

During 2009-10 to 2017-18, the CAGR of non-tax revenue (7.26 per cent) was lower than the growth rate of GCS (9.88 per cent). Whereas in 2018-19, receipts under non-tax revenue declined by 5.24 per cent over the previous year against growth of 19.78 per cent registered by GCS (Appendix 1.1).

### 1.3.6 Grants-in-aid from Government of India

Details of Grants-in-aid from GoI are shown in Table 1.13.

Table 1.13: Grants-in-aid from Government of India

	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage increase/decrease during the year
	(₹ in crore)					
Grants for State Plan Schemes	116.55	45.21	90.95	20.47	2.09	-89.79
Non-Plan grants	257.23	21.19	17.16	66.20	68.09	2.85
Grants for Central Plan Schemes	40.30	28.22	26.03	23.66	16.35	-30.90
Grants for Centrally Sponsored Schemes	152.48	126.56	158.47	276.66	252.07	-8.89
Compensation for loss of Revenue arising out of implementation of GST	Not Applicable			357.63	476.00	33.10
<b>Total</b>	<b>566.56</b>	<b>221.18</b>	<b>292.61</b>	<b>744.62</b>	<b>814.60</b>	<b>9.40</b>
Total grants as a percentage of Revenue Receipts	7.37	2.59	3.06	6.74	7.12	

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

The grants-in-aid from GoI increased by ₹ 70 crore (nine per cent) in 2018-19 over the previous year. This increase was mainly due to higher

allocations (₹ 118 crore) for ‘Compensation for loss of Revenue arising out of implementation of GST’. The increase was partially offset by reduction in grants under State Plan Schemes (₹ 18 crore), Smart City Mission (₹ 27 crore), National Mental Health Programme (₹ 12 crore).

### 1.3.7 Central tax transfers

Consequent upon acceptance of the recommendations of the FC XIV (award period 2015-16 to 2019-20) by GoI, the Central tax transfers to States with effect from 2015-16 was increased from 32 *per cent* to 42 *per cent*. The State’s share in the net proceeds of Central tax and Service tax has been fixed at 0.378 *per cent* and 0.379 *per cent* respectively. The components of the State’s share of Union taxes and duties from GoI during the period 2014-15 to 2018-19 is given in **Table 1.14**.

**Table 1.14: Different components of Central taxes and duties from GoI**

Components	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage increase/ decrease during the year
	(₹ in crore)					
Central GST	Not Applicable			351.48	767.21	118.28
Integrated GST	Not Applicable			257.03	-	-
Corporation tax	314.46	609.34	738.76	779.68	1001.10	28.40
Taxes on income other than corporation tax	224.61	426.38	513.44	658.39	737.26	11.98
Other taxes on Income and Expenditure	-	-	-	-	5.21	-
Taxes on wealth	0.90	0.10	1.69	(-)0.02	0.37	1950.00
Customs	145.69	307.39	317.78	187.65	204.05	8.74
Union Excise duties	82.23	253.10	362.89	194.37	135.61	(-)30.23
Service tax	132.69	326.47	364.63	115.68	26.06	(-)77.47
Others taxes and duties on commodities and services	Nil	0.98	0.01	Nil	1.49	-
<b>Total share of net proceeds of tax</b>	<b>900.58</b>	<b>1923.76</b>	<b>2299.20</b>	<b>2544.26</b>	<b>2878.36</b>	<b>13.13</b>
Central tax transfers as a percentage of revenue receipts	11.71	22.50	24.03	23.02	25.16	

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

In 2018-19, the State Government’s share of Union taxes and duties increased by ₹ 334 crore over the previous year and constituted 25 *per cent* of revenue receipts. The reasons for the increased receipts can be attributed mainly to higher allocation under Central GST by ₹ 416 crore, Corporation Tax by ₹ 221 crore, partially offset by lower allocations under Service Tax by ₹ 90 crore.

### 1.3.8 Grants awarded by the Fourteenth Finance Commission

The FC XIV had recommended only three types of grants-in-aid to States *viz.* local Government, disaster management and post-devolution revenue deficit. For the period 2018-19, the State received two types of grants from GoI *i.e.* grants for local Government and disaster management amounting

₹ 66.63 crore<sup>17</sup>. The FC XIV did not recommend the post-devolution revenue deficit grant to the State Government, being a revenue surplus State. The details of amounts awarded and received for the year 2018-19 are shown in **Table 1.15**.

**Table 1.15: Details of amounts awarded and received for the award period 2018-19**

(₹ in crore)

Sl. No.	Transfers	Amount awarded	Amount received
<b>1</b>	<b>Local bodies</b>		
	General Basic Grants to Panchayati Raj Institutions	26.73	-
	General Performance Grants to Panchayati Raj Institutions	3.37	-
	General Basic Grants to Urban Local Bodies	39.05	19.52
	General Performance Grants to Urban Local Bodies	11.08	-
<b>2</b>	<b>State Disaster Relief Fund</b>	4	1.80
	<b>Total</b>	<b>84.23</b>	<b>21.32</b>

(Source: Information provided by Directorate of Municipal Administration and Director of Panchayats)

The Urban Local Bodies received only the first instalment of General Basic Grants of ₹ 19.52 crore from the Central Government for the year 2018-19 whereas, Panchayati Raj Institutions did not receive any instalment of the grants due for the year, due to the late submission of Utilisation Certificates for previous years. Further, the local bodies also failed to meet certain conditions<sup>18</sup> prescribed by FC XIV and therefore, not eligible for General Performance Grants of ₹ 14.45 crore for the year 2018-19.

#### 1.4 Capital receipts

The capital receipts of the State include non-debt and debt receipts, whose composition is discussed in **Paragraph 1.2**. The Public debt receipt during the year (₹ 2,529 crore) comprised internal debt of ₹ 2,459 crore (97 per cent) and loans and advances from GoI ₹ 70 crore (three per cent). Market borrowings (₹ 2,350 crore) had a predominant share of 93 per cent in the total borrowings while the remaining ₹ 109 crore (four per cent) and ₹ 70 crore (three per cent) comprised of negotiated loans and loans from GoI respectively. The trends and composition of capital receipts are shown in **Table 1.16**.

<sup>17</sup> This includes two previous instalments of ₹ 45.31 crore pertaining to 2017-18

<sup>18</sup> Completed audited annual accounts; Increase in own revenue sources; and Publishing of service level benchmarks

**Table 1.16: Trends in growth and composition of capital receipts**

(₹ in crore)

Sources of capital receipts	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Capital receipts</b>	<b>1277</b>	<b>1857</b>	<b>1528</b>	<b>2013</b>	<b>2534</b>
Public debt receipts	1267	1847	1519	2006	2529
Non-debt capital receipts	10	10	9	7	5
Consisting of					
a) Miscellaneous capital receipts	Nil	Nil	Nil	Nil	Nil
b) Recovery of loans and advances	10	10	9	7	5
Rate of growth of capital receipts (per cent)	(-)6.24	45.42	(-)17.72	31.74	25.90
Rate of growth of GSDP(per cent)	33.11	15.14	15.27	11.08	9.48
Rate of growth of public debt receipts (per cent)	(-)6.08	45.78	(-)17.76	32.06	26.09
Rate of growth of non-debt capital receipts(per cent)	(-)23.08	Nil	(-)10.00	(-)22.22	(-)28.57

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

The trends in public debt receipts during the last five years are shown in **Table 1.17**.

**Table 1.17: Trends in public debt receipts**

(₹ in crore)

Public debt receipts	2014-15	2015-16	2016-17	2017-18	2018-19
Open market borrowings	800 (63)	1450 (78)	1320 (87)	1800 (90)	2350 (93)
National small savings fund	115 (9)	165 (9)	0.00 (0)	0.00 (0)	0.00 (0)
Loans from other financial institutions	149 (12)	121 (7)	107 (7)	128 (6)	109 (4)
<b>Total internal debt</b>	<b>1064 (84)</b>	<b>1736 (94)</b>	<b>1427 (94)</b>	<b>1928 (96)</b>	<b>2459 (97)</b>
<b>Loans and advances from GoI</b>	<b>203 (16)</b>	<b>111 (6)</b>	<b>92 (6)</b>	<b>78 (4)</b>	<b>70 (3)</b>
<b>Total public debt receipts</b>	<b>1267</b>	<b>1847</b>	<b>1519</b>	<b>2006</b>	<b>2529</b>
<b>Public debt repayments</b>	<b>366</b>	<b>439</b>	<b>468</b>	<b>790</b>	<b>920</b>

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

Figures in parenthesis indicate percentage to public debt receipts

The share of open market borrowings in public debt receipts has steadily increased in the last five years from 63 per cent in 2014-15 to 93 per cent in 2018-19. As per FC XIV recommendations, the involvement of the State in the National Small Savings Fund (NSSF) Scheme is limited solely to discharging the debt obligations already incurred by it till April 2015. During 2018-19, the amount discharged towards NSSF was ₹ 199 crore.

The share of internal debt in total public debt receipts increased from 84 per cent in 2014-15 to 97 per cent in 2018-19. The share of loans and advances by the GoI in public debt receipts decreased from 12 per cent in 2014-15 to four per cent in 2018-19 due to less receipt of loans from GoI.

During 2018-19, the public debt receipts increased by 26 per cent (₹ 523 crore) and public debt repayment increased by 16 per cent (₹ 130 crore), resulting in a net increase of ₹ 393 crore in public debt receipts over the previous year.

## 1.5 Public account receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances *etc.*, which do not form part of the consolidated fund are kept in the public account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. Here, the State Government acts as a banker/trustee for public money. The balances after disbursements are the funds available with the State Government for use for various activities. The net transactions under public account covering the period 2014-19 are indicated in **Table 1.18**.

**Table 1.18: Net transactions under public account**

	(₹ in crore)				
Resources under various heads	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Net public account receipts</b>					
a. Small savings, provident fund <i>etc.</i>	112	113	123	236	107
b. Reserve fund	128	286	169	184	131
c. Deposits and advances	110	(-72)	(-2)	177	121
d. Suspense and miscellaneous	(-180)	(-185)	(-51)	(-25)	77
e. Remittances	(-113)	(-94)	(-139)	(-164)	60
<b>Total</b>	<b>57</b>	<b>48</b>	<b>99</b>	<b>408</b>	<b>495</b>

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

The net public account receipts increased from ₹ 57 crore in 2014-15 to ₹ 495 crore in 2018-19. The net public account receipts available for use to the State Government during 2018-19 stood at ₹ 495 crore.

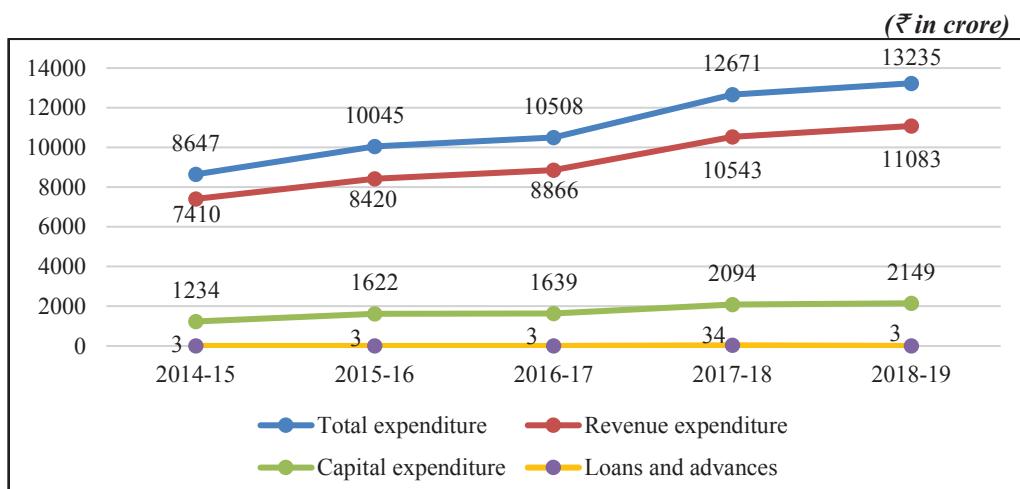
## 1.6 Application of resources

Since major expenditure responsibilities are entrusted to the State Government, allocation of expenditure at the State Government level assumes significance. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising the public expenditure financed by deficit or borrowings. It is therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially directed towards development and social sector.

### 1.6.1 Total expenditure

**Chart 1.10** presents the trends in total expenditure over a period of five years (2014-19), and its composition both in terms of 'economic classification' and 'expenditure by activities' are depicted in **Table 1.19** and **Table 1.20** respectively.

**Chart 1.10: Trends in various components of total expenditure**



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

Total expenditure of the State increased at an average annual growth rate of 11.29 per cent during 2014-19. During 2018-19, it increased by ₹ 564 crore (four per cent) over the previous year on account of an increase in revenue expenditure by ₹ 540 crore and capital expenditure by ₹ 55 crore, offset by a decrease in disbursement of loans and advances by ₹ 31 crore.

**Table 1.19: Trends in total expenditure in terms of economic classification**

Components of total expenditure	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue expenditure	85.69	83.82	84.37	83.20	83.74
Capital expenditure	14.27	16.15	15.60	16.53	16.24
Loans and advances	0.04	0.03	0.03	0.27	0.02

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

During 2014-19, the share of revenue expenditure to total expenditure decreased from 85.69 per cent to 83.74 per cent. On the other hand, the share of capital expenditure to total expenditure increased during 2014-19, from 14.27 per cent to 16.24 per cent.

In term of activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. Relative share of these components in total expenditure are indicated in the **Table 1.20**.

**Table 1.20: Trends in total expenditure in terms of expenditure by activities**

	2014-15	2015-16	2016-17	2017-18	2018-19
General Services	30.96	28.17	29.27	30.98	32.55
Social Services	25.52	25.23	25.68	26.73	25.76
Economic Services	31.70	34.65	32.41	29.12	28.25
Grants-in-aid	11.79	11.92	12.61	12.90	13.42
Loans and Advances	0.03	0.03	0.03	0.27	0.02

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

It may be seen from table that while share of general services and grants-in-aid in total expenditure increased during 2018-19 over 2017-18, there was a decrease in the share of social services, economic services and loans and advances.

### **1.6.2 Revenue expenditure**

In the context of State finances, the quality of expenditure has always been an important issue. During the current year, revenue expenditure increased by ₹ 540 crore (five *per cent*) over 2017-18, due to increase in expenditure on general services (₹ 276 crore), social services (₹ 69 crore) and economic services (₹ 195 crore). As compared to previous year, the growth rate of general services, social services and economic services (including grants-in-aid) was eight *per cent*, two *per cent* and seven *per cent* respectively.

The overall revenue expenditure, its rate of growth and ratio to GSDP are indicated in **Table 1.21**.

**Table 1.21: Revenue expenditure – basic parameters**

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue expenditure (RE) (₹ in crore)	7410	8420	8866	10543	11083
Rate of growth of RE ( <i>per cent</i> )	8.92	13.63	5.30	18.91	5.12
RE/GSDP ( <i>per cent</i> )	15.50	15.29	13.97	14.96	14.36

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

Revenue expenditure increased continuously from ₹ 7,410 crore in 2014-15 to ₹ 11,083 crore in 2018-19 and grew by five *per cent* (₹ 540 crore) during 2018-19 over the previous year. The major increases during 2018-19 were in: Education, Sports and Art & Culture (₹ 254 crore); Power (₹ 224 crore); Interest Payments (₹ 100 crore) and Pension and Other Retirements Benefits (₹ 136 crore).

The growth rate of revenue expenditure fluctuated from 5.12 *per cent* in 2018-19 to a high of 18.91 *per cent* in 2017-18. Revenue expenditure stood at 14 *per cent* of GSDP during 2018-19.

### **1.6.3 Capital expenditure**

Capital expenditure (₹ 2,149 crore) constituted 16 *per cent* of the total expenditure in 2018-19. The increase of ₹ 55 crore (2.62 *per cent*) in capital expenditure during 2018-19 over previous year was mainly on account of increase in capital outlay on Administrative Services (₹ 66 crore); Education, Sports and Art and Culture (₹ 120 crore); Miscellaneous General Services (₹ 41 crore); Irrigation and flood control (₹ 18 crore), offset mainly by decrease in Transport (₹ 147 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 48 crore).

During 2014-19, capital expenditure increased by 74 *per cent*, while the total expenditure increased by 53 *per cent* during the same period. During 2018-19, capital expenditure (₹ 2,149 crore) was less than total public debt receipts (₹ 2,529 crore) by ₹ 380 crore.

No equity investments were made by the State Government in State PSUs during 2018-19. The total equity investment of the State Government was

₹ 630.76 crore, which was three *per cent* of the progressive capital expenditure (₹ 20,053 crore) of the State up to 2018-19. Of the total equity investment of ₹ 630.76 crore, the equity investment in State-run PSUs was ₹ 394.71 crore (62.58 *per cent*) and the remaining ₹ 236.05 crore (37.42 *per cent*) was invested in Cooperatives, Joint Stock Companies, PSUs owned by GoI/other States *etc.* Much of this expenditure on equity was in State PSUs with low returns.

During 2009-10 to 2017-18, the CAGR of capital expenditure (8.58 *per cent*) of the State was lower than the growth rate of GCS (13.53 *per cent*). Also, the growth rate of capital expenditure of the State in 2018-19 (2.63 *per cent*) was substantially lower than the growth rate of GCS (11.93 *per cent*) (**Appendix 1.1**).

#### **1.6.4 Subsidies**

Subsidies given during the years 2014-19 are presented in **Table 1.22**.

**Table 1.22: Subsidies**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Subsidies	192.55 (2.50)	244.21 (2.85)	247.90 (2.59)	262.66 (2.38)	300.82 (2.63)
Total revenue expenditure	7410	8420	8866	10543	11083
Revenue receipts	7689	8552	9565	11054	11438

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

Figures in parenthesis indicate percentage w.r.t revenue receipts

The expenditure on subsidies increased by 14 *per cent* from ₹ 262.66 crore in 2017-18 to ₹ 300.82 crore in 2018-19. The major recipients of subsidy during 2018-19 were Agriculture and Allied Activities (₹ 140 crore) and Transport (₹ 117 crore). During the current year, subsidies constituted 2.63 *per cent* of revenue receipts and about 2.71 *per cent* of the total revenue expenditure.

#### **1.6.5 Committed expenditure**

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions. **Table 1.23** and **Chart 1.11** present the trends in the expenditure on these components during 2014-15 to 2018-19.

Table 1.23: Components of committed expenditure

(*₹ in crore*)

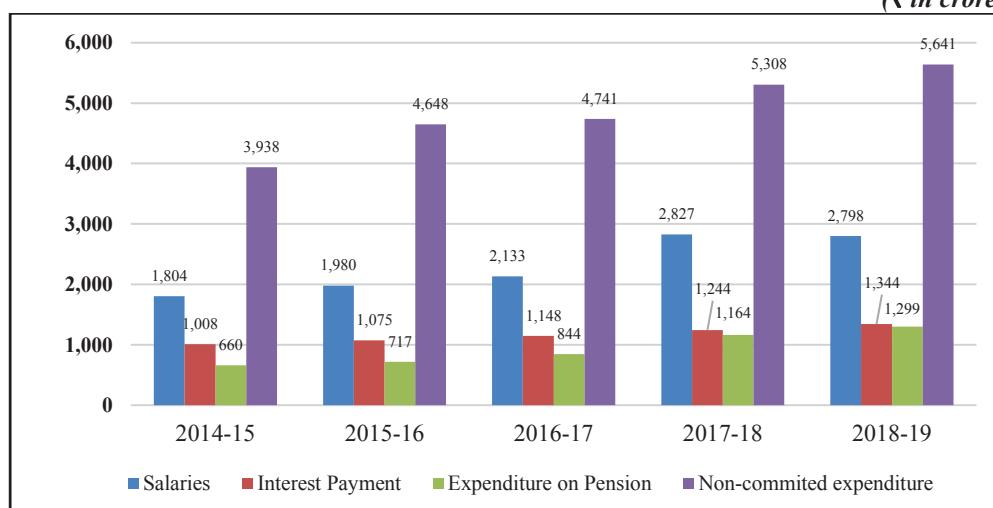
Components of committed expenditure	2014-15	2015-16	2016-17	2017-18	2018-19
Salaries and wages	1804.25 (23.47)	1979.70 (23.15)	2132.79 (22.30)	2827.20 (25.58)	2798.54* (24.47)
Interest payment	1007.53 (13.10)	1074.70 (12.57)	1148.03 (12.00)	1244.28 (11.26)	1344.45 (11.75)
Pension	659.96 (8.58)	716.85 (8.38)	844.33 (8.83)	1163.59 (10.53)	1299.13 (11.36)
<b>Total committed expenditure</b>	<b>3471.74</b> <b>(45.15)</b>	<b>3771.25</b> <b>(44.10)</b>	<b>4125.15</b> <b>(43.13)</b>	<b>5235.07</b> <b>(47.36)</b>	<b>5442.12</b> <b>(47.58)</b>
Non-committed expenditure	3938.51 (51.22)	4648.31 (54.35)	4740.83 (49.56)	5307.82 (48.02)	5640.72 (49.32)
<b>Total revenue expenditure</b>	<b>7410.25</b>	<b>8419.56</b>	<b>8865.98</b>	<b>10542.89</b>	<b>11082.84</b>
<b>Revenue receipts</b>	<b>7688.69</b>	<b>8552.24</b>	<b>9564.97</b>	<b>11053.52</b>	<b>11437.98</b>
<b>Committed expenditure as percentage of revenue expenditure</b>	<b>46.85</b>	<b>44.79</b>	<b>46.53</b>	<b>49.65</b>	<b>49.10</b>

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

Figures in parentheses indicate percentage to Revenue Receipts

\*Salaries: ₹ 2,762.53 crore + Wages: ₹ 36.01 crore

Chart 1.11: Trends of committed and non-committed expenditure during 2014-19

(*₹ in crore*)

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

The committed expenditure amounted to ₹ 5,442 crore in 2018-19, which was 47.58 per cent of revenue receipts and 49.10 per cent of the revenue expenditure.

