

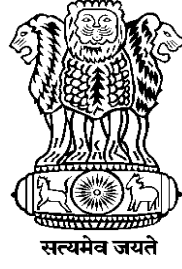
**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2023**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF GOA
Report No. 3 of the year 2024



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

For the year ended 31 March 2023

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TABLE OF CONTENTS	Reference to Paragraph	Page
Preface		v
Executive Summary		vii
Chapter I: Overview of State Finances		
Profile of Goa	1.1	1
Basis and approach to State Finances Audit Report	1.2	1
Overview of structure of Government accounts and budgetary processes	1.3	2
Fiscal balance: Achievement of targets for deficits and total debt	1.4	11
Deficits and total debt after examination in audit	1.5	15
Chapter II: Finances of The State		
Major changes in key fiscal aggregates	2.1	19
Sources and application of funds	2.2	20
Resources of the State	2.3	22
Application of resources	2.4	38
Public Account	2.5	56
Public liability management	2.6	61
Debt sustainability analysis	2.7	67
Conclusion	2.8	74
Chapter III: Budgetary Management		
The Budget process	3.1	77
Appropriation Accounts	3.2	81
Comments on integrity of budgetary and accounting process	3.3	81
Comments on effectiveness of budgetary and accounting process	3.4	92
Outcome of review of selected grants	3.5	96
Conclusion	3.6	103
Chapter IV: Quality of Accounts and Financial Reporting Practices		
Funds transferred directly to State implementing agencies	4.1	105
Delay in submission of Utilisation Certificates	4.2	105
Abstract Contingent bills	4.3	107
Personal Deposit Accounts	4.4	109
Single Nodal Accounts	4.5	111
Bookings under Minor Head 800	4.6	111
Outstanding balances under Suspense, Debt, Deposit and Remittances (DDSR) Heads	4.7	114
Reconciliation of departmental figures	4.8	116
Compliance with Accounting Standards	4.9	118
Submission of accounts/separate audit reports of autonomous bodies	4.10	119
Departmental commercial undertakings/corporations/companies	4.11	120
Misappropriations, losses and defalcations	4.12	121
Follow-up action on State Finances Audit Report	4.13	122
Conclusion	4.14	122
Chapter V: Financial Performance of State Public Sector Enterprises		
Definition of Government Companies	5.1	123
Mandate of Audit	5.2	123
SPSEs and their contribution to the GSDP of the State	5.3	125
Investment in SPSEs and budgetary support to SPSEs	5.4	125

TABLE OF CONTENTS	Reference to Paragraph	Page
Returns from SPSEs	5.5	128
Debt Servicing	5.6	129
Financial performance of SPSEs	5.7	130
SPSEs incurring losses	5.8	134
Audit of State Public Sector Enterprises	5.9	136
Appointment of statutory auditors of State Public Sector Enterprises by the CAG	5.10	136
Submission of accounts by State Public Sector Enterprises	5.11	137
CAG's oversight – Audit of accounts and supplementary audit	5.12	138
Result of CAG's oversight role	5.13	140
Conclusion	5.14	140

Appendix No.	Appendices	Reference to paragraph	Page
1.1 A	General data (Basic statistics of the State)	1.1	143
1.1 B	Financial data	1.1	143
2.1	Abstract of receipts and disbursements for the year 2022-23	2.1	144
2.2	Time series data on State Government finances	2.1	147
3.1	Unnecessary supplementary provisions of ₹ five crore or more during 2022-23	3.3.2	150
3.2	Details of savings of ₹ one crore and above not surrendered during 2022-23	3.3.3	151
3.3	Major Policy Decisions of the Government during the year or New Schemes Proposed in the Budget (as on 31 March 2023)	3.4.4	152
4.1	Department-wise status of outstanding UCs	4.2	155
4.2	Statement showing delay in submission of accounts (beyond specified target dates) and tabling of SARs of autonomous bodies in State Legislature as of January 2024	4.10	156
4.3	Department-wise/age-wise break-up of the cases of misappropriations, defalcations, etc. (Cases where final action was pending at the end of January 2024)	4.12	158
5.1	List of State Public Sector Enterprises	5.2.1	159
5.2	Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised accounts as on 30 September 2023	5.3	160
5.3	Statement showing State Government funds infused in SPSEs during the period from 2010-11 to 2022-23	5.7.3	162
5.4	Details of SPSEs having accumulated losses	5.8.2	163
5.5	Information regarding accounts in arrears of State Public Sector Undertakings	5.11.2	164

PREFACE

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

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

Chapters II and III on ‘Finances of the State’ and ‘Budgetary Management’ contain audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2023. Information has been obtained from the Government of Goa, wherever necessary.

Chapter IV on ‘Quality of Accounts and Financial Reporting Practices’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives during 2022-23.

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

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

Executive Summary

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances of Government of Goa for the year 2022-23. It provides an overview of the finances, budgetary management, quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew from ₹ 71,853 crore in 2018-19 to ₹ 90,642 crore in 2022-23. Budget Outlay of the State grew from ₹ 19,024 crore in 2018-19 to ₹ 26,366 crore in 2022-23.

There was 9.73 *per cent* growth in GSDP over the previous year, 2021-22. The revenue receipts grew at 20.99 *per cent* and the percentage of revenue receipts over GSDP improved from 17.29 *per cent* in 2021-22 to 19.07 *per cent* in 2022-23. The tax revenue (own tax revenue plus State's share in Union taxes and duties) of the State increased by 25.43 *per cent* over the previous year whereas, State's own tax revenue increased by 34.83 *per cent* during the same period. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Goa increased from ₹ 16,912 crore in 2021-22 to ₹ 18,313 crore, registering an increase of 8.28 *per cent* over the previous year.

Revenue surplus increased from ₹ 59 crore in 2021-22 to ₹ 2,400 crore in 2022-23, while fiscal deficit decreased from ₹ 2,624 crore in 2021-22 to ₹ 1,027 crore in 2022-23.

Receipts of the State

The State has different sources of receipts such as own tax revenue, non-tax revenue, devolution of states' share in taxes, grants-in-aid and transfers from the Union Government. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, *etc.*).

From 2018-19 to 2022-23, revenue receipts grew by 51 *per cent* from ₹ 11,438 crore to ₹ 17,284 crore. Comparatively, capital receipts which consisted mostly of public debt receipts, registered a marginal increase of ₹ 44 crore, from ₹ 2,534 crore to ₹ 2,578 crore during 2018-23.

A significant portion of the revenue receipts (68 *per cent*) during 2022-23 came from the State's own resources, while central tax transfers and grants-in-aid together contributed 32 *per cent*.

Expenditure by the State

Revenue expenditure is incurred to maintain the current level of services and interest payments on past obligations. As such, it does not result in any addition to the State's infrastructure and service network. Between 2018-19 and 2022-23, revenue expenditure increased from ₹ 11,083 crore (15 *per cent* of GSDP) to ₹ 14,884 crore (16 *per cent* of GSDP). It consistently made up a significant portion (81 to 87 *per cent*) of the total expenditure during this period.

On the other hand, capital expenditure, which is primarily an expenditure on creation of fixed infrastructure assets such as roads, buildings, *etc.* increased from ₹ 2,149 crore in 2018-19 to ₹ 3,425 crore in 2022-23.

Result of expenditure beyond means

The gap between the revenue receipts and revenue expenditure of the Government results in a revenue surplus or deficit. During the period 2018-19 to 2022-23, Goa registered revenue surplus in three years *i.e.* 2018-19 (₹ 355 crore), 2021-22 (₹ 59 crore) and 2022-23 (₹ 2,400 crore). The revenue deficit in 2019-20 was ₹ 325 crore, while in 2020-21 the revenue deficit was ₹ 1,653 crore. However, it is pertinent to mention that the revenue receipts of the State Government during 2020-21 were negatively affected due to the COVID-19 pandemic, contributing to the significant increase in its revenue deficit in that year.

The State Government spent ₹ 3,425 crore on capital account. This was 19 *per cent* of the total expenditure in the year 2022-23. Capital expenditure was more than the public borrowings (₹ 2,576 crore). Consequently, more fiscal space was available to the State Government for capital spending as compared to the previous four years.

The gap between the total expenditure and total non-debt receipts of the State results in fiscal deficit. The fiscal deficit of the State decreased to ₹ 1,027 crore (1.13 *per cent* of GSDP) in 2022-23 from ₹ 1,792 crore (2.49 *per cent* of GSDP) in 2018-19.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 49 to 52 *per cent* of revenue expenditure during 2018-19 (49 *per cent*) and 2022-23 (52 *per cent*). The committed expenditure increased from ₹ 5,458 crore in 2018-19 to ₹ 7,764 crore in 2022-23.

In addition to the committed expenditure, inflexible expenditure as a percentage of revenue expenditure decreased marginally from 3.67 *per cent* in 2018-19 to 3.58 *per cent* in 2022-23. The inflexible expenditure increased from ₹ 407 crore in 2018-19 to ₹ 533 crore in 2022-23.

Subsidies

Within the non-committed expenditure, subsidies as a percentage of revenue expenditure fluctuated between two *per cent* and three *per cent* during 2018-23. In absolute terms, the expenditure on subsidies ranged between ₹ 262 crore and ₹ 301 crore during the five-year period 2018-23.

Off-budget borrowings

During 2022-23, the State Government had a liability of ₹ 800 crore as off-budget borrowings (OBB). Hence, the total outstanding debt of the State Government at the end of March 2023 worked out to be ₹ 31,104 crore, instead of ₹ 30,304 crore depicted in the Finance Accounts. Consequently, the ratio of total outstanding debt to GSDP (31.57 *per cent*) at the end of the year was understated by 0.88 *per cent* and worked out to be 32.45 *per cent* taking OBB into consideration.

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account.

During 2022-23, the State Government received ₹ 305.15 crore being Central share during the year and as on 31 March 2023, the Government transferred ₹ 360.09 crore (including previous year's untransferred balance of ₹ 54.94 crore) being Central share and corresponding State share of ₹ 209.27 crore to the SNAs. The total transfer of ₹ 569.36 crore was through fully vouched Contingent Bills. However, detailed vouchers and supporting documents of actual expenditure were not received by Directorate of Accounts from the SNAs.

As per PFMS SNA 01 Report, ₹ 376.31 crore was lying unspent in the bank accounts of SNAs as on 31 March 2023.

Contingent Liabilities on account of guarantees

In 2022-23, the outstanding guarantees of ₹ 405 crore were well within the limit of ₹ 1,500 crore prescribed under the Goa State Guarantees Act, 1993. Further, the closing balance under the Guarantee Redemption Fund was ₹ 401 crore, which was 99 *per cent* of the outstanding guarantees of ₹ 405 crore.

No amount was paid by the State Government on account of invocation of guarantees during 2022-23.

Debt sustainability

Debt is considered sustainable if the borrower, in this case the State, can service its debt now, and in future. Debt sustainability indicators accordingly seek to

assess the credit worthiness and the liquidity position of the borrower by examining the ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters: Domar approach and compliance of micro-fiscal parameters with the respective Fiscal Responsibility and Budget Management (FRBM) targets. The results of analysis are given in following paragraphs:

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.

The ratio of public debt to GSDP was within a range of 21.18 to 28.17 *per cent* during 2018-23. During this period, interest payment (on public debt) to revenue receipts ranged from 9.05 to 12.91 *per cent*. In 2022-23, the percentage of public debt repayment to public debt receipts increased from 28 *per cent* in 2021-22 to 48 *per cent* over the previous year.

Trend analysis of achievements against fiscal targets

As per Goa Fiscal Responsibility and Budget Management (GFRBM) (First Amendment) Act, 2014, the State Government was required to eliminate revenue deficit by 2014-15 and maintain that level or generate surplus thereafter. The ceiling for fiscal deficit was fixed at three *per cent* of GSDP (up to 2019-20) which was increased to five *per cent* of GSDP (for 2020-21) and later decreased to four *per cent* of GSDP (for the years 2021-22 and 2022-23) through respective amendments in the GFRBM Act. The Act further envisaged that the State Government would limit the ratio of total outstanding debt to GSDP to 25 *per cent* by 2015-16 and maintain it thereafter. Furthermore, the State Government was expected to limit the outstanding guarantees to ₹ 1,500 crore.

The State registered revenue surplus in three out of five years during 2018-23, with the maximum surplus of ₹ 2,400 crore reported in 2022-23. The fiscal deficit was within permissible limit in all years during 2018-23. The State Government had breached the target of debt-GSDP ratio of 25 *per cent* in all five years during 2018-23. The guarantees were within the ceiling of ₹ 1,500 crore in the last five years.

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In Revenue section, deviation in outturn compared with Budget Estimates was (-) 12.09 *per cent*. This was due to deviation between 0 *per cent* and

± 25 per cent in 43 grants including three appropriations, between ± 25 per cent and ± 50 per cent in 37 grants and between ± 50 per cent and ± 100 per cent in 11 grants. In Capital section, deviation in outturn compared with Budget Estimates was (-) 35.88 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 72 grants, including two appropriations. No provision was made in respect of 18 grants and one appropriation of the Capital section.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure.

In Revenue section, deviation in outturn compared with Revenue Estimates was (-) 14.35 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 37 grants including two appropriations, between ± 25 per cent and ± 50 per cent in 40 grants including one appropriation and between ± 50 per cent and ± 100 per cent in 14 grants.

In Capital section, deviation in outturn compared with Revenue Estimates was (-) 38.09 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 13 grants, between ± 25 per cent and ± 50 per cent in 16 grants including one appropriation and between ± 50 per cent and ± 100 per cent in 43 grants including one appropriation. No provision was made in respect of 19 grants including one appropriation of the Capital section.

It was noticed that supplementary provisions (₹ five crore or more in each case) aggregating ₹ 880 crore obtained in 25 cases during the year proved unnecessary, as the expenditure incurred (₹ 6,416 crore) did not reach even the original provision of ₹ 8,183 crore.

Regularisation of Excess over grants/ appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Articles 204 and 205 of the Constitution. It was observed that excess expenditure amounting to ₹ 119.61 crore during the current year as well as ₹ 12,505.45 crore for the period from 2008-09 to 2021-22 was pending regularisation in terms of Article 205 of the Constitution.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the

Government accounts, non/ short discharging of liabilities and misclassification of transactions and data gaps.

Reconciliation

During the year 2022-23, receipts amounting to ₹ 19,053.12 crore (95.68 per cent) of total receipts (₹19,913.60 crore) and expenditure amounting to ₹ 19,561.61 crore (99.84 per cent) of total expenditure (₹ 19,593.66 crore) were reconciled by the State Government.

Compliance with Indian Government Accounting Standards

As against the requirements of the three Indian Government Accounting Standards (IGAS) notified, the State Government has only partially complied with these standards.

Operation of Personal Deposit Accounts

As on 31 March 2023, a sum of ₹ 102.99 crore was held under 93 Personal Deposit Accounts (PDAs)/Personal Ledger Accounts (PLAs) by 21 departments. Out of a total of 93 Administrators of PDAs in the State, only 78 had reconciled and verified their balances with the treasury figures, while 15 Administrators neither reconciled nor verified their balances with the treasury.

