

Chapter II: Finances of the State

Introduction

This Chapter attempts to place the State's finances in perspective through an analysis of the key changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2018-19 to 2022-23, debt sustainability and key Public Account transactions, based on the Finance Accounts of the State and the information provided by the State Government.

2.1 Major changes in key fiscal aggregates

Table 2.1 presents the summary of the State Government's fiscal aggregates during 2022-23 *vis-à-vis* 2021-22. Each of these indicators is analysed in the succeeding paragraphs.

Table 2.1: Summary of fiscal aggregates in 2022-23 compared to 2021-22

(₹ in crore)

Receipts			Disbursements		
	2021-22	2022-23		2021-22	2022-23
Section-A: Revenue Account					
Own Tax Revenue	5805	7827	General Services	4961	5406
Non-Tax Revenue	3787	3869	Social Services	3880	3545
Share of Union Taxes/ Duties	3357	3665	Economic Services	3256	3845
Grants-in-aid from Government of India	1337	1923	Grants-in-aid and Contributions	2130	2088
Total Section-A Revenue Receipts	14286	17284	Total Section-A Revenue Expenditure	14227	14884
Section-B: Capital Account and others					
Miscellaneous Capital Receipts	00	00	Capital Outlay	2681	3425
			General Services	394	480
			Social Services	928	901
			Economic Services	1359	2044
Recoveries of Loans and Advances	02	02	Loans and Advances disbursed	04	04
Public Debt Receipts*	3513	2576	Repayment of Public Debt*	971	1227
Contingency Fund	00	00	Contingency Fund	00	00
Public Account Receipts (Gross)	14811	17881	Public Account Disbursements (Gross)	14833	18060
Opening Cash Balance	1926	1822	Closing Cash Balance	1822	1965
Total Section-B Receipts	20252	22281	Total Section-B Disbursements	20311	24681
Grand Total (A +B)	34538	39565	Grand Total (A+B)	34538	39565

(Source: Finance Accounts of the State)

*Excluding net transactions under ways and means advances and overdrafts

Appendix 2.1 shows the abstract of receipts and disbursements of the State Government during 2022-23 *vis-à-vis* the previous year while **Appendix 2.2**

presents the time series data on the State Government's finances for the five-year period from 2018-19 to 2022-23.

Changes in key fiscal aggregates in 2022-23 compared to 2021-22

Revenue Receipts	<ul style="list-style-type: none"> ➤ Revenue receipts increased by 20.99 <i>per cent</i>. ➤ Own tax receipts increased by 34.83 <i>per cent</i>. ➤ Own non-tax receipts increased by 2.17 <i>per cent</i>. ➤ State's share of Union taxes and duties increased by 9.17 <i>per cent</i>. ➤ Grants-in-aid from Government of India increased by 43.83 <i>per cent</i>.
Revenue Expenditure	<ul style="list-style-type: none"> ➤ Revenue expenditure increased by 4.62 <i>per cent</i>. ➤ Revenue expenditure on General Services (excluding grants-in-aid) increased by 8.97 <i>per cent</i>. ➤ Revenue expenditure on Social Services (excluding grants-in-aid) decreased by 8.63 <i>per cent</i>. ➤ Revenue expenditure on Economic Services (excluding grants-in-aid) increased by 18.09 <i>per cent</i>. ➤ Expenditure on grants-in-aid decreased by 1.97 <i>per cent</i>.
Capital Expenditure	<ul style="list-style-type: none"> ➤ Capital expenditure increased by 27.75 <i>per cent</i>. ➤ Capital expenditure on General Services increased by 21.83 <i>per cent</i>. ➤ Capital expenditure on Social Services decreased by 2.91 <i>per cent</i>. ➤ Capital expenditure on Economic Services increased by 50.40 <i>per cent</i>.
Loans and Advances	<ul style="list-style-type: none"> ➤ Disbursement of loans and advances remained unchanged. ➤ Recoveries of loans and advances remained unchanged.
Public Debt	<ul style="list-style-type: none"> ➤ Public debt receipts decreased by 26.67 <i>per cent</i>. ➤ Repayment of public debt increased by 26.36 <i>per cent</i>.
Public Account	<ul style="list-style-type: none"> ➤ Public account receipts increased by 20.73 <i>per cent</i>. ➤ Disbursement of public account increased by 21.76 <i>per cent</i>.
Cash Balance	<ul style="list-style-type: none"> ➤ Cash balance increased by ₹ 143 crore (7.85 <i>per cent</i>).

2.2 Sources and application of funds

Table 2.2 compares the sources and application of funds of the State Government during 2022-23 *vis-à-vis* 2021-22, while **Charts 2.1** and **2.2** give

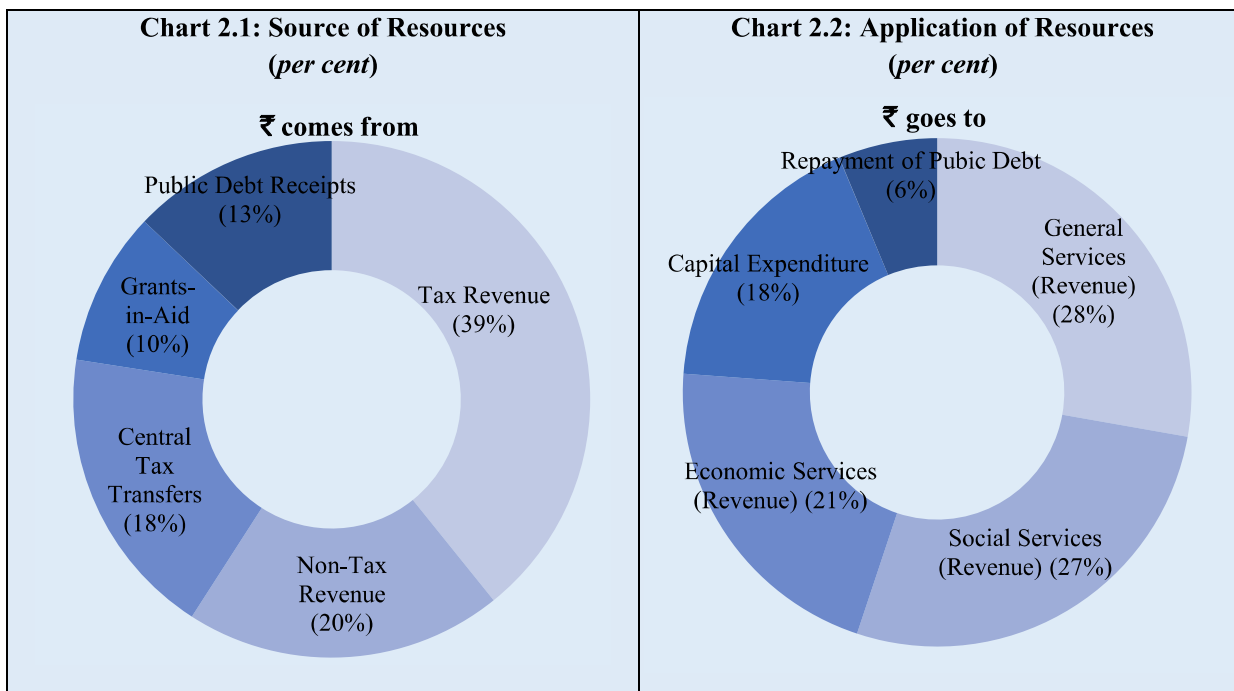
details of receipts into and expenditure from the Consolidated Fund during 2022-23.

Table 2.2: Details of sources and application of funds during 2021-22 and 2022-23

(₹ in crore)

	Particulars	2021-22	2022-23	Increase (+)/ Decrease (-)
Sources	Opening Cash Balance with RBI	1926	1822	(-)104
	Revenue Receipts	14286	17284	2998
	Miscellaneous Capital Receipts	00	00	00
	Recoveries of Loans and Advances	02	02	00
	Public Debt Receipts (Net)	2542	1349	(-)1193
	Public Account Receipts (Net)	(-)22	(-)179	(-)157
	Total	18734	20278	1544
Application	Revenue Expenditure	14227	14884	657
	Capital Expenditure	2681	3425	744
	Disbursement of Loans and Advances	04	04	00
	Closing Cash Balance with RBI	1822	1965	143
	Expenditure from Contingency Fund (un-recouped)	00	00	00
	Total	18734	20278	1544

(Source: Finance Accounts of the State)



(Source: Finance Accounts of the State)

Chart 2.1: Percentages have been calculated on total receipts into the Consolidated Fund (₹ 19,862 crore) as shown in Appendix 2.2 (Sl. No. 6)

Chart 2.2: Percentages have been calculated on total disbursement out of Consolidated Fund (₹ 19,540 crore) as shown in Appendix 2.2 (Sl. No. 16)

2.3 Resources of the State

The State's resources comprise the following:

1. **Revenue receipts** consist of own tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid (GIA) and contributions from the Government of India (GoI).
2. **Capital receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

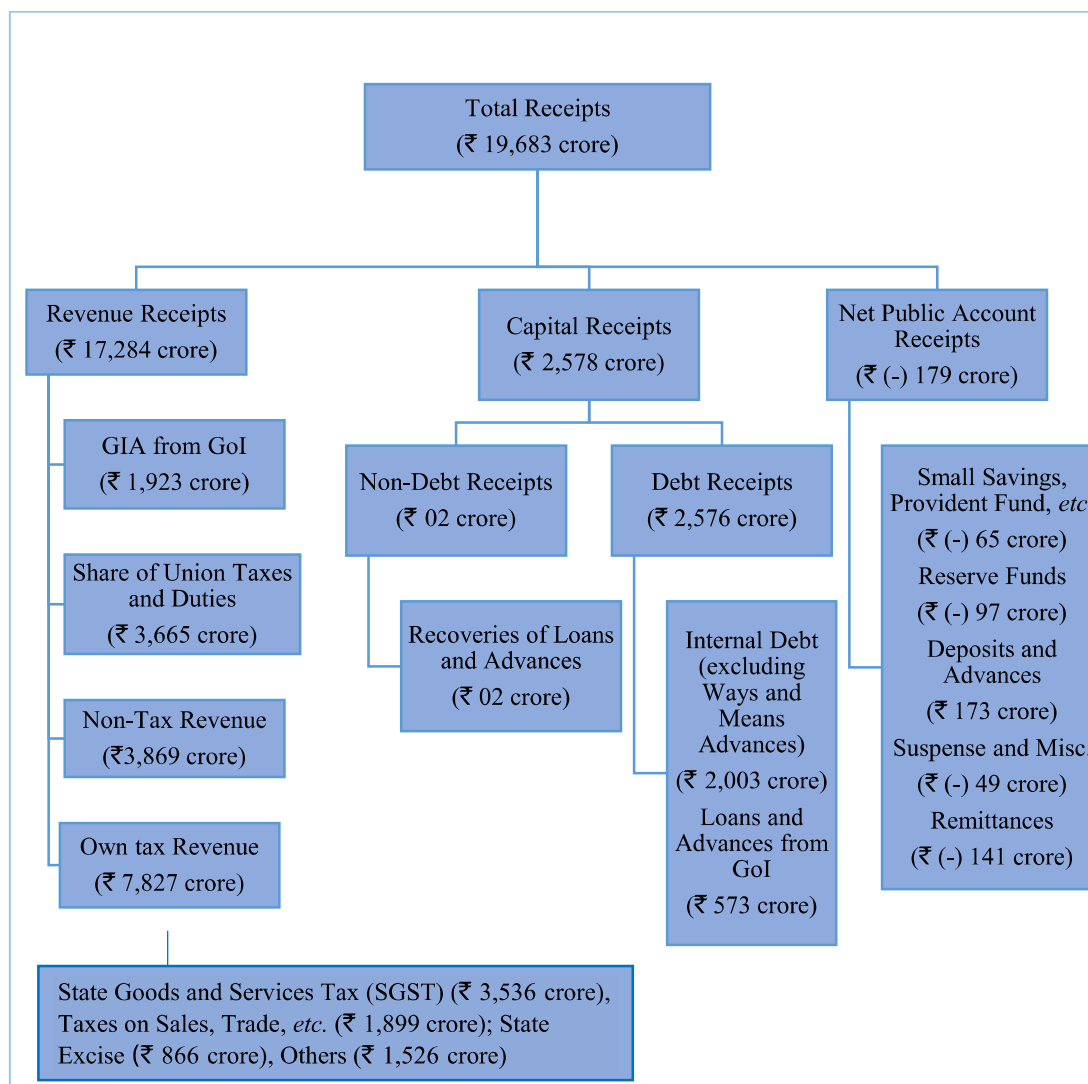
Both revenue and capital receipts form part of the Consolidated Fund of the State.

3. **Net Public Account receipts:** There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

Revenue receipts and capital receipts are the two streams of receipts that constitute the resources of the State Government. Besides, the funds available in the Public Account after disbursements are also utilised by the Government to finance its deficit. **Chart 2.3** shows the components and sub-components of financial resources of the State during 2022-23.

Chart 2.3: Components and sub-components of financial resources during 2022-23



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

2.3.2 State's revenue receipts

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

2.3.2.1 Trends and growth of revenue receipts

Table 2.3 provides the trends and growth of revenue receipts as well as revenue buoyancy with respect to Gross State Domestic Product (GSDP) over the five-year period (2018-23).