### Salaries and Wages

The expenditure on salaries and wages during 2014-19 increased at an average annual growth rate of 12 per cent. In 2018-19, expenditure on salaries decreased by one per cent over 2017-18, as compared to an increase of 33 per cent in 2017-18 over 2016-17. The increase in 2017-18 was due to pay revision and payment of arrears on account of seventh pay commission. Expenditure on salaries and wages (₹ 2,798 crore) in 2018-19 was higher by

₹ 391 crore against the projections made in RE (₹ 2,407 crore). As a percentage of revenue receipts, expenditure on salary and wages decreased from 25.58 *per cent* in 2017-18 to 24.47 *per cent* in 2018-19.

### ***Pension payments***

The expenditure on pension payments during 2014-19 increased at an average annual growth rate of 18 *per cent*. There was an increase in pension payments of ₹ 136 crore (12 *per cent*) during 2018-19 over the previous year. Expenditure on pension in 2017-18 accounted for 11.36 *per cent* of the total revenue receipts of the State.

A comparative analysis of actual pension payments with the assessment/projection made by FC XIV shows that the actual pension payment (₹ 1,299 crore) during 2018-19 exceeded the normative assessment of FC XIV (₹ 785 crore) by 65 *per cent*. Expenditure on pension and other retirement benefits to the State Government employees was 12 *per cent* of total revenue expenditure.

### ***Migration to New Pension Scheme***

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

The State Government is now transferring its share of NPS and the employee's contribution to NSDL on regular basis.

During the year 2018-19, the State Government collected ₹ 131.17 crore from the employees as contribution towards NPS and also contributed an equal amount of ₹ 131.17 crore as its share towards the scheme. Further, against the total collected funds of ₹ 400.54 crore (including previous year's balance of ₹ 138.20 crore), the State Government transferred ₹ 319.61 crore to the designated authority (NSDL) and the remaining ₹ 80.93 crore was transferred to NSDL together with interest of ₹ 10.07 crore (for late transfer) totaling ₹ 91.00 crore during 2019-20 in four installments between April 2019 and September 2019.

NPS contribution awaiting transfer at the end of March 2019 (₹ 80.93 crore) was lower than the amount awaiting transfer at the end of March 2018 by ₹ 46.17 crore, indicating an improvement during 2018-19 compared to previous year.

The Directorate of Accounts, Government of Goa stated (February 2020) that the process of developing software (in consultation with NIC) for enabling transfers to NSDL on a monthly basis had been taken up.

**Recommendation 1: The State Government may expedite the process of development of software for enabling monthly transfers to NSDL so as to reduce the interest burden of the State.**

### Interest payments

Interest payments have grown at an average annual growth rate of 8.61 per cent from 2014-19. During 2018-19, interest payments increased by ₹ 100 crore (8.04 per cent) over the previous year. Component-wise details of interest payments made by the State Government during 2014-19 are shown in Table 1.24.

**Table 1.24: Component-wise details of interest payments made by the State Government during 2018-19**

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Interest payments</b>	<b>1008</b>	<b>1075</b>	<b>1148</b>	<b>1244</b>	<b>1344</b>
Of which, interest payments made on					
<b>1 Internal debt</b>	<b>749</b>	<b>814</b>	<b>907</b>	<b>981</b>	<b>1080</b>
i Market loans	416	478	579	669	792
ii National small savings fund (NSSF)	288	284	276	265	242
iii National bank for agriculture and rural development (NABARD)	34	40	41	39	37
Loans from other financial institutions	9	7	5	5	4
Ways and means advances & Overdrafts	1	4	4	1	3
Management of debt (payable to RBI for open market borrowings)	1	2	2	2	2
<b>2 Loans from Gol</b>	<b>23</b>	<b>21</b>	<b>19</b>	<b>18</b>	<b>16</b>
<b>Deposits, small savings and PF etc.</b>	<b>236</b>	<b>239</b>	<b>222</b>	<b>245</b>	<b>248</b>
i Small savings and PF	148	159	156	172	178
ii Deposits	88	80	66	73	70

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

Interest payments of ₹ 1,344 crore during 2018-19 constituted interest on internal debt (₹ 1,080 crore), loans and advances from Central Government (₹ 16 crore) and interest on small savings, PF, deposits etc. (₹ 248 crore).

The interest on internal debt increased by ₹ 99 crore (10 per cent) from ₹ 981 crore in 2017-18 to ₹ 1,080 crore in 2018-19 on account of increase in payment of interest on market loans (₹ 123 crore), offset by a decrease in payment of interest on NSSF (₹ 23 crore), NABARD (₹ two crore). During 2014-19, ₹ 5,819 crore had been spent on interest payments, indicating that 12 per cent of the total revenue receipts of last five years (₹ 48,297 crore) had been utilised on debt servicing.

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

Financial assistance to local bodies and other institutions constituted 16.06 per cent of the revenue expenditure during 2018-19.

The quantum of assistance provided by way of grants and loans to local bodies and other institutions during 2018-19 relative to the previous years is presented in Table 1.25.

**Table 1.25: Financial assistance to local bodies and other institutions**

(₹ in crore)

Sl. No	Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
1	Panchayati Raj Institutions (PRIs)	36.35	81.18	96.62	92.31	86.12
2	Urban Local Bodies (ULBs)	49.81	59.09	75.52	180.48	74.01
3	Public Sector Undertakings	49.79	63.43	73.65	60.25	41.59
4	Autonomous Bodies	701.83	768.23	862.18	990.41	1278.11
5	Others	184.75	227.10	219.12	315.54	300.63
	<b>Total</b>	<b>1022.53<sup>19</sup></b>	<b>1199.03<sup>20</sup></b>	<b>1327.09<sup>21</sup></b>	<b>1638.99<sup>22</sup></b>	<b>1780.46<sup>23</sup></b>
	Assistance as percentage of RE	13.80	14.24	14.97	15.55	16.06

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

Financial assistance to local bodies and other institutions continuously increased from ₹ 1,022.53 crore in 2014-15 to ₹ 1,780.46 crore in 2018-19. The assistance in 2018-19 increased by nine *per cent* compared to previous year. As a percentage of revenue expenditure, the assistance increased from 13.80 *per cent* in 2014-15 to 16.06 *per cent* in 2018-19.

#### 1.6.6.1 State Finance Commission

The Second State Finance Commission (SSFC) recommended (December 2007) transfer of all the 11 functions to ULBs for economic development and social justice as listed in the Goa Municipalities Act, 1968. However, only seven functions and one activity in one function have been transferred as of March 2020. In addition, the function of Urban Poverty Alleviation and the activity of Solid Waste Management under Public Health and Sanitation not recommended by SSFC have also been transferred to ULBs.

Similarly, the SSFC recommended transfer of all the 28 functions and 74 activities to Village Panchayats (VPs) and 25 functions and 47 activities to Zilla Panchayats (ZPs) for economic development and social justice as listed in Schedule I and II of the Goa Panchayat Raj Act, 1994 respectively.

The State Government constituted a Committee of Group of Ministers (February 2013) to study/examine the recommendations of the SSFC on activity mapping and prepare explanatory memorandum on the recommendations of the SSFC. The report of the Committee was awaited (March 2020).

The Third State Finance Commission was constituted (January 2017); it was to submit its report within one year. The report of the Commission was awaited (March 2020).

#### 1.6.6.2 Audit arrangements

The audit of ULBs and VPs is carried out by the Comptroller and Auditor General (CAG) of India under Section 14 of CAG's (Duties, Powers and

<sup>19</sup> Excludes ₹ 2.99 crore pertaining to refund of grants-in-aid of the previous years

<sup>20</sup> Excludes ₹ 2.45 crore pertaining to refund of grants-in-aid of the previous years

<sup>21</sup> Excludes ₹ 1.79 crore pertaining to refund of grants-in-aid of the previous years

<sup>22</sup> Excludes ₹ 3.74 crore pertaining to refund of grants-in-aid of the previous years

<sup>23</sup> Excludes ₹ 5.18 crore pertaining to refund of grants-in-aid of the previous years

Conditions of Service) Act, 1971. The Government of Goa has entrusted Technical Guidance and Supervision over accounts and audit of Local Bodies to the CAG in November 2006. By virtue of Section 194 of the Goa Panchayat Raj Act, 1994, the CAG is the sole auditor for ZPs. The audit is conducted under Section 20 (1) of the CAG’s DPC Act, 1971.

## 1.7 Quality of expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in quality of expenditure basically involves three aspects *viz.*, quantum of expenditure, efficiency of expenditure use and its effectiveness.

### 1.7.1 Comparison of public expenditure with General Category States

Expenditure responsibilities relating to social sector and the economic infrastructure are assigned to the State Governments as these are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health *etc.* Low fiscal priority is attached to a particular sector, if it is below the respective national average. **Table 1.26** shows the fiscal priority of the State with regard to aggregate expenditure, development expenditure, social sector expenditure, economic sector expenditure and capital expenditure *vis-à-vis* GCS during 2014-19.

**Table 1.26: Fiscal priority of the State in 2014-15 and 2018-19**

Fiscal priority by the State	Aggregate expenditure/ GSDP	Development expenditure <sup>#</sup> / Aggregate Expenditure	Social sector expenditure/ Aggregate Expenditure	Economic sector expenditure/ Aggregate Expenditure	Capital expenditure/ Aggregate expenditure	Education, sports, art and culture/ Aggregate expenditure	Health and family welfare/ Aggregate expenditure
General category states Average (Ratio) 2014-15	15.99	68.51	36.15	32.36	14.02	16.54	4.92
Goa’s Average (Ratio) 2014-15	16.41	69.01	35.76	33.24	14.27	15.73	5.86
General Category States Average (Ratio) 2018-19	16.05	67.04	36.59	30.45	14.28	14.99	5.07
Goa’s Average (Ratio) 2018-19	17.15	67.44	37.67	29.77	16.24	17.26	7.20

*(Source: Finance Accounts of the State for 2014-15 and 2018-19)*

<sup>#</sup> Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed

Analysis of the fiscal priorities of the State as shown in **Table 1.26** reveals the following:

- The ratio of Aggregate Expenditure (AE) to GSDP for Goa in 2014-15 and 2018-19 was higher as compared to GCS. This meant that Goa was spending more as a proportion of its GSDP when compared to GCS.

- Development expenditure (DE) as a proportion of AE for Goa was higher than GCS in 2014-15 and 2018-19. DE consists of both economic sector expenditure and social sector expenditure. The ratio of social sector expenditure to AE was lower in 2014-15 and higher in 2018-19 as compared to GCS. The expenditure on economic sector as a proportion of AE in the State was higher than the GCS average in 2014-15 but fell behind GCS in 2018-19.
- Capital expenditure (CE) increases the asset creation which will generate opportunities for higher growth. In respect of CE to AE, the State spent more than GCS in 2014-15 and 2018-19.
- Goa's spending on Education, Sports, Art and Culture as a proportion of AE was less than GCS in 2014-15 but the State spent more than GCS in 2018-19.
- The State Government has given higher fiscal priority to health and family welfare during 2014-15 and 2018-19, as their ratios to AE were significantly higher than that of GCS.

### **1.7.2 Efficiency of expenditure use**

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public<sup>24</sup> and merit goods<sup>25</sup>. Apart from improving the allocation towards development expenditure<sup>26</sup>, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to AE (and/or GSDP) and proportion of revenue expenditure on operation and maintenance of the existing social and economic services. The higher the ratio of these components to AE (and/or GSDP), the better would be the quality of expenditure. **Table 1.27** presents the trends in DE relative to the AE of the State during the period 2014-19.

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<sup>24</sup> *Core public goods* are those which all citizens enjoy in common in the sense that each individual's consumption of such goods leads to no subtractions from any other individual's consumption of those goods, e.g. enforcement of law and order, security and protection of citizen's rights, pollution free air and other environmental goods and road infrastructure etc.

<sup>25</sup> *Merit goods* are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

<sup>26</sup> The expenditure data is segregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances are categorised into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure

Table 1.27: Development expenditure

(₹ in crore)

Components of development expenditure	2014-15	2015-16	2016-17	2017-18	2018-19
a) Development revenue expenditure	5040 (58.28)	5856 (58.30)	5993 (57.03)	7026 (55.45)	7290 (55.08)
b) Development capital expenditure	928 (10.73)	1351 (13.45)	1435 (13.66)	1685 (13.30)	1634 (12.35)
Development loans and advances	0 (0.00)	0 (0.00)	0 (0.00)	32 (0.25)	2 (0.02)
<b>Development expenditure (a+b+c)</b>	<b>5968</b> <b>(69.01)</b>	<b>7207</b> <b>(71.75)</b>	<b>7428</b> <b>(70.69)</b>	<b>8743</b> <b>(69.00)</b>	<b>8926</b> <b>(67.44)</b>
<b>Total expenditure</b>	<b>8647</b>	<b>10045</b>	<b>10508</b>	<b>12671</b>	<b>13235</b>

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

Figures in the parentheses indicate the percentage to total expenditure

### **Development expenditure**

Development expenditure comprises revenue expenditure, capital expenditure and loans and advances on social and economic services. During 2018-19, growth rate of total expenditure was four *per cent* while the growth rate of development expenditure was two *per cent* over the previous year. As a percentage of total expenditure, it decreased from 69.01 *per cent* during 2014-15 to 67.44 *per cent* during 2018-19. Of the total expenditure incurred during 2018-19, development revenue expenditure accounted for 55.08 *per cent* and development capital expenditure accounted for 12.35 *per cent*.

### **Development revenue expenditure**

Development revenue expenditure increased by ₹ 264 crore (four *per cent*) from ₹ 7,026 crore in 2017-18 to ₹ 7,290 crore in 2018-19, due to increase in expenditure under social services (₹ 68 crore) and economic services (₹ 196 crore).

The major heads that registered increase during 2018-19 were: Education, Sports and Art & Culture (₹ 255 crore); Power (₹ 225 crore); and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 40 crore).

Of the total development revenue expenditure of ₹ 7,290 crore incurred during 2018-19, salaries and wages accounted for ₹ 1,887 crore (25.88 *per cent*).

### **Development capital expenditure**

Development capital expenditure decreased by ₹ 51 crore (three *per cent*) from ₹ 1,685 crore in 2017-18 to ₹ 1,634 crore in 2018-19.

### **Development loans and advances**

Development capital expenditure in respect of loans and advances during 2018-19 was ₹ two crore as against ₹ 32 crore disbursed in the previous year.

1.7.2.1 Efficiency of expenditure use in select social and economic services

Table 1.28 shows the share of capital expenditure in total expenditure and that of salaries in revenue expenditure during 2017-19 in select sub-sectors under social and economic services.

**Table 1.28: Efficiency of expenditure use in select social and economic services**

*(in per cent)*

Social/Economic Services	2017-18		2018-19	
	Share of CE to TE in the sub-sector	Share of salaries in RE	Share of CE to TE in the sub-sector	Share of salaries in RE
<b>Social Services (SS)</b>				
Education, Sports, Art and Culture	6.19	26.90	10.42	22.95
Health and Family Welfare	8.72	67.71	11.83	68.21
Water supply, Sanitation, Housing and Urban Development	42.69	9.29	49.41	13.83
<b>Total (SS)</b>	<b>13.60</b>	<b>29.26</b>	<b>15.30</b>	<b>28.51</b>
<b>Economic Services (ES)</b>				
Agriculture and Allied Activities	16.86	42.95	9.64	39.47
Irrigation and Flood Control	47.53	37.13	53.12	39.37
Energy	9.19	19.53	8.54	16.81
Transport	60.33	29.34	52.66	28.49
<b>Total (ES)</b>	<b>26.42</b>	<b>24.76</b>	<b>22.12</b>	<b>22.27</b>
<b>Total (SS+ES)</b>	<b>19.35</b>	<b>27.42</b>	<b>18.31</b>	<b>25.89</b>

*(Source: Finance Accounts of the State for 2017-18 and 2018-19)*

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

The trends presented in Table 1.28 reveal that development capital expenditure as a percentage to total expenditure in select sub-sectors had registered a marginal decrease from 19.35 per cent in 2017-18 to 18.31 per cent in 2018-19. Also, the share of salaries in revenue expenditure showed a decrease from 27.42 per cent in 2017-18 to 25.89 per cent in 2018-19.

The percentage of capital expenditure to total expenditure on social services in the sub-sector increased from 13.60 per cent in 2017-18 to 15.30 per cent in 2018-19. The increase was mainly seen under Water Supply, Sanitation, Housing and Urban Development. The percentage of capital expenditure to total expenditure on Economic Services in the sub-sector decreased from 26.42 per cent in 2017-18 to 22.12 per cent in 2018-19. The decrease was mainly seen under Agriculture and Allied Activities and Transport.

## 1.8 Analysis of Government expenditure and investments

The State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also to meet its capital expenditure/investment (including loans and advances) requirements. In addition, instead of complete dependence on market-based resources, State Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the State Government during the current year *vis-à-vis* previous years.

### 1.8.1 Financial results of irrigation works

The financial results in respect of irrigation works have not been worked out by the State Government. The State Government incurred an expenditure of ₹ 75.96 crore on maintenance of irrigation projects during 2018-19, which was ₹ 3.62 crore less than the maintenance expenditure incurred during the previous year (₹ 79.58 crore).

### 1.8.2 Incomplete projects

Department-wise information of incomplete projects is given in Table 1.29.

**Table 1.29: Department-wise profile of incomplete projects**

*(₹ in crore)*

Department	Number of incomplete projects	Initial budgeted cost	Cumulative actual expenditure as on 31 March 2019
Roads, Bridges and Buildings	211	712.24	417.07
Irrigation, Water Supply and Sanitation	55	491.61	886.94
<b>Total</b>	<b>266</b>	<b>1203.85</b>	<b>1304.01</b>

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

As of 31 March 2019, there were 266 incomplete projects valuing more than ₹ one crore each on which ₹ 1,304.01 crore had already been spent. Significant time and cost escalation was noticed in Tillari Irrigation project (a joint venture of Government of Maharashtra and Government of Goa) which remained incomplete due to delay in land acquisition. The cost escalation (if any) in other projects was not provided by Directorate of Accounts in the Finance Accounts.

***Recommendation 2: As delay in completion of projects entail the risk of cost escalation and denial of intended benefits to the beneficiaries, the State Government may re-evaluate the cost of all incomplete projects and evolve a mechanism for timely completion of projects.***

### 1.8.3 Investments and returns

Statement No. 19 of the Annual Finance Accounts contains the details of investments made by the State Government in Statutory Corporations, Joint Stock Companies and Co-operative Banks and Societies. Up to 31 March 2019, the State Government had invested ₹ 631 crore in these entities (Table 1.30).

The average return on investments was 0.27 per cent during 2014-19 while the State Government paid an average interest rate of 6.90 per cent to 7.59 per cent on its borrowings during the same period.

**Table 1.30: Return on investment**

Investment/Return/Cost of borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
Investment at the end of the year (₹ in crore)	488.00	525.00	560.94	613.02	630.76
Return (₹ in crore)	1.82	1.43	0.86	1.96	1.46
Return (in percentage)	0.37	0.27	0.15	0.32	0.23
Average rate of interest on Government borrowings (in percentage)	7.59	7.30	7.09	7.03	6.90
Difference between interest rate and return (in percentage)	7.22	7.03	6.94	6.71	6.67

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

The table shows that during 2014-19, the State Government's investments increased by ₹143 crore. The increase in investments by ₹ 21.76<sup>27</sup> crore during 2018-19 over the previous year was mainly on account of increased capital contributions in Konkan Railway Corporation limited (₹ 11.76 crore) and Co-operative Sugar Mill (₹ 10 crore).

The equity investments in working State PSUs (₹ 394.71 crore) was 1.97 per cent of the progressive capital expenditure (₹ 20,053 crore) up to 2018-19. However, the returns were a meagre ₹ 1.42 crore (0.36 per cent of the total investment) during the year 2018-19. Even during the last five years, the highest percentage of returns to the investments was just 0.37. In view of low returns on these investments, they should have been accounted for as grants-in-aid rather than capital expenditure.

**Recommendation 3:** *Since the chances of earning return on investment made in State PSUs incurring losses, and where the accumulated losses have resulted in erosion of the net-worth, are remote, the State Government may consider making future payments to these PSUs in the form of Grants instead of Share Capital, so as to reduce the disparity in investment vis-à-vis return.*

#### 1.8.4 Departmental commercial undertakings

There are two departmentally managed quasi-commercial undertakings viz., the Electricity Department and the River Navigation Department in the State. **Table 1.31** depicts the Department-wise position of investments made by the State Government up to the year for which proforma accounts have been audited, net profits/loss as well as return on capital invested in these undertakings.

<sup>27</sup> The actual increase in 2018-19 over 2017-18 was ₹ 21.76 crore. During 2017-18, ₹ 4.52 crore was wrongly shown as investment and during 2018-19, an investment of ₹ 0.50 crore was shown which actually pertained to the year 2014-15

**Table 1.31: Summarised financial Statement of departmentally managed quasi-commercial undertakings**

(₹ in crore)									
Sl. No.	Name of the undertaking	Period of accounts audited	Amount invested by Government	Turn-over/income	Net profit/loss	Accumulated profit/loss	Interest on capital	Total return	Percentage of return on capital
1	Electricity Department	2015-16	1468.51	1385.13	(-)86.43	(-)409.56	276.72	(-)86.43	(-)5.89 %
2	River Navigation Department	2005-06	108.29	1.07	(-)10.53	(-)106.68	0.41	(-)10.12	(-)9.35 %

An amount of ₹ 1,576.80 crore had been invested by the State Government in the Electricity Department and the River Navigation Department at the end of the financial year up to which their accounts were finalised. As per the accounts for the year 2015-16 the Electricity Department suffered a net loss amounting to ₹ 86.43 crore against a capital investment of ₹ 1,468.51 crore.