Delay in submission of Utilisation Certificates

Audit scrutiny revealed that 11,705 Utilisation Certificates in respect of Grants-in-aid aggregating ₹ 2,546.40 crore given to 24 Departments of the State Government had not been submitted as on 31 March 2023.

DC bills against AC bills

Similarly, despite the requirement of submitting Detailed Contingency (DC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, 474 AC bills of ₹ 124.75 crore were pending for submission of DC bills as on 31 March 2023, out of which 298 AC Bills amounting to ₹ 80.19 crore pertained to the period upto 2021-22.

Working of State Public Sector Enterprises (SPSEs)

As on 31 March 2023, there were 17 SPSEs in Goa, including two¹ Statutory Corporations (one non-working) and 15 Government Companies under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). Audit noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by the SPSEs and 59 accounts of 14 SPSEs were in arrears.

¹ Goa Industrial Development Corporation and Goa Information Technology Development Corporation (non-working)

Out of the total profit of ₹ 61.40 crore earned by eight SPSEs, 95 *per cent* was contributed by three SPSEs only. Out of total loss of ₹ 18.12 crore incurred by eight SPSEs, loss of ₹ 15.22 crore was incurred by two SPSEs.

Chapter I

Overview of State Finances

Chapter I: Overview of State Finances

1.1 Profile of Goa

Situated in the west coast of India, Goa is the country's smallest State in terms of geographical area (3,702 sq. km.). Administratively, Goa is divided into two districts namely, North Goa and South Goa, consisting of five and seven talukas, respectively.

Goa's population increased from 14.80 lakh in 2013 to 15.75 lakh¹ in 2023, recording a decadal growth of 6.42 *per cent*. The State has a population density of 425 persons per sq. km. as against the all-India average of 422. Population below poverty line was 5.09 *per cent* in the State as compared to 21.92 *per cent* in the country. The Gross State Domestic Product (GSDP) in 2022-23 at current prices was ₹ 90,642 crore. During 2022-23, the per capita GSDP of the State stood at ₹ 5,75,504 which was significantly higher than the all-India per capita Gross Domestic Product (GDP) of ₹ 1,96,983. Goa performed better on social indicators *viz.* literacy rate, population below poverty line and infant mortality rate (except life expectancy) than the all-India average. Key statistics pertaining to the State are given in **Appendix 1.1**.

1.2 Basis and approach to the State Finances Audit Report

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

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

Finance Accounts and Appropriation Accounts of the State for the year 2022-23 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2022-23, both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, and for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;

¹ Ministry of Statistics and Programme Implementation, Government of India (MoSPI)

- Results of audit carried out by the Office of the Principal Accountant General, Goa;
- Other data with departmental authorities and treasuries;
- GSDP data and other State related statistics from the Directorate of Planning, Statistics and Evaluation, GoG; and
- Various audit reports of the CAG prepared during 2018-22.

This report also takes into account the recommendations of the Fifteenth Finance Commission (FC XV), the Goa Fiscal Responsibility and Budget Management (GFRBM) Act, and best practices and guidelines of the Government of India (GoI). The Fourth, Fifth and Sixth State Finance Commissions, are yet to be constituted by the State Government. The interim report of the Third State Finance Commission (due in 2010 but constituted in January 2022) was submitted to the State Government in August 2023.

An exit conference was held on 21 February 2024 with the Principal Secretary, Finance Department, GoG in which the findings of audit and recommendations were discussed. Replies furnished during the exit conference have been incorporated at appropriate places in the Report.

1.3 Overview of structure of Government accounts and budgetary processes

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

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

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

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

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

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

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

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

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

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

Capital receipts consist of:

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

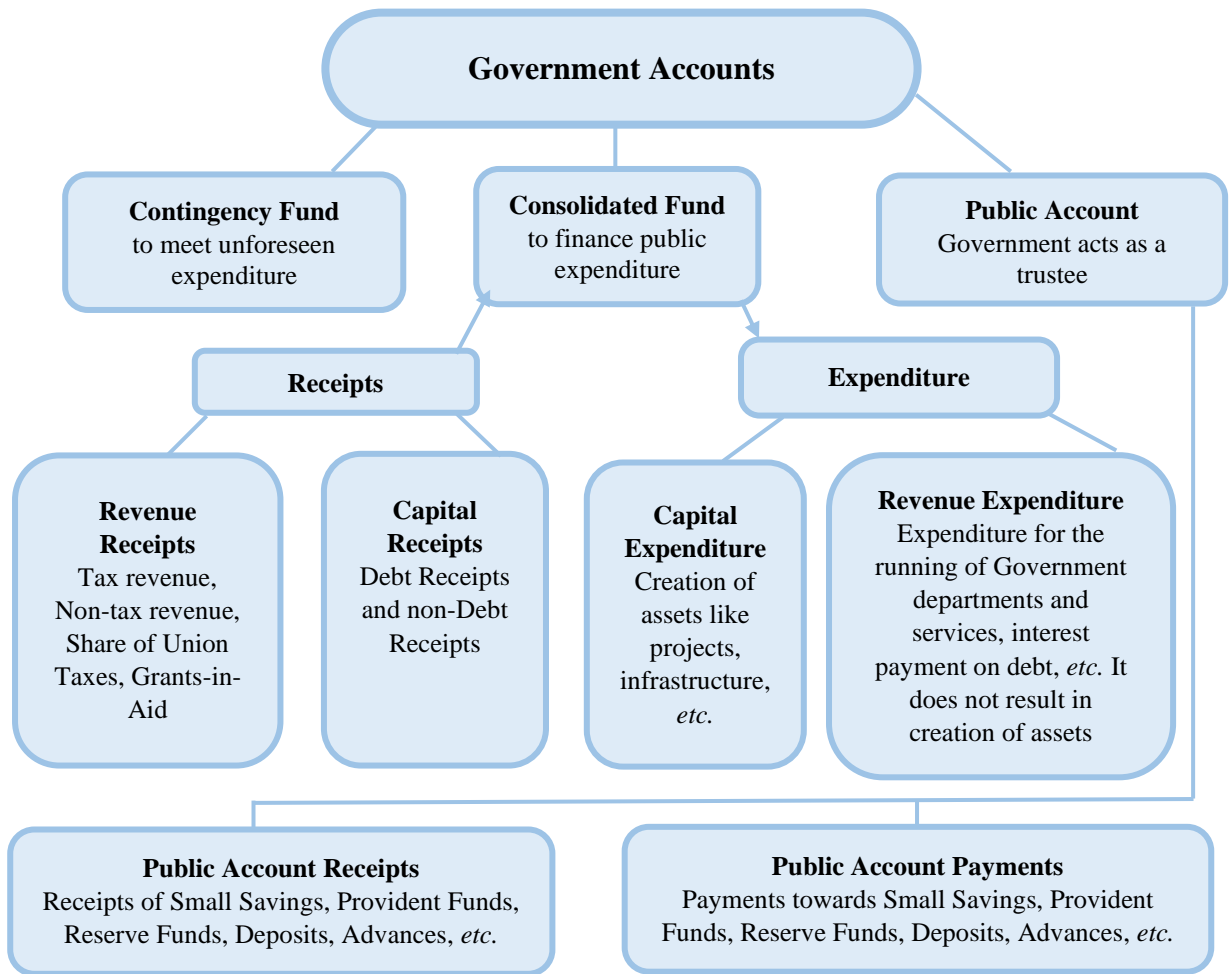
Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to State Public Sector Enterprises (SPSEs) and other parties.

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

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

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

Chart 1.1: Structure of Government Accounts



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

Budgetary process

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

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

As mentioned in **Paragraph 1.2**, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the State Finances Audit Report (SFAR). These accounts are based on actual receipts and expenditure of

the State including various inter-governmental and other adjustments carried out by the RBI during the year. Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is necessary to study the annual budget of the State and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

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

1.3.1 Gross State Domestic Product (GSDP) of Goa

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

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

Year	2018-19	2019-20	2020-21	2021-22	2022-23
India					
GDP (₹ in crore) ² (Base year 2011-12)	18899668	20103593	19829927 (2 nd RE)	23471012 (1 st RE)	27240712 (PE)
GVA [#] (Base year 2011-12)	17175128	18381117 (3 rd RE)	18188780 (2 nd RE)	21438883 (1 st RE)	24742871 (PE)
Growth rate of GDP (in per cent)	10.59	6.37	(-)1.36	18.36	16.06
Growth rate of GVA (in per cent)	10.77	7.02	(-) 1.05	17.87	15.41
Per Capita GDP (in ₹)	142424	149915	146301	171498	196983
Goa					
GSDP (₹ in crore) ³ (Base year 2011-12)	71853	75032	75705 (P)	82604 (Q)	90642 (A)
Gross State Value Added (GSVA) (Base year 2011-12)	64422	67855	69075(P)	75182(Q)	82633(A)
Growth rate of GSDP (in per cent)	3.61	4.42	0.90	9.11	9.73
Growth rate of GSVA (in per cent)	4.83	5.33	1.80	8.84	9.91
Per Capita GSDP (in ₹)	467795	485645	486851	527146	575504

(Source: Ministry of Statistics and Programme Implementation, GoI, Directorate of Planning, Statistics and Evaluation, Government of Goa) (Q) Quick estimates; (P) Provisional Estimates; (A) Advance Estimates ;(RE) Revised Estimates

Gross Value Added

² Ministry of Statistics and Programme Implementation, GoI.

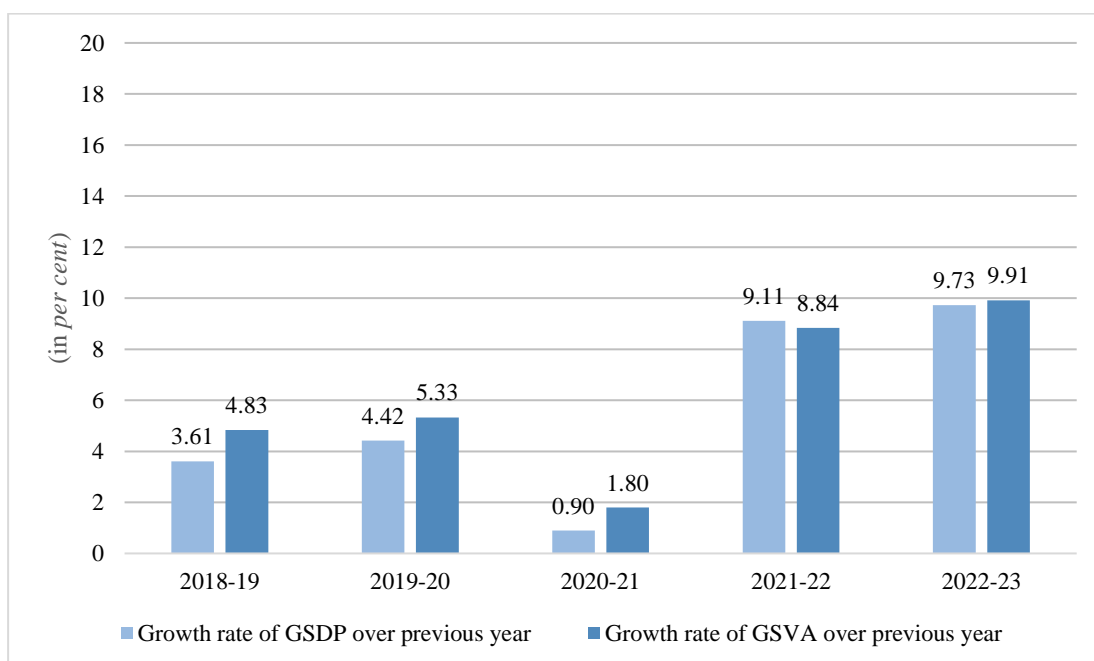
³ Directorate of Planning, Statistics and Evaluation, Government of Goa.

It can be seen from **Table 1.1** that the GSDP growth rate increased from 3.61 *per cent* in 2018-19 to 9.73 *per cent* in 2022-23. However, it grew at a slower pace than the GDP (16.06 *per cent*) as well as the projections made by the Fifteenth Finance Commission (FC XV) (12 *per cent*) for the State of Goa.

Gross Value Added (GVA) is used for economic analysis by GoI and international organisations like International Monetary Fund as GVA is considered a better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. These measures vary in the treatment of net tax, as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective, it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

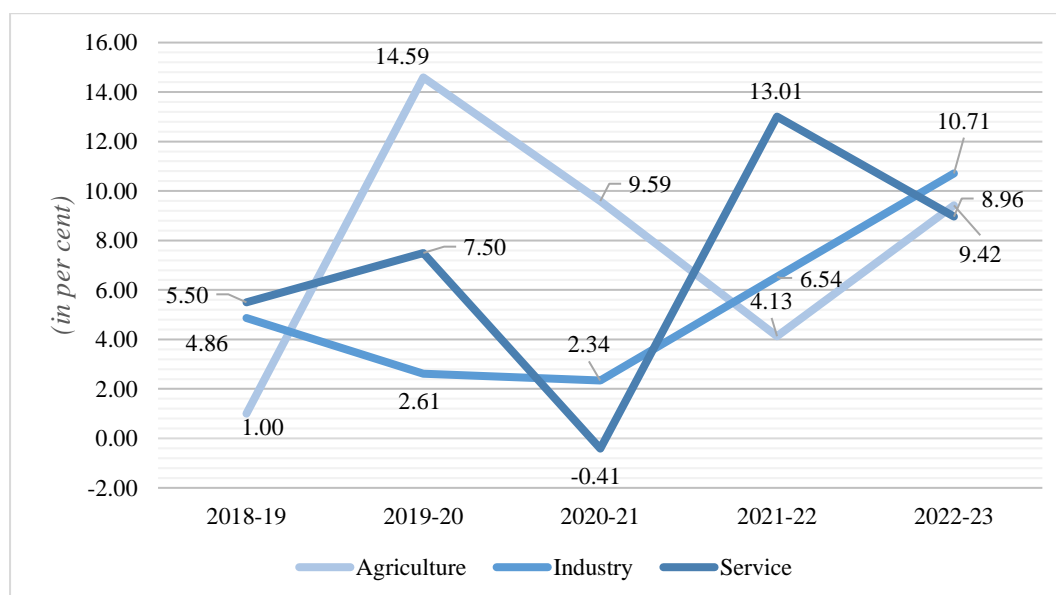
The trends of GSDP vs. GSVA and sectoral growth in GSVA for the period from 2018-19 to 2022-23 are indicated in the **Chart 1.2** and **Chart 1.3** respectively.

Chart 1.2: Growth rate of GSDP vs. GSVA (2018-19 to 2022-23)



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

Chart 1.3: Sectoral growth in GSVA (2018-19 to 2022-23)



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

The following observations can be made from the **Chart 1.3**.

Agriculture

In 2018-19, the Agriculture sector grew by one *per cent* over 2017-18. However, in the subsequent years the growth rate improved, registering a significant increase of 14.59 *per cent* in 2019-20, followed by 9.59 *per cent*, 4.13 *per cent* and 9.42 *per cent* increase during 2020-21, 2021-22 and 2022-23 over the corresponding previous years.

Industries

This sector demonstrated positive growth through 2018-23.

Under Industries sector, from 4.86 *per cent* in 2018-19, the growth rate slowed down during 2019-21, but gained momentum in the subsequent years and the sector recorded its highest growth rate at 10.71 *per cent* in 2022-23.