Table 2.3: Trends in revenue receipts

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Receipts (RR)	11438	11297	10440	14286	17284
Rate of growth of RR (per cent)	3.48	(-)1.23	(-)7.59	36.84	20.99
Tax Revenue (₹ in crore)	7749	7180	6447	9162	11492
Own tax Revenue	4871	4700	4151	5805	7827
States' share in Union taxes and duties	2878	2480	2296	3357	3665
Non-tax Revenue	2874	2737	2903	3787	3869
Grant-in-Aid from GoI	815	1380	1090	1337	1923
Rate of growth of Grant-in-Aid from GoI (per cent)	9.40	69.33	(-)21.01	22.66	43.83
Own Revenue (Own Tax and Non-tax Revenue) (₹ in crore)	7745	7437	7054	9592	11696
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	(-)0.24	(-)3.98	(-)5.15	35.98	21.93
GSDP in Crore (2011-12 series)	71853	75032	75705	82604	90642
Rate of growth of GSDP (per cent)	3.61	4.42	0.90	9.11	9.73
RR/GSDP (per cent)	15.92	15.06	13.79	17.29	19.07
Buoyancy Ratios¹					
Revenue Buoyancy w.r.t GSDP	0.96	*	*	4.04	2.16
State's Own Revenue Buoyancy w.r.t. GSDP	*	*	*	3.95	2.25

(Source: Finance Accounts of the State)

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

Table 2.3 shows the following:

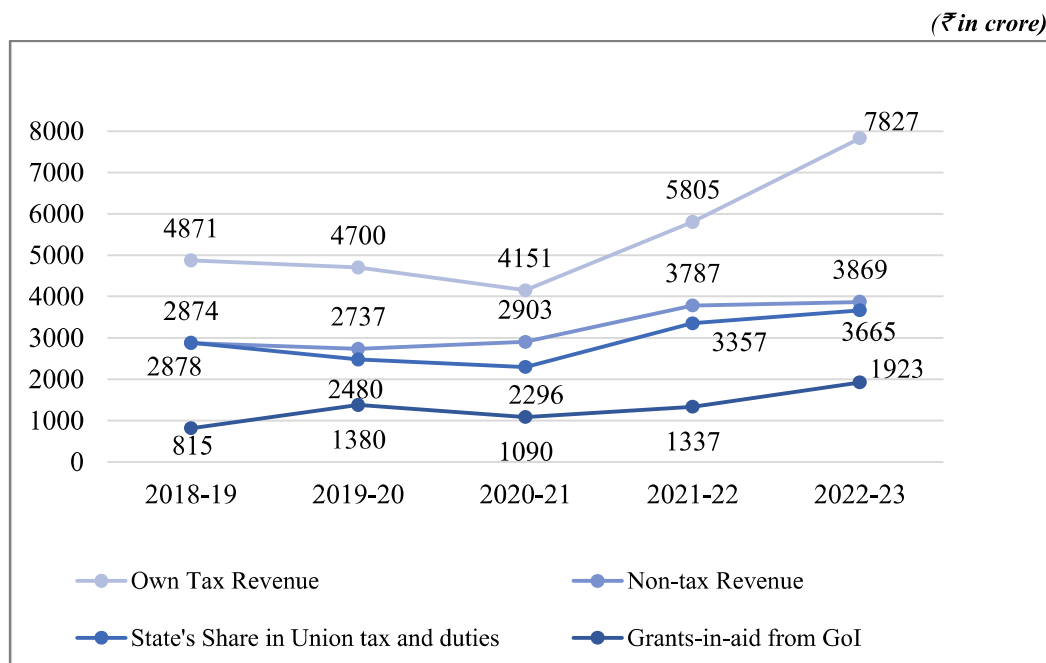
- Revenue receipts increased by 51.11 per cent from ₹ 11,438 crore in 2018-19 to ₹ 17,284 crore in 2022-23. During 2022-23, revenue receipts increased by ₹ 2,998 crore (20.99 per cent) over the previous year. The increase in receipts was due to increase in own tax revenue by ₹ 2,022 crore (34.83 per cent), non-tax revenue by ₹ 82 crore (2.17 per cent), receipts under State's share of union taxes by ₹ 308 crore (9.17 per cent) and grants-in-aid from GoI by ₹ 586 crore (43.83 per cent).

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

- The growth rate of State's own resources (own tax and non-tax revenue) registered an increase of 21.93 *per cent* in 2022-23 against increase of 35.98 *per cent* in 2021-22.
- During 2022-23, 68 *per cent* of revenue receipts came from the State's own resources while State's share of Union taxes/duties and grants-in-aid together contributed 32 *per cent*. This indicated that the Government of Goa met its public expenditure largely from its own resources.
- The buoyancy of State's revenue and State's own resources with respect to GSDP was 2.16 and 2.25 respectively indicating that the growth rate of State's revenue and own resources was more than two times the growth rate of GSDP during 2022-23.
- Growth rate of State's revenue receipts at 20.99 *per cent* during 2022-23 was higher than the growth rate of General States (GS) (13.41 *per cent*) (**Appendix 1.1**).

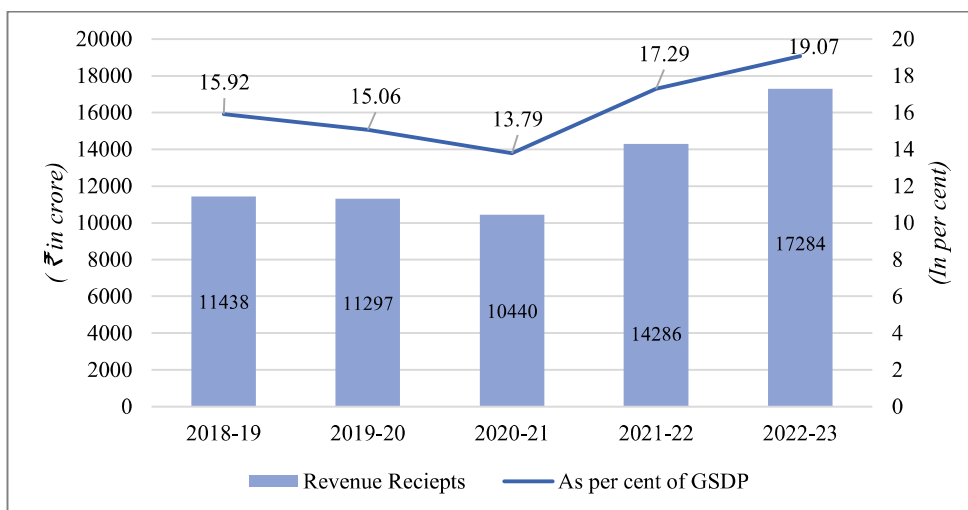
Trends in composition of revenue receipts and revenue receipts relative to GSDP during the last five years are shown in **Charts 2.4** and **2.5** respectively.

Chart 2.4: Trends of components of revenue receipts



(Source: Finance Accounts of the State)

Chart 2.5: Trends of revenue receipts relative to GSDP



(Source: Finance Accounts of the State)

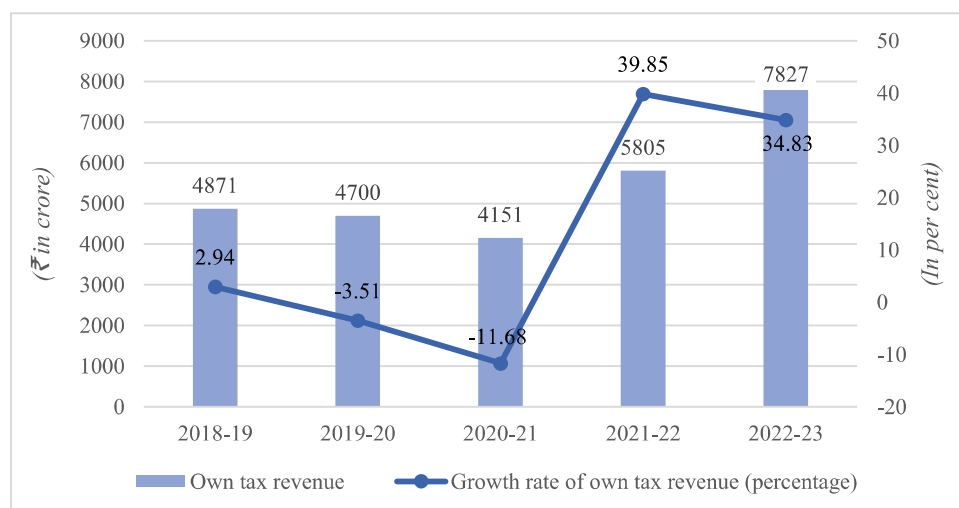
2.3.2.2 State's own resources

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

Own tax revenue

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

Chart 2.6: Growth of own tax revenue during 2018-23



(Source: Finance Accounts of the State)

Table 2.4: Components of State's own tax revenue

(*₹ in crore*)

Revenue head	2018-19	2019-20	2020-21	2021-22	2022-23	
					BE	Actuals
SGST	2529	2438	1985	2758	2783	3536
Taxes on sales, trades <i>etc.</i>	1013	1033	990	1383	1731	1899
State excise	478	492	515	650	629	866
Taxes on vehicles	299	269	220	261	371	412
Stamp duty and registration fee	432	393	350	645	609	986
Land revenue	67	37	34	66	41	84
Taxes on goods and passengers	30	32	41	22	36	25
Other taxes	23	6	16	20	41	19
Total	4871	4700	4151	5805	6241	7827

(Source: Finance Accounts of the State)

The State's own tax revenue in 2022-23 increased by ₹ 2,022 crore (34.83 *per cent*) over the previous year. The increase was mainly due to higher collections under SGST (₹ 778 crore), taxes on sales, trade, *etc.* (₹ 516 crore), stamp duty and registration fee (₹ 341 crore), State excise (₹ 216 crore) and taxes on vehicles (₹ 151 crore). The overall increase was minimally offset by decrease in collections under other taxes by ₹ one crore.

During 2022-23, major contributors of tax revenue were SGST (45 *per cent*), taxes on sales, trades, *etc.* (24 *per cent*) and stamp duty and registration fees (13 *per cent*).

Growth rate of State's own tax revenue at 34.83 *per cent* during 2022-23 was higher than the growth rate of GS (19.78 *per cent*) over the year 2021-22 (Appendix 1.1).

State Goods and Services Tax

As per the books of RBI, the amount of SGST was ₹ 3,536.28 crore which tallied with the figures as per the Finance Accounts. Hence, during 2022-23, there was no difference between the books of RBI and the Finance Accounts with respect to SGST.

Arrears of revenue

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

The arrears of revenue as on 31 March 2023 amounted to ₹ 4,824.78 crore of which, ₹ 1,777.38 crore (37 per cent) was outstanding for more than three years. Further, ₹ 119.72 crore out of ₹ 4,824.78 crore was under legal adjudication, leaving arrears of ₹ 4,705.06 crore, which were yet to be recovered. The details are shown in **Table 2.5**.

Table 2.5: Revenue arrears as on 31 March 2023

(₹ in crore)

Head of Revenue ²	Amount of arrears as on 31 March 2023	Arrears more than three years old	Cases pending in Courts		Revenue arrears pending recovery as on 31 March 2023 leaving court cases
			No.	Amount	
1	2	3	4	5	6 = 2-5
Commercial Taxes Department	1817.32	944.35	749	27.50	1789.82
Chief Electrical Engineer – Energy charges	621.52	351.17	9921	29.53	591.99
Chief Engineer – Water Resources Department					
i) Water Tax	2.05	0.48	143	0.10	1.95
ii) Water Charges	2066.73	351.62	-	-	2066.73
iii) Hire charges of machinery	0.33	0.33	-	-	0.33
iv) Rent of Command Area Development Authority complex, shops and hall	0.33	0.16	-	-	0.33
Principal Chief Engineer – Public Works Department	223.13	70.84	3960	15.37	207.76
State Excise Department	3.24	0.45	-	-	3.24
Tourism Department	3.31	0.67	5	0.27	3.04
Director General of Police	7.16	6.35	2	0.05	7.11
Animal Husbandry & Veterinary Services Department	43.19	43.19	6	43.19	0.00
Printing and Stationery Department	6.83	1.46	-	-	6.83
Transport Department	13.90	3.19	21	0.07	13.83
Department of Cooperation	1.95	1.06	-	-	1.95
Town & Country Planning	0.67	0.47	-	-	0.67
Forest Department	0.59	0.27	99	0.12	0.47
Agriculture Department	0.28	0.25	-	-	0.28

² No information was received from eight entities, namely, Goa Medical College, Education Department, Inspector General of Prisons, Custodian of Evacuee Properties, Collectorate (South Goa), Special Land Acquisition Officer and Commandant General, Home Guards

Head of Revenue ²	Amount of arrears as on 31 March 2023	Arrears more than three years old	Cases pending in Courts		Revenue arrears pending recovery as on 31 March 2023 leaving court cases
			No.	Amount	
1	2	3	4	5	6 = 2-5
Art and Culture	0.05	0.03	-	-	0.05
Civil Supplies and Consumer Affairs	0.05	0.04	-	-	0.05
Captain of Ports	2.58	0.71	-	-	2.58
State Registrar and Head of Notary Services	0.04	-	3	0.02	0.02
Industries, Trade and Commerce Department	0.04	0.04	-	-	0.04
River Navigation Department	0.07	0.07	2	0.07	0.00
Fisheries	0.08	0.07	7	0.08	0.00
Factories and Boilers	0.03	0.01	-	-	0.03
Goa Institute of Public Administration and Rural Development (GIPARD)	0.39	0.10	-	-	0.39
Collector, North Goa	0.04	-	-	-	0.04
Social Welfare	8.88	-	189	3.35	5.53
Total	4824.78	1777.38	15107	119.72	4705.06

(Source: Information received from departments)

The revenue arrears of ₹ 4,705 crore accounted for 40 *per cent* of the State's own resources (₹ 11,696 crore) during the year.

During the exit conference (21/02/2024), the Finance Department stated that arrears pertaining to Water Resources Department (WRD) require only book adjustments, while Commercial Tax figures of arrears relate to the previous One Time Settlement Scheme and assured to look into the matter.

Recommendation 1: The State Government may undertake necessary measures to recover arrears of revenue, which is essential for increasing revenue receipts and achieving deficit targets.

Evasion of tax detected by Department

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

Information furnished by the Commissioner of Excise revealed that out of 1,188 cases of tax evasion detected by the Excise Department during 2022-23,

assessment/investigation in respect of 771 cases had been completed and an additional demand of ₹ 0.81 crore with penalty raised. However, the number of cases awaiting disposal by the Department was still significantly high at 2,223 (including previous year's balance of cases) at the end of 2022-23.

Information furnished by Commissioner of Commercial taxes showed that 102 cases of evasion of taxes in Value Added Tax (VAT) and Goods and Services Tax (GST) were detected in 2022-23, and assessment/investigation in respect of 49 cases had been completed raising an additional demand of ₹ 22.58 crores. However, in respect of 249 cases of evasion of taxes detected, the assessment/ investigation was pending at the end of the year.

Pendency of refund cases

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

Refund cases pending at the beginning of 2022-23, claims received during the year, refunds allowed during the year and the cases pending at the close of 2022-23, as reported by the Commissioner of State Tax are given in **Table 2.6**.

Table 2.6: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		Sales tax/VAT	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of 2022-23	149	273.29	781	203.66
2.	Claims received during the year	491	514.33	206	16.55
3.	Refunds made during the year	298	445.20	274	30.20
4.	Refunds rejected during the year	313	286.17	01	36.92
5.	Balance outstanding at the end of 2022-23	29	56.25	712	153.09

(Source: Information furnished by departments)

As can be seen from the table above, State Tax Department disposed of 611 GST refund cases involving ₹ 731 crore, out of the 640 claims pending during 2022-23. Pending GST refund cases decreased from 149 (₹ 273 crore) at the beginning of the year to 29 (₹ 56 crore) at the close of the year.

In case of refunds under Sales tax/VAT, the Department could process only 275 out of 987 cases (28 per cent) during the year, leaving a balance of 712 cases involving ₹ 153 crore at the end of 2022-23.

Non-tax revenue

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

The main components of State's non-tax revenue receipts during 2018-23 are shown in **Table 2.7**.

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

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					BE	Actuals
Interest receipts	24	63	83	22	76	49
Medium Irrigation	12	28	61	317	32	13
Other administrative	451	260	191	309	467	437
Water supply and sanitation	146	148	136	177	172	231
Power	1920	1960	2051	2191	3209	2757
Non-ferrous mining and metallurgical industries	34	9	168	129	673	100
Other non-tax receipts	287	269	213	642	497	282
Total non-tax revenue	2874	2737	2903	3787	5126	3869

(Source: Finance Accounts of the State)

Non-tax revenue accounted for 22 to 28 *per cent* of the revenue receipts of the State during the five-year period (2018-23). The non-tax revenue grew by ₹ 82 crore (2.17 *per cent*) during 2022-23 over the previous year. The increase was mainly on account of higher collections under Power (₹ 566 crore), Other Administrative Services (₹ 128 crore) and Water Supply and Sanitation (₹ 54 crore), partially offset by decrease in revenue under Medium Irrigation (₹ 304 crore).