The River Navigation Department (RND) was incurring losses every year and the accumulated loss as at the end of the year 2005-06 was ₹ 106.68 crore against the total investment of ₹ 108.29 crore.

**Recommendation 4: The State Government needs to review the working of the departmentally managed quasi-commercial undertakings so as to wipe out their losses in the short run and to make them self-sustaining in the medium to long-term.**

#### 1.8.5 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the State Government has also been providing loans and advances to many of these institutions/organisations. **Table 1.32** presents the outstanding loans and advances as on 31 March 2019, interest receipts *vis-à-vis* interest payments during the last three years.

**Table 1.32: Average interest received on loans and advances given by the State Government**

(₹ in crore)			
Quantum of loans/interest receipts/cost of borrowings	2016-17	2017-18	2018-19
Opening Balance	76.14	71.03	97.81
Amount advanced during the year	3.41	33.93	3.10
Amount repaid during the year	8.52	7.15	5.14
<b>Closing Balance</b>	<b>71.03</b>	<b>97.81</b>	<b>95.77</b>
of which, Outstanding balance for which terms and conditions have been settled	-	-	-
Net addition	(-)5.11	26.78	(-)2.04
Interest Receipts	2.30	1.79	2.29
Interest receipts as <i>per cent</i> to average of outstanding Loans and advances	3.12	2.12	2.37
Interest payments as <i>percent</i> to outstanding fiscal liabilities of the State Government	6.82	6.71	6.58
Difference between interest receipts and interest payments ( <i>per cent</i> )	(-)3.70	(-)4.59	(-)4.21

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

The total amount of outstanding loans and advances increased from ₹ 71.03 crore in 2016-17 to ₹ 97.81 crore in 2017-18. But it decreased in 2018-19 to ₹ 95.77 crore. The disbursement during the year 2018-19 was ₹ 3.10 crore compared to ₹ 33.93 crore during the year 2017-18. The loans were disbursed under Tribal Area Sub-Plan (₹ 2.00 crore) and ₹ 0.91 crore to Government Servants for purchase of motor conveyances and computers. The average interest earned by the State on loans increased marginally from 2.12 per cent in 2017-18 to 2.37 per cent during 2018-19 while the State Government paid an average interest of 6.58 per cent to 6.82 per cent on its borrowings during 2016-19.

Interest spread on Government borrowings was negative during the period 2016-19 which indicated that the State borrowings were more expensive than the loans advanced by it.

### 1.8.6 Cash balances and investment of cash balances

Table 1.33 depicts the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.33: Cash balances and investment of cash balances**

	(₹ in crore)		
	Opening balance on 1 April 2018	Closing balance on 31 March 2019	Increase(+)/ Decrease (-)
<b>(a) General Cash Balance</b>			
Cash in Treasuries	0.00	0.00	0.00
Deposits with Reserve Bank	(-)6.51	0.45	6.96
Remittances in transit - Local	-	-	-
Investments held in cash balance investment account	153.16	349.14	195.98
<b>Total (a)</b>	<b>146.65</b>	<b>349.59</b>	<b>202.94</b>
<b>(b) Other cash balances and investments</b>			
Cash with departmental officers viz., Public Works Department Officers, Forest Department Officers, District Collectors etc.	1.48	1.48	0.00
Permanent advances for contingent expenditure with departmental officers	0.30	0.32	0.02
Investment of earmarked funds	847.34	954.18	106.84
<b>Total (b)</b>	<b>849.12</b>	<b>955.98</b>	<b>106.86</b>
<b>Grand total (a)+ (b)</b>	<b>995.77</b>	<b>1305.57</b>	<b>309.80</b>
<i>Interest realised</i>	8.99	6.22	-2.77

(Source: Finance Accounts of the State)

The State Government's cash balances of ₹ 1,305.57 crore at the end of the current year showed an increase of ₹ 310 crore (31 per cent) over the previous year. During the year, the State Government invested ₹ 342 crore in GoI Treasury Bills which earned an interest of ₹ 6.22 crore. Further, ₹ 954 crore was invested in earmarked/reserve funds which earned an interest

of ₹ 64.40 crore<sup>28</sup> during the year. The transactions under earmarked/reserve funds are discussed in **Paragraph 1.9.3**.

There was also an outstanding balance under ‘Cheques and Bills’ amounting to ₹ 116.14 crore. Hence, the resultant effective cash balance of the State Government as on 31 March 2019 was ₹ 235.25 crore<sup>29</sup> which was 1.78 *per cent* of the total expenditure of the State Government (₹ 13,235 crore) during the year.

During 2018-19, the State Government obtained ways and means advances on 296 occasions totaling ₹ 2,318.27 crore, which was repaid during the year. This was substantially higher than last year when ways and means advance were taken on 88 occasions for ₹ 1,155.07 crore. The State Government paid ₹ 2.48 crore as interest on these ways and means advances. Also, overdrafts were availed by the State Government on 24 occasions during the year for a total of ₹ 141.45 crore. The entire amount was repaid by the State Government along with an interest of ₹ 0.16 crore.

#### **1.8.7 Outstanding balances under the head ‘Cheques and Bills’**

The Major Head-8670-Cheques and Bills is an intermediary account head for initial record of transactions representing the amount of un-encashed cheques which are to be cleared eventually. As on 31 March 2019, there was an outstanding balance of ₹ 116.14 crore under this Major Head. The outstanding balance in the current year increased by ₹ 100.99 crore compared to the previous year.

### **1.9 Assets and Liabilities**

#### **1.9.1 Growth and composition of assets and liabilities**

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3, Part B** gives an abstract of such liabilities and the assets as on 31 March 2019, compared with the corresponding position as on 31 March 2018. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the public account and reserve funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and cash balances.

#### **1.9.2 Fiscal liabilities**

The composition of fiscal liabilities<sup>30</sup> during 2018-19 *vis-à-vis* the previous year is presented in **Charts 1.12 and 1.13**.

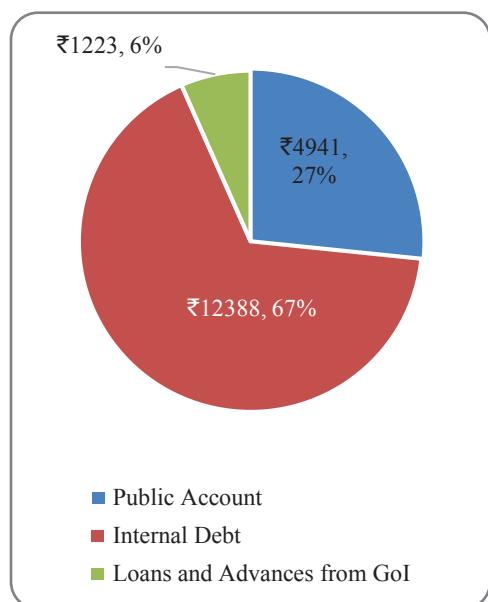
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<sup>28</sup> State Disaster Response Fund: ₹ 1.99 crore; Consolidated Sinking Fund: ₹ 41.07 crore; Guarantee Redemption Fund: ₹ 21.34 crore

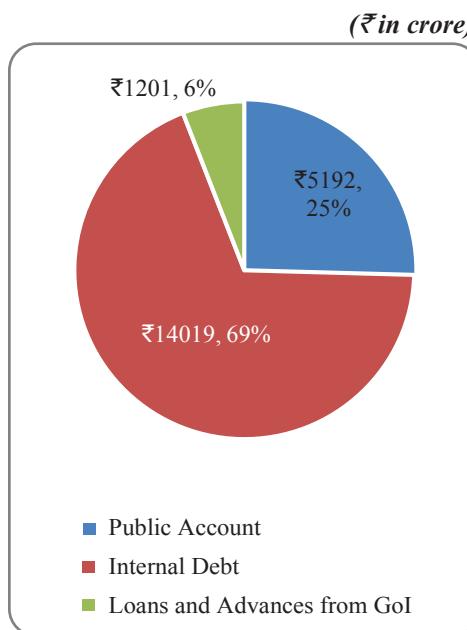
<sup>29</sup> Cash balance (₹ 1,305.57 crore)- Investment in earmarked funds (₹ 954.18 crore) – Outstanding balance under ‘Cheques and bills’ (₹ 116.14 crore)

<sup>30</sup> Internal debt (market loans, loans from NSSF, ways and means advances and loans from other financial institutions), loans and advances from GoI, liabilities arising from the transactions in the Public Account of the State

**Chart 1.12:** Composition of outstanding fiscal liabilities as on 31 March 2018



**Chart 1.13:** Composition of outstanding fiscal liabilities as on 31 March 2019



(Source: Finance Accounts of the State)

**Chart 1.13** shows that the outstanding fiscal liabilities (₹ 20,412 crore) of the State Government at the end of financial year 2018-19 comprised internal debt of ₹ 14,019 crore (69 per cent), public account liability of ₹ 5,192 crore (25 per cent) and loans and advances from GoI of ₹ 1,201 crore (six per cent). The internal debt largely comprised of market loans (₹ 11,010 crore), special securities issued to NSSF (₹ 2,341 crore) and NABARD (₹ 608 crore).

The trends in fiscal liabilities related to GSDP, revenue receipts and own resources are shown in **Table 1.34**.

**Table 1.34: Fiscal liabilities – basic parameters**

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Fiscal liabilities (₹ in crore)</b>	13877	15575	16824	18552	20412
Rate of growth (per cent)	9.31	12.24	8.02	10.27	10.03
<b>Ratio of fiscal liabilities to:</b>					
GSDP (per cent)	29.02	28.29	26.51	26.32	26.45
Revenue receipts (per cent)	180.48	182.12	175.89	167.83	178.46
Own resources (per cent)	223.03	243.09	241.27	238.92	263.55
<b>Buoyancy of fiscal liabilities to</b>					
GSDP (ratio)	0.28	0.81	0.53	0.93	1.06
Revenue receipts (ratio)	0.48	1.09	0.68	0.66	2.88
Own resources (ratio)	0.50	4.12	0.91	0.90	-38.58

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

**Table 1.34** shows that the overall fiscal liabilities of the State increased by 47 per cent from ₹ 13,877 crore in 2014-15 to ₹ 20,412 crore at the end of 2018-19. Over a period of five years, the ratio of fiscal liabilities to GSDP reduced from 29.02 per cent in 2014-15 to 26.45 per cent in 2018-19. This was marginally higher than the target fixed (25 per cent) in the Goa FRBM

(First Amendment) Act, 2014 and 25.31 *per cent* projected by FC XIV. The fiscal liabilities were nearly 1.78 times the revenue receipts and more than twice the State's own resources during 2018-19.

### **1.9.3 Transactions under reserve funds**

There were eight reserve funds earmarked for specific purposes during 2018-19 of which, two funds were inoperative with a balance of ₹ 3.07 crore. The total accumulated balance in these funds as on 31 March 2019 was ₹ 1,850.44 crore of which, ₹ 954.18 crore was invested. Transactions under reserve fund during 2018-19 are shown in **Appendix 1.6**. An account of these funds is included in Statement No. 22 of Finance Accounts 2018-19.

***Recommendation 5: The State Government may review the inoperative reserve funds and take necessary action to close these inoperative reserve funds.***

#### **1.9.3.1 State disaster response fund**

As per recommendation of the Thirteenth Finance Commission, the State Government had been operating the 'State disaster response fund' with effect from 2010-11. In terms of GoI guidelines (September 2010), the Central and State Governments were required to contribute to the fund in the ratio of 75:25.

As on 01 April 2018, the fund had an opening balance of ₹ 46.16 crore. During 2018-19, the State Government transferred ₹ 5.86<sup>31</sup> crore (Central share: ₹ 1.80 crore, State share: Nil and interest: ₹ 1.99 crore) to the fund. Of the total available balance of ₹ 52.02 crore, an expenditure of ₹ 2.20 crore was incurred during the year, leaving a balance of ₹ 49.82 crore in the fund at the end of March 2019. Out of ₹ 49.82 crore, the Government invested ₹ 32.32 crore during the year and the remaining ₹ 17.50 crore was held in cash.

#### **1.9.3.2 Consolidated sinking fund**

The State Government constituted a consolidated sinking fund from 1999-2000 for amortisation of outstanding liabilities. The Scheme for 'Constitution and Administration of the Consolidated Sinking Fund of Government of Goa' notified on 17 December 2009 provided for a minimum annual contribution by the State Government at 0.5 *per cent* of the outstanding liabilities at the end of the previous financial year.

The fund had an opening balance of ₹ 546.54 crore on 01 April 2018. The State Government made a contribution of ₹ 25 crore to the fund during 2018-19. Interest credited to the fund during the year was ₹ 41.07 crore. The fund had a balance of ₹ 612.61 crore as on 31 March 2019.

<sup>31</sup> This includes ₹ 2.07 crore adjusted during the year from PLA to SDRF account

### 1.9.4 Contingent liabilities

#### Status of guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of defaults by borrowers for whom guarantees have been extended by the State Government. The maximum amount for which guarantees were given by the State Government and outstanding guarantees for the last three years is given in **Table 1.35**.

**Table 1.35: Guarantees given by the Government of Goa**

(₹ in crore)

Guarantees	2016-17	2017-18	2018-19
Ceiling limit on Government guarantees	1500.00	1500.00	1500.00
Maximum amount guaranteed	932.01	961.75	1467.04
Outstanding amount of guarantees	841.91	740.94	1092.90
Percentage of outstanding amount of guarantees to total revenue receipts	8.80	6.70	9.55

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

The Goa Legislature fixed (September 2015) a limit of ₹ 1,500 crore on the outstanding guarantees. The outstanding guarantees at ₹ 1,093 crore during 2018-19 were within the ceiling limit specified by the Legislature. Of the total outstanding guarantees of ₹ 1,093 crore, ₹ 496 crore (45.38 per cent) pertained to Goa State Infrastructure Development Corporation, and ₹ 173 crore (15.83 per cent) pertained to Sewage and Infrastructure Development Corporation. The outstanding Guarantees also included ₹ 269 crore (24.61 per cent) pertaining to Bank of India and Housing Development Finance Corporation for loan sanctioned to Government servants against construction/purchase of houses and motor cars. The outstanding guarantees accounted for 9.55 per cent of the total revenue receipts of the State Government (₹ 11,438 crore). The State Government has exempted the borrowing institutions from the payment of guarantee fee.

The State Government set up a guarantee redemption fund during 2003-04 with the objective of meeting payment obligations arising out of guarantees issued by it. At the beginning of the year, ₹ 272.90 crore was available in the fund. With contribution of ₹ 15 crore and interest received on investment at the end of the year (₹ 21.34 crore), the closing balance in the fund was ₹ 309.24 crore. The entire balance of ₹ 309.24 crore was reinvested in Government securities. During 2018-19, no amount was paid by the State Government on account of invocation of guarantees.

## 1.10 Debt management

### 1.10.1 Debt sustainability

Debt sustainability implies State's ability to service the debt in future. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. Analysis of various debt sustainability indicators for the period from 2014-15 to 2018-19 is given in **Table 1.36**.

**Table 1.36: Debt Sustainability: Indicators and trends**

Indicators of debt sustainability	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Interest Payment	1008	1075	1148	1244	1344
Burden of interest payment in <i>per cent</i> (IP/RR)	13.11	12.58	12.00	11.25	11.75
Debt repayment	2075	3595	3183	2888	4584
Debt receipts	3257	5293	4432	4616	6444
Debt redemption/Debt receipts	0.95	0.88	0.98	0.90	0.92
Net debt available to the State	174	623	101	484	516

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

### ***Net availability of borrowed funds***

Net availability of borrowed funds is defined as the ratio of the debt redemption (principal and interest payments) to total debt receipts and indicates the extent to which the debt receipts were used for redemption of old debts. During 2018-19, net availability of borrowed funds increased from ₹ 484 crore in 2017-18 to ₹ 516 crore in 2018-19.

### ***Interest burden***

The ratio of interest payments to revenue receipts is one of the indicators that determine the debt sustainability of the State. The ratio of interest payments to revenue receipts, during the year 2018-19 was 11.75 *per cent*. This was marginally higher than the projected ratio (11.68 *per cent*) prescribed by the FC XIV.

### ***Servicing of Public Debt***

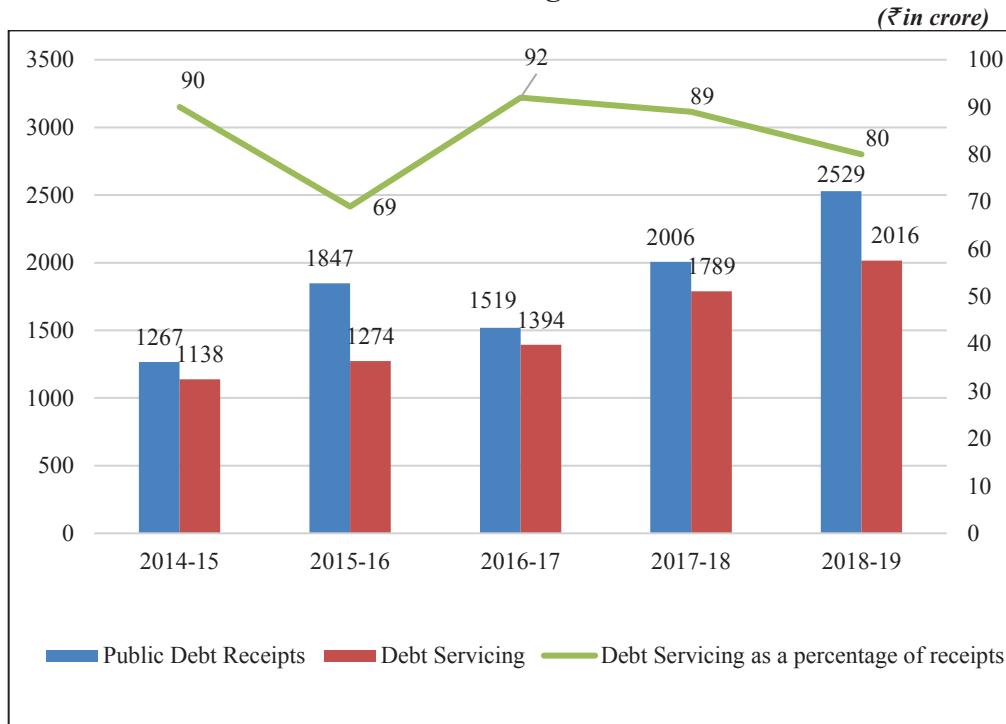
The interest payment and repayment of principal on public debt for the period from 2014-15 to 2018-19 is given in **Table 1.37**.

**Table 1.37: Servicing of Public Debt**

Period	Public Debt									Debt servicing			
	Public Debt Receipts			Repayment of Principal			Interest payment			(Repayment of principal + interest payment)			As a percentage of receipts
	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	Internal debt	Loans from GoI	Total	
2014-15	1064	203	1267	338	28	366	749	23	772	1087	51	1138	90
2015-16	1736	111	1847	412	27	439	814	21	835	1226	48	1274	69
2016-17	1427	92	1519	441	27	468	907	19	926	1348	46	1394	92
2017-18	1928	78	2006	702	88	790	981	18	999	1683	106	1789	89
2018-19	2459	70	2529	827	93	920	1080	16	1096	1907	109	2016	80
<b>Total</b>	<b>8614</b>	<b>554</b>	<b>9168</b>	<b>2720</b>	<b>263</b>	<b>2983</b>	<b>4531</b>	<b>97</b>	<b>4628</b>	<b>7251</b>	<b>360</b>	<b>7611</b>	<b>83</b>

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

Chart 1.14: Servicing of Public debt



It can be seen from **Table 1.37** and **Chart 1.14** that during 2014-19, 69 *per cent* to 92 *per cent* of the public debt receipts were used for debt servicing. In 2018-19, the debt servicing out of public debt receipts was 80 *per cent* as against 89 *per cent* in 2017-18. Thus, the average expenditure on debt servicing during 2014-19 was ₹ 1,522 crore which accounted for 83 *per cent* of average public debt receipts (₹ 1,834 crore) during the same period, implying that a larger percentage of debt was being used for debt servicing. This also indicated that a very insignificant portion of the debt was available for meeting developmental expenditure to promote growth. However, increase in public account balances provides the other source to meet the deficit.

### 1.10.2 Debt maturity profile

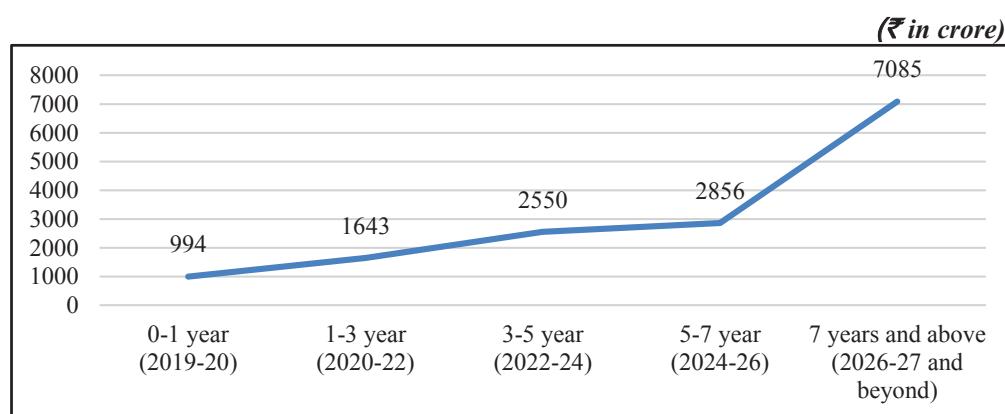
Of the total outstanding liabilities of ₹ 20,412 crore as at the close of 2018-19, ₹ 5,192 crore pertained to 'Other Liabilities'. The maturity profile of the remaining public debt (₹ 15,220 crore) is shown in **Table 1.38** and **Chart 1.15**.