Services

The positive growth rates in 2018-19 and 2019-20 were followed by a decline in 2020-21(-0.41 *per cent*). However, the growth rate recovered in the following years and grew by 8.96 *per cent* in 2022-23.

1.3.2 Snapshot of finances

The following table provides the details of budget estimates (BE) for the year 2022-23 *vis-à-vis* actuals of 2021-22 and 2022-23.

Table 1.2: Budget estimates for the year 2022-23 vis-à-vis actuals of 2021-22 and 2022-23

(₹ in crore)

Sl. No.	Components	2021-22	2022-23	2022-23	Percentage of Actuals to BE	Percentage of Actuals to GSDP
		Actuals	Actuals	BE	2022-23	
1	Tax Revenue	9162	11492	9416	122.05	12.68
	(i) Own Tax Revenue	5805	7827	6241	125.41	8.64
	(ii) Share of Union taxes/duties	3357	3665	3175	115.43	4.04
2	Non-tax Revenue	3787	3869	5126	75.48	4.27
3	Grants-in-aid and Contributions	1337	1923	2808	68.48	2.12
4	Revenue Receipts (1+2+3)	14286	17284	17350	99.62	19.07
5	Recovery of Loans and Advances	02	02	38	5.26	-
6	Other Receipts	-	-	-	-	-
7	Borrowings and other Liabilities ⁴	2624	1029	3603	28.55	1.14
8	Capital Receipts (5+6+7)	2626	1031	3641	28.32	1.14
9	Total Receipts (4+8)	16912	18315	20991	87.25	20.21
10	Revenue Expenditure, of which	14227	14884	16916	87.99	16.42
11	Interest payments	1783	1816	1988	91.35	2.00
12	Capital Expenditure, of which	2685	3429	4776	71.80	3.78
13	Capital Outlay	2681	3425	4759	71.97	3.78
14	Loan and advances	04	04	17	23.53	0.00
15	Total Expenditure (10+12)	16912	18313	21692	84.42	20.20
16	Revenue Deficit (-)/Surplus (+) (4-10)	59	2400	434	553.00	2.65
17	Fiscal Deficit {(4+5+6)-15}	(-)2624	(-)1027	(-)4304	23.86	(-)1.13
18	Primary Deficit (-)/Primary Surplus (+) (17-11)	(-)841	789	(-)2316	134.07	0.87

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

The financial performance for the fiscal year 2022-23 reveals that the tax revenue surpassed the budget estimates by 22.05 per cent and constituted 12.68 per cent of the Gross State Domestic Product (GSDP). Notably, own tax revenue exceeded projections by 25.41 per cent. However, non-tax revenue fell short at 75.48 per cent against the Government's projections.

On the expenditure front, it can be seen that the actual revenue expenditure incurred by the State Government during 2022-23 was 88 per cent of the budget

⁴ Borrowings and other Liabilities = Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

estimates. Capital expenditure witnessed a significant uptick from the previous year, reaching 71.80 per cent of the budgeted amount.

The revenue surplus exceeded the budget estimate by 553 per cent, leading to a primary surplus of ₹ 789 crore, which in turn contributed to restricting the fiscal deficit to 23.86 per cent of the budget estimate.

1.3.3 Snapshot of assets and liabilities of the Government

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

Table 1.3: Summarised position of assets and liabilities

(₹ in crore)

Liabilities					Assets				
		2021-22	2022-23	Increase percentage			2021-22	2022-23	Increase percentage
Consolidated Fund									
a	Internal Debt	20321.17	21174.06	4.20	a	Gross Capital Outlay	26390.78	29816.21	12.98
b	Loans and Advances from GoI	2950.38*	3445.85*	16.79	b	Loans and Advances	105.92	108.11	2.07
Contingency Fund		100.00	100.00	-	Contingency fund		-	-	-
Public Account									
a	Small Savings, Provident Funds, etc.	2510.43	2445.41	(-)2.59	a	Advances	0.53	0.53	-
b	Deposits	2182.77	2355.69	7.92	b	Remittance	302.51	442.99	46.44
c	Reserve Funds	2258.79	2162.67	(-)4.26	c	Suspense and Miscellaneous	1193.33	1241.81	4.06
d	Remittances	-	-	-	Cash balance (including investment in Earmarked Fund)		1822.02	1964.75	7.83
Total		30323.54	31683.68	4.49			29725.09	33574.43⁵	12.95
Cumulative excess of receipts over expenditure		-	1890.75	-	Cumulative excess of expenditure over receipts		508.45	-	-
Total		30323.54	33574.43	10.72	Total		30323.54	33574.43	10.72

(Source: Finance Accounts of the State)

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

During 2022-23, assets increased by 12.95 per cent and liabilities increased by 10.72 per cent over the previous year.

⁵ Difference of ₹ 0.03 crore is on account of rounding.

1.4 Fiscal balance: Achievement of targets for deficits and total debt

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

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

1.4.1 Review of fiscal situation

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

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

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

The State Government did not prepare the MTFP for 2022-23. However, the same has been prepared for the year 2023-24 and rolling targets in respect of the fiscal indicators specified above have been set in the policy, except for ratio of interest payment to total revenue receipts.

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

- As per provision of Section 5(a) of the GFRBM (First Amendment) Act, 2014, the State Government was to eliminate revenue deficit⁶ from the financial year 2014-15 and maintain that level or generate revenue surplus

⁶ Revenue deficit = Revenue receipts – Revenue expenditure; (+) indicates surplus and (-) indicates deficit

thereafter. A comparison of the State Government's estimates and the actual revenue deficit/surplus has been depicted in **Table 1.4**.

Table 1.4: Revenue deficit/surplus in last three years

(₹ in crore)

Revenue deficit (-)/ surplus (+) as	2020-21	2021-22	2022-23
Budget estimates	422	58	434
Revised estimates	(-)133	(-)19	545
Actuals	(-)1653	59	2400

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

- In 2022-23, the Government anticipated a ₹ 434 crore revenue surplus, revised it to ₹ 545 crore, while the actual surplus was ₹ 2,400 crore, indicating a significant increase from the estimates. It can also be seen from the table that in last three years (2020-23) the State Government progressed from a revenue deficit of ₹ 1,653 crore in 2020-21 to a surplus of ₹ 2,400 crore in 2022-23.
- As can be seen from the above table, actual revenue deficit/surplus of 2022-23 deviated significantly from BE and RE. The reason for estimated surplus of ₹ 545 crore at the RE stage increasing significantly into surplus of ₹ 2,400 crore was mainly due to reduced expenditure under revenue heads than that provided for in RE. Less than the estimated revenue expenditure was incurred across all three services, namely in social services (by ₹ 1,105 crore), economic services (by ₹ 1,034 crore) and General Services (by ₹ 683 crore).
- The GFRBM (First Amendment) Act, 2014 envisaged achievement of fiscal deficit⁷ at three *per cent* of GSDP by 2013-14 and thereafter, to maintain the ratio or reduce it. Fiscal deficit to GSDP ratio was first brought below three *per cent* in 2014-15 and it remained so till 2019-20. However, the GFRBM (Amendment) Act, 2021 increased the target for fiscal deficit/GSDP ratio to five *per cent* for the financial year 2020-21. The target of fiscal deficit/GSDP was further revised to four *per cent* for the year 2021-22 and 2022-23 through amendments in the GFRBM Act.

The fiscal deficit to GSDP ratio during the period 2020-21 to 2022-23 is summarised in **Table 1.5**.

⁷ Fiscal deficit is the difference between the total income of Government (revenue receipts + non-debt capital receipts) and its total expenditure (revenue expenditure + capital expenditure + disbursement of loans and advances). This excludes the borrowings of the Government.

Table 1.5: Fiscal deficit/GSDP

Year	(in per cent)		
	Budget estimates	Revised estimates	Actuals
2020-21	6.14	5.60	4.82
2021-22	7.11	8.15	3.18
2022-23	4.75	4.86	1.13

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

- As can be seen from the table above, the actual Fiscal Deficit to GSDP ratio witnessed a decreasing trend over the last three years.
- In 2020-21, the actual fiscal deficit of 4.82 per cent of GSDP was below both the initial estimate of 6.14 per cent and the revised estimate of 5.60 per cent.
- During the fiscal year 2021-22, the actual fiscal deficit at 3.18 per cent of GSDP, was significantly lower than the revised estimate of 8.15 per cent.
- In 2022-23, the actual fiscal deficit stood at 1.13 per cent of GSDP, considerably below both the initial and revised estimates of 4.75 per cent and 4.86 per cent, respectively.

Table 1.6 shows the extent of compliance by the State Government during 2019-23, against the targets set forth in the GFRBM Act, 2006, as amended from time to time.

Table 1.6: Compliance with provisions of GFRBM Act

Fiscal Parameters	Fiscal targets set in the GFRBM Act	Achievement				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit(-)/ Surplus (+) (₹ in crore)	Revenue Surplus	355	(-)325	(-)1653	59	2400
		✓	✗	✗	✓	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Three per cent (up to 2019-20)	(-)1792 (-2.49)	(-)1994 (-2.66)	(-)3648 (-4.82)	(-)2624 (-3.18)	(-)1027 (-1.13)
	Five per cent (for 2020-21) and four per cent (for 2021-22* and 2022-23*)	✓	✓	✓	✓	✓
Ratio of total outstanding debt to GSDP (per cent) ⁸	Target ceiling	25	25	25	25	25
	Actual	28.41	30.06	33.92	33.21	31.57
Outstanding Guarantees	Below ₹ 1,500 crore	1093	883	967	662	405
		✓	✓	✓	✓	✓

(Source: Finance Accounts of the State)

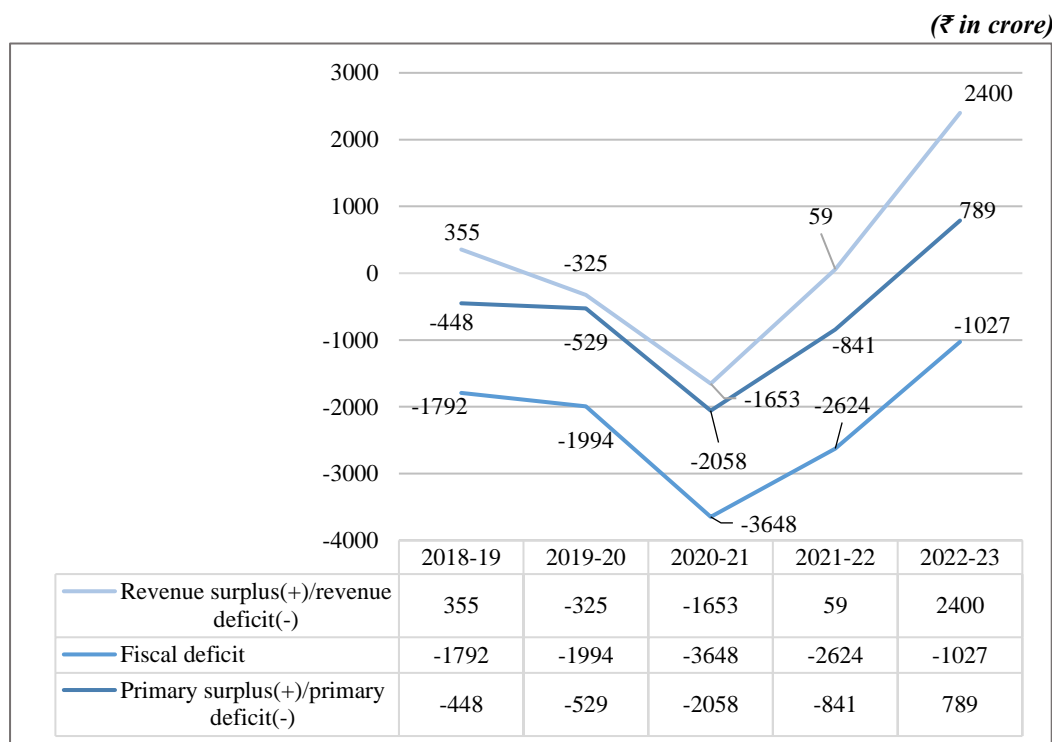
*As per amendments made to the Goa Fiscal Responsibility and Budget Management Act on 18/07/2022 (2022-23) and 09/03/2022 (2021-22)

⁸ 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.

The provisions of section 5(d) of the GFRBM (First Amendment) Act, 2014 prescribed that total outstanding debt⁹ to GSDP be brought down to 27 per cent by 31 March 2015 and thereafter, maintain it below 25 per cent. It may be seen from the **Table 1.6** that the State Government breached the ceiling of outstanding debt to GSDP ratio of 25 per cent every year during the last five years (2018-23). However, the ratio registered a decline from 33.21 per cent in 2021-22 to 31.57 per cent during 2022-23. The State Government managed to keep the ratio of fiscal deficit to GSDP during the period 2018-23 within the limit prescribed under GFRBM Act, as amended from time to time.

Further, revenue, fiscal and primary deficits¹⁰ indicate the overall health of State Government finances during a specified period. **Chart 1.4** presents the trends in these three key fiscal indicators over the period 2018-23.

Chart 1.4: Trends in key fiscal indicators



(Source: Finance Accounts of the State)

As may be seen from chart above, the State Government has succeeded in improving the fiscal parameters viz. revenue, fiscal and primary deficits during 2022-23 compared to the previous four years. The State's fiscal deficit decreased compared to the previous year from ₹ 2,624 crore to ₹ 1,027 crore. Further, during 2022-23, the State Government managed to increase its revenue

⁹ Total outstanding debt includes public debt and Public Account liabilities. Public debt includes only internal debt and loans and advances from GoI. Public Account liabilities includes liabilities under small saving funds, General Provident Fund, reserve funds, etc.