The growth rate of the State's non-tax revenue at 2.17 *per cent* during 2022-23 was lower than the growth rate of General States (12.94 *per cent*) (**Appendix 1.1**).

2.3.2.3 Transfers from the Central Government

Transfers from GoI are guided by Finance Commission recommendations. The trend of Central transfers during the last five years covering the periods of the Fourteenth Finance Commission (FC XIV) and the Fifteenth Finance Commission (FC XV) is shown in **Table 2.8**.

Table 2.8: Transfers from GoI during the last five years

(₹ in crore)

Year	State's share of Union taxes/duties	Grants-in-aid from GoI	Total transfers from GoI
1	2	3	4 = (2+3)
FC XIV Period			
2018-19	2878	815	3693
2019-20	2480	1380	3860
FC XV Period			
2020-21	2296	1090	3386
2021-22	3357	1337	4694
2022-23	3665	1923	5588
Total	14676	6545	21221

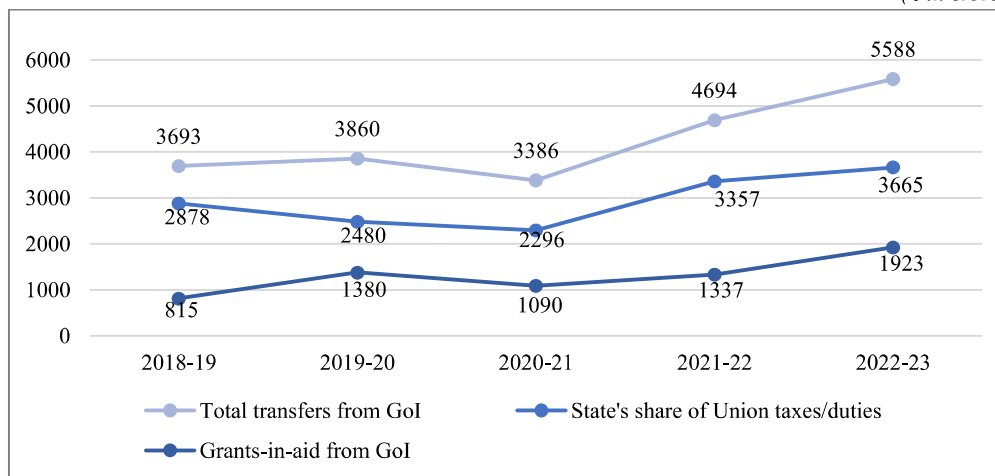
(Source: Finance Accounts of the State)

Transfers from GoI increased from ₹ 3,693 crore in 2018-19 to ₹ 5,588 crore in 2022-23. State's share of Union taxes/duties increased by ₹ 308 crore and grants-in-aid from GoI increased by ₹ 586 crore in 2022-23 over the previous year.

Chart 2.7 shows the trend in transfers from GoI during the last five years (2018-23).

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

(₹ in crore)



(Source: Finance Accounts of the State)

State's share of Union taxes and duties

FC XV recommended a decrease in the share of States in Central taxes from 42 per cent (recommended by FC XIV) to 41 per cent. The State's share of Union taxes and duties for the period 2021-22 to 2025-26 was fixed at

0.386 *per cent* by FC XV. Different components of State's share of Union taxes and duties during 2018-23 are shown in **Table 2.9**.

Table 2.9: Different components of State's share of Union taxes and duties during 2018-23

Components	2018-19	2019-20	2020-21	2021-22	2022-23
	<i>(₹ in crore)</i>				
Central Goods and Services Tax (CGST)	767	704	682	976	1036
Integrated Goods and Services Tax (IGST)	00	00	00	00	00
Corporation tax	1001	845	694	1009	1228
Taxes on income other than corporation tax	737	663	711	1001	1200
Other taxes on income and expenditure	05	00	00	00	00
Taxes on wealth	0.37	0.04	00	0.16	00
Customs	204	157	121	225	144
Union excise duties	136	109	77	110	45
Service tax	26	00	10	32	06
Others taxes and duties on commodities and services	02	02	01	04	06
Total State's share of Union taxes/duties	2878	2480	2296	3357	3665
Percentage increase (+)/decrease (-) over previous year	(+)13.13	(-)13.83	(-)7.42	46.21	9.17
Central tax transfers as percentage of revenue receipts	25.16	21.95	22.00	23.50	21.20

(Source: Finance Accounts of the State)

During the period 2018-23, State's share of Union taxes and duties to revenue receipts fluctuated between 21 *per cent* and 25 *per cent*. The growth rate of State's share of Union taxes/duties was 9.17 *per cent* in 2022-23 compared to 46.21 *per cent* in 2021-22.

During 2022-23, a significant growth was observed over previous year under receipts from Corporation tax (₹ 219 crore), taxes on income other than Corporation tax (₹ 199 crore) and CGST (₹ 60 crore).

Grants-in-aid from GoI

Grants-in-aid received by the State Government from GoI during 2018-23 are detailed in **Table 2.10**.

Table 2.10: Grants-in-aid from GoI

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23
Centrally Sponsored Schemes	252	367	165	119	272
Finance Commission Grants	67	164	74	117	41
Other grants (including GST compensation)	496	849	851	1101	1610
Total	815	1380	1090	1337	1923
Percentage increase over the previous year	9.40	69.33	(-)21.01	22.66	43.83
Percentage of grants-in-aid to revenue receipts	7.12	12.22	10.44	9.36	11.13

(Source: Finance Accounts of the State)

Grants-in-aid from GoI increased from ₹ 815 crore in 2018-19 to ₹ 1,923 crore in 2022-23. Increase in grants-in-aid by ₹ 586 crore (43.83 *per cent*) during 2022-23 over 2021-22 was mainly due to increased compensation for loss of revenue arising out of implementation of GST (₹ 620 crore). During 2022-23, grants-in-aid accounted for 11 *per cent* of the total revenue receipts of the State Government.

Growth rate of grants-in-aid during 2022-23 was 43.83 *per cent* whereas, it was 5.49 *per cent* for General States (**Appendix 1.1**).

Finance Commission grants

FC XV recommended five types of grants-in-aid to States *viz.* local government grants, disaster management grants, post-devolution revenue deficit grants, sector-specific grants and performance-based incentives.

Table 2.11: Details of FC XV grants awarded and received during 2022-23

(₹ in crore)

Name of Grant	Recommendation of FC XV	Actual release by GoI	Release by State Government	Difference between the amount recommended by FC XV and that released by GoI
	2022-23	2022-23	2022-23	2022-23
Grants to Panchayat, Urban Local Bodies	85.00	0.00	0.00	85.00
(a) General Basic (PRIs)	57.00	0.00	0.00	57.00
Performance/Tied Grants	34.20	0.00	0.00	34.20
Untied Grants	22.80	0.00	0.00	22.80
(b) General Basic (ULBs)	28.00	0.00	0.00	28.00
Performance/Tied Grant	16.80	0.00	0.00	16.80
General Basic/Untied Grant	11.20	0.00	0.00	11.20
Grants to Revenue Department	12.00	9.60	9.60	2.40
(a) State Disaster Response Fund-Central Share	12.00	9.60	9.60	2.40
Grants to Health and Family Welfare Department	31.45	0.00	0.00	31.45
(a) Support for diagnostic infrastructure to the primary healthcare facilities-sub centres	1.61	0.00	0.00	1.61
(b) Support for diagnostic infrastructure to the primary healthcare facilities-PHCs	1.17	0.00	0.00	1.17
(c) Financial requirement for establishing block Level Public Health Units	2.41	0.00	0.00	2.41
(d) Grants for Building less Sub-centres, PHCs, CHCs	1.54	0.00	0.00	1.54
(e) Financial requirement for Conversion of Rural PHCs and SCs into Health and Wellness Centre	4.00	0.00	0.00	4.00
(f) Support for diagnostic infrastructure to the primary healthcare facilities-UPHCs	0.24	0.00	0.00	0.24
(g) Grants for Urban Health and Wellness Centres (UHCs)	20.48	0.00	0.00	20.48
Grand Total	128.45	9.60	9.60	118.85

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

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

For the year 2022-23, FC XV recommended basic grants of ₹ 57 crore and ₹ 28 crore to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs)

respectively. The State Government did not receive any grants for the year 2022-23 for PRIs and ULBs. However, it received grants amounting to ₹ 27.50 crore for PRIs (₹ 16.50 crore as tied grants and ₹ 11 crore as untied grants) during 2022-23, due for the year 2021-22. The grants were received in March 2023 and transferred to PRIs by the Directorate of Panchayats within the stipulated period of 15 days.

Similarly, grants pertaining to Health and Family Welfare amounting to ₹ 31.45 crore recommended by the FC XV for the year 2022-23 were not released by GoI to the State Government.

Recommendation 2: State Government may make all efforts to claim grants recommended by Finance Commissions as it augments the State's resources.

State Finance Commission

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

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

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

The second SFC *inter alia* undertook the task of mapping the devolved functions with activities, to facilitate their implementation and made recommendations on devolution of finances according to the programmes/schemes executed by different tiers. The committee constituted (July 2010) to consider the implementation of recommendations did not submit its report for more than 11 years (March 2022), rendering the work of both the SFCs infructuous.

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

The Government notified the reconstitution of Third SFC in January 2022. It was specified in the notification that the Chairman and the Members would initially hold full time office for a period of one year and submit their report before expiry of their term. The committee submitted its interim report to the State Government in August 2023.

Chronic delays in the constitution of SFCs and inaction on their recommendations by the State Government deprived local bodies of assured revenues.

The Principal Secretary, Finance Department, stated during the exit conference (21/02/2024) that the State Finance Commissions would be constituted as per requirement going forward.

Recommendation 3: The State Government may constitute State Finance Commissions as per time frame prescribed in the Constitution. Recommendations made by the Commissions may be considered and those accepted may be implemented in a time-bound manner.

2.3.3 Capital receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

The following table shows the composition and trends in growth of net capital receipts during 2018-23.

Table 2.12: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of capital receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital receipts	2534	2704	4590	3515	2578
Non-debt capital receipts	05	04	03	02	02
Miscellaneous capital receipts	00	00	00	00	00
Recovery of loans and advances	05	04	03	02	02
Rate of growth of non-debt capital receipts (<i>per cent</i>)	(-)28.57	(-)20.00	(-)25.00	(-)33.33	0.00
Debt capital receipts	2529	2700	4587	3513	2576
Internal debt*	2459	2654	3604	2500	2003
Growth rate (<i>per cent</i>)	27.54	7.93	35.80	(-)30.63	(-) 19.88
Loans and advances from GoI	70	46	983	1013	573
Growth rate (<i>per cent</i>)	(-)10.26	(-)34.29	2036.96	3.05	(-) 43.44
Rate of growth of debt capital receipts (<i>per cent</i>)	26.09	6.76	69.89	(-)23.42	(-) 26.67
Rate of growth of GSDP (<i>per cent</i>)	3.61	4.42	0.90	9.11	9.73
Rate of growth of capital receipts (<i>per cent</i>)	25.88	6.71	69.75	(-)23.42	(-) 26.67

(Source: Finance Accounts of the State)

*Excluding ways and means advances

During 2022-23, market borrowings of ₹ 1,350 crore constituted 52 *per cent* of the total debt capital receipts of the State Government. This was followed by GoI loans of ₹ 573 crore (22 *per cent*), National Bank for Agriculture and Rural Development (NABARD) ₹ 500 crore (20 *per cent*) and others ₹ 153 crore (six *per cent*).

Capital receipts decreased by 26.66 *per cent* from ₹ 3,515 crore in 2021-22 to ₹ 2,578 crore in 2022-23. The decrease was mainly on account of lower market borrowings (₹ 650 crore) and decrease in loans and advances from GoI (₹ 440 crore).

2.3.4 State's performance in mobilisation of resources

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

The State's actual own tax and non-tax revenue *vis-à-vis* assessment made by FC XV and estimates (Budget Estimate) are given in **Table 2.13**.

Table 2.13: Tax and non-tax revenue *vis-à-vis* projections for 2022-23

(₹ in crore)

	FC XV projections	Budget Estimates (BE)	Actuals	Percentage variation of actuals over	
				Budget estimates	FC XV projections
Own Tax revenue	7171	6241	7827	(+) 25.41	(+) 9.15
Non-tax revenue	1471	5126	3869	(-) 24.52	(+) 163.02

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

The State's actual own tax revenue was higher than BE by ₹ 1,586 crore. However, State's actual non-tax revenue was lower than BE by ₹ 1,257 crore. Compared to BE lower collections under non-tax revenue was seen mainly under 'Power' by ₹ 452 crore and 'Non-Ferrous Mining and Metallurgical Industries' by ₹ 573 crore.

2.4 Application of resources

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

2.4.1 Growth and composition of expenditure

Table 2.14 presents the trends in total expenditure over a period of five years (2018-23) depicting its composition in terms of 'economic classification'.

Table 2.14: Total expenditure and its composition

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE)	13235	13295	14091	16912	18313
Revenue expenditure (RE)	11083	11622	12093	14227	14884
Capital expenditure (CE)	2149	1660	1997	2681	3425
Loans and advances	03	13	01	04	04
TE/GSDP (per cent)	18.42	17.72	18.61	20.47	20.20
RE/GSDP (per cent)	15.42	15.49	15.97	17.22	16.42
CE/GSDP (per cent)	2.99	2.21	2.64	3.25	3.78
Loans and advances/GSDP (per cent)	*	*	*	*	*

(Source: Finance Accounts of the State)

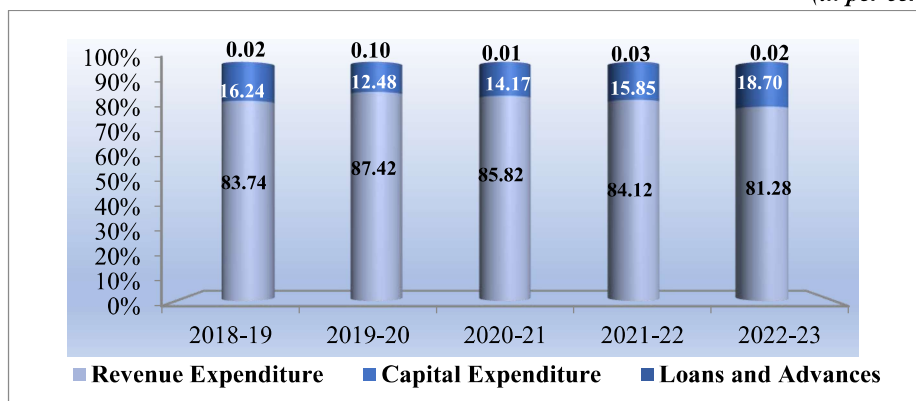
*The percentage of loans and advances to GSDP was negligible.

Total expenditure of the State Government increased by ₹ 5,078 crore (38.37 per cent) during the period 2018-23. Increase of total expenditure by ₹ 1,401 crore (8.28 per cent) during 2022-23 over the previous year was on account of ₹ 657 crore increase in revenue expenditure and ₹ 744 crore increase in capital expenditure. As a percentage of GSDP, total expenditure remained in the range of 17.72 to 20.47 per cent during 2018-23. The percentage of capital expenditure to GSDP increased from 3.25 per cent in 2021-22 to 3.78 per cent in 2022-23.