Table 1.38: Maturity profile of State debt

Maturity Profile (in years)	Amount (₹ in crore)	Per cent
0 – 1	993.85	6.53
1 – 3	1642.71	10.79
3 – 5	2550.09	16.76
5 – 7	2856.21	18.77
7 and above	7085.44	46.55
Loans pertaining to Ex-Union Territory	91.30	0.60
<b>Total</b>	<b>15219.60</b>	<b>100.00</b>

(Source: Finance Accounts of the State)

Chart 1.15: Maturity profile of the State debt



(Source: Finance Accounts of the State)

The maturity profile of the State debt indicates that the liability of the State to repay the debt during the periods 2019-20, 2020-22 and 2022-24 would be ₹ 994 crore, ₹ 1,643 crore and ₹ 2,550 crore respectively, which may put a strain on the Government budget during that period. Further, ₹ 8,042.86 crore *i.e.* 52.84 per cent of the total public debt would be repayable within the next seven years. Therefore, the State Government would have to work out a well-thought out borrowing-repayment strategy to avoid falling into a debt trap.

**Recommendation 6: The State Government may consider developing a debt sustainability framework for achieving improved long-term sustainability in fiscal deficit management and to guide the borrowing decisions of the State in a way that matches their financing needs with current and prospective repayment.**

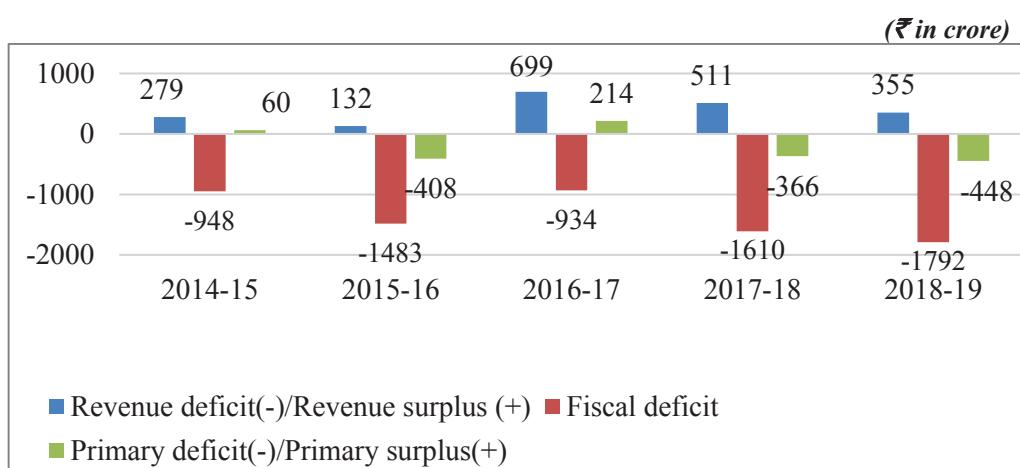
## 1.11 Fiscal Imbalances

Three key fiscal parameters viz., ‘revenue, fiscal and primary deficits’ indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficits are financed and the resources raised and applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis the targets set under Goa FRBM (First Amendment) Act, 2014.

### 1.11.1 Trends in deficits

Chart 1.16 presents the trends in deficit indicators over the period 2014-19.

Chart 1.16: Trends in deficit indicators



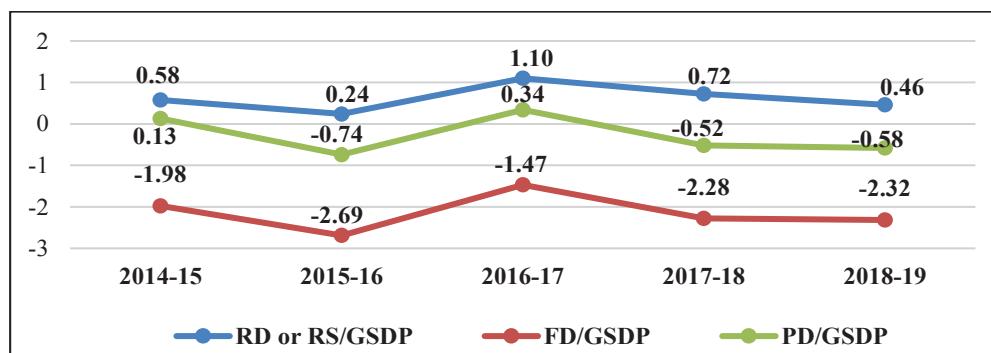
The State Government has maintained a revenue surplus during the last five years. The revenue surplus of ₹ 279 crore in 2014-15 increased to ₹ 699 crore in 2016-17 and decreased to ₹ 355 crore during 2018-19. The decrease in revenue surplus during the current year was on account of increase of ₹ 540 crore (5.12 per cent) in the revenue expenditure against increase of ₹ 384 crore (3.47 per cent) in revenue receipts.

Fiscal deficit normally represents the net incremental liabilities of the Government or its additional borrowings. The shortfall could be met either by additional public debt (internal or external) or by the use of surplus funds from Public Account. The fiscal deficit showed an increasing trend during the last three years. It increased from ₹ 934 crore in 2016-17 to ₹ 1,792 crore in 2018-19. During 2018-19, the fiscal deficit increased by ₹ 182 crore (11.30 per cent) over the previous year on account of increase in capital expenditure by ₹ 55 crore and decrease in revenue surplus by ₹ 156 crore offset by decrease in net loans and advances by ₹ 29 crore.

However, the fiscal deficit as a percentage of GSDP (2.32 per cent) in the current year was within the limit of three per cent fixed by the Goa FRBM (First Amendment) Act, 2014 and the FC XIV.

An increase of ₹ 182 crore in fiscal deficit during 2018-19 together with an increase of ₹ 100 crore in interest payment over the previous year increased the primary deficit from ₹ 366 crore in 2017-18 to ₹ 448 crore in 2018-19. **Chart 1.17** shows the trends in deficit indicators related to GSDP.

**Chart 1.17: Trends in deficit indicators relative to GSDP**



(Source: Finance Accounts of the State for respective years)  
 RD: Revenue deficit; RS: Revenue surplus; FD: Fiscal deficit; PD: Primary deficit

### 1.11.2 Debt Profile

Fiscal Deficit of the State as a proportion of GSDP has increased from 1.98 per cent in 2014-15 to 2.32 per cent in 2018-19. Although the State had revenue surplus in two out of the last five years (2014-15 and 2016-17) it registered primary deficit in three out of the last five years (2015-16, 2017-18 and 2018-19).

There are various approaches for assessing the debt sustainability, and one such approach is Domar model<sup>32</sup>.

An analysis on debt sustainability was carried out using this approach. The details are as follows:

<b>g-r (g: real economic growth rate; r: real interest rate called Domar gap)</b>	<b>s &lt; 0 (Primary Deficit)</b>	<b>s &gt; 0 (Primary Surplus)</b>
g-r > 0 (strong economic growth)	Public Debt as percentage of GSDP should converge to a stable level greater than zero.	Public Debt as percentage of GSDP should converge to a stable level less than zero leading to public savings
g-r < 0 (slow economic growth)	Public Debt as percentage of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation

<sup>32</sup> E.D. Domar, 1914-1997

The results of applying the analysis to Goa are shown in the table below:

Year	Real Growth (g)	Real Interest (r)	g-r (Domar gap)	Primary Deficit(-)/ Surplus(s) (₹ in crore)	Remarks
2014-15	27.08	1.62	25.46	60	As $g-r > 0$ and $s < 0$ (considering the State has registered primary deficit in three out of five years), public debt as percentage of GSDP would converge to a stable level, it would be at a level greater than zero.
2015-16	14.89	2.51	12.38	-408	
2016-17	11.70	2.24	9.46	214	
2017-18	10.25	3.63	6.62	-366	
2018-19	17.65	4.30	13.35	-448	

*Real Growth rate calculated for Real GDP*

*Real Interest rate calculated as Interest rate minus Inflation*

Further, Debt to GSDP ratio stood at 26.45 *per cent* and the Fiscal Deficit to GSDP ratio at 2.32 *per cent* in 2018-19. The corresponding Fourteenth Finance Commission (FC XIV) Fiscal target of Debt limit was 25.31 *per cent* and Fiscal Deficit ceiling was three *per cent* of GSDP. The capital expenditure of the State ranged between 16.53 *per cent* and 14.27 *per cent* during 2014-2019.

It is seen that g-r (Domar gap) is positive during the entire period from 2014-15 to 2018-19, and as per the Domar model, the public debt position would be stated to be stable. It is however, noteworthy that the g-r (Domar gap) has not been registering a steadily rising trend. Further, in the five years of the subject period *i.e.* 2014-15 to 2018-2019, there has been a primary deficit in three years (2015-16, 2017-18 and 2018-19). Other factors such as Public Account liabilities and force majeure events<sup>33</sup> and/or any other un-inventoried losses of revenue also have to be reckoned in assessing the debt sustainability/stability of the State<sup>34</sup>.

### ***1.11.3 Composition of fiscal deficit and its financing pattern***

The financing pattern of fiscal deficit during 2014-19 is reflected in **Table 1.39**.

<sup>33</sup> Like current Corona virus crisis and its effect on GSDP

<sup>34</sup> As these cannot be anticipated or determined statistically, they have not been factored in the analysis

Table 1.39: Components of fiscal deficit and its financing pattern

(₹ in crore)

	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Composition of fiscal deficit*</b>		<b>(-948)</b>	<b>(-1483)</b>	<b>(-934)</b>	<b>(-1610)</b>	<b>(-1792)</b>
1	Revenue deficit(-)/surplus(+)	279	132	699	511	355
2	Net capital expenditure <sup>35</sup>	(-1234)	(-1622)	(-1639)	(-2094)	(-2149)
3	Net loans and advances	7	7	6	(-27)	2
<b>Financing pattern of fiscal deficit*</b>						
1	Market borrowings	667	1285	1171	1400	1850
2	Special securities issued to NSSF	(-15)	11	(-194)	(-190)	(-199)
3	Loans from financial institutions	74	28	9	16	(-20.45)
4	Loans from GoI	175	84	65	(-10)	(-23)
5	Small savings, PF <i>etc.</i>	112	113	122	236	107
6	Deposits and advances	110	(-72)	(-2)	177	121
7	Suspense and miscellaneous	(-180)	(-186)	(-51)	(-25)	77
8	Remittances	(-114)	(-93)	(-139)	(-164)	60
9	Reserve fund	128	286	169	184	131
10	Contingency fund	-	-	-	-	-2
<b>11</b>	<b>Total (1 to 10)</b>	<b>957</b>	<b>1456</b>	<b>1150</b>	<b>1624</b>	<b>2102</b>
12	Increase(+)/Decrease(-) in cash	9	(-27)	216	14	310

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

\*Figures are net of disbursements/outflows during the year

**Table 1.39** reveals that during the last five years, market borrowings and net accretions to Public Account (small savings, deposits and advances, reserve fund *etc.*) had been the main sources utilised by the State Government to finance fiscal deficit. During 2018-19, net market borrowings (₹ 1,850 crore) and net accretions to small savings, PF *etc.* (₹ 107 crore) were used for bridging the fiscal deficit of the State.

During 2018-19, the State Government raised ₹ 2,350 crore as market loans and ₹ 108 crore from NABARD. The State Government also received loans amounting to ₹ 72 crore from GoI during the year.

#### **Quality of deficit/surplus**

The ratio of revenue deficit to fiscal deficit and the bifurcation of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Persistent high ratio of revenue deficit to fiscal deficit indicates that the asset base of the State is continuously shrinking and a part of the borrowings (fiscal liabilities) did not have adequate assets backup.

The bifurcation of the primary deficit (**Table 1.40**) indicates the extent to which the deficit was on account of increase in capital expenditure, which may be desirable to improve the productive capacity of the State's economy.

<sup>35</sup> Net capital expenditure is the total of miscellaneous capital receipts minus capital expenditure

**Table 1.40: Primary deficit/surplus – bifurcation of factors**

(₹ in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and advances disbursed	Primary expenditure	Primary revenue deficit(-)/surplus(+)	Primary deficit (-)/surplus (+)
1	2	3	4	5	6(3+4+5)	7(2-3)	8(2-6)
2014-15	7699	6402	1234	3	7639	1297	60
2015-16	8562	7345	1622	3	8970	1217	(-)408
2016-17	9574	7718	1639	3	9360	1856	214
2017-18	11061	9299	2094	34	11427	1762	(-)366
2018-19	11443	9739	2149	3	11891	1704	(-)448

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

Non-debt receipts of the State were sufficient to meet the primary expenditure requirements under revenue account. During 2015-16, 2017-18 and 2018-19 non-debt receipts were insufficient to meet the primary expenditure, resulting in primary deficit. However, during 2014-15 and 2016-17, incremental non-debt receipts were sufficient to meet the primary expenditure, resulting in primary surplus in these two years.

### 1.12 Follow up

The State Finances Audit Report is being presented to the State Legislature from 2008-09 onwards. The Public Accounts Committee (PAC) discussed the paragraphs from the State Finances Audit Reports for the years 2008-09, 2009-10 and 2016-17 and issued recommendations for the Audit Reports for the years 2008-09 and 2009-10.

# **CHAPTER – II**

## **FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**



## CHAPTER II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

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

**2.1.2** Audit of appropriation accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the laws, relevant rules, regulations and instructions.

**2.1.3** The Finance Department of the State Government is responsible for preparation of the annual budget by obtaining estimates from various Departments. The Departmental estimates of receipts and expenditure are prepared by controlling officers on the advice of the heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department scrutinises the estimates and prepares the detailed estimates called 'Demand for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of the utmost foresight both in estimating revenue and anticipating expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in budgetary control are discussed in the subsequent paragraphs.

#### 2.2 Summary of appropriation accounts

There are 59 Departments in the State at the Secretariat level each headed by a Principal Secretary/Secretary. Each Department is operating one or more demands and the demand for grant generally reflects the allocation for a Department. The summarised position of actual expenditure during 2018-19 against 85 grants/appropriations is as given in **Table 2.1**.

**Table 2.1: Summarised position of actual expenditure vis-à-vis original/supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess(+)
<b>Voted</b>	I. Revenue	10360.04	1356.39	11716.43	9776.31	(-)1940.12
	II. Capital	4225.92	516.40	4742.32	2169.64	(-)2572.68
	III. Loans and advances	89.99	11.67	101.66	3.10	(-)98.56
<b>Total voted</b>		<b>14675.95</b>	<b>1884.46</b>	<b>16560.41</b>	<b>11949.05</b>	<b>(-)4611.36</b>
<b>Charged</b>	I. Revenue	1436.15	2.90	1439.05	1397.59	(-)41.46
	II. Capital	2.00	1.31	3.31	2.18	(-)1.13
	III. Public debt	1021.65	0.00	1021.65	3380.18	2358.53
<b>Total charged</b>		<b>2459.80</b>	<b>4.21</b>	<b>2464.01</b>	<b>4779.95</b>	<b>2315.94</b>
<b>Grand total</b>		<b>17135.75</b>	<b>1888.67</b>	<b>19024.42</b>	<b>16729.00</b>	<b>(-)2295.42</b>

(Source: Appropriation Accounts 2018-19)

*Note:* The expenditure includes the recovery adjusted as reduction of expenditure under revenue expenditure amounting to ₹91.05 crore and capital expenditure amounting to ₹22.68 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 1,888.67 crore obtained during the year constituted 11 per cent of the original provision against 13.84 per cent in the previous year.

The overall savings of ₹ 2,295.42 crore were the result of savings of ₹ 4,653.96 crore in 82 grants and three appropriations under the Revenue Section and 69 grants and one appropriation under the Capital Section, offset by an excess of ₹ 2,358.54 crore in one grant and one appropriation.

As may be seen from **Table 2.1**, against the original provision of ₹ 17,136.75 crore, the actual expenditure incurred was ₹ 16,729 crore (98 per cent) which was an improvement over the previous year (92 per cent).

## 2.3 Financial accountability and budget management

### 2.3.1 Excess expenditure over appropriation not regularised

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess expenditure over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to ₹ 8,224.19 crore in 15 grants and 10 appropriations for the years 2008-09 to 2018-19 was yet to be regularised, as detailed in **Table 2.2**.

Table 2.2: Excess over provision requiring regularisation

(₹ in crore)

Year	No. of grant	No. of appropriation	Amount of excess over provision
2008-09	2	0	0.01
2009-10	1	0	7.57
2010-11	1	1	2.74
2011-12	0	1	18.88
2012-13	0	1	52.10
2013-14	3	1	97.51
2014-15	1	2	1161.23
2015-16	1	1	2330.45
2016-17	2	1	1683.20
2017-18	3	1	511.96
2018-19	1	1	2358.54
<b>Total</b>	<b>15</b>	<b>10</b>	<b>8224.19</b>

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

The excess expenditure of ₹ 2,358.54 crore incurred during 2018-19 requires regularisation under Article 205 of the Constitution of India. The major defaulting Departments during the last five years were Finance Department and Treasury and Accounts Administration, North Goa. This is in violation of Article 204 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

### 2.3.2 Appropriations vis-à-vis allocative priorities

During 2018-19, total gross savings under various grants/appropriations amounted to ₹ 4,653.96 crore, which was 24 per cent of the total authorisation (₹ 19,024.42 crore).

Of the total gross savings of ₹ 4,653.96 crore, savings of ₹ 100 crore or more amounting to ₹ 2,497.13 crore (54 per cent) had occurred in nine grants as shown in **Table 2.3**.

**Table 2.3: Details showing grants/appropriations where savings exceeded ₹ 100 crore**

(₹ in crore)

Sl. No.	Grant/Appropriation	Total provision	Actual expenditure	Savings
<b>Revenue (Voted)</b>				
1	21-Public Works	718.17	547.78	170.39
2	34-School Education	1594.27	1438.96	155.31
3	42-Sports and Youth Affairs	165.55	52.37	113.18
4	48-Health Services	517.50	416.78	100.72
5	55-Municipal Administration	312.07	86.00	226.07
6	58-Women and Child Development	485.71	376.10	109.61
7	82-Information Technology	199.19	56.68	142.51
<b>Capital (Voted)</b>				
	21-Public Works	1364.16	592.39	771.77
8	32-Finance	532.00	330.00	202.00
	55-Municipal Administration	307.69	81.28	226.41
9	76-Electricity	456.16	177.00	279.16
	<b>Total</b>	<b>6652.47</b>	<b>4155.34</b>	<b>2497.13</b>

(Source: Appropriation Accounts of the State)

The reason furnished for unspent provisions under some of these grants as reported in appropriation accounts of 2018-19 were as under:

**21-Public Works (Capital-Voted):** Out of the total allocations for capital expenditure for the year, ₹ 771.77 crore (57 per cent) remained unspent at the end of the year. The reason for non-utilisation of the grants was attributed mainly to non-implementation of new projects/schemes during the year and non-receipt of cash assignment from the Government.

**34-School Education (Revenue-Voted):** Savings of ₹ 155.31 crore (10 per cent) out of a total grant of ₹ 1,594.27 crore were recorded. Savings were mainly on account of non-release of central share for Sarva Shiksha Abhiyan; less receipts of claims under Information, Communication, Technology; less claims from beneficiaries under Rashtriya Madhyamik Shiksha Abhiyan etc.

**48-Health Services (Revenue-Voted):** The savings of ₹ 100.72 crore (19 per cent) during the year was mainly on account of delay in settlement of claims under Deen Dayal Swasthya Suraksha Yojana (₹ 41 crore); non-receipt of sanction for payments under National Rural Health Mission Scheme (₹ 27 crore); and non-release of payments under Emergency Services (₹ 10 crore) etc.

**55-Municipal Administration (Capital-Voted):** Out of the total allotment of ₹ 307.69 crore provided to incur expenditure on capital, ₹ 226.41 crore (74 per cent) remained unspent during the year. The non-utilisation of funds was mainly attributed to non-receipt of proposals under schemes like Smart City Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

**58-Women and Child Development (Revenue-Voted):** Out of the total allocation of ₹ 485.71 crore under the grant an amount of ₹ 109.61 crore (23 per cent) remained unspent at the end of the year. The non utilisation of

funds was mainly attributed to less sanction of applications under schemes like Ladli Laxmi, Dearness Allowance to Housewives and change in the norms of the scheme Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-SABLA.

**76-Electricity (Capital-Voted):** From a total allocation of ₹ 456.16 crore under the capital head the expenditure incurred was only ₹ 177 crore leading to savings of ₹ 279.16 crore (61 *per cent*). The savings were caused mainly due to less than anticipated work under Sub-transmission & Distribution Improvement Scheme, non-sanctioning of works under Restructured Accelerated Power Development & Reforms Program (R-ADRP) Part-B, non-tendering of work for Erection of Sub-Station at Verna, and less expenditure under Underground Cabling Scheme.

### 2.3.3 *Unnecessary/excessive supplementary provisions*

Supplementary provisions (₹ five crore or more in each case) aggregating ₹ 293.39 crore obtained in 14 cases during the year proved unnecessary. The expenditure incurred (₹ 1,709.32 crore) did not reach the levels of original provision of ₹ 2,360.08 crore as detailed in **Appendix 2.1**.

### 2.3.4 *Unnecessary re-appropriation of funds*

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation of funds proved unnecessary in some cases in view of final excesses over the grants. An instance of re-appropriation resulting in final excess of more than ₹ five crore is detailed in **Table 2.4**.

**Table 2.4: Unnecessary re-appropriation of funds**

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Description	Re-appropriation	Final Excess
<i>Unnecessary re-appropriation</i>					
1	42	Sports and Youth Affairs	2204-104-03 (Grants to Sports Authority of Goa)	(-)14.29	6.74

(Source: Appropriation Accounts of the State)

### 2.3.5 *Substantial surrenders*

While preparing the budget estimates, utmost care should be taken to ensure that the estimates are as close as possible to the likely expenditure during the year. In 34 cases, out of the total provision of ₹ 4,210.24 crore, substantial surrenders amounting to ₹ 2,749.90 crore (65 *per cent*) were made either on account of non-implementation or slow implementation of Schemes/Programmes. In these cases, the surrenders were above ₹ 10 crore and also more than 50 *per cent* of the total provisions. The details are given in **Appendix 2.2**.