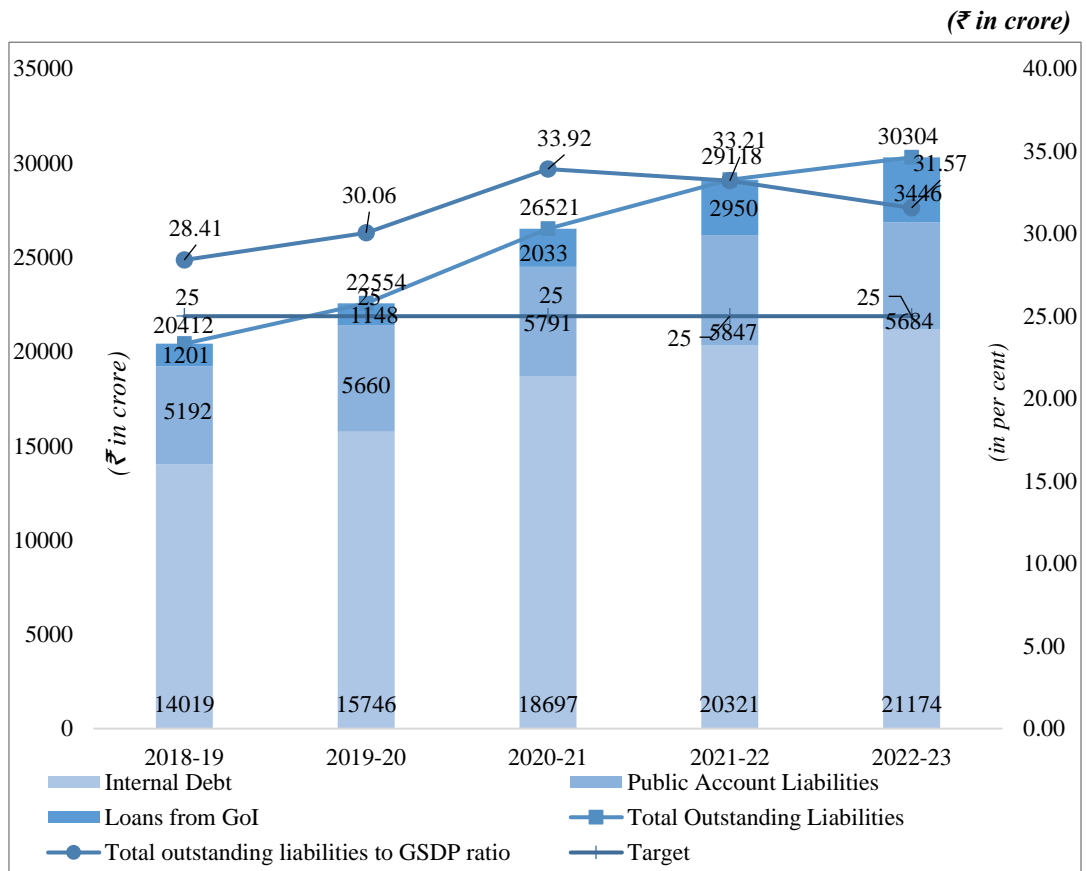
¹⁰ Fiscal deficit minus interest payments

surplus exponentially from ₹ 59 crore in 2021-22 to ₹ 2,400 crore in the current year.

Primary deficit, 2018-19 and 2019-20 witnessed deficits of ₹ 448 crore and ₹ 529 crore, respectively. However, 2020-21 recorded a significant deficit of ₹ 2,058 crore, followed by deficits of ₹ 841 crore in 2021-22 and a surplus of ₹ 789 crore in 2022-23.

Chart 1.5 below shows the trends in fiscal liabilities of the State Government *vis-à-vis* GSDP during the last five years (2018-23).

Chart 1.5: Trends in fiscal liabilities *vis-à-vis* GSDP



(Source: Finance Accounts of the State)

As may be seen from chart above, total outstanding debt of the State Government during 2022-23 increased by ₹ 1,186 crore (4.07 per cent) over the previous year, due to increase in internal debt by ₹ 853 crore (4.20 per cent), loans and advances from GoI by ₹ 496 crore (16.81 per cent) offset by decrease in Public Account liabilities by ₹ 163 crore (2.79 per cent).

1.5 Deficits and total debt after examination in audit

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

1.5.1 Post-Audit: Deficits

Off-budget fiscal operations, deferment of clear-cut liabilities, non-deposit of cess/royalty to Consolidated Fund, short contribution to New Contributory Pension Scheme (NPS), Sinking and Redemption funds, *etc.* impact the State's revenue and fiscal deficit. Scrutiny of certain major transactions during 2022-23 revealed that revenue surplus and fiscal deficit were affected as brought out in the Notes to Accounts of Finance Accounts (2022-23) Volume I and as detailed in **Table 1.7**.

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

(₹ in crore)

Particulars	Impact on Revenue Surplus [overstated (-)]	Impact on Fiscal Deficit (understated)
Short contribution to Consolidated Sinking Fund	(-)85.59	85.59
Non-payment/short payment of interest to State Compensatory Afforestation Deposit	(-)6.09	6.09
Non-Transfer of Cess/fee/surcharge	(-)77.00	77.00
Total	(-)168.68	168.68

(Source: Notes to Finance Accounts)

It was observed from the finance accounts revenue expenditure totalling ₹ 169 crore was either short-paid/unpaid or not booked by the State Government during 2022-23. This accounted for an overstatement of revenue surplus to that extent (by ₹ 169 crore) and hence, the revised figure for the revenue surplus would stand at ₹ 2,231 crore (₹ 2,400 crore minus ₹ 169 crore).

The fiscal deficit of the State would increase from ₹ 1,027 crore to ₹ 1,196 crore after taking into account the deferred revenue expenditure as shown in the **Table 1.7** above. Thus, fiscal deficit to GSDP ratio would be 1.32 *per cent* instead of 1.13 *per cent*.

1.5.2 Post-Audit: Total Outstanding Debt

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

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

1.		Total outstanding debt as per Finance Accounts 2022-23 (₹ 30,303.62 crore) (₹ in crore)	As percentage of GSDP (31.57 per cent) ¹¹ (per cent)
2.	Total outstanding debt understated due to: (i) Off-budget borrowings ¹² by (i) Goa State Infrastructure Development Corporation Limited (₹ 676.61 crore) and (ii) Sewerage and Infrastructural Development Corporation of Goa Limited (₹ 123.89 crore) on behalf of the State Government where the principal and/or interest were to be serviced out of the State budget.	800.50	0.88
Total of (1 + 2)		31104.12	32.45*

(Source: Information provided by SPSEs)

*Excluding back-to-back loans

Considering the off-budget fiscal liabilities amounting to ₹ 800 crore at the end of 2022-23, the total outstanding debt of the State Government at the end of March 2023 worked out to be ₹ 31,104 crore, instead of ₹ 30,304 crore depicted in the Finance Accounts. Consequently, the ratio of total outstanding debt to GSDP (31.57 per cent) at the end of the year was understated by 0.88 per cent. Thus, post-audit total outstanding debt of the State Government was 32.45 per cent of GSDP.

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 These two SPSEs execute only Government works. For execution of works, these two SPSEs borrow from financial institutions. The principal amount, interest on borrowings and professional fees of SPSEs are then claimed from the State Government. ₹ 800.50 crore shows the amount receivable by the SPSEs from the State Government.

Chapter II
Finances of the State

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

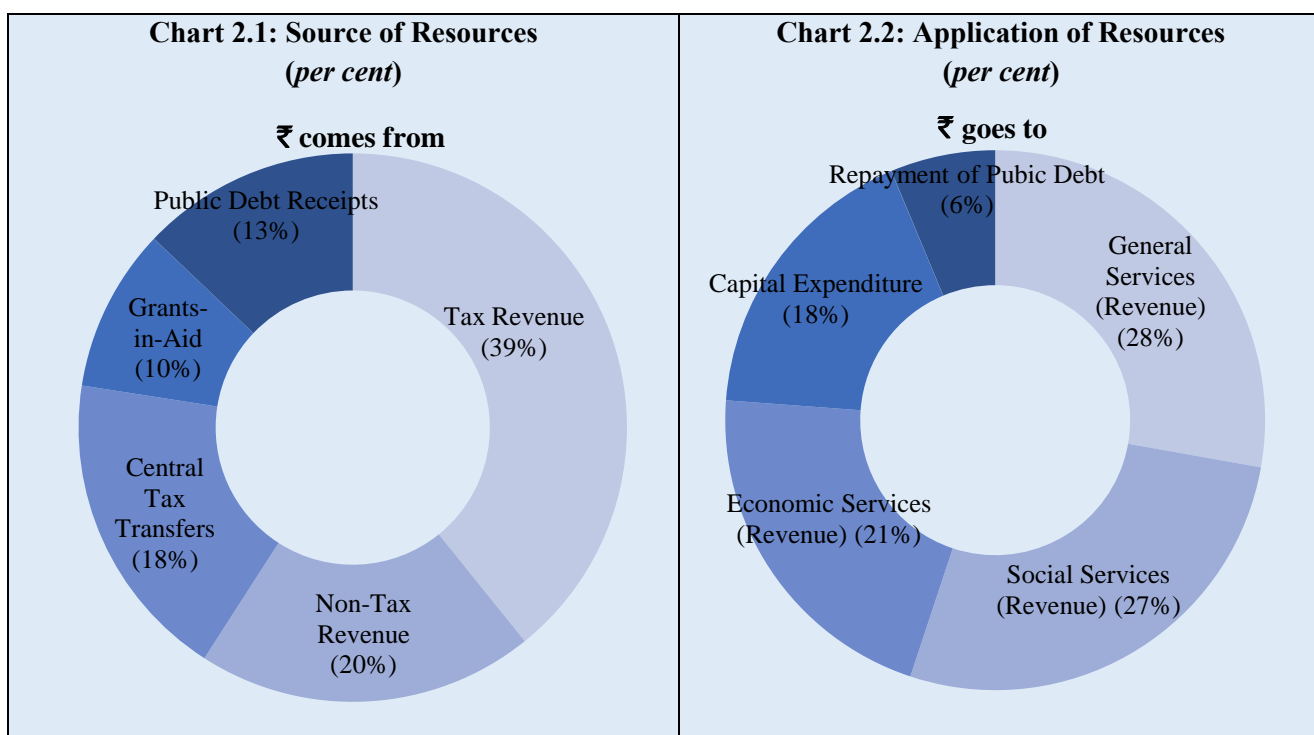
details of receipts into and expenditure from the Consolidated Fund during 2022-23.

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.

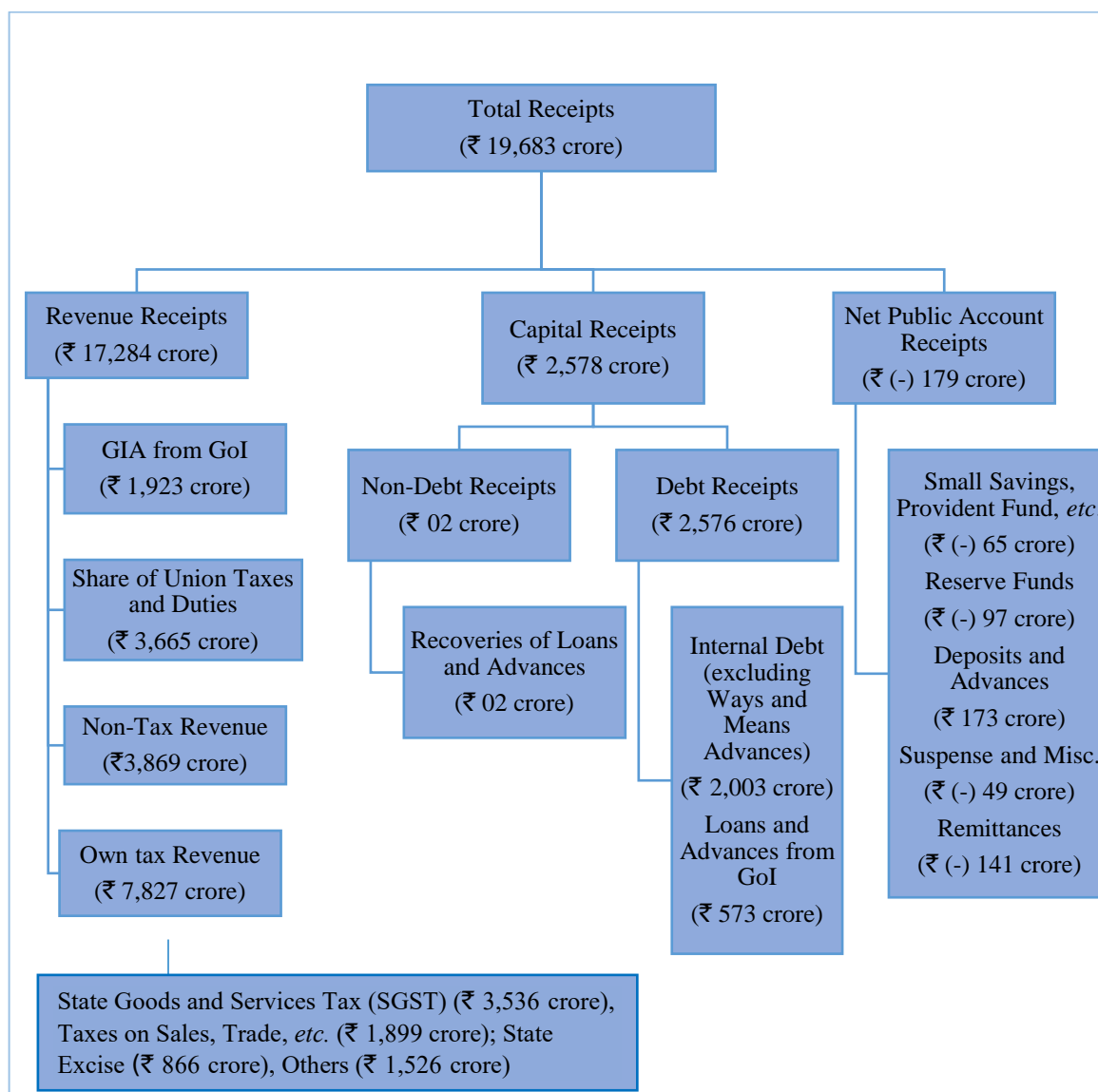
Both revenue and capital receipts form part of the Consolidated Fund of the State.

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:

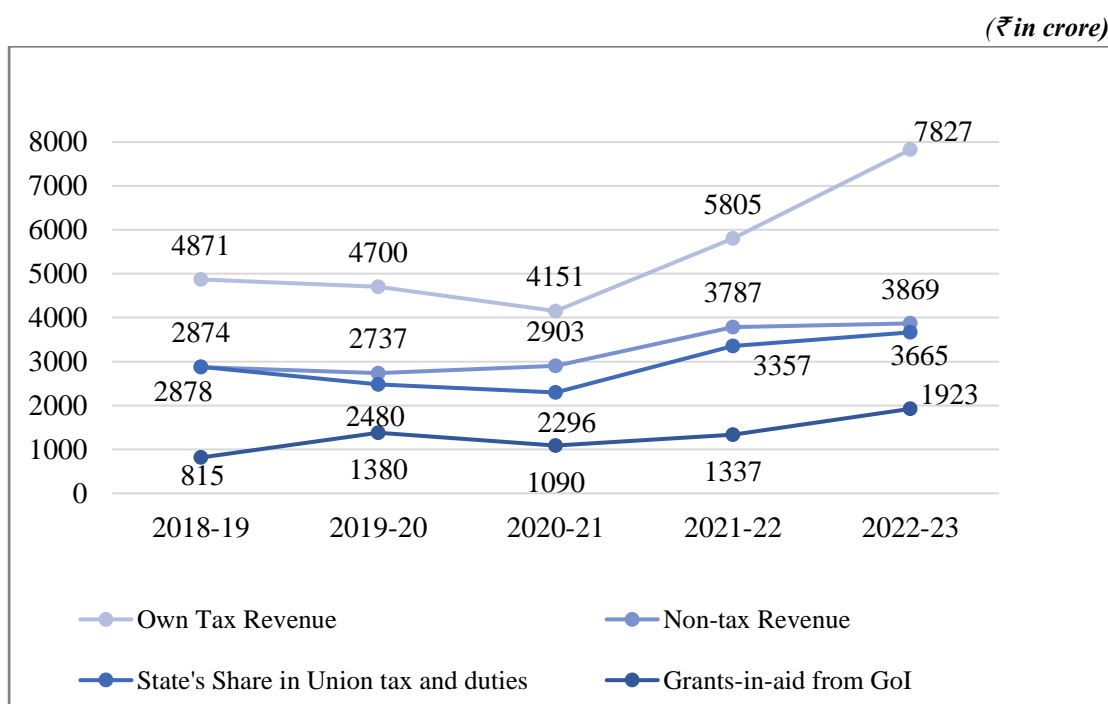
- Revenue receipts increased by 51.11 per cent from ₹ 11,438 crore in 2018-19 to ₹ 17,284 crore in 2022-23. During 2022-23, revenue receipts increased by ₹ 2,998 crore (20.99 per cent) over the previous year. The increase in receipts was due to increase in own tax revenue by ₹ 2,022 crore (34.83 per 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**).