The share of revenue expenditure, capital expenditure and loans and advances in total expenditure during 2018-23 is shown in Chart 2.8.

Chart 2.8: Trends in composition of total expenditure

(in per cent)



(Source: Finance Accounts of the State)

As may be seen from **Table 2.15**, though revenue expenditure increased by ₹ 657 crore during 2022-23 over 2021-22, its share in total expenditure decreased from 84.12 *per cent* in 2021-22 to 81.28 *per cent* in 2022-23 (**Chart 2.8**). On the other hand, capital expenditure increased by ₹ 744 crore and its share in total expenditure also increased from 15.85 to 18.70 *per cent* during this period.

Growth rate of total expenditure at 8.28 *per cent* in 2022-23 was lower than the growth rate of General States (12.53 *per cent*) (**Appendix 1.1**).

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

Table 2.15: Relative shares of various sectors in total expenditure

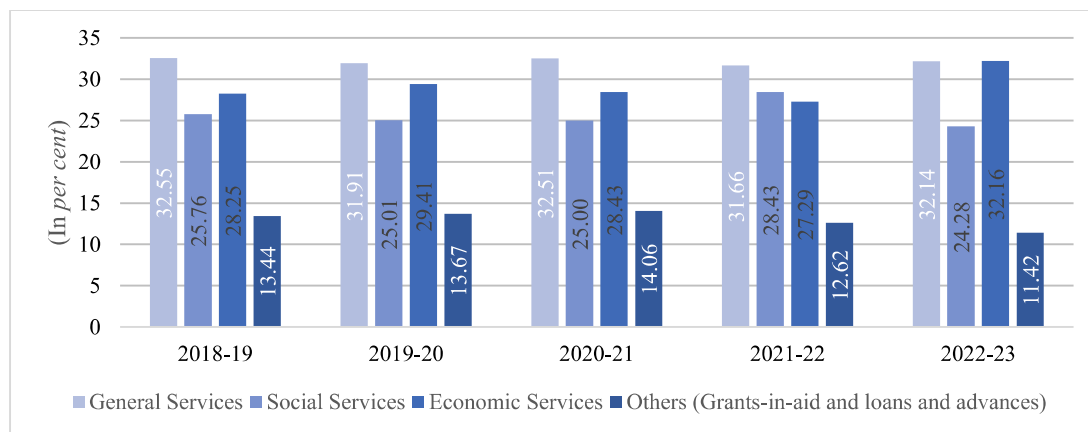
(in per cent)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
General services	32.55	31.91	32.51	31.66	32.14
Social services	25.76	25.01	25.00	28.43	24.28
Economic services	28.25	29.41	28.43	27.29	32.16
Others (Grants-in-aid and loans and advances)	13.44	13.67	14.06	12.62	11.42

(Source: Finance Accounts of the State)

Chart 2.9 shows the sector-wise representation of total expenditure of the State during 2018-23.

Chart 2.9: Sector-wise total expenditure during 2018-23



(Source: Finance Accounts of the State)

Chart 2.9 shows that during 2018-23, expenditure on General Services has been largely stable, ranging between 31.66 *per cent* and 32.55 *per cent*. Expenditure on Social Services showed a fluctuating trend. During 2021-22, it registered an increase of 28.43 *per cent* over the 25 *per cent* growth in the previous two years and declined to 24.28 *per cent* during 2022-23.

Expenditure on Economic Services exhibited a fluctuating trend, from 28.25 *per cent* in 2018-19, decreasing to 27.29 *per cent* in 2021-22, and subsequently peaking at 32.16 *per cent* in 2022-23. The category of 'Others,' encompassing grants-in-aid and loans and advances was largely stable between 13.44 *per cent* and 14 *per cent* during 2018-21, but subsequently registered a decline from 14.06 *per cent* in 2020-21 to 12.62 *per cent* and 11.42 *per cent* in 2021-22 and 2022-23 respectively.

2.4.2 Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payments for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth and ratio to GSDP for the last five years are indicated in **Table 2.16**.

Table 2.16: Revenue expenditure – basic parameters

	(₹ in crore)				
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE)	13235	13295	14091	16912	18313
Revenue expenditure (RE)	11083	11622	12093	14227	14884
Rate of growth of RE (<i>per cent</i>)	5.12	4.86	4.05	17.65	4.62
RE/TE (<i>per cent</i>)	83.74	87.42	85.82	84.12	81.28
RE/GSDP (<i>per cent</i>)	15.42	15.49	15.97	17.22	16.42
RE/RR (<i>per cent</i>)	96.90	102.89	115.83	99.59	86.11
Buoyancy of revenue expenditure with					
GSDP	1.42	1.10	4.50	1.94	0.47

(Source: Finance Accounts of the State)

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

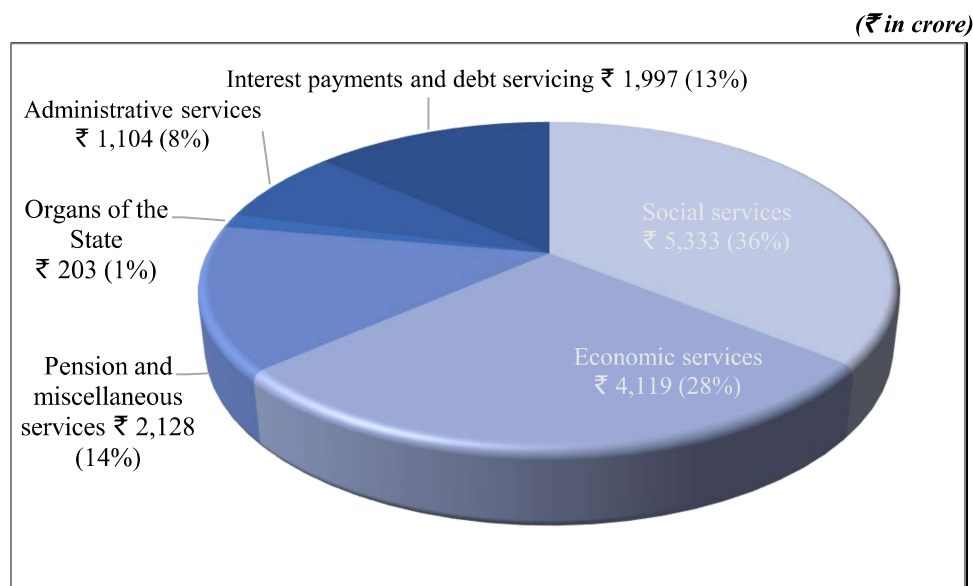
Revenue expenditure increased from ₹ 11,083 crore in 2018-19 to ₹ 14,884 crore in 2022-23 and grew by ₹ 657 crore (4.62 *per cent*) during 2022-23 over the previous year.

Revenue expenditure constituted 81 *per cent* of the total expenditure during 2022-23. The growth rate of revenue expenditure witnessed a fluctuating trend decreasing from 5.12 *per cent* in 2018-19 to 4.05 *per cent* in 2020-21, followed by increase to 17.65 *per cent* in 2021-22 and a decline to 4.62 *per cent* in 2022-23. The buoyancy of revenue expenditure to GSDP indicated that revenue expenditure grew at a faster rate than GSDP in four out five years, except during 2022-23.

The percentage of revenue expenditure to GSDP ranged between 15.42 *per cent* and 17.22 *per cent*. Growth rate of revenue expenditure at 4.62 *per cent* in 2022-23 was lower than the growth rate of GS (11.45 *per cent*) (**Appendix 1.1**).

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

Chart 2.10: Sector-wise distribution of revenue expenditure



(Source: Finance Accounts of the State)

2.4.2.1 Major changes in revenue expenditure

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

Table 2.17: Variations in revenue expenditure during 2022-23 *vis-à-vis* 2021-22

(₹ in crore)

Major Heads of Account	2021-22	2022-23	Increase(+)/Decrease (-)
2071 - Pensions and Other Retirement Benefits	1848	2119	271
2202 - General Education	1818	1997	179
2235 - Social Security and Welfare	736	908	172
2801- Power	2227	2744	517
2515 - Other Rural Development Programmes	279	170	(-)109
2215-Water Supply and Sanitation	1021	240	(-)781

(Source: Finance Accounts of the State)

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

- Higher expenditure towards cost of bulk supply of power, Major Head (MH) 2801.
- Increased financial assistance under superannuation and retirement allowances, family pensions, increased expenditure in Government contribution towards Defined contribution scheme, pensions to Legislators (MH 2071).

- Increased expenditure towards teacher's training, scholarships, Sanskrit education, *etc.* (MH 2202) and welfare of handicapped, welfare of aged, infirm, *etc.* (MH 2235).

The increase in revenue expenditure during 2022-23 was partly offset mainly by decrease in expenditure under Urban Water Supply Programmes³ (MH 2215) and Special Component Plan for Scheduled Castes (MH 2515).

2.4.2.2 Committed expenditure

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

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

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

Table 2.18 presents the trend of committed expenditure and its components during 2018-23.

³ Towards raw water charges to Water Resources Department

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

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Components of Committed Expenditure					
Salaries and wages	2799	2935	2959	3294	3805
GIA to Panchayats for pay and allowances	16	12	23	17	24
Interest payments	1344	1465	1590	1783	1816
Pension	1299	1313	1412	1848	2119
Committed expenditure* (CE)	5458	5725	5984	6942	7764
Components of Inflexible Expenditure					
Statutory devolution to local bodies	144	211	231	167	163
Contribution to Reserve Funds	261	459	115	322	356
Recoupment of Contingency Fund	2	(-)1	0	0	0
Transfer of cess to reserve fund / other body	-	-	47	16	14
Inflexible Expenditure (IE)	407	669	393	505	533
Committed Expenditure as a percentage of Revenue Receipts (RR)					
Revenue Receipts	11438	11297	10440	14286	17284
Salaries and wages	24.47	25.98	28.34	23.06	22.01
Grants-in-aid to Panchayats for pay and allowances	0.14	0.11	0.22	0.12	0.14
Interest payments	11.75	12.97	15.23	12.48	10.51
Pension	11.36	11.62	13.52	12.94	12.26
CE as a percentage of RR	47.72	50.68	57.32	48.59	44.92
IE as a percentage of RR	3.56	5.92	3.76	3.53	3.08
Committed Expenditure as a percentage of Revenue Expenditure (RE)					
Revenue Expenditure	11083	11622	12093	14227	14884
Salaries and wages	25.25	25.25	24.47	23.15	25.56
Grants-in-aid to Panchayats for pay and allowances	0.14	0.10	0.19	0.12	0.16
Interest payments	12.13	12.61	13.15	12.53	12.20
Pension	11.72	11.30	11.68	12.99	14.24
CE as a percentage of RE	49.25	49.26	49.48	48.79	52.16
IE as a percentage of RE	3.67	5.76	3.25	3.55	3.58
Non-committed RE	5625	5897	6109	7285	7120
Percentage of RE	50.75	50.74	50.52	51.21	47.84
Percentage of TE	42.50	44.36	43.35	43.08	38.88
Subsidies	301	262	266	275	299
Subsidies as <i>percentage</i> of non-committed expenditure	5.35	4.44	4.35	3.77	4.20

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

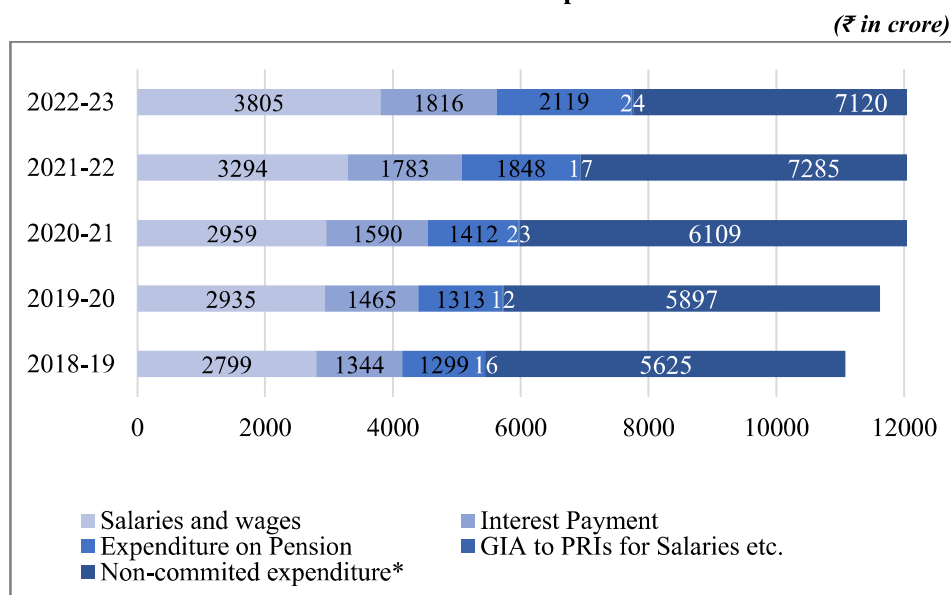
*Including figures of grants-in-aid to Panchayats for pay and allowances.

Total committed expenditure showed an increasing trend during 2018-23. During 2022-23, committed expenditure constituted 45 *per cent* of revenue

receipts (lowest during the five-year period 2018-23) and 52 *per cent* of revenue expenditure (highest during the five-year period 2018-23).

Chart 2.11 presents the trends of various components of committed expenditure and non-committed expenditure during 2018-23.

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



(Source: Finance Accounts of the State)

*Non-committed expenditure = Total revenue expenditure – Committed expenditure. For instance, non-committed expenditure for the year 2022-23 would be ₹ 7,120 crore (₹ 14,884 crore – ₹ 7,764 crore)

Salaries and wages

During 2022-23, expenditure on salaries and wages increased by 15.51 *per cent* which was higher than the growth rate of 11.32 *per cent* registered during 2021-22 over the year 2020-21.

Growth rate of salary and wages at 15.51 *per cent* during 2022-23 was significantly higher than the growth rate of General States (8.52 *per cent*) (**Appendix 1.1**).

Pension payment

Pension payment increased by 14.66 *per cent* during 2022-23 over the previous year. Expenditure on pensions in 2022-23 accounted for 12 *per cent* of the revenue receipts and 14 *per cent* of revenue expenditure of the State Government.

Actual expenditure on pensions during 2022-23 *vis-à-vis* assessment made by FC XV and projections of the State Government in BE are shown in **Table 2.19**.

Table 2.19: Actual pension payments *vis-à-vis* assessment of FC XV and State's projections in BE

(₹ in crore)

Year	Assessment made by FC XV	Assessment made by State Government in BE	Actuals
2022-23	1425	2041	2119

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

The table indicates that actual outgo towards pension payment was more than the assessment of FC XV and the State Government's own projections made in BE for 2022-23.

Expenditure on pension payment during 2022-23 grew by 14.66 *per cent* over the previous year while it grew by 11.38 *per cent* in General States (Appendix 1.1).

Interest payment

Interest payment increased from ₹ 1,344 crore in 2018-19 to ₹ 1,816 crore in 2022-23. However, during 2022-23 the increase was marginal (₹ 33 crore) over the previous year. Component-wise details of interest payment made by the State Government during 2018-23 are shown in Table 2.20.