### 2.3.6 Unnecessary surrenders

In two grants/appropriations, ₹ 9.92 crore was surrendered though excess expenditure of ₹ 2,358.54 crore was incurred, indicating lack of proper budgetary control. Details are given in **Table 2.5**.

**Table 2.5: Unnecessary surrender of grants/appropriations**

(₹ in crore)

Number and name of the grant/ appropriation	Total grant	Excess	Amount surrendered
A2 - Debt Services (Capital Charged)	1021.65	2358.53	9.90
79 – Goa Gazetteer (Revenue Voted)	0.41	0.01	0.02
<b>Total</b>	<b>1022.06</b>	<b>2358.54</b>	<b>9.92</b>

(Source: Appropriation Accounts of the State)

The reason for surrender of grants in spite of excess expenditure against the provision, though called for, was not furnished by the Director of Accounts (February 2020).

### 2.3.7 Savings not surrendered/partly surrendered

Rule 56 of the General Financial Rules, 2005 provides that the spending Departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated. Further, surrender of funds should be done as soon as these are foreseen without waiting for the end of the financial year, to enable the Finance Department to utilise the funds on other Schemes.

At the close of the year 2018-19, in one case, savings amounting to ₹ 39.94 crore was not surrendered by the concerned Department. The details are shown in **Table 2.6**.

**Table 2.6: Grants/appropriations in which anticipated savings were not surrendered**

(₹ in crore)

Sl. No.	Number and name of grant	Saving
1	85 – Rural Development (Revenue Voted)	39.94

(Source: Appropriation Accounts of the State)

Further, out of total savings of ₹ 1,763.33 crore in 15 cases, only ₹ 1,605.64 crore was surrendered, leaving ₹ 157.69 crore which was not surrendered (savings of ₹ one crore and above in each case) during 2018-19. The details are given in **Appendix 2.3**.

Besides, in 45 cases, savings of ₹ 20 crore or more aggregating ₹ 3,913.32 crore (**Appendix 2.4**) was surrendered in the last month of the financial year (March 2019), indicating inadequate financial control as well as failure to make these funds available for other development purposes.

### 2.3.8 Surrender in excess of actual savings

In three grants during 2018-19, against the savings of ₹ 119.98 crore, an amount of ₹ 128.18 crore was surrendered, which was in excess by ₹ 8.20 crore (surrender of ₹ one crore or more in each case) indicating that the Departments failed to exercise necessary budgetary controls as shown in **Table 2.7**.

Table 2.7: Details of surrenders in excess of actual savings

(₹ in crore)					
Sl.No.	Grant No	Name of grant/appropriation	Savings	Surrender	Savings surrendered in excess
1	48 (Capital Voted)	Health Services	37.63	39.26	1.63
2	74 (Capital Voted)	Water Resources	71.02	75.29	4.27
3	84 (Capital Voted)	Airport	11.33	13.63	2.30
<b>Total</b>			<b>119.98</b>	<b>128.18</b>	<b>8.20</b>

(Source: Appropriation Accounts of the State)

### 2.3.9 Unexplained re-appropriations

As per paragraph 1(d) of Appendix III of the Comptroller and Auditor General's Manual of Standing Orders (Accounts and Entitlement), general terms of re-appropriation should not be employed. For example, it is not an adequate explanation of a saving in the provision of purchases of stores to state that 'fewer stores were purchased'. The reasons for the smaller purchases should be given.

Scrutiny of 376 re-appropriation orders issued by various Departments during 2018-19, however, revealed that in 244 orders (65 per cent), general expressions such as, "due to inadequate budget", "due to economy measures", "due to less expenditure than anticipated", "due to non-filling of vacant posts", etc. were used.

## 2.4 Outcome of review of selected grants

The authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The duties and responsibilities of the authorities include preparing the estimates timely and accurately and also to ensure that the grants placed at their disposal are spent only on the objects for which it has been provided and to surrender savings if no longer required.

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

**Grant No. 42- Sports and Youth Affairs:** The Directorate of Sports and Youth Affairs is entrusted with various tasks for the promotion of sports and youth welfare in the state, by providing, physical education at school level, coaching to budding sports talents in the state, development of sports infrastructure and implementing various youth welfare activities like NCC, NSS, Scouts and Guides etc. This grant includes two Major Heads namely 2204- Sports and Youth Services, and 4202-Capital Outlay on Education, Sports, Art and Culture.

**Grant No. 64- Agriculture:** The Department of Agriculture provides assistance to farmers from land preparation to the extent of marketing of the produce. The Department implements developmental programmes through Zonal Agricultural Offices located in each taluka of Goa. This grant consists of eight Major Heads namely, 2401- Crop Husbandry, 2402- Soil and water Conservation, 2415- Agricultural Research and Education, 2551- Hill Areas,

4401- Capital Outlay on Crop Husbandry, 4402- Capital Outlay on Soil and Water Conservation, 6401- Loans for Crop Husbandry, and 6402- Loan for Soil and Water Conservation.

#### **2.4.1 Budget and expenditure**

The overall budget provision, actual disbursements and savings under the functional Heads of these two grants for the years 2016-17 to 2018-19 are shown in **Table 2.8**.

**Table 2.8: Summary of budgetary provisions and actual expenditure under Grant No. 42 and 64**

<i>(₹ in crore)</i>						
Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of savings
<b>Grant No. 42: Sports and Youth Affairs (Revenue-voted)</b>						
2016-17	101.96	0.00	101.96	52.33	49.63	48.68
2017-18	72.26	11.18	83.44	62.52	20.92	25.07
2018-19	161.95	3.60	165.55	52.37	113.18	68.37
<b>Grant No. 42: Sports and Youth Affairs (Capital-voted)</b>						
2016-17	180.34	0.00	180.34	76.63	103.71	57.51
2017-18	134.16	15.08	149.24	85.40	63.84	42.78
2018-19	121.11	30.00	151.11	132.98	18.13	12.00
<b>Grant No. 64: Agriculture (Revenue-voted)</b>						
2016-17	187.02	0.00	187.02	135.03	51.99	27.80
2017-18	139.24	1.50	140.74	113.44	27.30	19.40
2018-19	148.51	0.00	148.51	106.97	41.54	27.97
<b>Grant No. 64: Agriculture (Capital-voted)</b>						
2016-17	43.22	0.00	43.22	17.87	25.35	58.65
2017-18	32.95	3.00	35.95	17.81	18.14	50.46
2018-19	33.95	8.00	41.95	14.75	27.20	64.84

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

It may be seen from **Table 2.8** that there were persistent savings ranging from 25 per cent to 68 per cent (under revenue section) and 12 per cent to 58 per cent (under capital section) during 2016-19 in Grant No. 42. Further, unnecessary supplementary provisions were made under this grant even though actual expenditure did not come up to the level of original provisions under revenue section (2017-19) and capital section (2017-18).

Further, in Grant No.64, there were persistent savings ranging from 19 per cent to 28 per cent (under revenue section) and 50 per cent to 65 per cent (under capital section) during 2016-19. Also, unnecessary supplementary provisions were made under this grant even though actual expenditure did not come up to the level of original provisions under revenue section (2017-18) and capital section (2017-19).

#### **2.4.2 Non-utilisation of entire provision**

In nine sub-heads under Grant No. 42, there was 100 per cent savings against the provisions made during 2016-19. The provisioned amount remained un-utilised due to non-implementation of Schemes/Programmes and the entire amount was surrendered at the end of March 2019.

Similarly, in 10 sub-heads under Grant No. 64, there was 100 per cent savings against the provisions made during 2016-19. The provisioned amount remained un-utilised due to non-implementation of Schemes/Programmes and the entire amount was surrendered at the end of March 2019. The details are shown in **Table 2.9**.

**Table 2.9: Non-utilisation of entire provision**

*(₹ in lakh)*

Sl. No.	Name of the Scheme	Budget provision			Reasons for surrender
		2016-17	2017-18	2018-19	
<b>Grant No. 42 (Revenue-voted)</b>					
1	2204-00-101-10-Establishment of Gymnasia at Village/Taluka Places	111.00	0.00	53.00	Selection not held (16-17); Non-implementation of Scheme (18-19).
2	2204-00-102-21-National Cadet Corps and Sea Cadet Corps	20.00	19.50	20.00	Non-implementation of Scheme (all three years).
3	2204-00-104-06- Grants for construction of Stadium and playground to Panchayats (Plan)	50.00	40.00	10.00	No claims received (16-17); Non-implementation of Scheme (17-18 and 18-19).
4	2204-00-104-09- Grants to Goa Inter Collegiate Committee (Plan)	15.00	10.00	10.00	Non-release of grants (16-17); No claims received (17-18); No proposal received from Goa University for releasing grants (18-19).
5	2204-00-104-15- Grants for construction of Stadium and playground to Panchayats (Non Plan)	10.00	10.00	10.00	Token provision for Scheme/ Non-implementation of Scheme (16-17 & 18-19).
6	2204-00-104-17- Grants to Goa Inter Collegiate Committee(Non Plan)	8.00	8.00	8.00	No proposal received from Goa University for releasing grants (all three years).
7	2204-00-104-19- Establishment of Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA) Committee	10.00	10.00	10.00	Non-release of grants(16-17); Token provision for Scheme/ Non-implementation of Scheme (17-18); Non-implementation of Scheme (18-19).
<b>Grant No. 42 (Capital-voted)</b>					
8	4202-03-800-07- 36 <sup>th</sup> National Games	100.00	110.00	100.00	Token provision for Scheme/ Non-implementation of Scheme (16-17);
9	4202-03-800-11-National Games Village	2000.00	500.00	10.00	Economy measures (2017-18); Non- submission of bills (18-19).
<b>Grant No. 64 (Revenue-voted)</b>					
10	2401-00-113-03-Centre of Excellence, Technology, Branding	0.00	150.00	150.00	Non-implementation of Scheme (17-18); Delay in tendering process (18-19).
11	2401-00-109-10-Sub mission on Agricultural mechanization(SMAM)	20.00	20.00	0.00	Non-implementation of Scheme (16-17 & 17-18)
12	2401-00-121-02-Soil Health Management(SHM)	0.00	100.05	75.05	Non-implementation of Scheme (17-18); Non-clearance of bills(18-19)

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13	2401-00-121-04- Paramparagat Krishi Vikas Yojana (PKVY)	28.00	0.00	40.05	Token provision for Scheme/ Non-implementation of Scheme (16-17); Non-implementation of Scheme (18-19).
14	2401-00-800-11- Self Help Groups for Vegetable Cultivation	0.00	50.00	50.00	Non-implementation of Scheme (17-18); No proposal received from GSHCL/ Non-implementation of Scheme (18-19).
15	2401-00-800-15- Sheti Samrudhi Yojana	100.00	100.00	0.00	Non-implementation of Scheme /Scheme not approved by Government (2016-17); Non-implementation of Scheme (17-18); and Non-implementation of Scheme (18-19).
16	2401-00-800-16- Integrated Farming System	100.00	100.00	0.00	
17	2401-00-800-17- Goa State Coconut Development Board	25.00	15.00	1.00	
<b>Grant No. 64 (Capital-voted)</b>					
18	4401-00-789-01- Scheduled Castes Development Schemes	70.00	0.00	53.00	Non- availability of suitable land (16-17); Non-implementation of Scheme (18-19).
19	4401-00-102-03- Horticulture and Floriculture Estates	0.00	300.00	200.00	Non-implementation of Scheme (17-18); Non- finalisation of land for project (18-19).

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

### 2.4.3 Inappropriate re-appropriations

In six sub-heads under Major Head-2204 and three sub-heads under Major Head 4202 in Grant No. 42, budget allocations by re-appropriation at the end of the year was less than the expenditure which resulted in expenditure exceeding the available allocation by ₹ 8.37 crore.

Similarly, in one sub-head under Major Head-2401 and one sub-head under Major Head-4401 in Grant No. 64, budget allocations by re-appropriation at the end of the year was less than the final expenditure which resulted in expenditure exceeding the available allocations by ₹ 0.90 crore.

The details are shown in **Table 2.10**.

**Table 2.10: Inappropriate re-appropriations resulting in excess expenditure**

(₹ in lakh)						
Sl. No.	Year	Head of account	Original budget	Funds after re-appropriation	Final expenditure	Excess expenditure
<b>Grant No. 42 (Revenue-voted)</b>						
1	2016-17	2204-00-101-04- Directorate of Sports	615.75	472.56	478.21	5.65
2	2016-17	2204-00-101-05- Strengthening of Physical Education	161.25	70.53	81.39	10.86
3	2016-17	2204-00-102-13-Directorate of Youth Services	185.75	71.59	81.44	9.85
4	2017-18	2204-00-102-09-National Cadet Corps	305.59	323.71	350.09	26.38
5	2017-18	2204-00-101-04- Directorate of Sports	493.88	573.16	582.63	9.47

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6	2018-19	2204-00-104-03-Grants to Sports Authority of Goa	2200.00	771.00	1445.44	674.44
<b>Grant No. 42 (Capital-voted)</b>						
7	2016-17	4202-03-800-05- Development of Camp Sites	28.00	0.00	6.87	6.87
8	2016-17	4202-03-800-06- Establishment of National Cadet Corps	55.00	0.00	14.35	14.35
9	2017-18	4202-03-800-01- Construction of Playgrounds, Sports Complexes etc.	1000.00	1079.63	1158.75	79.12
<b>Total (Grant No.42)</b>			<b>5045.22</b>	<b>3362.18</b>	<b>4199.17</b>	<b>836.99</b>
<b>Grant No. 64 (Revenue-voted)</b>						
10	2016-17	2401-00-105-02- Manures and Fertiliser	8.80	8.76	40.46	31.70
<b>Grant No. 64 (Capital-voted)</b>						
11	2018-19	4401-00-102-01-Crop Production and Input Management	326.00	55.87	114.51	58.64
<b>Total (Grant No.64)</b>			<b>334.80</b>	<b>64.63</b>	<b>154.97</b>	<b>90.34</b>

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

## 2.5 Personal Deposit Accounts

The Personal Deposit (PD) Accounts/Personal Ledger Accounts (PLA) are Deposit Accounts kept in Treasuries in the name of the Administrators<sup>1</sup> of the Accounts. The money is placed under 8443-Civil Deposits, 106-Personal Deposit. These accounts can be opened with the approval of the Finance Department. As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, the Administrators are entitled to credit receipts into and effect withdrawals directly from the Treasury account for a specific purpose. The Administrators thereof shall only be Government officers acting in their official or any other capacity. Every PD/PLA Account so authorised to be opened will form part of the Government account under the Public Account.

The year-wise position of PD/PLA Accounts from 2016-17 to 2018-19 is given in **Table 2.11**.

**Table 2.11: Year-wise details of PD/PLA Accounts during 2016-19**

*(₹ in crore)*

Year	Opening balance	Receipts	Disbursements	Closing balance
2016-17	37.06	114.69	85.15	66.60
2017-18	66.60	77.71	59.62	84.69
2018-19	84.69	107.55	83.47	108.77

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

A sum of ₹ 108.77 crore was held under 121 PD/PLA Accounts by 16 Departments as on 31 March 2019 which was not transferred to the Consolidated Fund of the State (CFS) before the closure of the financial year. These balances have also not been reconciled with the Administrators of the Accounts. Of the 121 Accounts, 18 Accounts held by nine Departments having a balance of ₹ 0.18 crore were inoperative for over five years.

<sup>1</sup> PD Account holders

Compared to other States, the balances under these Accounts were seen to be sustainable. However, if PD Accounts are more than a year old, they need to be reviewed by the Finance Department.

Non-transfer of unspent balances lying in PD Accounts to CFS before the closure of financial year and non-reconciliation of balances in PD Accounts periodically, however, entails the risk of misuse of public funds, fraud and misappropriation.

## **2.6 Un-reconciled Expenditure**

Departmental officers are required to reconcile the Departmental expenditure every month and before the close of the accounts of a year with those recorded in the books of the Director of Accounts. This enables the Controlling Officers of Departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The Public Accounts Committee in its 48<sup>th</sup> Report (1992) recommended punitive action to be taken against erring Budget Controlling Authorities (BCAs). Even though non-reconciliation of Departmental expenditure was pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2018-19.

During 2018-19, 43 out of 86 BCAs did not carry out any reconciliations in respect of 1,972 units under their control involving ₹ 4,949.37 crore. Of the 43 BCAs who carried out reconciliations, nine carried out reconciliations only for part of the year in respect of 769 units under their control involving ₹ 794.11 crore. The details of 22 major BCAs (out of 52) who did not reconcile their expenditure (₹ 5,510.57 crore) are indicated in **Table 2.12**.

**Table 2.12: Major Budget Controlling Authorities who did not reconcile their expenditure**

Sl. No.	Budget Controlling Authorities who did not reconcile their expenditure	(₹ in crore) Amount not reconciled
1	Director of Education	1506.71
2	Chief Engineer, Public Works Department	1142.42
3	Chief Electrical Engineer	625.13
4	Director of Health Services	469.20
5	Director of Women and Child Development	382.48
6	Under Secretary, Finance (Budget)	333.59
7	Chief Engineer, Water Resources	326.30
8	Director of Panchayats	113.79
9	Commissioner of Labour and Employment	90.90
10	Collector of South Goa	80.28
11	Under Secretary, Law	67.27
12	Director of Agriculture	63.50
13	Captain of Ports	42.39
14	Director of Science, Technology and Environment	41.63
15	Commissioner of Commercial Taxes	35.88
16	Chief Town Planner	31.99
17	Goa Dental College and Hospital	30.05
18	Director of Institute of Psychiatry and Human Behaviour	26.27

19	Director of Information and Publicity	25.95
20	Collector of North Goa	25.46
21	Registrar of Co-operative Societies	25.33
22	Director of Port Administration	24.05
	<b>Total</b>	<b>5510.57</b>

(Source: Directorate of Accounts)

## **2.7 Conclusion and Recommendations**

During 2018-19, an expenditure of ₹ 16,729 crore was incurred against the total grants and appropriations of ₹ 19,024.42 crore, resulting in savings of ₹ 2,295.42 crore. The overall savings were the net result of savings of ₹ 4,653.96 crore, offset by an excess of ₹ 2,358.54 crore in one grant and one appropriation. The excess expenditure of ₹ 2,358.54 requires regularisation under Article 205 of the Constitution of India. Further, excess over provisions relating to previous years (2008-09 to 2017-18) amounting to ₹ 5,865.65 crore had not been regularised.

*All the existing cases of excess expenditure need to be regularised at the earliest and in future, such unvoted expenditure may be completely stopped, except in case(s) of dire and extreme emergency, the cost of which cannot be met from the consolidated fund.*

Of the total savings of ₹ 4,653.96 crore during 2018-19, savings of ₹ 100 crore or more amounting to ₹ 2,497.13 crore (54 per cent) had occurred in nine grants pertaining to Municipal Administration, Electricity, Public Works Department, Finance, School Education, Women and Child Development, Health Services, Sports and Youth Affairs and Information Technology.

In 14 cases, supplementary provisions (₹ five crore and above in each case) of ₹ 293.39 crore obtained proved unnecessary. The expenditure incurred (₹ 1,709.32 crore) did not even reach the levels of original provision (₹ 2,360.08 crore).

*The Controlling/Disbursing Officers may keep a close and constant watch over the progress of expenditure against the sanctioned provisions in order to avoid savings/excesses especially in Departments where large savings/excesses were noticed. They may also specifically strengthen their control on monthly expenditure and monitoring mechanism.*



# **CHAPTER – III**

## **FINANCIAL REPORTING**



## CHAPTER-III

### FINANCIAL REPORTING

A sound internal financial reporting and the availability of relevant and reliable information contributes to efficient and effective governance by the State Government and is important for the State Governments in meeting its basic stewardship responsibilities, strategic planning and decision-making. It also forms the basis of sound internal controls. This chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives applicable to financial reporting during the year 2018-19.

#### 3.1 Delays in furnishing Utilisation Certificates

Rule 212 of the General Financial Rules, 2005 provides that for grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the Departmental officers from the grantees. The certificates so obtained are to be verified by the Departmental officers and forwarded to the Director of Accounts within 12 months from the dates of sanction of grants unless specified otherwise.

At the end of 2018-19, 12,148 UCs for ₹ 2,340.66 crore were outstanding against grants disbursed up to 2017-18. The Department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise position is shown in **Table 3.1**.

**Table 3.1: Age-wise position of outstanding UCs as of 31 March 2019**

Sl. No.	Range of delay in number of years	Utilisation certificates outstanding	
		Number	Amount (₹ in crore)
1	1-3	3905	1169.00
2	3-5	1933	588.04
3	5-7	1356	242.74
4	7 and above	4954	340.88
	<b>Total</b>	<b>12148</b>	<b>2340.66</b>

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

As may be seen from **Table 3.1**, 5,838 UCs (48 per cent) involving ₹ 1,757.04 crore (75 per cent) were pending from one to five years while 6,310 UCs involving ₹ 583.62 crore were pending for more than five years. Major cases of non-submission of UCs pertained to Directorate of Art and Culture (25 per cent), Directorate of Panchayats (North) (24 per cent) and Directorate of Panchayats (South) (18 per cent).

In the absence of UCs there is no assurance that the moneys disbursed have been used for the purpose for which they have been given. High pendency of UCs was fraught with the risk of fraud and misappropriation of funds.

#### 3.2 Delay in submission of accounts/audit reports by autonomous bodies

Several autonomous bodies have been set up by the State Government in the fields of education, irrigation, housing etc. Of these, audit of accounts of

13 bodies in the State has been entrusted to the CAG. These bodies are audited by the CAG by verification of their accounts, financial transactions, operational activities, internal management and financial control system and procedures.