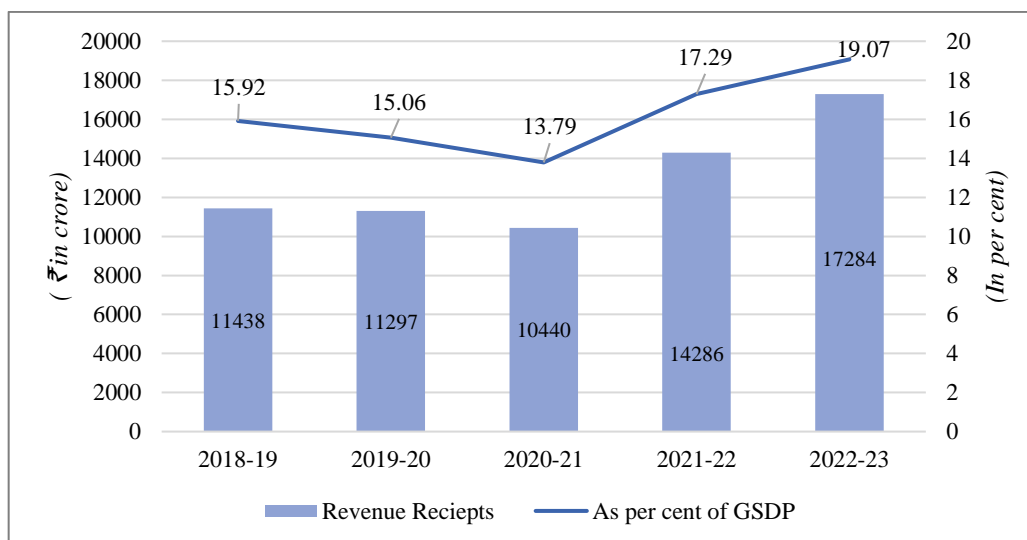
Trends in composition of revenue receipts and revenue receipts relative to GSDP during the last five years are shown in **Charts 2.4** and **2.5** respectively.

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)

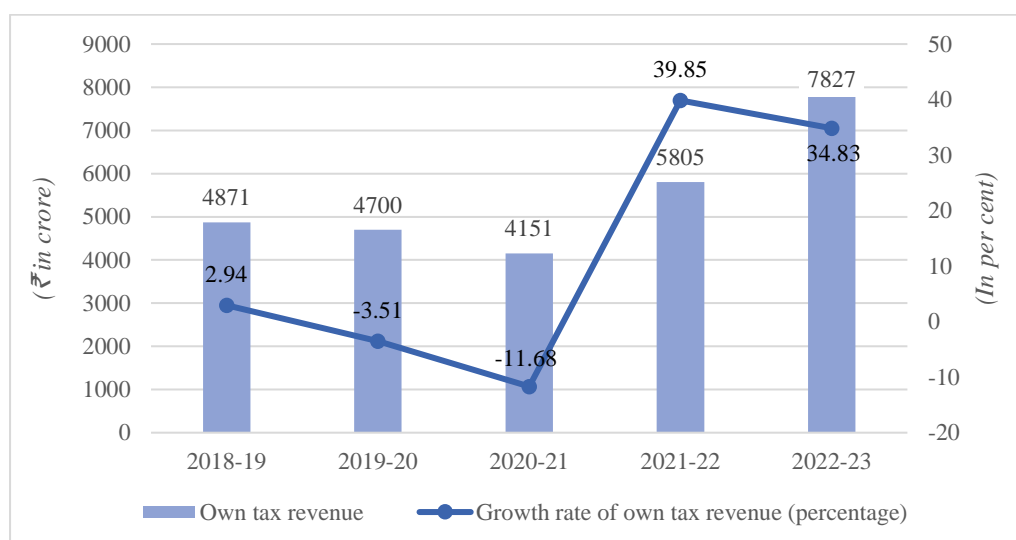
2.3.2.2 State's own resources

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 etc.	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

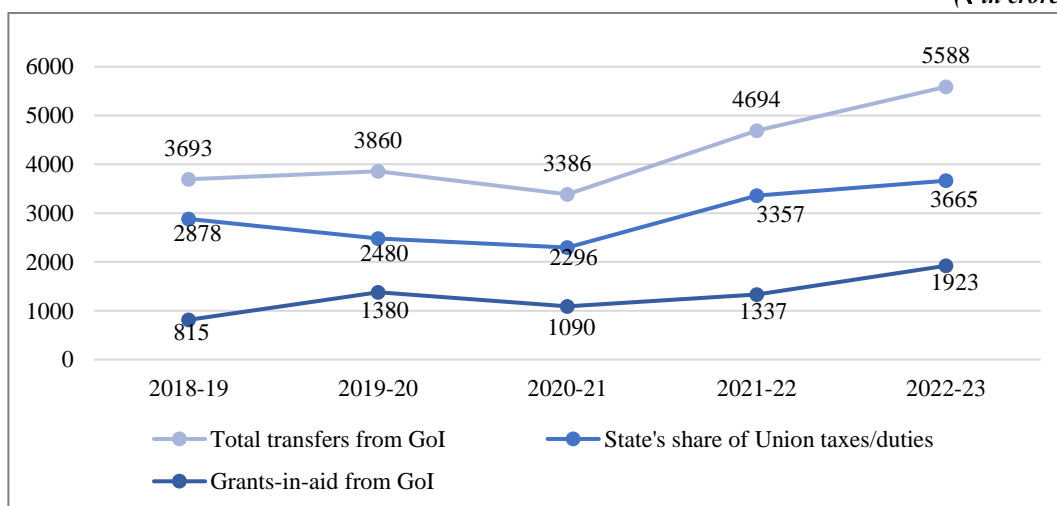
(Source: Finance Accounts of the State)

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
	(₹ in crore)				
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 (per cent)	(-)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 (per cent)	27.54	7.93	35.80	(-)30.63	(-) 19.88
Loans and advances from GoI	70	46	983	1013	573
Growth rate (per cent)	(-)10.26	(-)34.29	2036.96	3.05	(-) 43.44
Rate of growth of debt capital receipts (per cent)	26.09	6.76	69.89	(-)23.42	(-) 26.67
Rate of growth of GSDP (per cent)	3.61	4.42	0.90	9.11	9.73
Rate of growth of capital receipts (per cent)	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)

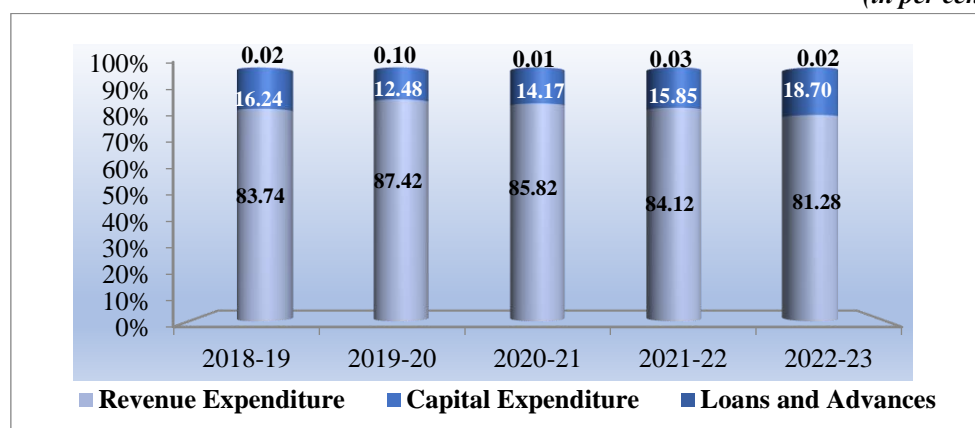
*The percentage of loans and advances to GSDP was negligible.

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.

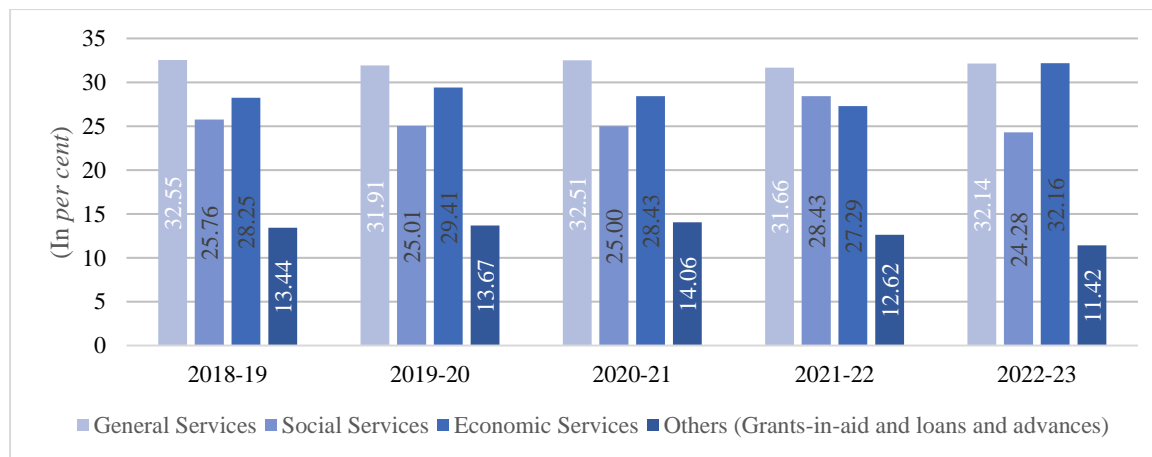
Table 2.15: Relative shares of various sectors in total expenditure
(in per cent)

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 (per cent)	5.12	4.86	4.05	17.65	4.62
RE/TE (per cent)	83.74	87.42	85.82	84.12	81.28
RE/GSDP (per cent)	15.42	15.49	15.97	17.22	16.42
RE/RR (per cent)	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

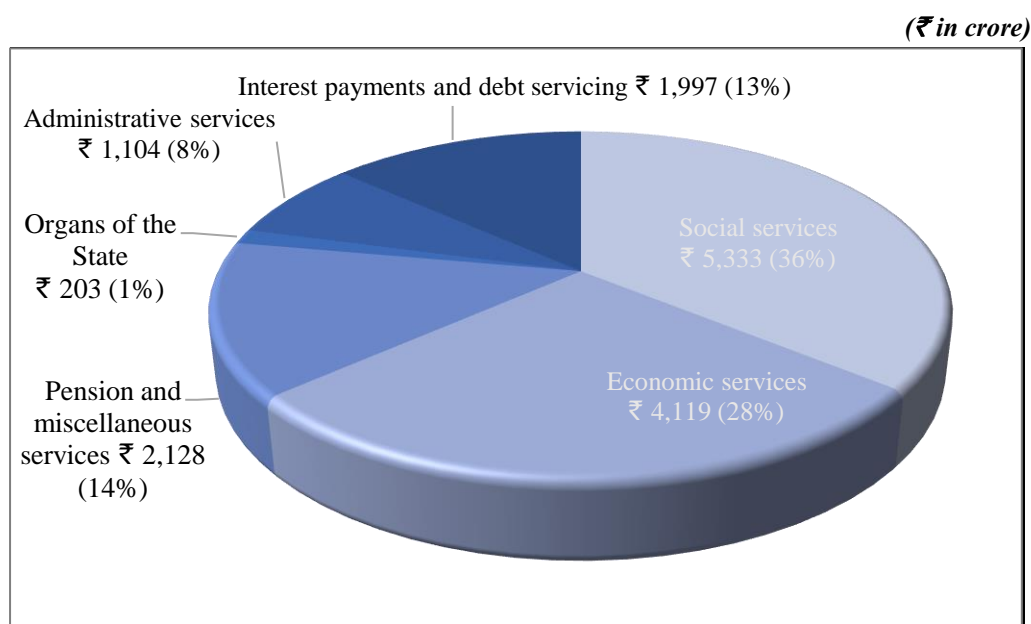
Revenue expenditure increased from ₹ 11,083 crore in 2018-19 to ₹ 14,884 crore in 2022-23 and grew by ₹ 657 crore (4.62 per cent) during 2022-23 over the previous year.

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	(-)	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)

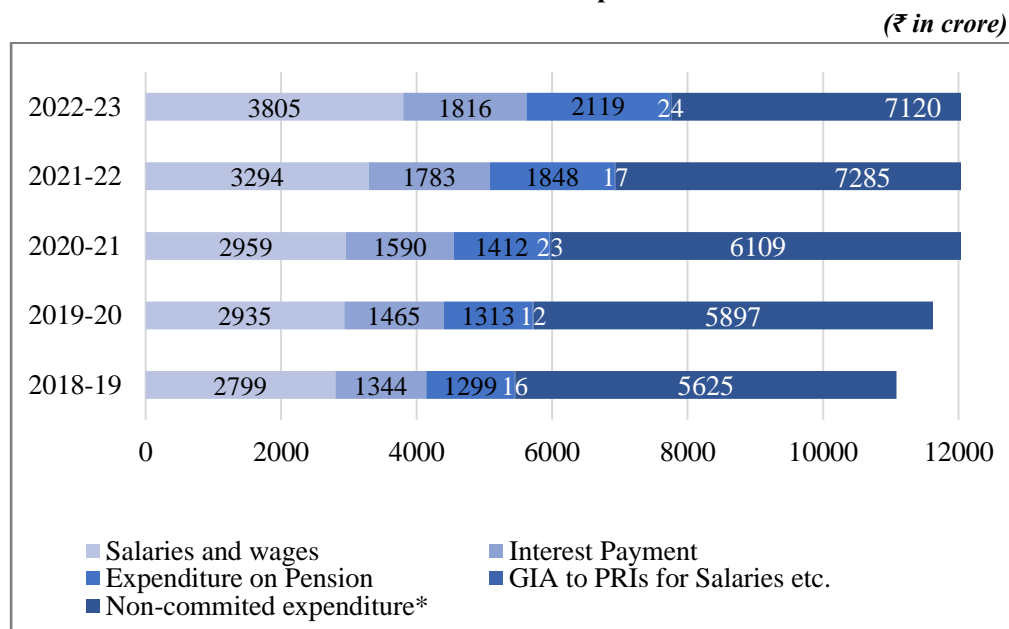
*Including figures of grants-in-aid to Panchayats for pay and allowances.