Table 2.20: Component-wise details of interest payments made by the State Government during 2018-23

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Interest payments	1344	1465	1590	1783	1816
Of which, interest payment made on					
1. Internal debt	1080	1188	1328	1497	1548
i. Market loans	792	934	1096	1279	1340
ii. National Small Savings Fund (NSSF)	242	221	189	184	165
iii. National Bank for Agriculture and Rural Development (NABARD)	37	25	36	30	38
Loans from other financial institutions	04	04	02	01	01
Ways and means advances & overdrafts	03	01	02	00	00
Management of debt (payable to RBI for open market borrowings)	02	03	03	03	04
2. Loans from GoI	16	19	23	20	21
3. Deposits, small savings and PF, etc.	248	258	239	266	247
i. Small savings and PF, etc.	178	176	171	202	175
ii. Deposits and advances	70	82	68	64	72

(Source: Finance Accounts of the State)

The ratio of interest payment to revenue receipts is an important indicator of the debt sustainability of the State. This ratio stood at 11 *per cent* during 2022-23 and was lower than the previous year (12 *per cent*).

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

Table 2.21: Interest payments *vis-à-vis* assessment of FC XV and State's projections in BE

(₹ in crore)

Year	Assessment made by FC XV	Assessment made by State Government in BE	Actuals
2022-23	2087	1988	1816

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

The table indicates that actual outgo towards interest payment was lesser than the assessment of FC XV and State Government's own projections made in BE for 2022-23.

2.4.2.3 Undischarged liabilities under National Pension System

In order to limit future pension liabilities, the State Government introduced a Defined Contribution Pension Scheme known as the New Contributory Pension Scheme for employees recruited after 05 August 2005. As per the scheme guidelines, it is mandatory for every employee to contribute 10 *per cent* of his/her basic pay and dearness allowance every month, which is matched by the State Government and the entire amount is transferred to the designated fund manager through National Securities Depository Limited (NSDL)/Trustee Bank. The State Government increased its contribution towards the scheme from 10 to 14 *per cent* since 01 April 2021. The State Government signed (January 2010) an agreement with National Pension System (NPS) trust for fund management of the scheme and adopted the central framework for implementation of the scheme.

During 2022-23, State Government collected ₹ 218.29 crore from its employees as contribution towards new pension scheme and also contributed ₹ 308.37 crore as its share. Against the total collected funds of ₹ 658.22 crore (including untransferred balance of ₹ 131.56 crore from previous year) due to be transferred to NSDL, State Government transferred only ₹ 549.90 crore. Thus, State Government's liability as on 31 March 2023 was ₹ 120.35 crore (₹ 108.32 crore due plus ₹ 12.03 crore as accrued interest), under the scheme.

2.4.2.4 Subsidies

Subsidies as a percentage of revenue receipts and revenue expenditure during 2018-23 were as shown in the **Table 2.22**.

Table 2.22: Expenditure on subsidies during 2022-23

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies	301	262	266	275	299
Subsidies as percentage of revenue expenditure	2.71	2.25	2.20	1.93	2.01
Subsidies as percentage of revenue receipts	2.63	2.32	2.55	1.92	1.73

(Source: Finance Accounts of the State)

During 2022-23, a significant portion of subsidy went to road transport (₹ 137 crore), dairy development (₹ 45 crore), crop husbandry (₹ 46 crore), food storage and warehousing (₹ 30 crore) and fisheries (₹ 26 crore).

Expenditure on subsidies increased by 8.73 per cent during 2022-23 over the previous year. Expenditure on subsidies in 2022-23 accounted for 1.73 per cent of the revenue receipts and 2.01 per cent of revenue expenditure of the State Government.

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

Financial assistance to local bodies and other institutions (₹ 2,098.14 crore) constituted 14 per cent of the State's revenue expenditure during 2022-23.

Quantum of assistance provided by way of grants and loans to local bodies and other institutions during 2018-23 is presented in **Table 2.23**.

Table 2.23: Financial assistance to local bodies and other institutions

(₹ in crore)

Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
Panchayati Raj Institutions	86.12	86.65	183.12	140.55	111.78
Urban Local Bodies	74.01	135.52	71.39	43.60	74.89
Public Sector Undertakings	41.59	26.85	24.74	31.81	32.78
Autonomous Bodies	1278.11	1201.26	1319.52	1372.16	1378.61
Others	300.63	358.82	388.40	557.08	500.08
Total	1780.46	1809.10	1987.17	2145.20	2098.14
Assistance as percentage of revenue expenditure	16.06	15.57	16.43	15.08	14.10

(Source: Finance Accounts of the State)

Financial assistance to local bodies and other institutions during 2022-23 decreased by ₹ 47 crore (two per cent) over 2021-22.

2.4.3 Capital expenditure

Capital expenditure is primarily an expenditure on creation of fixed infrastructure assets such as roads, buildings, *etc.* Overall capital expenditure, its rate of growth and as a percentage of total expenditure during 2018-23 are indicated in **Table 2.24**.

Table 2.24: Capital expenditure-basic parameters

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenditure (TE)	13235	13295	14091	16912	18313
Capital expenditure (CE)*	2149	1660	1997	2681	3425
Rate of growth of capital expenditure (per cent)	2.63	(-)22.75	20.30	34.25	27.75
CE/TE (per cent)	16.24	12.49	14.17	15.85	18.70

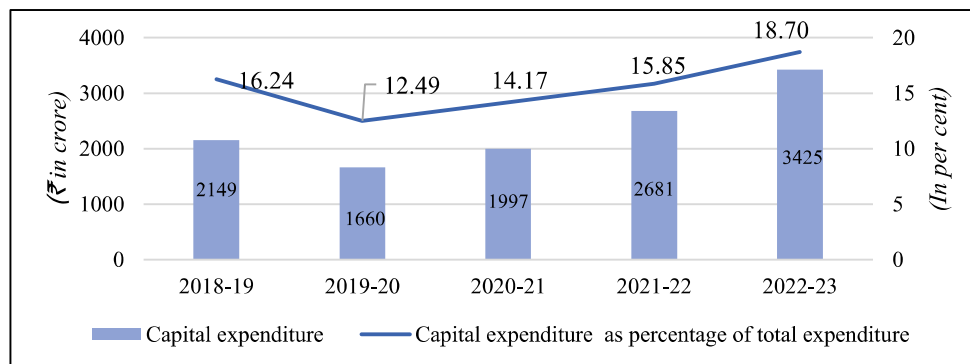
(Source: Finance Accounts of the State)

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

Capital expenditure showed an increase from ₹ 2,149 crore in 2018-19 to ₹ 3,425 crore in 2022-23. During 2022-23, capital expenditure increased by ₹ 744 crore (28 *per cent*) over 2021-22. Further, in the five-year period 2018-23, the percentage of capital expenditure to total expenditure was highest during 2022-23 (18.70 *per cent*).

Chart 2.12 shows the capital expenditure and its share in total expenditure during 2018-23.

Chart 2.12: Capital expenditure and its share in total expenditure during 2018-23



(Source: Finance Accounts of the State)

2.4.3.1 Major changes in capital expenditure

Table 2.25 highlights cases of significant increase or decrease in capital expenditure under various heads of accounts during 2022-23 *vis-à-vis* the previous year.

Table 2.25: Capital expenditure during 2022-23 vis-à-vis 2021-22*(₹ in crore)*

Major Heads of Accounts	2021-22	2022-23	Increase (+)/ Decrease (-)
4210- Capital Outlay on Medical and Public Health	189	78	(-) 111
4801 - Capital Outlay on Power Projects	264	478	214
5054 - Capital Outlay on Roads and Bridges	436	678	242

(Source: Finance Accounts of the State)

Increase in expenditure under capital outlay on roads and bridges (MH 5054) was largely due to higher allocation under District and Other Roads and State Highways. State Government also increased its allocations for Transmission and Distribution (₹ 214 crore) under capital outlay on Power projects (MH 4801).

Further, decrease in capital outlay on Medical and Public Health (MH 4210) was mainly due to decreased expenditure towards Urban Health Services (₹ 81 crore) and Training and Research (₹ 26 crore).

During 2022-23, capital expenditure grew by 27.71 per cent over the previous year while it grew by 18.93 per cent in GS (**Appendix 1.1**).

2.4.3.2 Quality of capital expenditure

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

This section presents a broad financial analysis of investments and other capital expenditure made by the State Government during 2022-23 vis-à-vis previous years.

Quality of investment in companies, corporations and other bodies

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

Statement No. 19 of Finance Accounts of the State Government contains the details of investments of the Government at the end of March 2023. As on 31 March 2023, total Government investment in companies, corporations and other bodies was ₹ 698.17 crore. Return on this investment ranged from 0.20 to

0.24 *per cent* during 2018-23 while the Government paid an average interest of up to 6.90 *per cent* on its borrowings during the same period. This indicated that returns on investment had been very poor.

Table 2.26 shows returns on investment of the State Government during 2018-23.

Table 2.26: Returns on investment

(₹ in crore)

Investments/Returns/Cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Investment at the end of the year	630.76	640.71	650.10	657.56	698.17
Return on investments	1.46	1.42	1.29	1.61	1.47
Return on investments (<i>per cent</i>)	0.23	0.22	0.20	0.24	0.21
Average rate of interest on Government borrowings (<i>per cent</i>)	6.90	6.82	6.48	6.41	6.11
Difference between average interest rate on borrowings and return on investments (<i>per cent</i>)	6.67	6.60	6.28	6.17	5.90
Difference between interest paid on Government borrowings and return on investments (₹ in crore)	1343	1464	1589	1781	1815

(Source: Finance Accounts of the State)

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

During 2022-23, the State Government invested ₹ 57.50 crore, out of which ₹ 37.50 crore was in Kadamba Transport Corporation, ₹ 15 crore in Goa State Scheduled Tribes Finance and Development Corporation Limited and ₹ five crore in Apex Co-operative Bank.

Loans and advances disbursed by the State Government

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

Table 2.27 presents the outstanding loans and advances as on 31 March 2023, interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.27: Status of loans and advances

(₹ in crore)

Loans disbursed/interest receipts/cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Opening balance	97.81	95.77	105.61	104.21	105.92
Amount advanced during the year	3.10	13.42	1.61	3.87	4.31
Amount repaid during the year	5.14	3.58	3.01	2.16	2.10
Closing balance	95.77	105.61	104.21	105.92	108.13
Interest received (₹ in crore)	2.29	2.05	1.63	1.65	1.16
Interest receipts as percentage of average outstanding loans and advances	2.37	2.04	1.55	1.57	1.08
Interest payments as percentage of outstanding borrowings of the Government	6.58	6.50	6.00	6.12	5.99
Difference between interest receipts and interest payments (per cent)	4.21	4.46	4.45	4.55	4.91

(Source: Finance Accounts of the State)

Total outstanding loans and advances increased from ₹ 96 crore in 2018-19 to ₹ 108 crore in 2022-23. Disbursements during the year were ₹ 4.31 crore compared to ₹ 3.87 crore in the previous year.

Loans were disbursed mainly under economic sector for tribal area sub-plan (₹ 1.20 crore) and under social services for secondary education (₹ 1.20 crore). ₹ 1.88 crore was also disbursed to Government servants for purchase of motor conveyances and computers. State Government received interest of ₹ 1.16 crore during the current year while it paid interest of ₹ 1,816 crore on its overall liabilities (₹ 30,304 crore).

Capital locked in incomplete projects

An assessment of capital blocked in incomplete capital works is also an indicator of the quality of capital expenditure. As per the Finance Accounts 2022-23, there were 176 incomplete projects on which an expenditure of ₹ 488.78 crore had been incurred till 31 March 2023. Out of these, 22 projects were reported to be 100 *per cent* physically completed but had not yet attained financial closure and 49 projects were planned for completion after 31 March 2023. Details of the rest of the incomplete projects are shown in **Tables 2.28 and 2.29**.

Table 2.28: Year-wise details of incomplete projects as on 31 March 2023

Year of commencement	No. of incomplete projects	Estimated cost (₹ in crore)	Expenditure as on 31 March 2023 (₹ in crore)
2014-15	02	5.79	5.09
2015-16	01	7.93	6.05
2016-17	02	8.48	5.19
2017-18	01	2.64	2.18
2018-19	18	47.56	30.75
2019-20	16	31.88	10.61
2020-21	22	96.33	23.05
2021-22	39	421.79	127.89
2022-23	04	14.18	5.54
Total	105	636.58	216.35

(Source: Finance Accounts of the State)

Thus, there were 105 incomplete projects (more than ₹ one crore each) as on 31 March 2023 for which ₹ 216.35 crore had been spent as of March 2023. Of these, two projects⁴ which commenced as long back as 2014-15 remained incomplete as of March 2023.

Table 2.29: Age-analysis of incomplete projects as on 31 March 2023

Sl. No.	Range of delay (in years)	Incomplete projects		
		Number	Estimated cost (₹ in crore)	Expenditure as on 31 March 23 (₹ in crore)
1	1-3	88	592.81	185.90
2	3-5	15	35.29	25.26
3	5-7	02	8.48	5.19
	Total	105	636.58	216.35

(Source: Finance Accounts of the State)

It is seen from **Table 2.29** that of the 105 incomplete projects, 88 projects with an estimated cost of ₹ 592.81 crore were delayed by one to three years.

Department-wise profile of incomplete projects as on 31 March 2023 is shown in **Table 2.30**.

⁴ Construction of footpath & widening of road with protecting wall from Ganesh temple at Torda to Madkaikar house at Umbra in V. P. Salvador - do - Mundo in Porvorim Constituency (90 per cent complete) and Consultancy Service for the work of Four Lanning of existing Goa/Karnataka Border Panaji-Goa. Section of NH-4A from Km.84/000 to 153/075 in the state of Goa on Build Operate Transfer (BOT) (Toll) basis under NH-DP-III (Anmod to Panaji-section) (95 per cent complete)

Table 2.30: Department-wise profile of incomplete projects as on 31 March 2023

Department	No. of incomplete projects	Estimated cost (₹ in crore)	Expenditure as on 31 March 2023 (₹ in crore)
Roads, Bridges and Buildings	92	564.42	205.71
Irrigation, Water Supply and Sanitation	13	72.16	10.64
Total	105	636.58	216.35

(Source: Finance Accounts of the State)

Roads, Bridges and Buildings department accounted for 89 *per cent* of the estimated cost of incomplete projects.

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

Recommendation 4: State Government may take effective steps to complete all the projects expeditiously, so that the intended benefits reach the beneficiaries.

2.4.4 Expenditure priorities

Development expenditure consists of both economic sector expenditure and social sector expenditure. Enhancing human development levels requires the states to step up their expenditure on key social services like education, health, *etc.* Low fiscal priority⁵ is deemed to be attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of social, economic and capital expenditure to total expenditure, the better is the quality of expenditure.

Table 2.31 shows the fiscal priority of the State with regard to total expenditure, development expenditure, social sector expenditure, economic sector expenditure and capital expenditure *vis-à-vis* GS in 2018-19 and 2022-23.