The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and their placement in the Legislature are indicated in the **Appendix 3.2**. The delay in submission of accounts to Audit and placement of SARs in the Legislature by the autonomous bodies is summarised in **Table 3.2**.

**Table 3.2: Delays in submission of accounts and tabling of SARs**

Submission of Accounts for Audit		Presentation of Report in Legislature	
Delay(in months)	Number of autonomous bodies	Delay (in years)	Number of autonomous bodies
0-3	-	0-1	2
3-6	2	1-3	1
6-9	4	3-5	1
9-25	4	5 years and above	4
25 months and above	3	-	-

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

There are 46 accounts pertaining to various periods pending submission by 13 autonomous bodies. The submission of accounts of 13 autonomous bodies was delayed by four to 76 months while presentation of four of 13 accounts in the State Legislature was delayed by more than five years. The reasons for delays though called for were not intimated by the respective autonomous bodies.

The inordinate delay in submission of accounts and presentation of the reports to the State Legislature resulted in delayed scrutiny of the functioning of these bodies, where Government investments are made. Further, necessary remedial action, if any, required to be taken by the Government was also delayed.

### **3.3 Departmental Commercial Undertakings**

The Departmental undertakings of certain Government Departments performing activities of quasi-commercial nature are required to prepare *proforma* accounts in the prescribed format annually, showing the working results of financial operations so that the Government can assess their working. The accounts of Departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of such *proforma* accounts, the viability of these undertakings remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring viability and improving efficiency cannot be taken in time.

Heads of Departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General for audit within a specified timeframe. As of October 2019, there were two<sup>1</sup> such undertakings, one of which had heavy arrears in accounts. The

<sup>1</sup> River Navigation Department and Electricity Department

Department-wise position of arrears in preparation of *proforma* accounts and investments made by the Government in these two undertakings is given in **Table 3.3**.

**Table 3.3: Position of arrears as on 31 October 2019 in preparation of Proforma Accounts**

Department	No. of undertakings under the Department	Name of undertaking	Year up to which accounts finalised	Investment as per last accounts (₹ in crore)
Inland Water Transport	1	River Navigation Department	2005-06	108.29
Power	1	Electricity Department	2015-16	1468.51
<b>Total</b>				<b>1576.80</b>

(Source: Information furnished by concerned Departments)

### 3.4 Misappropriations, losses and defalcations

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer. The State Government reported 33 cases of misappropriation, defalcation *etc.*, involving Government money totaling ₹ 2.66 crore up to June 2019 on which final action was pending. The Department-wise break-up of pending cases is given in **Appendix 3.3**.

The age profile of the pending cases and the number of pending misappropriation cases are summarised in **Table 3.4**.

**Table 3.4: Profile of misappropriation**

Age profile and nature of pending cases			
Range in years	No. of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases
0-5	12	98.40	Misappropriation of cash/stores
5-10	13	24.07	
10 years and above	8	143.11	
<b>Total</b>	<b>33</b>	<b>265.58</b>	

(Source: Information furnished by concerned Departments)

Of the 33 cases, 10 cases pertained to Director of Panchayats, Panaji and six pertained to office of Chief Electrical Engineer, Panaji. Of these 16 cases, five cases<sup>2</sup> were pending for more than 10 years.

First information reports (FIR) were lodged in 19 of 33 cases. The remaining 14 cases pertain to six Departments (Directorate of Panchayats – 08 cases, Goa Medical College – 02 cases and one case each of Directorate of Sports

<sup>2</sup> Two cases from Director of Panchayats, Panaji and three cases from office of Chief Electrical Engineer, Panaji

and Youth Affairs; Collector North Goa, Collector South Goa and Mamletdar, Salcete). Departmental proceedings in all the 14 cases of misappropriation were under progress, and FIRs should also be filed by the concerned Departments.

The reasons for which the cases were outstanding are classified under three categories as listed in **Table 3.5** below.

**Table 3.5: Reasons for outstanding cases of misappropriation**

Reasons for the delay/outstanding pending cases	No. of cases	Amount (₹ in lakh)
Departmental action started but not finalised	24	196.01
Pending in the courts of law	4	60.90
Awaiting orders for recovery/write off	5	8.67
<b>Total</b>	<b>33</b>	<b>265.58</b>

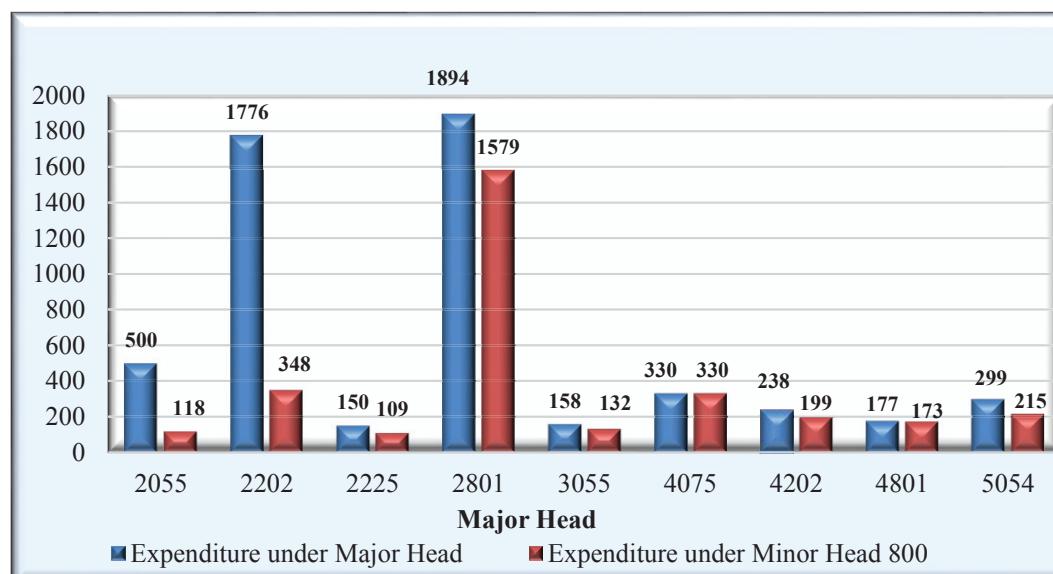
(Source: Information furnished by concerned Departments)

### **3.5 Booking under Minor Head ‘800- Other Expenditure’**

The omnibus Minor Head 800 is intended to be operated when the appropriate Minor Head has not been provided in the accounts. Finance Accounts 2018-19 of Government of Goa disclosed that expenditure aggregating ₹ 4,039 crore constituting 31 *per cent* of the total expenditure was classified under Minor Head ‘800-Other Expenditure’ under 45 Major Heads in revenue and capital sections. 100 *per cent* of the expenditure on Capital Outlay on Other Miscellaneous General Services (Major head 4075) for ₹ 330 crore and Outlay on Urban Development (Major Head 4217) for ₹ 99 crore was classified under omnibus Minor Head 800. The cases where expenditure of more than ₹ 100 crore was booked under Minor Head -800 under a particular Major Head is shown in **Chart 3.1**.

**Chart 3.1: Major Heads where expenditure of more than ₹ 100 crore was booked under Minor Head 800**

(₹ in crore)



(Source: Finance Accounts, 2018-19)

Similarly, revenue receipts aggregating ₹ 657 crore, constituting six *per cent* of total revenue receipts, were classified under omnibus Minor Head ‘800-Other Receipts’ in 18 Major Heads under revenue section.

The cases of receipts of more than ₹ 50 crore classified under Minor Head -800 were under MH 0070-Other Administrative Services (₹ 438 crore); MH 0217- Urban Development (₹ 80 crore) and MH 1054- Roads and Bridges (₹ 52 crore).

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

### 3.6 Pendency in submission of Detailed Contingent bills against Abstract Contingent bills

The Controlling and Disbursing Officers of the Departments are authorised to draw sums of money by preparing Abstract Contingent (AC) bills, by debiting service heads. They are required to present Detailed Contingent (DC) bills (vouchers in support of final expenditure) to the Director of Accounts (DoA), Goa within three months from the date of drawal of funds on AC bill. If previous AC bills are outstanding over three months for want of DC bills, the proposal for drawal of further AC bills would require the sanction of Finance Department.

The details of submission of DC bills against AC bills drawn up to March 2019 are given in **Table 3.6**.

Table 3.6: Pendency in submission of DC bills against AC bills

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Up to 2016-17	8581	2672.71	8414	2638.95	167	33.76
2017-18	869	698.92	840	684.53	29	14.39
2018-19	719	738.23	538	644.53	181	93.70

(Source: Finance Accounts of the State)

As may be seen from **Table 3.6** above, the Departments had drawn 719 AC bills for an amount of ₹ 738.23 crore in the financial year 2018-19 and submitted 538 DC bills for an amount of ₹ 644.53 crore. Thus, 181 DC bills amounting to ₹ 93.70 crore were not submitted before close of the financial year 2018-19. Therefore, there is no assurance that the expenditure of ₹ 93.70 crore had actually been incurred during the financial year for the purpose for which it was sanctioned/authorised by the Legislature. This is a possible overstatement of expenditure in the year 2018-19. In addition, 167 DC bills amounting to ₹ 33.76 crore for the years up to 2016-17 and 29 DC bills amounting to ₹ 14.39 crore for the year 2017-18 were yet to be submitted by the Departments. Thus, at the end of March 2019, 377 DC bills amounting to ₹ 141.85 crore were pending settlement. Advances drawn and not accounted for increase the possibility of wastage/misappropriation/malfeasance etc.

### 3.7 Conclusion and Recommendations

Out of 12,148 Utilisation Certificates amounting to ₹ 2,340.66 crore pending as on 31 March 2019, 5,838 UCs involving ₹ 1,757.04 crore were pending from one to five years. Remaining 6,310 UCs involving ₹ 583.62 crore were pending for more than five years. In the absence of the requisite certificates, it could not be ascertained in audit whether the recipients had utilised the grants for the purpose for which these were given.

*The sanctioning authorities/concerned Departments may evolve a mechanism to gather UCs promptly, verify their genuineness, including by way of sample inspection, and look into the delays in submission to identify the bottlenecks and address them for sound internal control and financial reporting. Unspent balances lying with the grantee institutions for long periods need review.*

167 DC bills amounting to ₹ 33.76 crore for the years up to 2016-17 and 29 DC bills amounting to ₹ 14.39 crore pertaining to the year 2017-18 were not submitted by the Departments as of March 2019. Further, 181 DC bills amounting to ₹ 93.70 crore were not submitted before close of the financial year 2018-19.

*The sanctioning authorities may ensure that amounts drawn on AC bills are settled expeditiously through submission of DC bills within the prescribed*

*time limits. The Finance Department may also ensure that the pendency of AC bills is brought down.*

**Panaji**  
The 21 July 2020

  
(ANANTA KISHORE BEHERA)  
Accountant General

**Countersigned**

**New Delhi**  
The 23 July 2020

  
(RAJIV MEHRISHI)  
Comptroller and Auditor General of India



# APPENDICES



## APPENDIX 1.1

(Referred to in paragraph 1.1)

## PART-A (State Profile)

A. General Data					
Sl.No.	Particulars				Figures
1	Area				3702 sq. km.
2	Population				
	a.	As per 2001 Census			0.13 crore
	b.	As per 2011 Census			0.15 crore
3	Density of Population (as per 2001 census) (All India Density = 325 persons per sq. km.)				364 persons per sq. km.
	Density of Population <sup>1</sup> (as per 2011 census) (All India Density = 382 persons per sq. km.)				394 persons per sq. km.
4	Population below poverty line <sup>2</sup> (BPL) (All India Average = 21.90 per cent)				9.90 per cent
5	a.	Literacy (as per 2001 Census) (All India Average = 64.80 per cent)			82.01 per cent
	b.	Literacy <sup>3</sup> (as per 2011 Census) (All India Average = 73.00 per cent)			88.70 per cent
6	Infant mortality <sup>4</sup> (per 1000 live births) (All India Average = 33 per 1000 live births)				Eight
7	Life Expectancy at birth (All India Average = 68.70 years)				68.50 years
8	Gini Coefficient <sup>5</sup>				
	a.	Rural (All India = 0.276)			0.219
	b.	Urban (All India = 0.371)			0.251
9	Gross State Domestic Product (GSDP) 2018-19 at Current price				₹ 77,172
10	Per capita GSDP CAGR (2011-12 to 2018-19)(All India = 10.35 per cent)			Goa	8.21
				General Category States	
11	GSDP CAGR (2011-12 to 2018-19)(All India = 11.75 per cent)			Goa	8.94
				General Category States	
12	Population Growth (2009-19)(All India = 12.84 per cent)			Goa	8.13
				General Category States	
B. Financial Data					
Particulars		2009-10 to 2017-18		Growth rate during 2018-19	
CAGR		General Category States	Goa	General Category States	Goa
<i>in per cent</i>					
a.	of Revenue Receipts	15.03	13.20	12.77	3.47
b.	of Own Tax Revenue	14.84	13.14	12.72	2.94
c.	of Non Tax Revenue	9.88	7.26	19.78	-5.24
d.	of Total Expenditure	14.20	11.39	12.73	4.45
e.	of Capital Expenditure	13.53	8.58	11.93	2.63
f.	of Revenue Expenditure on Education	13.44	12.31	9.38	14.17
g.	of Revenue Expenditure on Health	16.50	15.01	11.09	-0.24
h.	of Salary and Wages	11.72	12.91	11.03	-1.03
i.	of Pension	16.12	16.21	14.31	11.60

<sup>1</sup> Census info India 2011 Final population totals<sup>2</sup> Tendulkar Poverty Estimates; Source: Niti Aayog<sup>3</sup> Economic Survey 2018-19 for Goa State<sup>4</sup> SRS bulletin of September 2017, volume 51, No.1<sup>5</sup> [http://planningcommission.nic.in/data/datatable/data\\_2312/DatabookDec2014%20106.pdf](http://planningcommission.nic.in/data/datatable/data_2312/DatabookDec2014%20106.pdf)

Gini Coefficient is a measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and vice versa

<b>Part B: Structure and Form of Government Accounts</b>	
<p><b>Structure of Government Accounts:</b> The accounts of the State Government are kept in three parts; (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.</p> <p><b>Part I: Consolidated Fund:</b> All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.</p> <p><b>Part II: Contingency Fund:</b> Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.</p> <p><b>Part III: Public Account:</b> Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances <i>etc.</i>, 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.</p>	
<b>Part C: Layout of Finance Accounts</b>	
<b>Statement</b>	<b>About</b>
1	Statement of Financial Position: Cumulative figures of Assets and Liabilities of the Government as they stand at the end of the year.
2	Statement of Receipts and Disbursements: Contains the summarised Statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government Accounts are kept.
3	Statement of Receipts (Consolidated Fund): Contains revenue and capital receipts and receipts from borrowings of the Government consisting of loans from GoI, Market loans <i>etc.</i>
4	Statement of Expenditure (Consolidated Fund) -By function and nature: Gives expenditure by function and summarised expenditure by nature of activity.
5	Statement of Progressive Capital Expenditure
6	Statement of Borrowings and other Liabilities: Contains borrowings of the Government comprising Market Loans raised by it and loans and advances received from GoI along with other liabilities which are the balances under various sectors in the Public Account.
7	Statement of Loans and Advances given by the Government
8	Statement of Investments of the Government
9	Statement of Guarantees given by the Government: Guarantees given by the State Government for repayment of loans <i>etc.</i> raised by Statutory Corporations, Government Companies, Local Bodies <i>etc.</i>
10	Statement of Grants-in-aid given by the Government
11	Statement of Voted and Charged Expenditure
12	Statement on Sources and Application of funds for expenditure other than on Revenue Account
13	Statement of Balances under Consolidated Fund, Contingency Fund and Public Account
14	Detailed Statement of Revenue and Capital Receipts by minor heads
15	Detailed Statement of Revenue Expenditure by minor heads
16	Detailed Statement of Capital Expenditure by minor heads and sub-heads
17	Detailed Statement of Borrowings and Other Liabilities
18	Detailed Statement on Loans and Advances given by the Government
19	Detailed Statement of Investments of the Government
20	Detailed Statement of Guarantees given by the Government
21	Detailed Statement on Contingency Fund and other Public Account transactions
22	Detailed Statement on Investments of Earmarked Balances

## APPENDIX 1.2

*(Referred to in paragraph 1.1)***Part A: Methodology adopted for the assessment of Fiscal position**

Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure *etc.* are keeping pace with the change in the base or these fiscal aggregates are also affected by factor other than GSDP.

The trends in GSDP for last five years are indicated below.

*(₹ in crore)*

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>GSDP</b>	47814	55054	63459	70492	77172
<b>Growth Rate of GSDP (in per cent)</b>	33.11	15.14	15.27	11.08	9.48

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

**Part B: Fiscal Responsibility and Budget Management (FRBM) Act**

The State Government has enacted the Goa Fiscal Responsibility and Budget Management (FRBM) Act, 2006 to ensure prudence in fiscal management and to maintain fiscal stability in the State. To improve the fiscal position and to bring fiscal stability, the Act envisages progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability. To ensure prudence the Act also provides for greater fiscal transparency in fiscal operation of the Government and conduct of fiscal policy in a medium term frame work and matter connected therewith or there to. The Fiscal Responsibility and Budget Management (FRBM) rules were framed in November 2007. The FRBM Act, 2006 was amended in March 2014 and renamed as Goa Fiscal Responsibility and Budget Management (First amendment) Act, 2014 having major changes with reference to fiscal targets. The major fiscal targets for the State were as under:

- a) Reduce the revenue deficit to nil by 31 March 2015 and adhere to it thereafter;
- b) Reduce the ratio of fiscal deficit to Gross State Domestic Product beginning from the financial year 2013-14 and strive to keep/maintain within the norm of three *per cent*;
- c) Cap the total outstanding guarantees within the specified limit under the Goa State Guarantees Act, 1993 (Goa Act No. 16 of 1993); and
- d) Ensure that by 31 March 2015, the ratio of Debt to Gross State Domestic Product (GSDP) is brought down to 27 *per cent*, and thereafter bring it below 25 *per cent*.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (RoG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1]*100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received}/[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$
Revenue Deficit	Revenue Expenditure – Revenue Receipt
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <b>minus</b> Revenue Expenditure excluding expenditure recorded under the major head 2048 -Appropriation for reduction of Avoidance of debt.
Primary Revenue Balance (Deficit or Surplus)	Excess of Revenue Receipts over Revenue Expenditures other than interest.
Primary Revenue Expenditure	Total Revenue Expenditure <b>minus</b> Interest payments

## APPENDIX 1.3

(Referred to in paragraph 1.1.1)

## PART A: Abstract of Receipts and Disbursements for the year 2018-19

(*₹ in crore*)

Receipts			Disbursements		
2017-18		2018-19	2017-18	2018-19	
<b>Section-A: Revenue</b>					
11053.52	<b>1. Revenue receipts</b>	11437.98	10542.89	<b>1. Revenue expenditure</b>	11082.84
4731.37	Tax revenue	4871.36	3517.00	<b>General services</b>	3793.14
			4155.06	<b>Social Services (inclusive of GIA and contribution)</b>	4223.25
3033.27	Non-tax revenue	2873.66	1791.51	Education, Sports, Art and Culture	2045.84
			841.75	Health and Family Welfare	840.57
2544.26	State's share of Union Taxes	2878.36	599.98	Water Supply, Sanitation, Housing and Urban Development	408.72
			42.78	Information and Broadcasting	25.95
66.20	Non-Plan grants	68.09	109.67	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	150.39
20.47	Grants for State Plan Schemes	2.09	60.00	Labour and labour Welfare	60.81
			706.59	Social Welfare and Nutrition	687.92
300.32	Grants for Central and Centrally sponsored Plan Schemes	268.42	2.78	Others	3.05
357.63	Other Transfers to States with Legislatures	476.00	2870.83	<b>Economic Services - (inclusive of GIA and contribution)</b>	3066.45
			320.19	Agriculture and Allied Activities	330.51
			147.03	Rural Development	131.20
			7.47	Special Areas Programmes	8.89
			167.73	Irrigation and Flood control	149.85
			1671.19	Energy	1896.37
			87.49	Industry and Minerals	111.10
			328.00	Transport	316.48
			26.56	Science, Technology and Environment	20.79
			115.17	General Economic Services	101.26
			10542.89	<b>Total</b>	11082.84
	<b>II. Revenue deficit carried over to Section B</b>		510.63	<b>II. Revenue deficit/surplus carried over to Section B</b>	355.14
11053.52	<b>Total</b>	11437.98	11053.52	<b>Total</b>	11437.98

Receipts			Disbursements		
2017-18		2018-19	2017-18	2018-19	
<b>Section-B : Other</b>					
982.20	<b>III. Opening Cash balance including Permanent Advances and Cash Balance Investment</b>	995.77	-	<b>III. Opening Overdraft from Reserve Bank of India</b>	-
	<b>IV. Miscellaneous Capital receipts</b>			<b>IV. Capital Outlay</b>	
			<b>408.71</b>	<b>General Services</b>	<b>515.08</b>
			<b>654.29</b>	<b>Social Services</b>	<b>762.97</b>
			118.16	Education, Sports, Art and Culture	237.87
			80.37	Health and Family Welfare	112.81
			446.86	Water Supply, Sanitation, Housing and Urban Development	399.12
			-	Information and Broadcasting	-
			6.97	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	5.71
			1.93	Social Welfare and Nutrition	6.38
			-	Other Social Services	1.08
			<b>1031.07</b>	<b>Economic Services</b>	<b>871.09</b>
			64.94	Agriculture and Allied Activities	35.27
			-	Rural Development	-0.03
			2.56	Special Areas Programmes	2.85
			151.96	Irrigation and Flood Control	169.78
			169.03	Energy	177.00
			15.78	Industry and Minerals	9.74
			498.72	Transport	352.09
			35.00	Science, Technology and Environment	39.27
			93.08	General Economic Services	85.12
			<b>2094.07</b>	<b>Total</b>	<b>2149.14</b>
7.15	<b>V. Recoveries of Loans and Advances</b>	5.14	33.93	<b>V. Loans and Advances disbursed</b>	3.10
5.50	From Government Servants	4.11	1.87	To Government Servants	0.91
1.65	From Others	1.03	32.06	To Others	2.19
510.63	<b>VI. Revenue Surplus brought down</b>	355.14	408.71	<b>VI. Revenue Deficit brought down</b>	