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

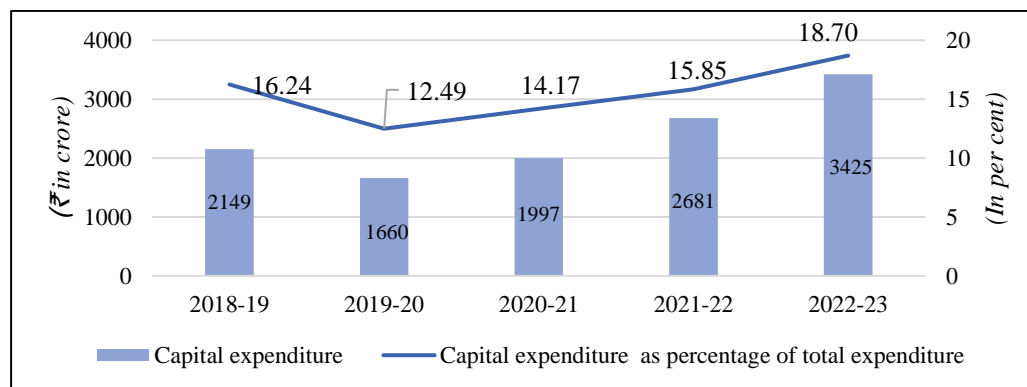
(Source: Finance Accounts of the State)

*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 (<i>₹ in crore</i>)	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 (<i>₹ in crore</i>)	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 (<i>per cent</i>)	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) basic 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

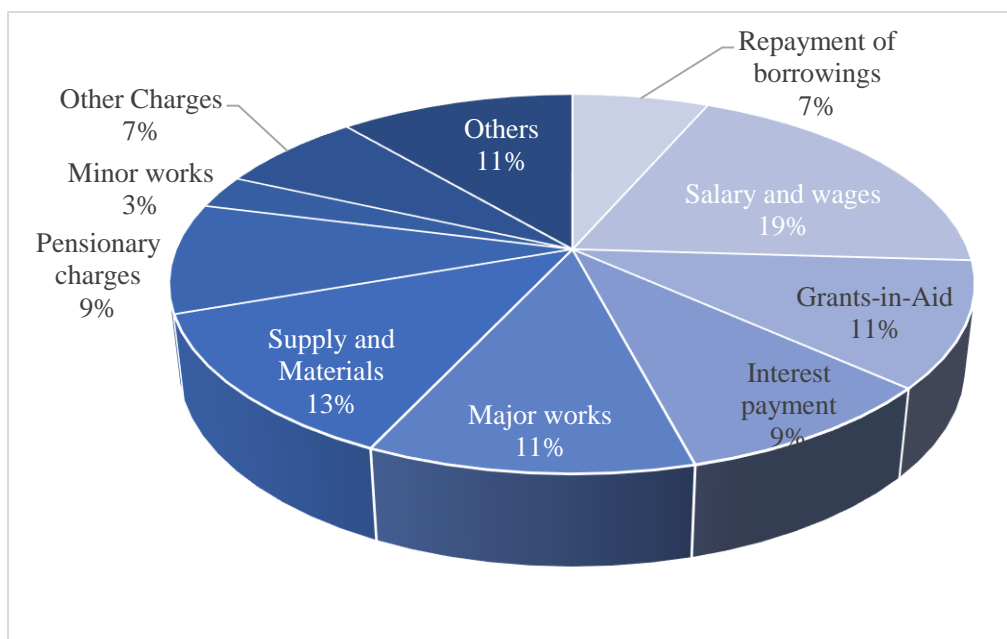
Analysis of the fiscal priorities of the State as shown in **Table 2.31** revealed the following:

- 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)

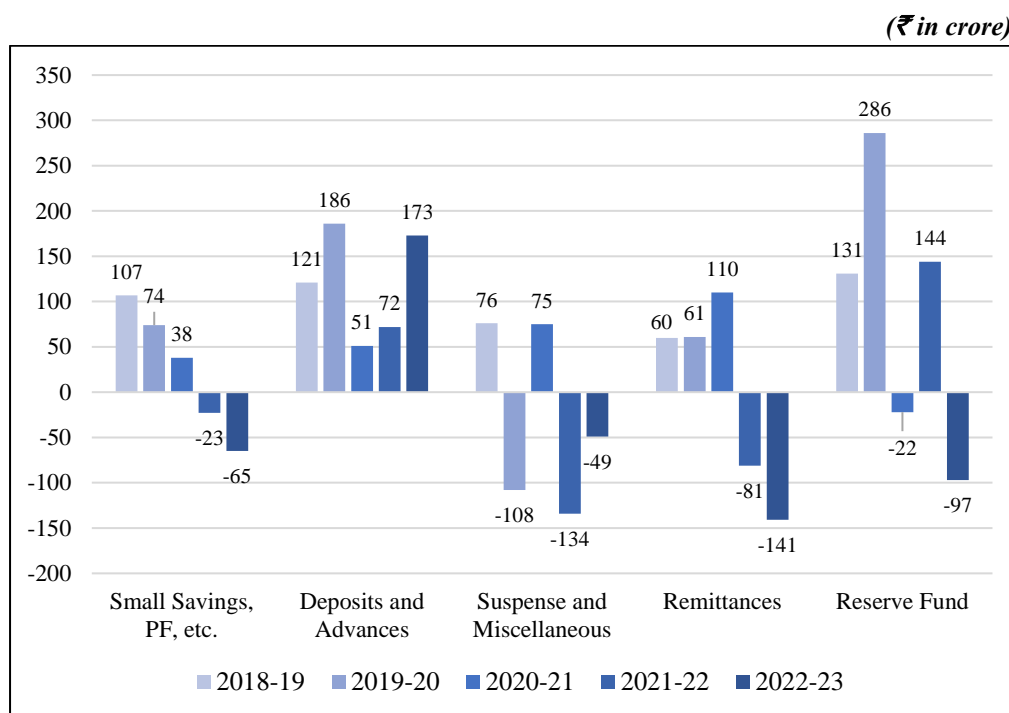
Sector	Sub-Sector	2018-19	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	107	74	38	(-) 23	(-)65
J. Reserve Funds	(a) Reserve Funds bearing Interest	04	249	(-)16	32	(-)03
	(b) Reserve Funds not bearing Interest	127	37	(-)06	112	(-)94
Sub-total:		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

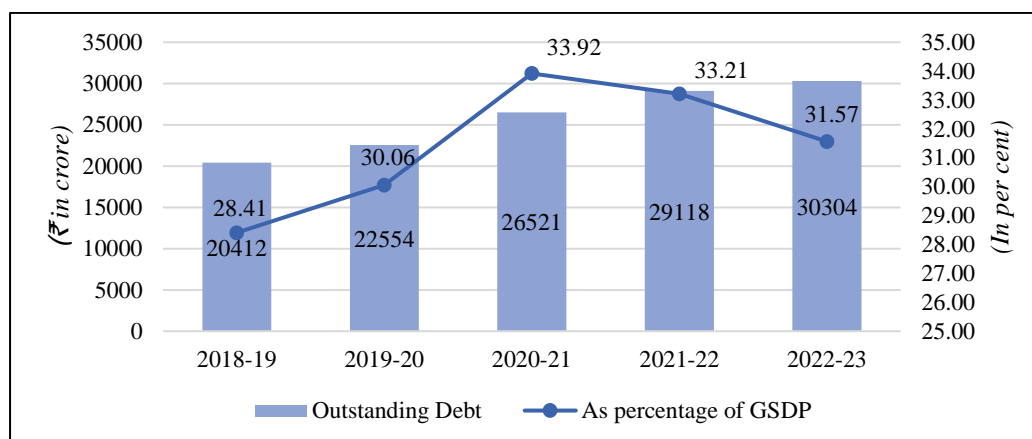
(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Total outstanding debt	20412	22554	26521	29118	30304
Rate of growth of outstanding debt (per cent)	10.03	10.49	17.59	9.79	4.07
GSDP	71853	75032	75705	82604	90642
Debt/GSDP (per cent)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).

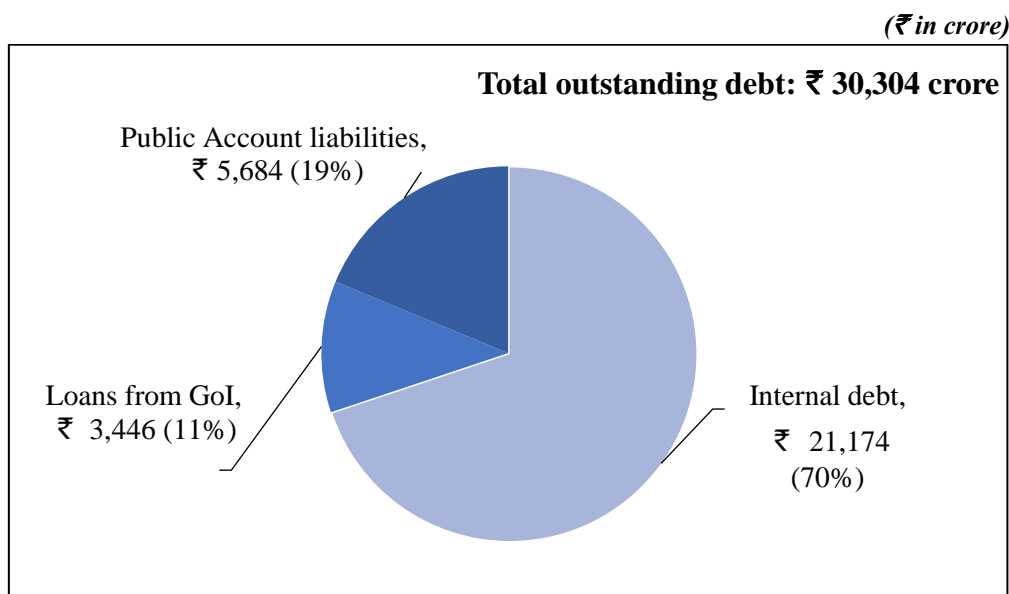
In the fiscal year 2022-23, the total debt rose by ₹ 1,186 crore, which was a notable decrease compared to the ₹ 2,597 crore increase recorded in the preceding fiscal year, 2021-22. This decrease was mainly due to lower net market borrowings of the State *i.e.* ₹ 500 crore in 2022-23 *vis-à-vis* ₹ 1,450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

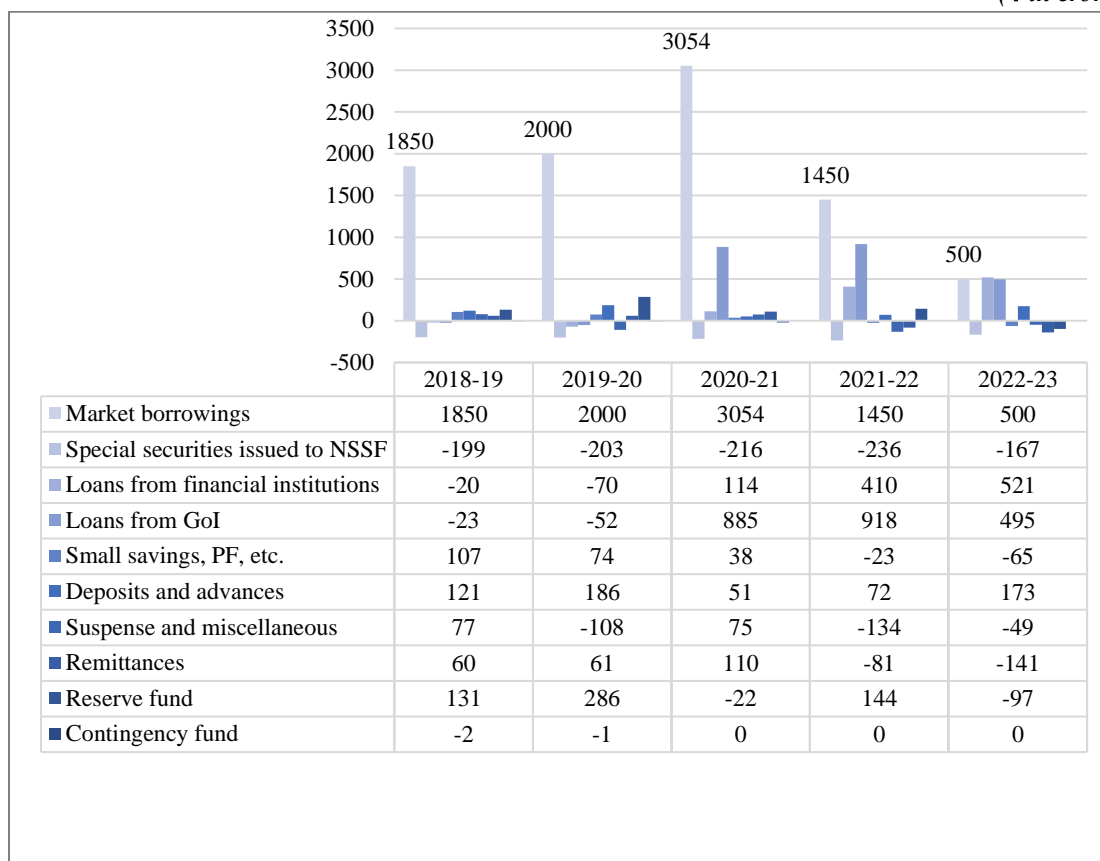


(Source: Finance Accounts of the State)

¹³ National Bank for Agriculture and Rural Development

Chart 2.17: Component-wise debt trends

(₹ in crore)



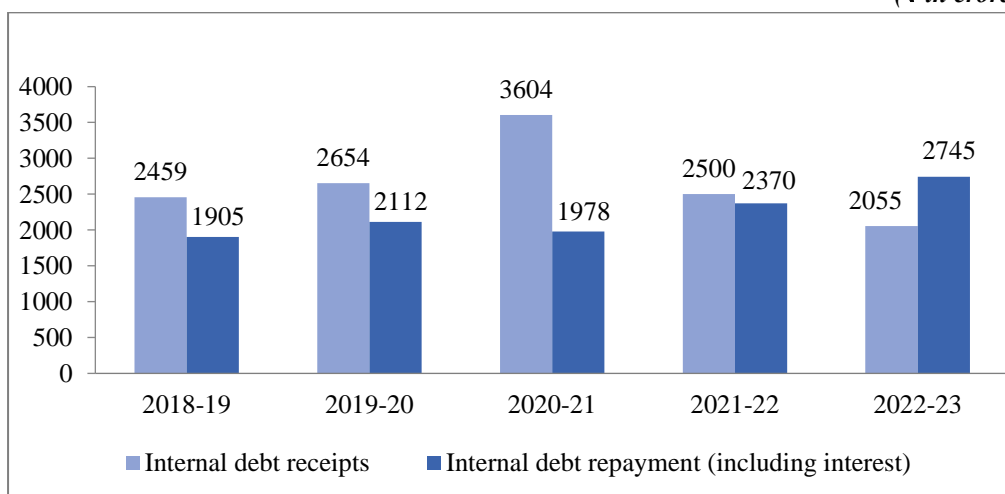
(Source: Finance Accounts of the State)

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).

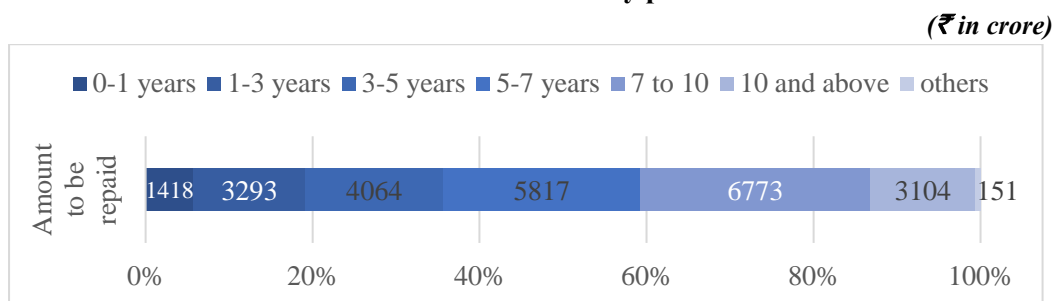
¹⁵ Net capital expenditure is miscellaneous capital receipts minus capital expenditure.