⁵ Ratio of expenditure under a category to total expenditure

Table 2.31: Fiscal priorities of the State in 2018-19 and 2022-23

	AE/ GSDP	CE/ AE	SSE/ AE	ESE/ AE	DE/ AE	Education/ AE	Health/ AE
General States Average (2018-19)	16.38	15.58	36.60	30.65	67.24	14.76	5.07
Goa State (2018-19)	18.42	16.24	37.67	29.75	67.44	17.26	7.20
General States Average (2022-23)	15.79	15.22	38.11	29.17	67.28	14.85	5.68
Goa State (2022-23)	20.20	18.70	34.04	33.65	67.71	13.64	7.80

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

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

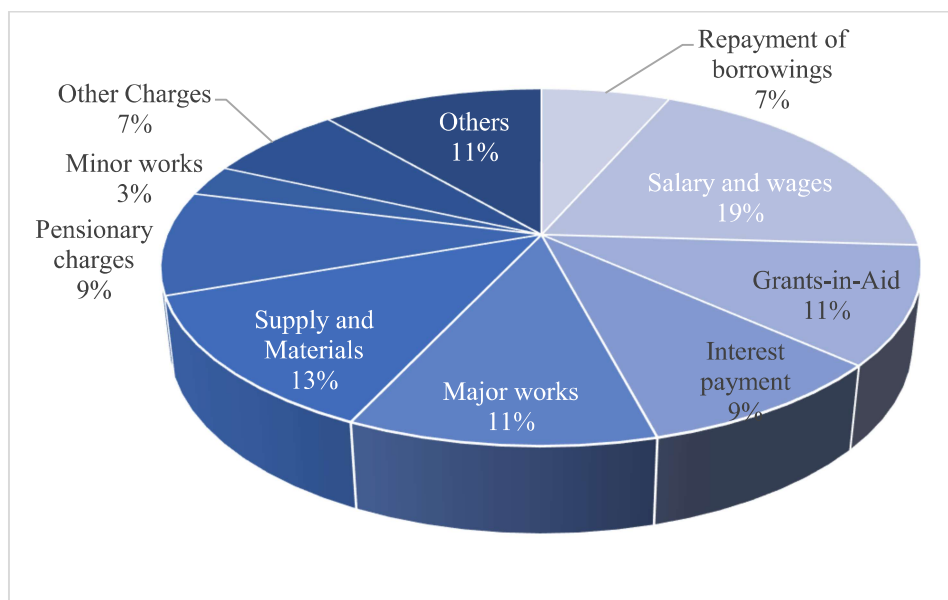
Analysis of the fiscal priorities of the State as shown in **Table 2.31** revealed the following:

- Aggregate expenditure to GSDP in Goa during 2018-19 and 2022-23 was higher than the General States.
- Economic sector expenditure in Goa (as a proportion of aggregate expenditure) was lower in 2018-19 and higher in 2022-23 than the General States average. Social sector expenditure (as a proportion of aggregate expenditure) was higher in 2018-19 and lower in 2022-23 than the General States.
- Capital expenditure (as a proportion of aggregate expenditure) in Goa was higher than General States in 2018-19 and 2022-23.
- Development expenditure (as a proportion of aggregate expenditure) in Goa was marginally higher than General States in 2018-19 and 2022-23.
- Goa's spending on education, sports, art and culture (as a proportion of aggregate expenditure) was higher than General States in 2018-19 but was lower in 2022-23.
- Goa gave higher fiscal priority to health and family welfare than General States during 2018-19 and 2022-23.

2.4.5 Object head-wise expenditure

The Object head-wise expenditure during 2022-23 showing information regarding specific object/purpose of expenditure is presented in **Chart 2.13**.

Chart 2.13: Object head-wise expenditure



(Source: Finance Accounts of the State)

The **Chart 2.13** shows that during 2022-23, 19 *per cent* of total expenditure was spent on salary and wages. The remaining 81 *per cent* was non-salary expenditure, such as works, repayment of borrowings, pension payment, grants-in-aid, interest payments and others.

2.5 Public Account

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances and others, which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these transactions. The balance after disbursements during the year is the fund available with the Government for its use.

2.5.1 Net Public Account balances

Component-wise net balances in Public Account during the last five years are given in **Table 2.32**.

Table 2.32: Component-wise net balances in public account during 2018-23

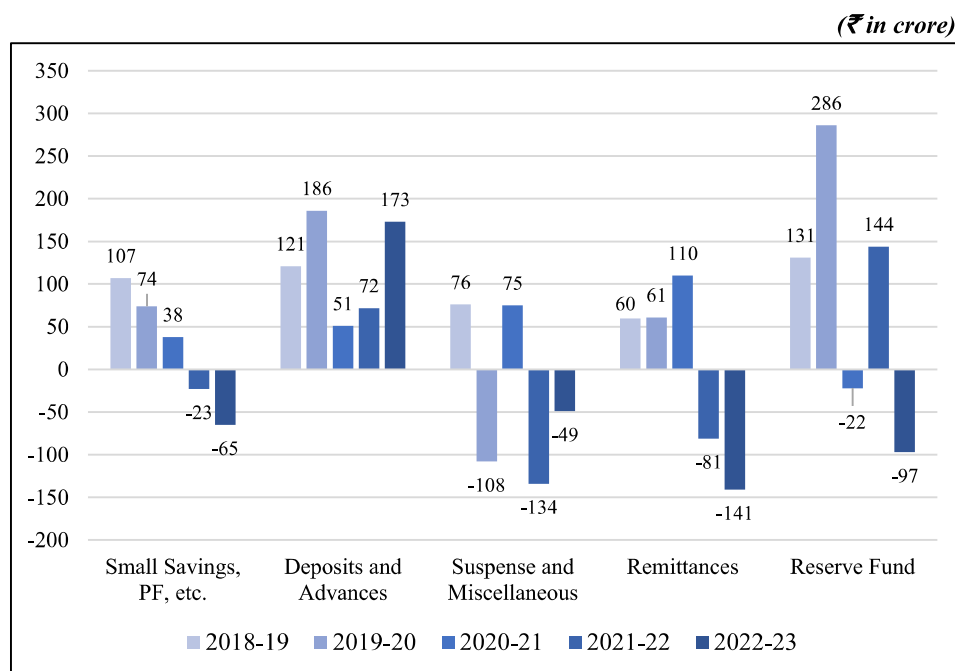
(₹ in crore)

Sector	Sub-Sector	2018-19	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	107	74	38	(-) 23	(-)65
J. Reserve Funds	(a) Reserve Funds bearing Interest	04	249	(-)16	32	(-)03
	(b) Reserve Funds not bearing Interest	127	37	(-)06	112	(-)94
Sub-total:		131	286	(-) 22	144	(-) 162
K. Deposits and Advances	(a) Deposits bearing Interest	111	142	(-)120	10	55
	(b) Deposits not bearing Interest	10	44	171	62	118
	(c) Advances	-	-	-	-	-
Sub-total:		121	186	51	72	173
L. Suspense and Miscellaneous	(a) Suspense	(-)18	12	(-)32	(-)32	(-)1243
	(b) Other Accounts	94	(-)120	107	(-)102	1194
	(c) Accounts with Governments of Foreign Countries	-	-	-	-	
	(d) Miscellaneous	-	-	-	-	
Sub-total:		76	(-) 108	75	(-) 134	(-) 49
M. Remittances	(a) Money Orders and other Remittances	60	61	110	(-)81	(-)141
	(b) Inter-Governmental Adjustment Account	-	-	-	-	-
Sub-total:		60	61	110	(-) 81	(-) 141
Total		495	499	252	(-) 22	(-) 179

(Source: Finance Accounts of the State)

During 2022-23, there were more disbursements from the Public Account than receipts, the difference being ₹ 179 crore. This was the second consecutive year when there were more (net) disbursements out of the Account, which increased from ₹ 22 crore in 2021-22 to ₹ 179 crore during the year. This was mainly due to higher disbursements under Reserve funds, Small Savings, PF, etc. and Remittances head.

Yearly changes in composition of balances in Public Account over the five-year period (2018-23) are shown in **Chart 2.14**.

Chart 2.14: Yearly changes in composition of Public Account balances

(Source: Finance Accounts of the State)

2.5.2 Reserve funds

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

There were nine⁶ reserve funds earmarked for specific purposes during 2022-23, of which two funds were inoperative with a balance of ₹ three crore. The total accumulated balance in these funds as on 31 March 2023 was ₹ 2,155 crore, of which ₹ 1,280 crore (59 per cent) was invested. Transactions under these reserve funds during 2022-23 are shown in **Table 2.33**.

⁶ An account of these funds is included in Statement No. 21 and 22 of the Finance Accounts 2022-23.

Table 2.33: Transactions under reserve funds

(₹ in crore)

Classification	Opening balance	Receipts	Payment	Closing balance
Active/Operative reserve funds				
8121-122-State Disaster Response Fund	61.98	15.25	6.57	70.66
8121-129-State Compensatory Fund	203.64	4.50	0	208.14
8222-101-Sinking Fund	711.51	121.11	0	832.62
8229-110-Electricity Development Fund	895.78	150.00	445.50	600.28
8235-117-Guarantee Redemption Fund	349.82	51.00	0	400.82
8235-200-Beaches Improvement Fund	32.75	6.09	0	38.84
8229-123-State Consumer Welfare Funds	0.23	0.01	0	0.24
Total	2255.71	347.96	452.07	2151.60
Inactive/Inoperative reserve funds				
8235-119-National Calamity Contingency Fund	2.99	-	-	2.99
8235-200-Special Fund for Compensatory Afforestation	0.08	-	-	0.08
Total	3.07	-	-	3.07
Grand Total	2258.78	347.96	452.07	2154.67

(Source: Finance Accounts of the State)

2.5.2.1 Consolidated Sinking Fund

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

The Government of Goa constituted a Consolidated Sinking Fund in 1999-2000 for amortisation of its outstanding liabilities. The scheme for 'Constitution and Administration of the Consolidated Sinking Fund of Government of Goa' notified by the State Government on 17 December 2009 provided that the State Government may contribute a minimum annual contribution of 0.5 per cent of the outstanding liabilities (public debt plus Public Account liabilities) at the end of the previous financial year. During the year, the State Government contributed ₹ 60 crore as against ₹ 145.59⁷ crore to be contributed to the fund. The fund also attracted interest receipts amounting to ₹ 61.11 crore on investments as on 31 March 2022

⁷ ₹ 145.59 crore = 0.5 per cent of ₹ 29,118 crore (Fiscal liabilities at the beginning of 2022-23)

(₹ 711.51 crore). Thus, the total accumulated fund as on 31 March 2023 was ₹ 832.62 crore. No expenditure was incurred from the fund during the year.

2.5.2.2 State Disaster Response Fund

As per recommendations of the Thirteenth Finance Commission (FC XIII), State Government had set up the State Disaster Response Fund (SDRF) in 2010-11. In terms of GoI guidelines (September 2010), Central and State Governments were required to contribute to the fund in the ratio of 75:25.

The contributions were to be transferred to the Public Account (Major Head 8121), while the expenditure to be charged to the Fund during the year was to be shown under Major Head 2245⁸.

As on 01 April 2022, the Fund (MH 8121) had an opening balance of ₹ 61.98 crore. Out of total receipts of ₹ 15.25⁹ crore during 2022-23, the State contribution was ₹ 3.20 crore, Central contribution was ₹ 9.60 crore and interest receipts amounted to ₹ 2.45 crore. An expenditure of ₹ 6.58 crore was incurred on natural calamities through Personal Deposit Account (PDA)/Personal Ledger Account (PLA) opened for the purpose and was shown under the Public Account (8121-122).

However, corresponding booking of this expenditure was not done under 2245 (Relief on account of Natural Calamities) – 05 (State Disaster Response Fund) – 901 (Deduct-Amount met from State Disaster Response Fund) as required under the guidelines.

With regard to the SDRF expenditure being met from PDAs/PLAs operated by Collectors, North and South, the Finance Department informed during the exit conference (21/02/2024) that the PDAs/PLAs would be closed after the correct Head of Accounts have been opened.

2.5.2.3 Guarantee Redemption Fund

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

⁸ The actual expenditure on relief works will be booked only under respective minor heads within Major Head: 2245. The expenditure to be charged to the SDRF will be shown as a negative entry under 2245-05-901 – Deduct amount met from SDRF for relief expenditure.

⁹ The total transfer of ₹ 12.80 crore (₹ 9.60 crore as Central share and ₹ 3.20 crore as State Share) to 8121-122 was incorrectly booked under the head 2245-07-102 instead of 2245-05-101 as prescribed by the guidelines issued by the GoI (O.M. 32-3/2010-NDM-1 issued by Ministry of Home Affairs on 28/09/2010) on 'Constitution and Administration of the State Disaster Response Fund'

During the year, State Government contributed ₹ 20 crore to the fund, which was more than the required minimum contribution of ₹ 3.31 crore, being 0.5 *per cent* of the outstanding guarantees (₹ 662 crore) as on 01 April 2022.

At the beginning of the year, ₹ 350 crore was available in the fund. Interest received on investment at the end of the year was ₹ 31 crore. The closing balance under the fund was ₹ 401 crore, which was 99 *per cent* of the outstanding guarantees of ₹ 405 crore at the end of year (2022-23). During 2022-23, no amount was paid by the State Government on account of invocation of guarantees.

2.6 Public liability management

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

According to the Goa Fiscal Responsibility and Budget Management (GFRBM) Act, 2006, total liabilities (herein termed as total outstanding debt) means the liabilities under the Consolidated Fund of the State and the Public Account of the State. The total outstanding debt of the State Government and its rate of growth during the period 2018-23 are shown in **Table 2.34**.

Table 2.34: Total outstanding debt during 2018-23

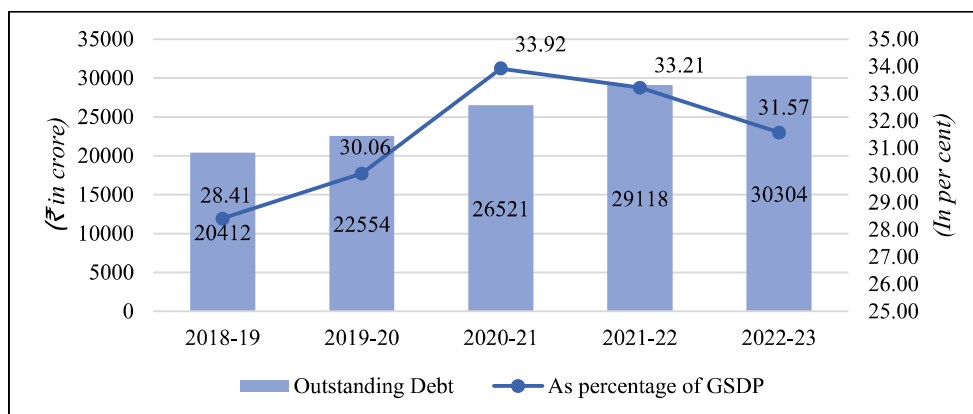
(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Total outstanding debt	20412	22554	26521	29118	30304
Rate of growth of outstanding debt (<i>per cent</i>)	10.03	10.49	17.59	9.79	4.07
GSDP	71853	75032	75705	82604	90642
Debt/GSDP (<i>per cent</i>)¹⁰	28.41	30.06	33.92	33.21	31.57

(Source: Finance Accounts of the State)

¹⁰ As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) *in-lieu* of shortfall in GST compensation have not been considered as public debt/total outstanding liabilities of the State Government.