Receipts			Disbursements		
2017-18		2018-19	2017-18	2018-19	
2005.77	<b>VII. Public debt receipts</b>	2528.92	790.09	<b>VII. Repayment of Public debt</b>	920.46
	External debt			External debt	
1927.74	Internal debt other than Ways and Means Advances and overdrafts	2458.49	702.11	Internal debt other than Ways and Means Advances and Overdrafts	827.66
	Net transactions under Ways and Means Advances			Net transactions under Ways and Means Advances	
	Net transactions under overdraft			Net transactions under overdraft	
78.03	Loans and Advances from Central Government	70.43	87.98	Repayment of Loans and Advances to Central Government	92.80
-	<b>VIII. Appropriation to Contingency Fund</b>	-	0	<b>VIII. Appropriation to Contingency Fund</b>	-
-	<b>IX. Amount transferred to Contingency Fund</b>	-	0	<b>IX. Expenditure from Contingency Fund</b>	1.89
13377.25	<b>X. Public Account receipts</b>	13684.14	12969.14	<b>X. Public Account disbursements</b>	13188.95
554.80	Small Savings and Provident Funds	453.80	318.87	Small Savings and Provident Funds	346.96
216.19	Reserve Funds	260.93	32.26	Reserve Funds	130.24
7829.30	Suspense and Miscellaneous	8115.12	7853.92	Suspense and Miscellaneous	8037.63
4113.31	Remittances	4137.58	4277.49	Remittances	4078.04
663.65	Deposits and Advances	716.71	486.60	Deposits and Advances	596.08
	<b>XI. Closing Overdraft from Reserve Bank of India</b>		995.77	<b>XI. Cash Balance at end</b>	1305.57
			847.34	Investment of earmarked balance	954.18
			(-6.51)	Deposits with Reserve Bank	0.45
			1.78	Departmental Cash Balance including permanent Advances	1.80
			153.16	Cash Balance Investment	349.14
27936.52	<b>Total</b>	29007.09	27936.52	<b>Total</b>	29007.09

(Source: Finance Accounts of the State for 2017-18 and 2018-19)

**PART B: Summarised financial position of the Government of Goa as on  
31 March 2019**

(₹ in crore)

As on 31 March 2018		Liabilities	As on 31 March 2019	
<b>12388.02</b>		<b>Internal Debt</b>		<b>14018.85</b>
	9160.00	Market Loans bearing interest	11010.00	
		Market Loans not bearing interest	-	
	6.11	Loans from LIC	4.50	
	3221.91	Loans from other institutions	3004.35	
	-	Ways and Means Advances/overdraft	-	
	-	Overdraft from Reserve Bank of India	-	
<b>1223.08</b>		<b>Loans and Advances from Central Government</b>		<b>1200.71</b>
	-	Pre 1984-85 loans		
	84.17	Non-Plan Loans	84.01	
	1130.60	Loans for State Plan Schemes	1108.39	
	0.03	Loans for Central Plan Schemes	0.03	
	8.29	Loans for Centrally Sponsored Plan Schemes	8.28	
<b>100</b>		<b>Contingency Fund</b>		<b>100</b>
<b>2314.93</b>		<b>Small savings, Provident Fund etc.</b>		<b>2421.77</b>
<b>1753.39</b>		<b>Deposits</b>		<b>1874.02</b>
<b>1719.78</b>		<b>Reserve Funds</b>		<b>1850.46</b>
<b>(-451.60)</b>		<b>Remittance balances</b>		<b>(-392.07)</b>
<b>(-1104.21)</b>		<b>Suspense and Miscellaneous</b>		<b>(-1026.71)</b>
<b>17943.38</b>				<b>20047.03</b>
		<b>Assets</b>		
<b>17903.80</b>		<b>Gross Capital Outlay on Fixed Assets</b>		<b>20052.94</b>
	613.02	Investment in shares of Companies, Corporation etc.	630.76	
	17290.78	Other Capital Outlay	19422.18	
<b>97.81</b>		<b>Loans and Advances</b>		<b>95.77</b>
		Loans for Power Projects		
	83.31	Other Development Loans	84.46	
	14.50	Loans to Government Servants and Miscellaneous loans	11.31	
		<b>Reserve Fund Investments</b>		
<b>0.53</b>		<b>Advances</b>		<b>0.53</b>
<b>0.00</b>		<b>Contingency fund</b>		<b>1.89</b>
<b>995.77</b>		<b>Cash</b>		<b>1305.57</b>
		Cash in Treasuries and Local Remittances		
	(-)6.51	Deposits with Reserve Bank	0.45	
	1.48	Departmental Cash Balances	1.48	
	0.30	Permanent Advances	0.32	
	153.16	Cash Balance Investments	349.14	
	847.34	Earmarked Fund Investment	954.18	
		<b>Deficit on Government Accounts</b>		
<b>(-1054.53)</b>		<b>Revenue Deficit of the current year</b>		<b>(-1409.67)</b>
	1.16	Miscellaneous Deficit	1.16	
	(-)1163.09	Accumulated deficit	(-)1518.23	
	100.00	Appropriation to Contingency Fund	100.00	
		<b>Net effect of Balances taken over</b>		
	431.66	Balances taken over on 30 May 1987 under capital	431.66	
	(-)424.26	Net result of allocation of Capital Expenditure	(-)424.26	
<b>17943.38</b>				<b>20047.03</b>

## APPENDIX 1.4

(Referred to in Para 1.1.3)

## Budget Estimates, Revised Estimates and Actuals for the year 2018-19

Fiscal parameters	Budget estimates (₹ in crore)	Revised estimates (₹ in crore)	Actuals (₹ in crore)	Increase/ Decrease (-) (₹ in crore)		Increase/ Decrease (-) (in per cent)	
				Actual to BE	Actual to RE	Actual to BE	Actual to RE
				5 (4-2)	6 (4-3)	7	8
<b>(1) Revenue receipts (a+b+c+d)</b>	<b>11881</b>	<b>11881</b>	<b>11438</b>	<b>(-443)</b>	<b>(-443)</b>	<b>(-3.73)</b>	<b>(-3.73)</b>
<b>(a) Tax revenue</b>	<b>5278</b>	<b>5278</b>	<b>4871</b>	<b>(-407)</b>	<b>(-407)</b>	<b>(-7.72)</b>	<b>(-7.72)</b>
State Goods and Service Tax (SGST)	3124	3124	2529	(-595)	(-595)	(-19.04)	(-19.04)
Taxes on sales, trade etc.	783	783	1013	230	230	29.44	29.44
State excise	406	406	478	72	72	17.77	17.77
Taxes on vehicles	257	257	299	42	42	16.34	16.34
Stamps and registration fees	613	613	432	(-181)	(-181)	(-29.47)	(-29.47)
Land revenue	40	40	67	27	27	69.25	69.25
Taxes on goods and passengers	32	32	30	(-2)	(-2)	(-5.09)	(-5.09)
Other taxes and duties on commodities and services	26	26	23	(-3)	(-3)	(-10.15)	(-10.15)
<b>(b) Non-tax revenue</b>	<b>2869</b>	<b>2869</b>	<b>2874</b>	<b>5</b>	<b>5</b>	<b>0.16</b>	<b>0.16</b>
Interest receipts	30	30	24	(-6)	(-6)	(-18.81)	(-18.81)
Police	6	6	13	7	7	110.29	110.29
Power	1908	1908	1920	12	12	0.65	0.65
Other administrative services	161	161	451	290	290	179.47	179.47
Miscellaneous general services	46	46	15	(-31)	(-31)	(-67.39)	(-67.39)
Education, sports, art and culture	35	35	25	(-10)	(-10)	(-28.02)	(-28.02)
Medical and public health	31	31	32	1	1	2.36	2.36
Water supply and sanitation	137	137	146	9	9	6.60	6.60
Urban development	61	61	85	24	24	39.34	39.34
Medium irrigation	16	16	7	(-9)	(-9)	(-56.25)	(-56.25)
Minor irrigation	12	12	12	0	0	0.15	0.15
Non-ferrous mining and metallurgical industries	328	328	34	(-294)	(-294)	(-89.62)	(-89.62)
Roads and bridges	22	22	52	30	30	137.03	137.03
Other non-tax revenue	77	77	58	(-19)	(-19)	(-24.08)	(-24.08)
<b>(c) State's share of union taxes and duties</b>	<b>2979</b>	<b>2979</b>	<b>2878</b>	<b>(-101)</b>	<b>(-101)</b>	<b>(-3.39)</b>	<b>(-3.39)</b>

*Appendices*

<b>(d) Grants-in-aid from GoI</b>	<b>754</b>	<b>754</b>	<b>815</b>	<b>61</b>	<b>61</b>	<b>8.07</b>	<b>8.07</b>
<b>(2) Public Debt</b>	<b>1769</b>	<b>1769</b>	<b>2670</b>	<b>901</b>	<b>901</b>	<b>50.91</b>	<b>50.91</b>
<b>(3) Recoveries of loans and advances</b>	<b>15</b>	<b>15</b>	<b>5</b>	<b>(-10)</b>	<b>(-10)</b>	<b>(-66.73)</b>	<b>(-66.73)</b>
<b>(4) Total receipts (1+2+3)</b>	<b>13665</b>	<b>13665</b>	<b>14113</b>	<b>448</b>	<b>448</b>	<b>3.28</b>	<b>3.28</b>
<b>(5) Revenue expenditure (a+b+c)</b>	<b>11736</b>	<b>11736</b>	<b>11083</b>	<b>(-653)</b>	<b>(-653)</b>	<b>(-5.56)</b>	<b>(-5.56)</b>
<b>(a) General services</b>	<b>3528</b>	<b>3528</b>	<b>3793</b>	<b>265</b>	<b>265</b>	<b>7.51</b>	<b>7.51</b>
Administration of justice	74	74	78	4	4	5.52	5.52
Elections	9	9	17	8	8	87.66	87.66
Land revenue	14	14	14	0	0	0.02	0.02
Stamps and registration	15	15	14	(-1)	(-1)	(-3.96)	(-3.96)
State excise	18	18	20	2	2	11.31	11.31
Taxes on sales, trade <i>etc.</i>	24	24	25	1	1	4.17	4.17
Interest payments	1372	1372	1344	(-28)	(-28)	(-2.05)	(-2.05)
Secretariat-general services	45	45	50	5	5	11.11	11.11
District administration	48	48	55	7	7	14.22	14.22
Treasury and accounts administration	23	23	24	1	1	4.92	4.92
Police	420	420	501	81	81	19.37	19.37
Jails	19	19	15	(-4)	(-4)	(-19.34)	(-19.34)
Public works	120	120	112	(-8)	(-8)	(-6.65)	(-6.65)
Other administrative services	77	77	81	4	4	5.58	5.58
Pension and other retirement benefits	1096	1096	1299	203	203	18.50	18.50
Miscellaneous general services	46	46	38	(-8)	(-8)	(-18.09)	(-18.09)
Others	108	108	106	(-2)	(-2)	(-1.85)	(-1.85)
<b>(b) Social services</b>	<b>4733</b>	<b>4733</b>	<b>4223</b>	<b>(-510)</b>	<b>(-510)</b>	<b>(-10.77)</b>	<b>(-10.77)</b>
General education	1656	1656	1776	120	120	7.22	7.22
Technical education	102	102	103	1	1	0.68	0.68
Sports and youth services	162	162	52	(-110)	(-110)	(-67.89)	(-67.89)
Medical and public health	850	850	827	(-23)	(-23)	(-2.74)	(-2.74)
Family welfare	14	14	14	0	0	(-0.34)	(-0.34)
Water supply and sanitation	368	368	298	(-70)	(-70)	(-18.97)	(-18.97)
Housing	17	17	10	(-7)	(-7)	(-41.97)	(-41.97)
Urban development	270	270	100	(-170)	(-170)	(-62.94)	(-62.94)
Labour and employment	118	118	61	(-57)	(-57)	(-48.42)	(-48.42)
Social security and welfare	799	799	666	(-133)	(-133)	(-16.69)	(-16.69)

Welfare of scheduled castes, scheduled tribes, other backward classes and minorities	161	161	150	(-11)	(-11)	(-6.66)	(-6.66)
Relief on account of natural calamities	14	14	3	(-11)	(-11)	(-78.31)	(-78.31)
Others	200	200	163	(-37)	(-37)	(-18.69)	(-18.69)
<b>(c) Economic services</b>	<b>3475</b>	<b>3475</b>	<b>3067</b>	<b>(-408)</b>	<b>(-408)</b>	<b>(-11.75)</b>	<b>(-11.75)</b>
Crop husbandry	143	143	102	(-41)	(-41)	(-28.91)	(-28.91)
Animal husbandry	50	50	40	(-10)	(-10)	(-20.00)	(-20.00)
Forestry and wildlife	57	57	57	0	0	(-0.27)	(-0.27)
Dairy Development	74	74	61	(-13)	(-13)	(-17.30)	(-17.30)
Fisheries	44	44	28	(-16)	(-16)	(-36.98)	(-36.98)
Food, Storage and Warehousing	22	22	23	1	1	4.55	4.55
Rural employment	50	50	16	(-34)	(-34)	(-68.24)	(-68.24)
Other rural development programmes	182	182	115	(-67)	(-67)	(-36.66)	(-36.66)
Medium irrigation	72	72	57	(-15)	(-15)	(-21.01)	(-21.01)
Minor irrigation	55	55	59	4	4	7.27	7.27
Power	1700	1700	1894	194	194	11.39	11.39
Industries	202	202	58	(-144)	(-144)	(-71.27)	(-71.27)
Non-ferrous mining and metallurgical industries	23	23	14	(-9)	(-9)	(-38.12)	(-38.12)
Roads and bridges	151	151	101	(-50)	(-50)	(-33.06)	(-33.06)
Road transport	143	143	158	15	15	10.58	10.58
Secretariat-economic services	22	22	16	(-6)	(-6)	(-26.27)	(-26.27)
Tourism	92	92	65	(-27)	(-27)	(-29.09)	(-29.09)
Ecology and Environment	82	82	18	(-64)	(-64)	(-77.95)	(-77.95)
Village and Small Industries	100	100	37	(-63)	(-63)	(-63.12)	(-63.12)
Others	212	212	148	(-64)	(-64)	(-30.19)	(-30.19)
<b>(d) Grants-in-aid and contributions</b>	<b>2189</b>	<b>2189</b>	<b>1775</b>	<b>(-414)</b>	<b>(-414)</b>	<b>(-18.92)</b>	<b>(-18.92)</b>
<b>(6) Capital expenditure</b>	<b>4189</b>	<b>4189</b>	<b>2149</b>	<b>(-2040)</b>	<b>(-2040)</b>	<b>(-48.69)</b>	<b>(-48.69)</b>
Capital outlay on police	27	27	2	(-25)	(-25)	(-92.59)	(-92.59)
Capital outlay on public works	309	309	133	(-176)	(-176)	(-57.00)	(-57.00)
Capital Outlay on Misc. General Services	352	352	330	(-22)	(-22)	(-6.25)	(-6.25)
Capital Outlay on Other Administrative Services	55	55	50	(-5)	(-5)	(-9.84)	(-9.84)
Capital outlay on education, sports, art and culture	384	384	238	(-146)	(-146)	(-37.99)	(-37.99)
Capital outlay on medical and public health	166	166	113	(-53)	(-53)	(-31.94)	(-31.94)

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Capital outlay on water supply and sanitation	795	795	300	(-)495	(-)495	(-)62.27	(-)62.27
Capital outlay on urban development	204	204	99	(-)105	(-)105	(-)51.39	(-)51.39
Capital outlay on welfare of scheduled castes, scheduled tribes, other backward classes and minorities	95	95	6	(-)89	(-)89	(-)93.71	(-)93.71
Capital outlay on crop husbandry	29	29	2	(-)27	(-)27	(-)93.09	(-)93.09
Capital outlay on medium irrigation	78	78	42	(-)36	(-)36	(-)46.44	(-)46.44
Capital outlay on minor irrigation	73	73	63	(-)10	(-)10	(-)13.54	(-)13.54
Capital outlay on flood control projects	62	62	58	(-)4	(-)4	(-)6.45	(-)6.45
Capital outlay on power projects	455	455	177	(-)278	(-)278	(-)61.11	(-)61.11
Capital outlay on civil aviation	23	23	12	(-)11	(-)11	(-)48.05	(-)48.05
Capital outlay on roads and bridges	607	607	299	(-)308	(-)308	(-)50.73	(-)50.73
Capital outlay on road transport	35	35	26	(-)9	(-)9	(-)25.90	(-)25.90
Capital outlay on tourism	127	127	85	(-)42	(-)42	(-)33.31	(-)33.31
Capital Outlay on Village and Small Industries	65	65	10	(-)55	(-)55	(-)84.63	(-)84.63
Other capital outlays	246	246	104	(-)142	(-)142	(-)57.72	(-)57.72
<b>(7) Repayment of public debt</b>	<b>1022</b>	<b>1022</b>	<b>1062</b>	<b>40</b>	<b>40</b>	<b>3.95</b>	<b>3.95</b>
<b>(8) Disbursement of loans and advances</b>	<b>85</b>	<b>85</b>	<b>3</b>	<b>(-)82</b>	<b>(-)82</b>	<b>(-)96.47</b>	<b>(-)96.47</b>
<b>Total expenditure (5+6+7+8)</b>	<b>17031</b>	<b>17031</b>	<b>14297</b>	<b>(-)2734</b>	<b>(-)2734</b>	<b>(-)16.05</b>	<b>(-)16.05</b>
<b>(9) Interest Payment</b>	<b>1372</b>	<b>1372</b>	<b>1344</b>	<b>(-)28</b>	<b>(-)28</b>	<b>(-)2.05</b>	<b>(-)2.05</b>
<b>(10) Net Capital outlay</b>	<b>(-)4189</b>	<b>(-)4189</b>	<b>(-)2149</b>	<b>2040</b>	<b>2040</b>	<b>(-)48.69</b>	<b>(-)48.69</b>
<b>(11) Net Loans and Advances</b>	<b>(-)70</b>	<b>(-)70</b>	<b>2</b>	<b>72</b>	<b>72</b>	<b>(-)102.86</b>	<b>(-)102.86</b>
<b>(12) Revenue surplus (+) /deficits (-) (1-5)</b>	<b>145</b>	<b>145</b>	<b>355</b>	<b>210</b>	<b>210</b>	<b>145.43</b>	<b>145.43</b>
<b>(13) Fiscal deficits (-) /surplus (+) (12+11+10)</b>	<b>(-)4114</b>	<b>(-)4114</b>	<b>(-)1792</b>	<b>2322</b>	<b>2322</b>	<b>(-)56.44</b>	<b>(-)56.44</b>
<b>(14) Primary surplus(+) /deficits(-)(13+9)</b>	<b>(-)2742</b>	<b>(-)2742</b>	<b>(-)448</b>	<b>2294</b>	<b>2294</b>	<b>(-)83.66</b>	<b>(-)83.66</b>

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

## APPENDIX 1.5

(Referred to in paragraph 1.3)

## Time series data on the State Government finances

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Part-A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>7689</b>	<b>8552</b>	<b>9565</b>	<b>11054</b>	<b>11438</b>
<b>(i) Tax Revenue</b>	<b>3896(51)</b>	<b>3975(46)</b>	<b>4261(45)</b>	<b>4732(43)</b>	<b>4871(43)</b>
State Goods and Services Tax (SGST)	-	-	-	1464(31)	2529(52)
Taxes on Sales, Trade etc.	1860(48)	2116(53)	2438(57)	1622(34)	1013(21)
State Excise	268(7)	319(8)	321(7)	410(9)	478(10)
Taxes on Vehicles	181(5)	196(5)	244(6)	314(7)	299(6)
Stamp duty and Registration fee	660(17)	525(13)	365(9)	530(11)	432(9)
Land Revenue	25(1)	24(1)	39(1)	42(1)	67(1)
Taxes on goods and passengers	404(10)	464(12)	454(11)	210(4)	30(1)
Other Taxes	498(13)	331(8)	400(9)	140(3)	23(0)
<b>(ii) Non-Tax Revenue</b>	<b>2326(30)</b>	<b>2432(28)</b>	<b>2712(28)</b>	<b>3033(27)</b>	<b>2874(25)</b>
<b>(iii) State's share in Union taxes and duties</b>	<b>901(12)</b>	<b>1924(22)</b>	<b>2299(24)</b>	<b>2544(23)</b>	<b>2878(25)</b>
<b>(iv) Grants-in-aid from Government of India</b>	<b>566(7)</b>	<b>221(3)</b>	<b>293(3)</b>	<b>745(7)</b>	<b>815(7)</b>
<b>2. Misc. Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Recoveries of Loans and Advances</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>7</b>	<b>5</b>
<b>4. Total Revenue and Non-debt capital receipt (1+2+3)</b>	<b>7699</b>	<b>8562</b>	<b>9574</b>	<b>11061</b>	<b>11443</b>
<b>5. Public Debt Receipts</b>	<b>1267</b>	<b>1847</b>	<b>1519</b>	<b>2006</b>	<b>2529</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1064	1736	1427	1928	2459
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	203	111	92	78	70
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>8966</b>	<b>10409</b>	<b>11093</b>	<b>13067</b>	<b>13972</b>
<b>7. Contingency Fund Receipts</b>	<b>200</b>	<b>(-130)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Public Accounts receipts</b>	<b>9290</b>	<b>10941</b>	<b>11128</b>	<b>13377</b>	<b>13684</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>18256</b>	<b>21220</b>	<b>22221</b>	<b>26444</b>	<b>27656</b>
<b>Part B. Expenditure/Disbursement</b>	<b>8644</b>	<b>10042</b>	<b>10505</b>	<b>12637</b>	<b>13232</b>
<b>10. Revenue Expenditure</b>	<b>7410(86)</b>	<b>8420(84)</b>	<b>8866(84)</b>	<b>10543(83)</b>	<b>11083(84)</b>
Plan	1701(23)	2099(25)	2126(24)	-	-
Non Plan	5709(77)	6321(75)	6740(76)	-	-
General Services (including Interests payments)	2370(32)	2564(30)	2873(32)	3517(34)	3793(34)
Social Services (including GIA and contributions)	2815(38)	3183(38)	3345(38)	4155(39)	4223(38)
Economic Services (including GIA and contributions)	2225(30)	2673(32)	2648(30)	2871(27)	3067(28)
<b>11. Capital Expenditure</b>	<b>1234(14)</b>	<b>1622(16)</b>	<b>1639(16)</b>	<b>2094(17)</b>	<b>2149(16)</b>
Plan	1235(100)	1611(99)	1623(99)	-	-
Non Plan	(-1)	11(1)	16(1)	-	-
General Services	306(25)	271(17)	204(12)	409(20)	515(24)
Social Services	278(22)	343(21)	432(26)	654(31)	763(36)
Economic Services	650(53)	1008(62)	1003(61)	1031(49)	871(41)