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 vis-à-vis 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)

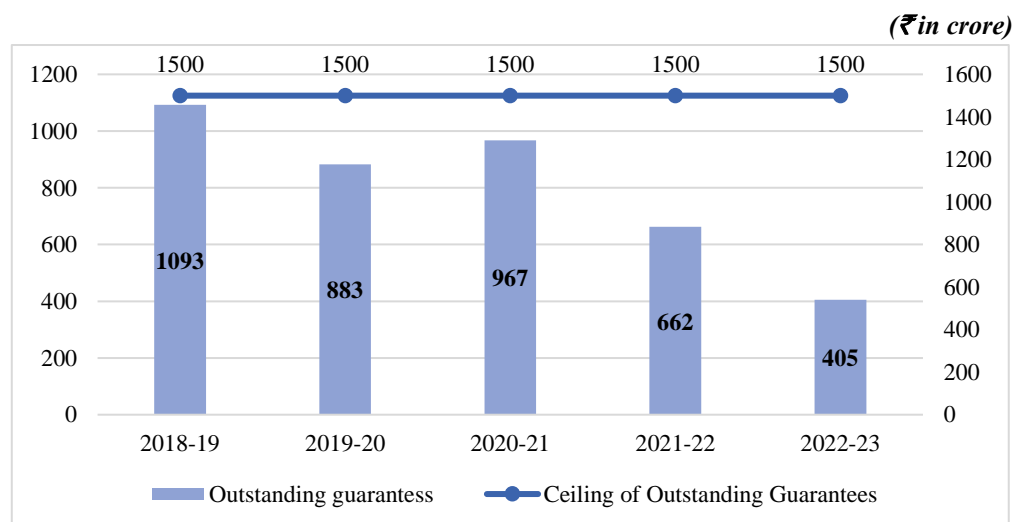
Details as per Table 2.42 shows that the borrowings were not used for meeting the revenue expenditure during 2022-23. Consequently, more fiscal space was available to the State Government for capital spending as compared to the previous four years.

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 <i>viz.</i> , Public Works Department, Forest Department, District Collectors, <i>etc.</i>	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)

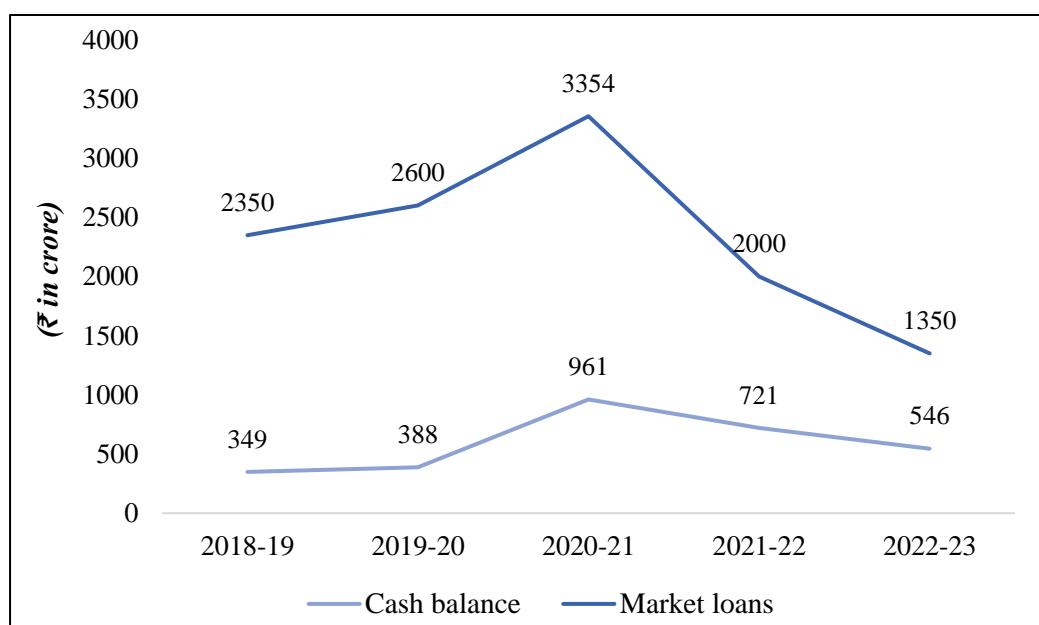
Year	Opening balance	Closing balance	Increase (+) / decrease (-)	Interest earned
2018-19	153.16	349.14	(+)195.98	6.22
2019-20	349.14	387.64	(+)38.50	45.66
2020-21	387.64	960.89	(+)573.25	63.25
2021-22	960.89	721.16	(-)239.73	17.86
2022-23	721.16	546.48	(-)174.68	31.43

(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.

Chapter III
Budgetary Management

Chapter III: Budgetary Management

Introduction

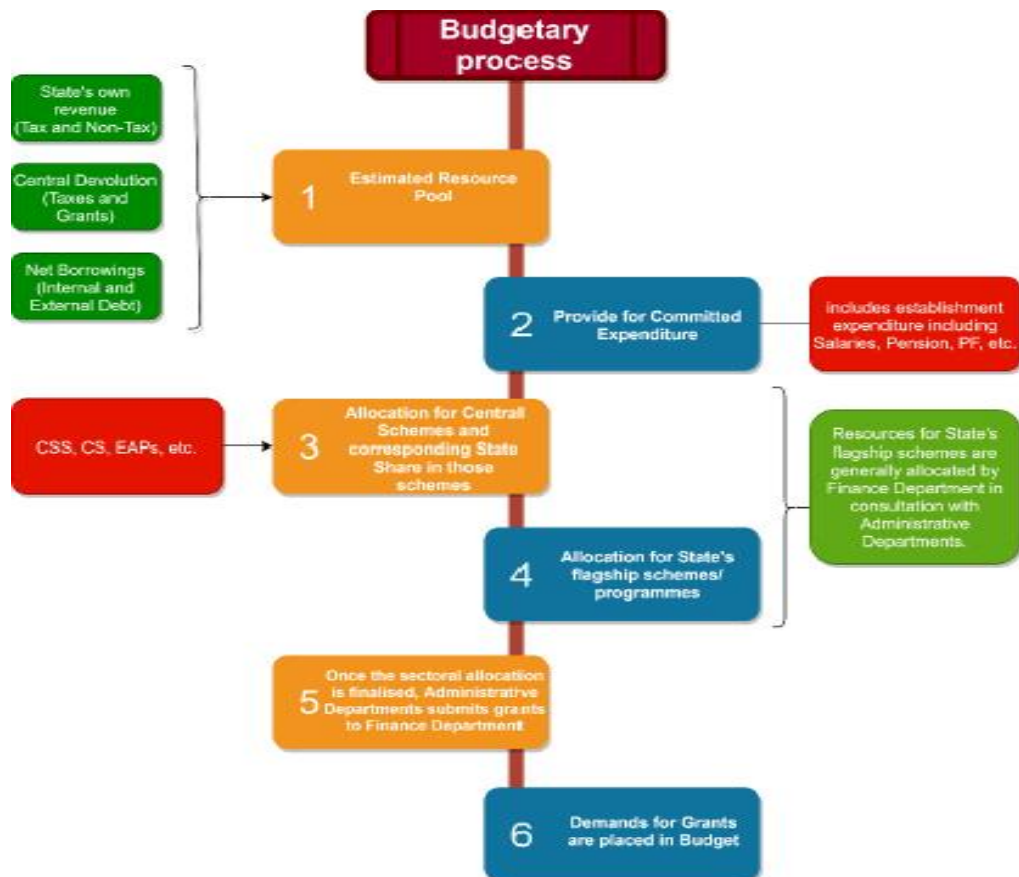
This Chapter reviews the allocative priorities of the State Government and comments on transparency of budget formulation and effectiveness of its implementation. Effective financial management ensures that policy decisions are taken and implemented successfully at the administrative level without wastage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

3.1 The Budget process

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

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

Chart 3.1: Budget preparation process



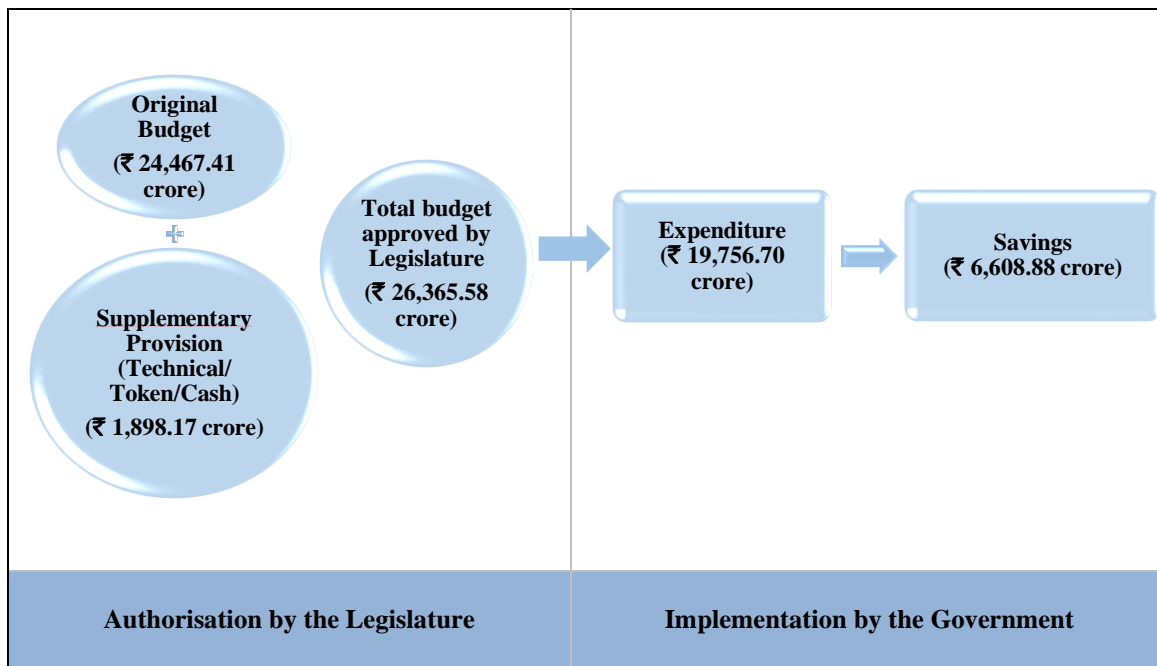
(CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAPs: Externally Aided Projects)

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

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

Total amounts approved by the State Legislature in the original and supplementary budget, expenditure and savings during 2022-23 are depicted below.

Chart 3.2: Original and supplementary budget, expenditure and savings during 2022-23



(Source: Appropriation Accounts of the State)

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

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

Summarised position of total budget provision, disbursements and savings/excesses during 2022-23 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursements and savings/excesses during 2022-23

(₹ in crore)

Total budget provision		Disbursements		Net savings(-)/excesses(+)	
Voted	Charged	Voted	Charged	Voted	Charged
21680.96	4684.62	16559.71	3196.99	(-)5121.25	(-)1487.63

(Source: Appropriation Accounts of the State)

It could be seen from the table above that net savings of ₹ 5,121.25 crore and ₹ 1,487.63 crore occurred in the voted and charged section against the budget provision during 2022-23.

3.1.2 Charged and voted disbursements

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

Trend analysis of classification of total disbursements under charged and voted sections during the last five years (2018-23) is given below.

Table 3.2: Voted and charged disbursements and savings during 2018-23

(₹ in crore)

Year	Disbursements		Net savings(-)/excesses(+)		Percentage savings under voted section (utilisation)
	Voted	Charged	Voted	Charged	
2018-19	11949.05	4779.95	(-)4611.36	2315.94	28 (72)
2019-20	11906.67	3619.21	(-)6855.54	824.16	37 (63)
2020-21	12620.32	5423.62	(-)6703.04	2600.36	35 (65)
2021-22	15187.22	4466.99	(-)7312.80	221.13	33 (67)
2022-23	16559.71	3196.99	(-)5121.25	(-)1487.63	24 (76)

(Source: Appropriation Accounts of the State)

It may be seen from the table above that State Government utilised only 63 to 76 per cent of total voted provisions during 2018-23. While utilisation compared to previous four years has improved during 2022-23, low utilisation of funds against budget provision over the years indicated poor budgetary management by the State Government. Audit is of the view that the State Government needs to prepare its budget estimates more realistically.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

Table 3.3: Aggregate Budget Outturn during 2022-23

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)
Revenue	17097.51	15030.95	(-)2066.56
Capital	7369.90	4725.75	(-)2644.15
Total	24467.41	19756.70	(-)4710.71

(Source: Appropriation Accounts of the State)

*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

In Revenue section, deviation in outturn compared with BE was (-) 12.09 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 43 grants including three appropriations, between ± 25 per cent and ± 50 per cent in 37 grants, between ± 50 per cent and ± 100 per cent in 11 grants.

In Capital section, deviation in outturn compared with BE was (-) 35.88 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 72 grants, including two appropriations. No provision was made in respect of 18 grants and one appropriation of the Capital section.

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

Table 3.4: Expenditure Composition Outturn during 2022-23

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE & RE	Difference between Actual and RE*
1	2	3	4	5	6
Revenue	17097.51	17550.09	15030.95	(-)452.58	(-)2519.14
Capital	7369.90	7632.99	4725.75	(-)263.09	(-)2907.24
Total	24467.41	25183.08	19756.70	(-)715.67	(-)5426.38

(Source: Appropriation Accounts and Budget Documents of the State)

*Excess of actuals over revised estimate is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

In Revenue section, deviation in outturn compared with RE was (-) 14.35 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 37 grants including two appropriations, between ± 25 per cent and ± 50 per cent in 40 grants including one appropriation and between ± 50 per cent and ± 100 per cent in 14 grants.

In Capital section, deviation in outturn compared with RE was (-) 38.09 per cent. This was due to deviation between 0 per cent and ± 25 per cent in 13 grants, between ± 25 per cent and ± 50 per cent in 16 grants including one appropriation, between ± 50 per cent and ± 100 per cent in 43 grants including one appropriation. No provision was made in respect of 19 grants (Grant nos. A1, 3, 4, 5, 9, 14, 22, 24, 25, 28, 29, 30, 60, 70, 73, 75, 77, 79 & 88) of the Capital section.

3.2 Appropriation Accounts

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

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure without authority of law

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

Expenditure without budget provision

During 2022-23, State Government incurred an expenditure of ₹ 1,402.06 lakh (under capital section) without authority of law/budgetary provision.