Chart 2.15: Trends of outstanding debt during 2018-23



(Source: Finance Accounts of the State)

Total outstanding debt of the State Government increased by 48 per cent during the last five years from ₹ 20,412 crore in 2018-19 to ₹ 30,304 crore in 2022-23. During 2022-23, it increased by 4.07 per cent over the previous year, but was relatively lower than the growth rate recorded in 2021-22 over 2020-21 (9.79 per cent).

2.6.1 Debt profile: components

Table 2.35 presents the component-wise overall debt indicators for the period 2018-23.

Table 2.35: Component-wise debt trends

	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Total outstanding debt (A+B)	20412	22554	26521	29118	30304
A. Public debt					
(i) Internal debt	14019	15746	18697	20321	21174
(ii) Loans from GoI	1201	1148	2033	2951	3446
B. Liabilities on Public Account	5192	5660	5791	5846	5684
C. Off-budget borrowings	-	919	789	370	800
Rate of growth of outstanding debt (per cent)	10.03	10.49	17.59	9.79	4.07
GSDP	71853	75032	75705	82604	90642
Debt/GSDP (per cent)¹¹	28.41	30.06	33.92	33.21	31.57
Interest payments	1344	1465	1590	1783	1816
Burden of interest payments (IP/RR) (per cent)	11.75	12.97	15.23	12.48	10.51
Total debt receipts	6444	5351	8963	6646	4324
Total debt repayments (debt redemption)¹²	5928	4674	6586	5832	4954
Total debt available	516	677	2377	814	(-) 630
Debt repayments/debt receipts (per cent)	92	87	73	88	115

(Source: Finance Accounts of the State)

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

¹² Debt redemption (₹ 4,954 crore) = Total debt repayments during the year (₹ 3,138 crore) + Total interest payments during the year (₹ 1,816 crore)

Total outstanding debt (₹ 30,304 crore) of the State Government at the end 2022-23 comprised internal debt ₹ 21,174 crore (70 *per cent*), Public Account liability of ₹ 5,684 crore (19 *per cent*) and loans and advances from GoI of ₹ 3,446 crore (11 *per cent*). Internal debt comprised market loans (₹ 18,014 crore), special securities issued to NSSF (₹ 1,520 crore), NABARD¹³ (₹ 1,457 crore) and loans from financial institutions (₹ 183 crore).

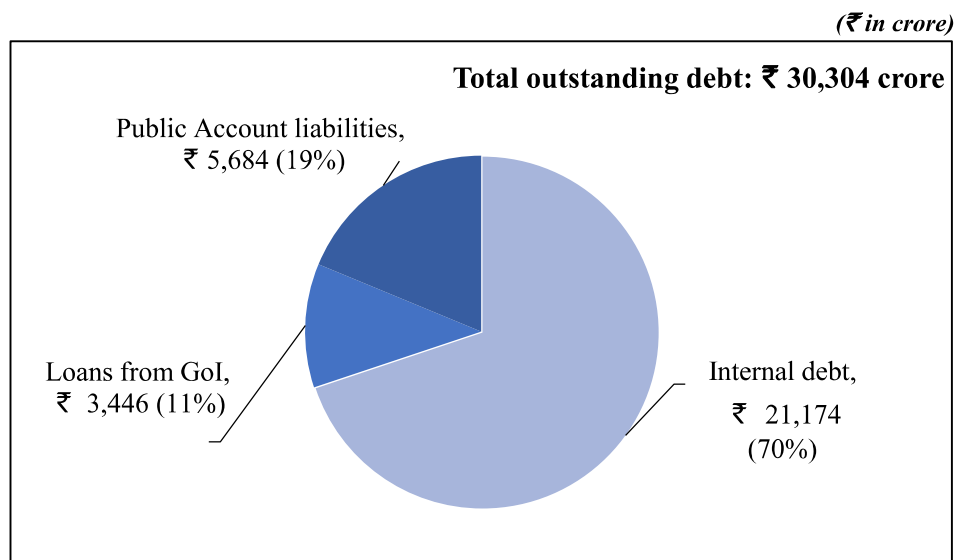
In the fiscal year 2022-23, the total debt rose by ₹ 1,186 crore, which was a notable decrease compared to the ₹ 2,597 crore increase recorded in the preceding fiscal year, 2021-22. This decrease was mainly due to lower net market borrowings of the State *i.e.* ₹ 500 crore in 2022-23 *vis-à-vis* ₹ 1,450 crore in 2021-22.

Total outstanding debt-GSDP ratio increased from 28.41 *per cent* in 2018-19 to 33.92 *per cent* in 2020-21. During 2021-22, the debt-GSDP ratio showed a marginal decline to 33.21 *per cent*, which further reduced during 2022-23 to 31.57 *per cent*.

State Government breached the ceiling of outstanding debt to GSDP ratio of 25 *per cent*, fixed under GFRBM (First Amendment) Act, 2014, every year during the last five years (2018-23).

Chart 2.16 presents the break-up of total outstanding debt at the end of March 2023 while the component-wise debt trends during last five years is shown in **Chart 2.17**.

Chart 2.16: Break-up of total outstanding debt at the end of March 2023

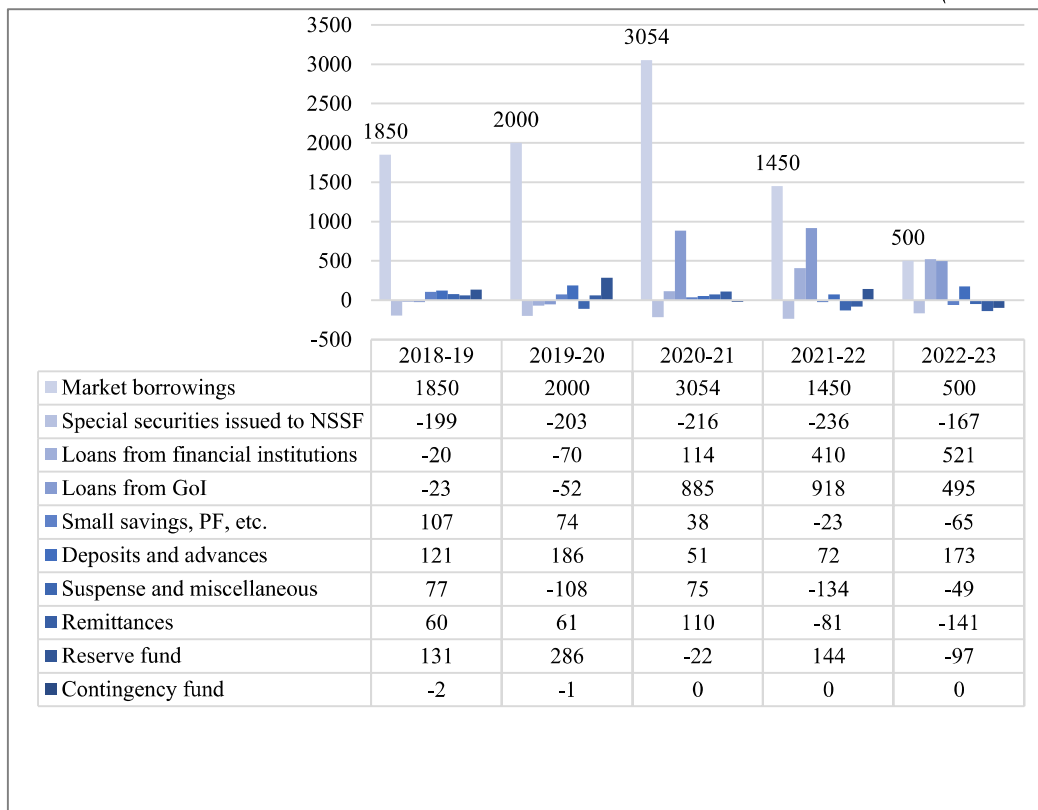


(Source: Finance Accounts of the State)

¹³ National Bank for Agriculture and Rural Development

Chart 2.17: Component-wise debt trends

(₹ in crore)



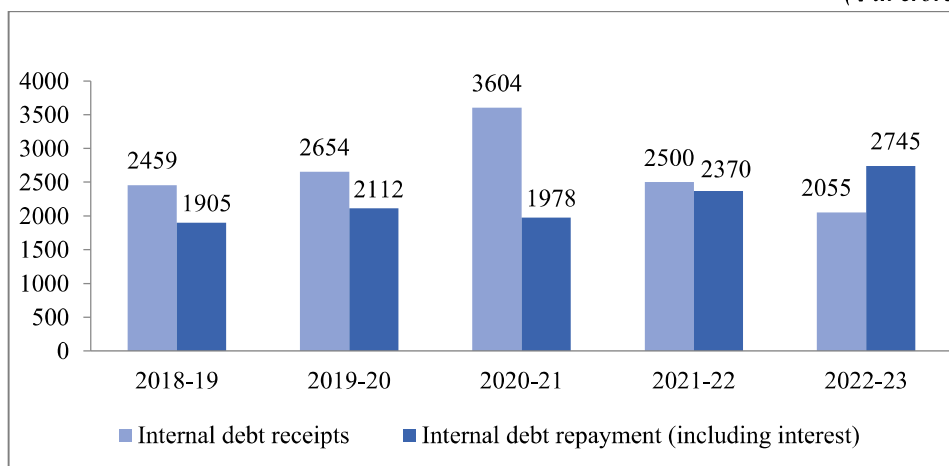
(Source: Finance Accounts of the State)

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

Chart 2.18 shows the trends of internal debt receipts and its repayment during 2018-23.

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

(₹ in crore)



(Source: Finance Accounts of the State)

Components of fiscal deficit and its financing pattern

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

Table 2.36 shows the item-wise net disbursements/outflow and financing pattern of fiscal deficit during 2018-23.

Table 2.36: Components of fiscal deficit and its item-wise financing pattern

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Components of fiscal deficit	(-)1792	(-)1994	(-)3648	(-)2624	(-)1027
1 Revenue deficit (-) /surplus (+)	355	(-)325	(-)1652 ¹⁴	59	2400
2 Net capital expenditure ¹⁵	(-)2149	(-)1660	(-)1997	(-)2681	(-)3425
3 Net loans and advances	02	(-) 09	01	(-)02	(-)02
Financing pattern of fiscal deficit (Net figures)					
1 Market borrowings	1850	2000	3054	1450	500
2 Loans from GoI	(-)23	(-)52	885	918	495
3 Special securities issued to NSSF	(-)199	(-)203	(-)216	(-)236	(-)167
4 Loans from financial institutions	(-)20	(-)70	114	410	521
5 Small savings, PF, etc.	107	74	38	(-)23	(-)65
6 Deposits and advances	121	186	51	72	173
7 Suspense and miscellaneous	77	(-)108	75	(-)134	(-)49
8 Remittances	60	61	110	(-)81	(-)141
9 Reserve funds	131	286	(-)22	144	(-)97
10 Contingency fund	(-)02	(-)01	00	00	0
Overall Deficit	2102	2173	4089	2520	1170
11 Increase(+)/Decrease(-) in cash balance	(-)310	(-)179	(-)441	104	(-)143

(Source: Finance Accounts of the State)

Table 2.36 reveals that during 2022-23, net market borrowings (₹ 500 crore), loans from GoI (₹ 495 crore) and loans from financial institutions (₹ 521 crore), were used to bridge the fiscal deficit of the State.

2.6.2 Debt Profile: maturity and repayment

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

Of the total outstanding debt of ₹ 30,304 crore at the close of 2022-23, ₹ 5,684 crore pertained to other liabilities (Public Account liabilities). The maturity profile of the remaining public debt (₹ 24,620 crore) is shown in **Table 2.37** and **Chart 2.19**.

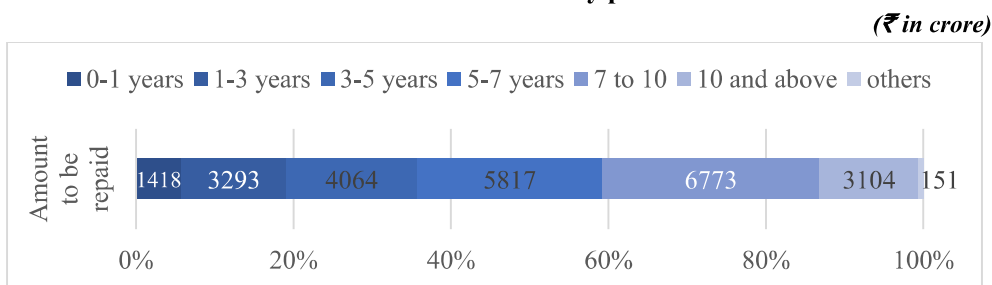
¹⁴ Actual revenue deficit for 2020-21 is ₹ 1,653 crore. Difference of ₹ one crore is due to rounding-off and balancing of total fiscal deficit for the year 2020-21 (₹ 3,648 crore).

¹⁵ Net capital expenditure is miscellaneous capital receipts minus capital expenditure.

Table 2.37: Debt maturity profile of repayment of public debt

Period of repayment (Years)	Repayment schedule of total outstanding public debt (₹ in crore)	Repayments <i>vis-à-vis</i> total outstanding public debt (per cent)
0 – 1	1418	06
1 – 3	3293	13
3 – 5	4064	16
5 – 7	5817	24
7 -10	6773	27
10 and above ¹⁶	3104	13
Loans pertaining to Union Territory	151	01
Total	24620	100

(Source: Finance Accounts of the State)

Chart 2.19: Debt maturity profile

(Source: Finance Accounts of the State)

The maturity profile of outstanding stock of public debt as on 31 March 2023 indicated that 86 *per cent* of the total public debt (₹ 21,365 crore) would be repayable within the next 10 years.

As may be seen from **Table 2.35**, State Government has repeatedly breached the target of debt-GSDP ratio of 25 *per cent* set out in GFRBM (First Amendment) Act, 2014 during the last five years. In fact, debt-GSDP ratio increased from 28.41 *per cent* in 2018-19 to 31.57 *per cent* in 2022-23.

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

¹⁶ Includes repayments pertaining to 'Scheme for Special Assistance to States for Capital Investment' amounting to ₹ 781 crore, which was given to the State Government by GoI during 2020-23 in the form of 50-year interest free loan for capital investment projects.

2.6.3 Repayment schedule of public debt

Of the total outstanding debt of ₹ 30,304 crore, share of public debt was ₹ 24,620 crore (81 *per cent*) at the end of 2022-23. Repayment schedule of outstanding public debt (principal and interest) is depicted in **Table 2.38**.

Table 2.38: Repayment schedule of public debt and interest

(₹ in crore)

Period of repayment	Repayment of public debt (Principal)	Repayment of public debt (Interest)	Total
2023-24	1418	403	1821
2024-25	1287	1509	2796
2025-26	2006	1407	3413
2026-27	1798	1262	3060
2027-28	2266	1130	3396
2028-29	2910	921	3831
2029-30	2907	716	3623
2030-31	3542	508	4050
2031-32	2199	270	2469
2032-33 and beyond	4287	305	4592
Total	24620	8431	33051

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

As may be seen from **Table 2.38**, State Government would have to repay public debt of ₹ 4,711 crore and interest of ₹ 3,319 crore in next three financial years *i.e.* up to 2025-26. In the following two years (2026-28), principal of ₹ 4,064 crore and interest of ₹ 2,392 crore would be payable. Thus, total principal repayment with interest during the next five years (2023-28) would be ₹ 14,486 crore.