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	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Part B. Expenditure/Disbursement</b>					
<b>12. Disbursement of Loans and Advances</b>	3	3	3	34	3
<b>13. Total (10+11+12)</b>	8647	10045	10508	12671	13235
<b>14. Repayments of Public Debt</b>	366	439	468	790	920
Internal Debt (excluding Ways and Means Advances and Overdrafts)	338	412	441	702	827
Net transactions under Ways and Means Advances and Overdraft	--	--	--	-	-
Loans and Advances from Government of India	28	27	27	88	93
<b>15. Appropriation to Contingency Fund</b>	200	(-)130	-	-	0
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	9213	10354	10976	13461	14157
<b>17. Net Loans and Advances</b>	7	7	6	(-)27	2
<b>18. Contingency Fund disbursements</b>	-	-	-	-	2
<b>19. Public Accounts disbursements</b>	9233	10893	11029	12969	13189
<b>20. Total disbursement by the State (16+18+19)</b>	18446	21247	22005	26430	27348
<b>Part C. Deficits</b>					
<b>21. Revenue Deficit(-)/Revenue Surplus (+)(1-10)</b>	279	132	699	511	355
<b>22. Fiscal Deficit (4-13)</b>	(-)948	(-)1483	(-)934	(-)1610	(-)1792
<b>23. Primary Deficit(-)/Surplus(+) (22+24)</b>	60	(-)408	214	(-)366	(-)448
<b>Part D. Other data</b>					
<b>24. Interest Payments (included in revenue expenditure)</b>	1008	1075	1148	1244	1344
<b>24. Financial Assistance to local bodies etc.</b>	1020	1197	1325	1671	1775
<b>25. Ways and Means Advances (WMA)/Overdraft availed (days)</b>	121	240	188	88	320
Ways and Means advances availed	109	177	174	88	296
Overdraft availed	12	63	14	0	24
<b>26. Interest on WMA/Overdraft</b>	1	4	4	1	3
<b>27. Gross State Domestic Product (GSDP)</b>	47814	55054	63459	70492	77172
<b>28. Outstanding fiscal liabilities (year end)</b>	13877	15575	16824	18552	20412
<b>29. Outstanding guarantees including interest (year end)</b>	337	623	842	741	1093
<b>30. Maximum amount guaranteed (year end)</b>	696	713	932	962	1467
<b>31. Number of incomplete projects</b>	87	129	132	153	266
<b>32. Capital blocked in incomplete projects</b>	697	1453	1509	1204	1304

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Part E. Fiscal Health Indicator (in per cent)</b>					
<b>I Resource Mobilisation</b>					
Own Tax revenue/GSDP	8.15	7.22	6.71	6.71	6.31
Own Non-Tax Revenue/GSDP	4.86	4.42	4.27	4.30	3.72
Central Transfer/GSDP	1.88	3.49	3.62	3.61	3.73
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	18.08	18.25	16.56	17.98	17.15
Total Expenditure/Revenue Receipts	112.46	117.46	109.86	114.63	115.71
Revenue Expenditure/Total Expenditure	85.69	83.82	84.37	83.21	83.74
Expenditure on Social Services/Total Expenditure	35.77	35.10	35.94	37.95	37.67
Expenditure on Economic Services/Total Expenditure	33.25	36.65	34.74	30.79	29.75
Capital Expenditure/Total Expenditure	14.27	16.15	15.60	16.53	16.24
Capital Expenditure on Social and Economic Services/Total Expenditure	10.73	13.45	13.66	13.30	12.35
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	0.58	0.24	1.10	0.72	0.46
Fiscal deficit/GSDP	(-1.98)	(-2.69)	(-1.47)	(-2.28)	(-2.32)
Primary Deficit (surplus)/GSDP	0.13	(-0.74)	0.34	(-0.52)	(-0.58)
Revenue Deficit/Fiscal Deficit	(-29.43)	(-8.90)	(-74.83)	(-31.73)	(-19.81)
Primary Revenue Balance/GSDP	2.69	2.19	2.91	2.49	14.82
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	29.02	28.29	26.51	26.32	26.45
Fiscal Liabilities/RR	180.48	182.12	175.89	167.84	178.46
Primary deficit <i>vis-a-vis</i> quantum spread	(-1.85)	(-33.40)	15.51	(-48.69)	(-74.87)
Debt Redemption (Principal+Interest)/Total Debt Receipts	108.45	81.97	106.37	101.40	89.52
<b>V Other Fiscal Health Indicator</b>					
Return on Investment (in <i>per cent</i> )	0.37	0.27	0.15	0.32	0.23
Balance from Current Revenue (₹ in crore)	309	132	729	541	395
Financial Assets/Liabilities	0.96	0.99	0.97	0.94	0.93

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

## APPENDIX 1.6

(Referred to in para 1.9.3)

## Transactions under reserve funds

(₹ in crore)

Classification	Opening balance	Receipts	Payment	Closing balance
<b>Active reserve funds</b>				
8121-122-State Disaster Response Fund	46.16	5.86	2.20	49.82
8222-101-Sinking Fund	546.54	66.07	-	612.61
8229-110-Electricity Development Fund	829.48	150.00	127.84	851.64
8235-117-Guarantee Redemption Fund	272.91	36.34	-	309.25
8229-123-State Consumer Welfare Funds	0.19	0.01	-	0.20
8235-200-Beaches Improvement Fund	21.42	2.65	0.22	23.85
<b>Total</b>	<b>1716.70</b>	<b>260.93</b>	<b>130.26</b>	<b>1847.37</b>
<b>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>1719.77</b>	<b>260.93</b>	<b>130.26</b>	<b>1850.44</b>

(Source: Finance Account of the State)

## APPENDIX 2.1

(Referred to in Paragraph 2.3.3)

**Unnecessary supplementary provisions of ₹ five crore or more during 2018-19**  
(₹ in crore)

Sl. No.	Grant No.	Name of grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
<b>Revenue (voted)</b>						
1	21	Public Works	687.87	547.78	140.09	30.30
2	31	Panchayats	178.31	113.82	64.49	10.73
3	43	Art & Culture	107.35	97.66	9.69	5.55
4	55	Municipal Administration	231.90	86.00	145.90	80.17
5	74	Water Resources	172.62	153.65	18.97	9.25
6	81	Department Of Tribal Welfare	147.36	136.39	10.97	6.87
7	85	Department Of Rural Development	50.68	15.74	34.94	5.00
<b>Capital (voted)</b>						
8	13	Transport	35.09	26.33	8.76	5.82
9	26	Fire & Emergency Services	16.00	1.63	14.37	5.00
10	32	Finance	432.00	330.00	102.00	100.00
11	33	Revenue	23.00	9.70	13.30	6.70
12	51	Goa Dental College	15.29	3.24	12.05	5.00
13	64	Agriculture	33.95	14.75	19.20	8.00
14	74	Water Resources	228.66	172.63	56.03	15.00
<b>Total</b>			<b>2360.08</b>	<b>1709.32</b>	<b>650.76</b>	<b>293.39</b>

(Source: Appropriation Accounts of the State)

## APPENDIX 2.2

(Referred to in paragraph 2.3.5)

Substantial surrenders above ₹ 10 crore and more than 50 per cent of the provisions made during 2018-19

(₹ in crore)

Sl. No.	Number and title of grant	Total provision	Amount of surrender	Percentage of surrender
<b>Revenue (Voted)</b>				
1	19-Industries Trade And Commerce	90.33	59.19	66
2	24-Environment	81.63	63.20	77
3	32-Finance	39.06	35.47	91
4	42-Sports And Youth Affairs	165.55	113.33	68
5	54-Town & Country Planning	37.95	23.95	63
6	55-Municipal Administration	312.07	226.50	73
7	60-Employment	27.08	24.97	92
8	82-Information Technology	199.19	142.21	71
<b>Capital (Voted)</b>				
9	02-General Administration & Coordination	18.70	11.03	59
10	12-Commercial Taxes	25.35	15.24	60
11	17-Police	27.00	25.09	93
12	18-Jails	11.00	10.14	92
13	19-Industries, Trade and Commerce	66.72	55.48	83
14	21-Public Works	1364.16	736.13	54
15	26-Fire & Emergency Services	21.00	19.14	91
16	31-Panchayats	60.66	60.66	100
17	33-Revenue	29.70	20.00	67
18	34-School Education	141.85	74.42	52
19	36-Technical Education	52.50	40.05	76
20	45-Archives and Archaeology	19.00	15.71	83
21	47-Goa Medical College	138.41	85.72	62
22	49-Institute of Psychiatry & Human Behaviour	11.67	10.86	93
23	51-Goa Dental College	20.29	17.05	84
24	55-Municipal Administration	307.69	226.41	74
25	57-Social Welfare	34.86	34.40	99
26	64-Agriculture	41.95	27.79	66
27	66-Fisheries	24.53	24.28	99
28	70-Civil Supplies	45.00	28.70	64
29	71-Co-operation	37.57	27.31	73
30	76-Electricity	456.17	271.28	59
31	81-Department of Tribal Welfare	116.50	95.64	82
32	82-Information Technology	132.00	84.92	64
33	84-Airport	23.10	13.63	59
34	86-Non-Conventional Source of Energy	30.00	30.00	100
	<b>Total</b>	<b>4210.24</b>	<b>2749.90</b>	<b>65</b>

(Source: Appropriation Accounts of the State)

## APPENDIX 2.3

(Referred to in paragraph 2.3.7)

## Details of savings of ₹ one crore and above not surrendered

(₹ in crore)

Sl. No.	Name of grant	Total grant	Expenditure	Savings	Savings surrendered	Savings not surrendered
<b>Revenue (Voted)</b>						
1	General Administration & Coordination	83.76	70.00	13.76	7.01	6.75
2	Treasury & Accounts Administration	1392.87	1369.90	22.97	1.35	21.62
3	Police	531.29	501.07	30.23	27.27	2.96
4	Public Works	718.17	547.78	170.39	157.07	13.32
5	Home	9.57	4.32	5.25	0.68	4.57
6	Panchayats	189.04	113.82	75.22	71.16	4.06
7	Revenue	12.25	2.72	9.53	6.98	2.55
8	School Education	1594.27	1438.96	155.31	154.28	1.03
9	Art & Culture	112.90	97.66	15.24	13.96	1.28
10	Health Services	517.50	416.78	100.73	98.28	2.45
11	Water Resources	181.87	153.65	28.21	25.82	2.39
12	Electricity	1929.71	1904.22	25.49	19.19	6.30
13	Department of Rural Development	55.68	15.74	39.94	0.00	39.94
<b>Capital (Voted)</b>						
11	Excise	1.00	0.00	1.00	0.00	1.00
12	Public Works	1364.16	592.39	771.77	736.13	35.64
13	Home	3.00	2.00	1.00	0.00	1.00
14	Sports And Youth Affairs	151.11	132.98	18.13	15.18	2.95
15	Electricity	456.17	177.00	279.16	271.28	7.88
	<b>Total</b>	<b>9304.32</b>	<b>7540.99</b>	<b>1763.33</b>	<b>1605.64</b>	<b>157.69</b>

(Source: Appropriation Accounts of the State)

APPENDIX 2.4

(Referred to in paragraph 2.3.7)

Surrender of funds in excess of ₹ 20 crore in March 2019

(₹ in crore)

Sl. No.	Grant Name	Total grant	Expenditure	Savings surrendered	Percentage of total provision
<b>Revenue (Voted)</b>					
1	Police	531.29	501.07	27.27	5
2	Industries, Trade and Commerce	90.33	31.13	59.19	66
3	Public Works	718.17	547.78	157.07	22
4	Environment	81.63	18.42	63.20	77
5	Panchayats	189.04	113.82	71.16	38
6	Finance	39.06	3.59	35.47	91
7	School Education	1594.27	1438.96	154.28	10
8	Sports and Youth Affairs	165.55	52.37	113.33	68
9	Goa Medical College	423.40	358.24	64.69	15
10	Health Services	517.50	416.78	98.28	19
11	Town & Country Planning	37.95	14.25	23.95	63
12	Municipal Administration	312.07	86.00	226.50	73
13	Information & Publicity	50.66	25.95	24.69	49
14	Women & Child Development	485.71	376.10	109.99	23
15	Employment	27.08	2.20	24.97	92
16	Craftsmen Training	76.85	42.73	33.89	44
17	Agriculture	148.51	106.97	41.39	28
18	Animal Husbandry & Veterinary Services	125.60	102.09	23.19	18
19	Water Resources	181.87	153.65	25.82	14
20	Tourism	91.77	65.24	26.31	29
21	Information Technology	199.19	56.68	142.21	71
<b>Capital (Voted)</b>					
22	Police	27.00	1.55	25.09	93
23	Industries, Trade and Commerce	66.72	11.24	55.48	83
24	Public Works	1364.16	592.39	736.13	54
25	Panchayats	60.66	-0.03	60.66	100
26	Finance	532.00	330.00	202.00	38
27	Revenue	29.70	9.70	20.00	67
28	School Education	141.85	67.73	74.42	52
29	Technical Education	52.50	12.44	40.05	76
30	Goa Medical College	138.41	52.66	85.72	62
31	Health Services	90.05	52.43	39.26	44
32	Municipal Administration	307.69	81.28	226.41	74
33	Social Welfare	34.86	0.12	34.40	99
34	Law	76.65	43.55	32.77	43
35	Agriculture	41.95	14.75	27.79	66
36	Fisheries	24.53	0.26	24.28	99
37	Civil Supplies	45.00	15.48	28.70	64
38	Co-operation	37.57	10.26	27.31	73
39	Science, Technology & Environment	65.50	39.27	26.23	40
40	Water Resources	243.66	172.63	75.29	31

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41	Electricity	456.17	177.00	271.28	59
42	Tourism	127.76	85.12	42.64	33
43	Department Of Tribal Welfare	116.50	21.16	95.64	82
44	Information Technology	132.00	47.08	84.92	64
45	Non-Conventional Source of Energy	30.00	0.00	30.00	100
	<b>Total</b>	<b>10330.39</b>	<b>6352.09</b>	<b>3913.32</b>	<b>38</b>

(Source: Appropriation Accounts of the State)

**APPENDIX 3.1**

*(Referred to in paragraph 3.1)*

**Department-wise break-up of outstanding Utilisation Certificates as on 31 March 2019**

Sl. No.	Name of the Department	No. of utilisation certificates	Amount (₹ in crore)
1	Directorate of Education	1028	180.78
2	Directorate of Technical Education	3	0.43
3	Directorate of Higher Education	59	98.52
4	Department of Tribal Welfare	227	16.58
5	Town and Country Planning Department	26	12.59
6	Directorate of Municipal Administration	691	520.28
7	i) Directorate of Women and Child Welfare	355	8.16
	ii) Directorate of Social Welfare	352	30.8
8	Department of Science, Technology and Environment	236	27.41
9	i) Directorate of Panchayats (South)	2156	65.40
	ii) Directorate of Panchayats (North)	2942	542.92
10	i) General Administration Department (GIRDA)	11	1.02
	ii) Directorate of Official Language	24	2.92
	iii) Legislature Department	13	0.62
	iv) Human Resources Development (GAD)	3	3
11	Directorate of Health Services	85	316.75
12	Directorate of Small Savings and Lotteries	15	13.50
13	Directorate of Agriculture	85	0.31
14	Department of Forests	25	21.77
15	Goa State Legal Services Authority	19	2.36
16	Under Secretary, Finance (Home)	140	2.49
17	Under Secretary, Revenue	13	5.74
18	Under Secretary, Finance (R&C)	6	1.40
19	Secretariat (General Services)	5	10.62
20	Public Health Department	10	0.08
21	Law Department	1	0.15
22	North Goa District Legal Authority	2	0.13
23	Directorate of Sports and Youth Affairs	525	245.21
24	Directorate of Art and Culture	3089	204.74
25	Directorate of Archives and Archaeology	1	0.15
26	Director General of Police	1	3.83
	<b>Total</b>	<b>12148</b>	<b>2340.66</b>

*(Source: Information furnished by Director of Accounts)*

## APPENDIX 3.2

(Referred to in paragraph 3.2)

## Statement showing delay in submission of accounts of autonomous bodies and tabling of SARs in Legislature as of March 2020

Sl. No.	Name of the body/authority	Period of entrustment of audit	Year for which accounts received	No. of accounts not received	Delay in submission of accounts	Period of delay (in month)	Year up to which SARs issued	Placement of SARs before the Legislature (Year/Date)
	1	2	3	4	5	6	7	8
1	Goa University	01.04.2015 to 31.03.2020	2017-18	1	July 2018 to March 2019	9	2017-18	2015-16/20.02.2018
2	Goa Housing Board	01.04.2017 to 31.03.2022	2017-18	1	October 2018 to May 2019	8	2017-18	2015-16/ 21.02.2018
3	Goa Tillari Irrigation Development Corporation	01.04.2012 to 31.03.2016	2011-12	7	July 2012 to October 2018	76	2011-12	2010-11/ 18.08.2017
4	Khadi and Village Industries Board	01.04.2018 to 31.03.2023	2013-14	5	July 2014 to November 2015	17	2013-14	2013-14/ 09.08.2016
5	Goa State Commission for Backward Classes	01.04.2014 to 31.03.2019	2017-18	1	July 2018 to April 2019	10	2017-18	2015-16/ 24.07.2018
6	Goa Board of Secondary and Higher Secondary Education	01.04.2015 to 31.03.2020	2015-16	3	July 2016 to September 2017	15	2015-16	Not applicable
7	South Goa Zilla Panchayat	01.04.2014 to 31.03.2019	2017-18	1	July 2018 to October 2018	4	2017-18	Accounts from 2006-07 to 2017-18 not yet placed in legislature
8	North Goa Zilla Panchayat	01.04.2014 to 31.03.2019	2008-09	10	July 2009 to March 2015	69	2008-09	2007-08/ 27.07.2015
9	Goa State Legal Services Authority	As per Act	2016-17	2	July 2017 to February 2018	8	2016-17	Accounts from 1997-98 to 2016-17 not yet placed in legislature
10	District Legal Services Authority, South Goa	As per Act	2013-14	5	July 2014 to January 2018	43	2013-14	Accounts from 2006-07 to 2013-14 not yet placed in legislature
11	District Legal Services Authority, North Goa	As per Act	2014-15	4	July 2015 to April 2016	10	2014-15	Accounts from 2006-07 to 2014-15 not yet placed in legislature
12	Goa State Compensatory Afforestation Fund Management and Planning Authority	As per Act	2015-16	3	July 2016 to October 2016	4	2015-16	Not applicable
13	Goa Sarva Shiksha Abhiyan Society	01.04.2015 to 31.03.2020	2015-16	3	July 2016 to February 2017	8	2015-16	2015-16/ 04.08.2017

(Source: Information compiled by Audit)

**APPENDIX 3.3**

*(Referred to in paragraph 3.4)*

**Department-wise/duration-wise break-up of the cases of misappropriation, defalcation etc.  
(Cases where final action was pending at the end of June 2019)**

*(Figures in brackets indicate ₹ in lakh)*

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 years and above	Total No. of cases
1	Director of Panchayats, Panaji	4(-*)	4*(1.70)	2(3.44)	10(5.14)
2	Director General of Police	-	2@(0.14)	-	2(0.14)
3	Director of Civil Supplies and Consumer Affairs	-	1(3.02)	2(2.90)	3(5.92)
4	Chief Electrical Engineer, Panaji	2(59.67)	2(6.96)	3(98.17)	7(164.80)
5	Chief Engineer, PWD, Panaji	1(13.44)	-	1(38.60)	2(52.04)
6	Dean, Goa Medical College, Bambolim	2(4.38)	1(3.20)	-	3(7.58)
7	Director of Education, Panaji	-	1(7.00)	-	1(7.00)
8	Directorate of Skill Development and Entrepreneurship	-	1(0.50)	-	1(0.50)
9	Director of Sports and Youth Affairs, Panaji	-	1(1.55)	-	1(1.55)
10	Collector, North Goa	1(5.65)	-	-	1(5.65)
11	Collector, South Goa	1(13.04)	-	-	1(13.04)
12	Office of the Mamlatdar, Salcete	1(2.22)	-	-	2(2.22)
	<b>Total</b>	<b>12(98.40)</b>	<b>13(24.07)</b>	<b>8(143.11)</b>	<b>33(265.58)</b>

\*Amount not assessed in five cases

@Amount not assessed in one case

*(Source: Information compiled from various departments)*