From 2028-29 onwards, State Government would have to repay public debt of ₹ 15,845 crore with interest of ₹ 2,720 crore.

2.7 Debt sustainability analysis

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

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

Trends of debt sustainability indicators for the period 2018-23 are shown in **Table 2.39**.

Table 2.39: Trends of debt sustainability indicators

Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding public debt* (₹ in crore)	15220	16894	20730	23272	24620
Rate of growth of outstanding public debt (per cent)	11.82	11.00	22.71	12.26	5.79
Off-budget borrowings (OBB)	-	919	789	370	800
GSDP (₹ in crore)	71853	75032	75705	82604	90642
Rate of growth of GSDP (per cent)	3.61	4.42	0.90	9.11	9.73
Outstanding public debt/GSDP (per cent) ¹⁷	21.18	22.52	27.38	28.17	27.16
Public debt receipts (₹ in crore)	2529	2700	4587	3513	2576
Public debt repayments (₹ in crore)	920	1025	751	971	1227
Interest paid on outstanding public debt (₹ in crore)	1096	1207	1348	1517	1564
Revenue Deficit/Surplus without Interest Payment	1451	881	(-)305	1576	3964
Average interest rate of outstanding public debt ¹⁸ (per cent)	7.60	7.52	7.17	6.90	6.53
Percentage of interest payment to revenue receipts	9.58	10.68	12.91	10.62	9.05
Percentage of public debt repayment to public debt receipts	36.38	37.96	16.37	27.64	47.63
Net public debt available to the State [#] (₹ in crore)	513	468	2488	1025	(-)215
Net public debt available as per cent to public debt receipts	20.28	17.33	54.24	29.18	-
Primary deficit (-)/ Primary surplus(+)	(-)448	(-)529	(-)2058	(-)841	789
Debt Stabilisation (Quantum Spread [@] + Primary Deficit)	(-)1055	(-)1081	(-)3407	(-)319	1602

(Source: Finance Accounts of the State)

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

[#]Net debt available to the State Government is calculated as excess of public debt receipts over public debt repayment and interest payment on public debt.

[@] Quantum spread = (Public Debt+OBB) × (GSDP growth rate – interest rate)

An analysis of debt sustainability indicators revealed the following:

- A sustainable fiscal policy is one where debt-GSDP ratio is stable or declining over a period. Public debt-GSDP ratio of the State increased from 21.18 per cent in 2018-19 to 27.16 per cent in 2022-23.

¹⁷ As per Department of Expenditure, Ministry of Finance, GoI, borrowings under the special window shall not be treated as debt of the State for any norms prescribed by the Finance Commission. Hence, the back-to-back loans of ₹ 1,687 crore (₹ 840 crore pertaining to 2020-21 plus ₹ 847 crore pertaining to 2021-22) in-lieu of shortfall in GST compensation has not been considered as public debt/total outstanding liabilities of the State Government. No back-to-back loans were received in 2022-23.

¹⁸ Average Interest Rate = {Interest Payments on Public Debt/ [(Opening Balance of Public Debt +Closing Balance of Debt)/2]}*100

- Persistently higher interest payments leaves fewer funds for public expenditure. The share of interest payment in revenue receipts showed an increasing trend from 9.58 *per cent* in 2018-19 to 12.91 *per cent* in 2020-21. However, it showed a declining trend during the last two financial years *i.e.* 2021-22 and 2022-23 at 10.62 *per cent* and 9.05 *per cent*, respectively.
- Net public debt available to the State (after repayment of principal and interest) which was 29 *per cent* during 2021-22 was in negative during 2022-23 as the State Government paid more towards its debt redemption than its debt receipts during the year. The State was able to pay more towards its debt repayment even while its borrowings decreased, due to the significant increase in its revenue surplus (₹ 2,400 crore) during 2022-23.

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

2.7.1 Domar Model

An analysis on debt sustainability was carried out based on a study by E.D. Domar [Domar, 1994]. As per the Domar model the necessary premise for ensuring stability of public indebtedness is that the interest rates for Government loans should not exceed the growth rate of GDP.

The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

Table 2.40: Parameters of Domar Model

g-r (g: real economic growth rate; r: real interest rate) called Domar gap)	PB (Primary Balance) <0 (Primary Deficit)	PB (Primary Balance) >=0
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.

The results of applying the above parameters in the case of Goa are shown in the **Table 2.41**.

Table 2.41: Debt sustainability analysis based on Domar Model

Year	Real Growth (g)	Real Interest (r)	g-r (Domar gap)	Primary Deficit(-)/ Surplus(+) (₹ in crore)	Parameters
2018-19	0.78	4.3	(-) 3.52	(-) 448	$g-r < 0$ and $PB < 0$
2019-20	3.30	2.52	0.78	(-) 529	$g-r > 0$ and $PB < 0$
2020-21	(-) 4.16	(-) 0.42	(-) 3.74	(-) 2058	$g-r < 0$ and $PB < 0$
2021-22	5.35	2.21	3.14	(-) 841	$g-r > 0$ and $PB < 0$
2022-23	8.18	2.91	5.27	789	$g-r > 0$ and $PB > 0$

(Source: Finance Accounts and MoSPI, Directorate of Planning, Statistics and Evaluation, Government of Goa)
(g: Real Growth rate calculated for Real GDP, r: Real Interest rate calculated as Interest rate minus inflation).

In the initial four years of the subject period *i.e.* 2018-19 to 2021-22, the State had a primary deficit, which subsequently turned to primary surplus in the year 2022-23. The Domar gap (g-r) was negative during the years 2018-19 and 2020-21, showing that the public debt as a percentage of GSDP would increase without limitations and become unstable. The economic slowdown on account of the COVID-19 pandemic had resulted in a negative growth of GSDP during 2020-21. The Domar gap (g-r) turned positive during the years 2019-20 and 2021-22, showing that provided the primary deficit remains stable and consistent with debt as a percentage to GSDP then debt is sustainable. During 2022-23, the State registered a primary surplus, while maintaining a positive Domar gap. This indicated that public debt as a percentage of GSDP would converge to a stable level less than zero leading to public savings. However, factors such as public account liabilities and *force majeure* events and/or any other un inventoried losses of revenue also have to be reckoned in assessing the debt sustainability.

2.7.2 Utilisation of borrowed funds

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

Table 2.42: Utilisation of borrowed funds

(₹ in crore)

Year		2018-19	2019-20	2020-21	2021-22	2022-23
Total borrowings (public debt receipts)	1	2529	2700	4587	3513	2576
Repayment of principal on total borrowings (per cent)	2	920 (36.38)	1025 (37.96)	751 (16.37)	971 (27.64)	1227 (47.63)
Net capital expenditure (per cent)	3	2149 (84.97)	1660 (61.48)	1997 (43.54)	2681 (76.32)	3425 (132.96)
Net loans and advances	4	02	(-09)	01	(-02)	(-02)
Portion of revenue expenditure met out of net available borrowings	5= (1-2-3-4)	(-)542	24	1838	(-)137	(-)2074

(Source: Finance Accounts of the State)

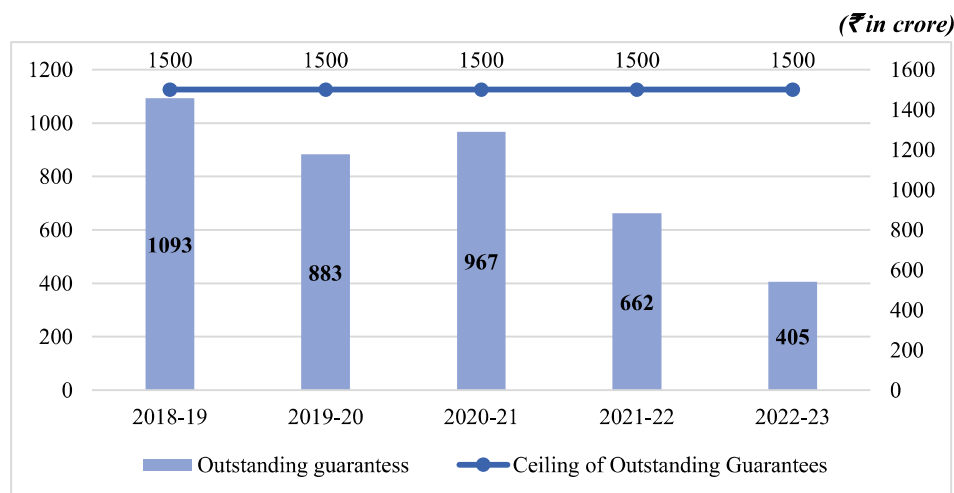
Details as per **Table 2.42** shows that the borrowings were not used for meeting the revenue expenditure during 2022-23. Consequently, more fiscal space was available to the State Government for capital spending as compared to the previous four years.

2.7.3 Status of guarantees – contingent liabilities

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

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

Chart 2.20: Guarantees given by the State Government during 2018-23



(Source: Finance Accounts of the State)

It could be seen from the **Chart 2.20** that outstanding guarantees of the State Government during the last five years was within the ceiling limit of ₹ 1,500 crore specified by the Legislature.

Outstanding guarantees at ₹ 405 crore during 2022-23 decreased by ₹ 257 crore from the previous year due to fulfillment of debt obligations by borrowing entities. Of the total outstanding guarantees of ₹ 405 crore, ₹ 222 crore (55 *per cent*) pertained to loans from Bank of Maharashtra availed for construction of Mandovi bridge and ₹ 82 crore (20 *per cent*) for loans sanctioned to Government servants by Bank of India for construction/purchase of houses. Outstanding guarantees accounted for 2.34 *per cent* of the total revenue receipts of the State Government (₹ 17,284 crore) and 0.45 *per cent* of GSDP (₹ 90,642 crore). The State Government has exempted borrowing institutions from the payment of guarantee fee.

During 2022-23, no amount was paid by the State Government on account of invocation of guarantees.

2.7.4 Cash balances

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

During 2022-23, the State Government's limit to borrow under ordinary WMA was fixed at ₹ 203 crore and the State Government utilised the same on three occasions (amounting to a total of ₹ 52.43 crore) when its cash balances dipped below the minimum levels. The entire borrowed amount of ₹ 52.43 crore along with accrued interest of ₹ 0.01 crore was repaid during 2022-23.

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

Table 2.43: Cash balances and their investment

(₹ in crore)

	Opening balance (01 April 2022)	Closing balance (31 March 2023)
A. General Cash Balance		
Cash in treasuries	00	00
Deposits with RBI	(-)6.51	136.41
Deposits with other Banks	00	00
Remittances in transit – Local	00	00
Investments held in cash balance investment account	721.16	546.48
Total (A)	714.65	682.89
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works Department, Forest Department, District Collectors, etc.	1.56	1.48
Permanent advances for contingent expenditure with departmental officers	0.34	0.35
Investment out of earmarked funds	1105.47	1280.03
Total (B)	1107.37	1281.86
Total (A + B)	1822.02	1964.75
Interest realised	17.86	31.43

(Source: Finance Accounts of the State)

Cash balance of the State Government worked out by the Directorate of Accounts, Government of Goa as on 31 March 2023 was ₹ 136.41 crore (debit). Cash balance reported by RBI as on 31 March 2023 was ₹ 136.92 crore (credit). Directorate of Accounts stated that the difference of ₹ 0.51 crore (credit) between the two figures was under reconciliation.

State Government's cash balances of ₹ 1,965 crore at the end of the current year were higher by ₹ 143 crore (eight *per cent*) over the previous year. During the year, State Government invested ₹ 546 crore in GoI treasury bills which earned an interest of ₹ 31 crore. Further, ₹ 1,280 crore was invested out of earmarked/reserve funds which earned an interest of ₹ 95 crore¹⁹ during the year.

Table 2.44 shows the increase/decrease in cash balance investment account during last five years (2018-23).

¹⁹ State Disaster Response Fund: ₹ 2.45 crore; Consolidated Sinking Fund: ₹ 61.11 crore; Guarantee Redemption Fund: ₹ 31 crore

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

(₹ in crore)

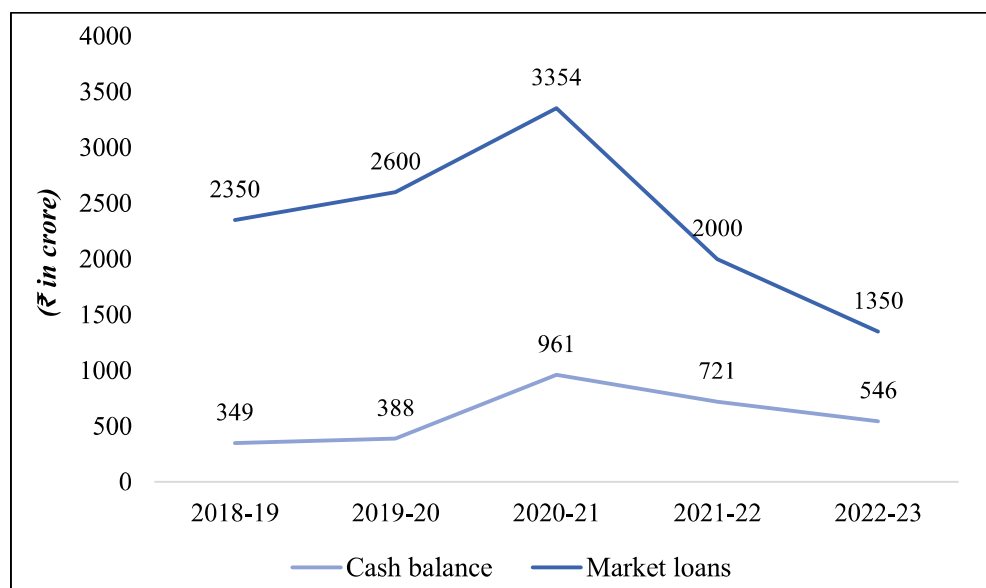
Year	Opening balance	Closing balance	Increase (+) / decrease (-)	Interest earned
2018-19	153.16	349.14	(+)195.98	6.22
2019-20	349.14	387.64	(+)38.50	45.66
2020-21	387.64	960.89	(+)573.25	63.25
2021-22	960.89	721.16	(-)239.73	17.86
2022-23	721.16	546.48	(-)174.68	31.43

(Source: Finance Accounts of the State)

Cash balances in investment account during 2022-23 decreased by ₹ 175 crore over the previous year.

Chart 2.21 shows a comparison of market loans raised by the State Government and its surplus cash balance during the last five years (2018-23).

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



(Source: Finance Accounts of the State)

2.8 Conclusion

- State Government continued to record revenue surplus in 2022-23 for the second consecutive year. The revenue surplus during 2022-23 was ₹ 2,400 crore as compared to ₹ 59 crore in 2021-22.
- During 2018-23, outstanding debt of the State Government increased from 28.41 to 31.57 *per cent* of GSDP, breaching the target of 25 *per cent* of GSDP set by the GFRBM (First Amendment) Act, 2014.
- State Government's expenditure was largely financed from its own resources, with 68 *per cent* of revenue coming from its own tax and non-tax revenue.

- Total committed expenditure showed an increasing trend during 2018-23. During 2022-23, committed expenditure constituted 52 *per cent* of revenue expenditure (highest during the five-year period 2018-23).
- The maturity profile of outstanding stock of public debt as on 31 March 2023 indicated that 86 *per cent* of the total public debt would be repayable within the next 10 years.