Table 3.5: Expenditure without budget provision during 2022-23

Sl. No.	Name of Grant/Appropriation	Head of Account	Budget provision	Expenditure without provision (₹ in lakh)
1	18 Jails	4059-01-051-01 Construction	0.00	2.82
2	21 Public Works	4215-01-010-03 Capital Outlay on Water Supply and Sanitation	0.00	16.74
3		4215-01-010-04 Capital Outlay on Water Supply and Sanitation	0.00	1.93
4		5054-04-796-01 Scheduled Tribe Development Scheme	0.00	1378.41
5	43 Art and Culture	4202-00-106-01 Capital Outlay on Education, Sports, Art and Culture	0.00	2.16
Total				1402.06

(Source: Appropriation Accounts of the State)

Expenditure without budget provision during 2021-22 was ₹ 4.68 crore.

On bringing this to notice of the Director of Accounts (October 2023), two Departments (18 Jails and 21 Public Works) furnished their replies.

The Department of Jails replied (December 2023) that the head 4059-01-051-01 where the expenditure of ₹ 2.82 lakh has been booked under Grant No. 18 is not operated by the Department and no such expenditure was incurred by them during 2022-23.

Public Works Department replied (December 2023) that expenditures booked under heads without any budget provision were cases of incorrect booking of expenditure. The expenditure were supposed to be booked under other heads of Capital section while the expenditure of ₹ 13.78 crore was wrongly booked under 5054-04-796-01 of Grant No.21 which belonged to Grant No. 81 (Tribal Welfare).

As per information provided by the Directorate of Accounts, both these departments had reconciled their entire expenditure for the year 2022-23 with the Directorate of Accounts. Errors like booking of expenditure under wrong

heads or grants should have been detected and rectified at the time of reconciliation itself.

No reply was received from Department of Art and Culture (January 2024). The fact, however, remains that despite reconciliation of expenditure there had been instances of expenditure without budget provisions in these cases which needs to be arrested by putting in necessary checks and control by the departments.

Recommendation 1: State Government may ensure that no expenditure is incurred without budgetary provision by any DDO and necessary controls are exercised in the Directorate of Accounts.

3.3.2 Unnecessary or excessive supplementary grants

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

State Legislature approved supplementary provisions of ₹ 1,898.17 crore in 59 grants and three appropriations for the year 2022-23. However, in 25 cases (supplementary provisions of ₹ five crore or more in each case), expenditure incurred (₹ 6,416 crore) was below the original provisions of ₹ 8,183 crore (**Appendix 3.1**). Thus, supplementary provisions aggregating ₹ 880 crore obtained during the year in these 25 cases proved unnecessary.

During the exit conference (21/02/2024), the Finance Department informed that a streamlined mechanism has been implemented from the year 2023-24 to ensure control over allocation of funds. Further, it was also assured that a review of the departments whose allocations have remained unutilised persistently over the years would also be carried out.

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

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

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

During 2022-23, cases of substantial savings were noticed. Total gross savings under various grants/appropriations amounted to ₹ 6,729 crore which was 26 *per cent* of the total authorisation (₹ 26,365 crore) during the year.

Of the total gross savings of ₹ 6729 crore, savings of ₹ 100 crore or more amounting to ₹ 2,752 crore (41 *per cent*) occurred in 13 cases (voted) out of 88 grants, as detailed in **Table 3.6**.

Table 3.6: Grants with savings of ₹ 100 crore or more

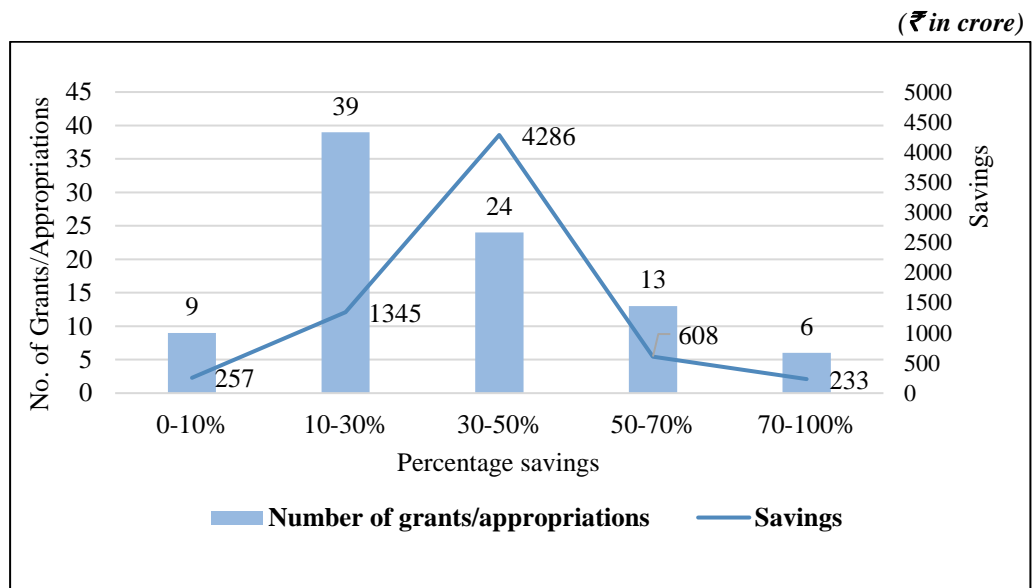
(₹ in crore)

Sl. No.	No. and name of grant	Total provision	Actual Expenditure	Savings	Surrenders	Savings after surrender
Revenue (voted)						
1.	17 Police	953.92	670.04	283.88	283.89	(-)0.01
2.	21 Public Works	914.81	525.39	389.42	387.09	2.33
3.	31 Panchayats	289.28	159.77	129.51	131.09	(-)1.58
4.	34 School Education	1969.61	1645.97	323.64	323.35	0.29
5.	47 Goa Medical College	764.43	601.99	162.44	176.13	(-)13.69
6.	48 Health Services	904.49	643.83	260.66	253.55	7.11
7.	64 Agriculture	263.43	138.97	124.46	124.42	0.04
Capital (voted)						
8.	21 Public Works	1425.00	1061.47	363.53	393.86	(-)30.33
9.	47 Goa Medical College	183.00	38.08	144.92	147.23	(-)2.31
10.	55 Municipal Administration	423.00	248.20	174.80	174.80	0.00
11.	74 Water Resource	415.48	297.30	118.18	129.42	(-)11.24
12.	76 Electricity	654.12	478.12	176.00	175.54	0.46
13.	82 Information Technology	191.25	90.83	100.42	100.42	0.00
Total		9351.82	6599.96	2751.86	2800.79	(-)48.93

(Source: Appropriation Accounts of the State)

Primary reasons for substantial savings during the year 2022-23, as furnished in the Appropriation Accounts, were non-implementation of schemes, non-receipt of cash assignment by various sub-divisions of PWD, non-filling of vacant posts, less work sanctioned, administrative reasons, non-clearance of bills, non-receipt of scholarships/stipend bills/medical reimbursement/LTC, etc.

Distribution of number of grants/appropriations grouped by percentage of savings and total savings in each group amounting to ₹ 6,729 crore (gross savings) during 2022-23 is shown in **Chart 3.3**.

Chart 3.3: Number of grants/appropriations with savings

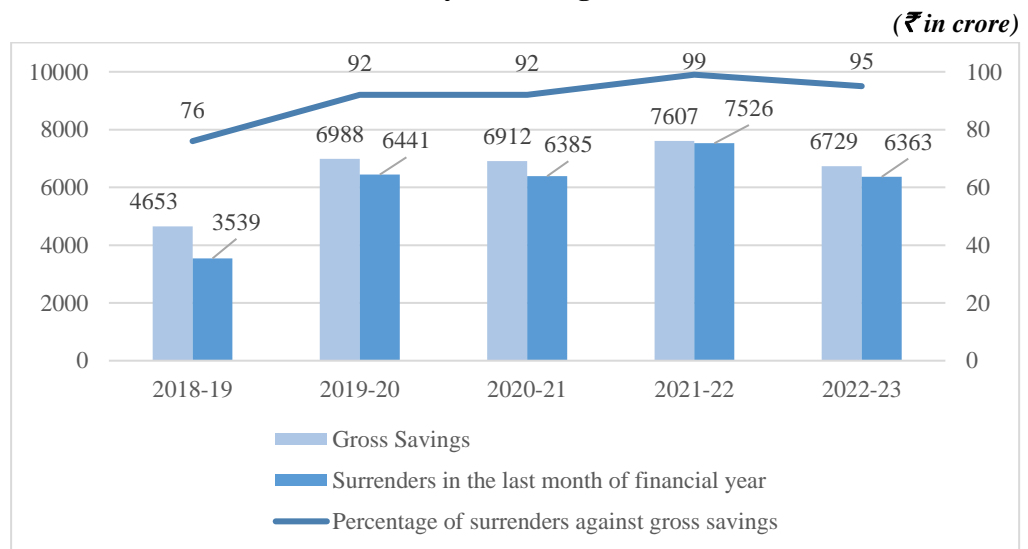
(Source: Appropriation Accounts of the State)

Substantial surrenders

It is the duty of the Budget Controlling Officers to ensure that all anticipated savings are surrendered as soon as these are identified, without waiting until the end of the year. No savings can be held in reserve by the Budget Controlling Officers for meeting possible future excess requirements.

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

Chart 3.4: Savings and surrenders in the last month of financial year during 2018-23



(Source: Appropriation Accounts of the State)

As may be seen from **Chart 3.4**, against the gross savings of ₹ 6,729 crore during the year, ₹ 6,363 crore (95 per cent) was surrendered in the last month of the financial year (March 2023).

Under-utilisation of budget grants

Audit scrutiny revealed that six out of 88 grants utilised less than or equal to 30 per cent of the budget allocation during 2022-23. The status of utilisation under these six grants in 2022-23 and previous four years (2018-22) is shown in Table 3.7.

Table 3.7: Grants with budget utilisation of less than or equal to 30 per cent in 2022-23 and previous four years (2018-22)

(₹ in crore)

Sl. No.	Grants	2018-19	2019-20	2020-21	2021-22	2022-23	No. of years*	Budget 2022-23	Total budget (5 years)
1	6 Election Office	69%	33%	22%	77%	28%	2	114.21	316.47
2	24 Environment	23%	76%	9%	(-) 21%	17%	4	25.39	207.46
3	45 Department of Archives	38%	35%	49%	11%	29%	2	38.19	222.15
4	46 Museum	28%	27%	31%	17%	18%	4	14.26	53.37
5	54 Town and Country Planning	49%	31%	28%	69%	21%	2	38.08	268.98
6	86 New and Renewable Energy	7%	0%	5%	9%	12%	5	69.21	361.17
Total								299.34	1429.60

(Source: Appropriation Accounts of the State)

* Number of years with utilisation below 30 per cent

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

Utilisation under Grant No. 86 (New and Renewable Energy) was persistently less than 30 per cent of the total budget allocation during the last five years (2018-23). This was indicative of systemic problems in utilisation of budget allocations.

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

Anticipated savings not surrendered

In 13 cases involving 11 grants, out of total savings of ₹ 1,140 crore, ₹ 72 crore was not surrendered (₹ one crore and above in each case), as detailed in Appendix 3.2. Timely surrender of unspent balances could have ensured their productive use in other areas with shortfalls.

Surrenders in excess of actual savings

In six grants, ₹ 1,022 crore was surrendered against savings of ₹ 960 crore, leading to excess surrender of ₹ 62 crore during 2022-23 (₹ one crore and above), as shown in **Table 3.8**.

Table 3.8: Surrenders in excess of savings*(₹ in crore)*

Sl. No.	No. and Name of grant	Total provision	Expenditure	Savings	Amount surrendered	Excess surrender
Revenue (voted)						
1	31 Panchayats	289.28	159.77	129.51	131.09	1.58
2	42 Sports and Youth Affairs	113.38	72.01	41.37	44.59	3.22
3	47 Goa Medical College	764.43	601.99	162.44	176.13	13.69
Capital (voted)						
4	21 Public Works	1425.00	1061.47	363.53	393.86	30.33
5	47 Goa Medical College	183.00	38.08	144.92	147.23	2.31
6	74 Water Resources	415.48	297.30	118.18	129.42	11.24
Total		3190.57	2230.62	959.95	1022.32	62.37

(Source: Appropriation Accounts of the State)

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

Persistent savings

In eight cases involving seven grants, there were persistent savings of more than ₹ 100 crore ranging from 14 to 86 per cent during the last three years as detailed in **Table 3.9**.

Table 3.9: Persistent savings under various grants*(₹ in crore)*

Sl. No.	No. and name of grant	Year	Total provision	Actual expenditure	Savings	Percentage of savings
Revenue (voted)						
1	21 Public Works	2020-21	885.69	683.37	202.32	23
		2021-22	1671.99	1331.18	340.81	20
		2022-23	914.81	525.39	389.42	43
2	34 School Education	2020-21	1605.98	1380.29	225.69	14
		2021-22	1826.39	1495.43	330.96	18
		2022-23	1969.61	1645.97	323.64	16
3	48 Health Services	2020-21	748.82	539.61	209.21	28
		2021-22	808.84	668.36	140.48	17
		2022-23	904.49	643.83	260.66	29

Sl. No.	No. and name of grant	Year	Total provision	Actual expenditure	Savings	Percentage of savings
Capital (voted)						
4	21 Public Works	2020-21	1316.61	626.86	689.75	52
		2021-22	2054.43	799.13	1255.30	61
		2022-23	1425.00	1061.47	363.54	26
5	47 Goa Medical College	2020-21	210.60	69.38	141.22	67
		2021-22	245.50	74.87	170.63	70
		2022-23	183.00	38.08	144.92	79
6	55 Municipal Administration	2020-21	437.00	59.89	377.11	86
		2021-22	411.66	196.35	215.31	52
		2022-23	423.00	248.20	174.80	41
7	74 Water Resources	2020-21	463.05	171.93	291.12	63
		2021-22	425.76	192.93	232.83	55
		2022-23	415.48	297.30	118.18	28
8	76 Electricity	2020-21	543.01	221.37	321.64	59
		2021-22	699.04	263.80	435.24	62
		2022-23	654.12	478.12	176.00	27

(Source: Appropriation Accounts of the State)

As per the Appropriation accounts, some of the main reasons for persistent savings in the above departments were non-receipt of cash assignment, receipt of fewer claims/bills, non-receipt of proposals, non-filling of vacant posts, payment being deferred to next year, non-implementation of schemes, etc.

This trend of persistent under-utilisation of allocated funds underscores the necessity of adopting a more realistic approach in formulating budget estimates by the State Government.

Grants with 'Nil' expenditure

During 2012-13 to 2022-23, entire budget provision of ₹ 24.00 crore under capital section of Grant No. 27 (Official Language) remained unutilised at the end of each financial year, as shown in **Table 3.10**.

Table 3.10: 'Nil' expenditure under capital section

(*₹ in lakh*)

Year	Total Provision	Actual Expenditure	Savings
2012-13	100.00	0.00	100.00
2013-14	200.00	0.00	200.00
2014-15	200.00	0.00	200.00
2015-16	200.00	0.00	200.00
2016-17	200.00	0.00	200.00
2017-18	200.00	0.00	200.00
2018-19	300.00	0.00	300.00
2019-20	200.00	0.00	200.00
2020-21	200.00	0.00	200.00
2021-22	500.00	0.00	500.00
2022-23	100.00	0.00	100.00
Total	2400.00	0.00	2400.00

(Source: Appropriation Accounts for the respective years)

Recommendation 3: State Government needs to be more realistic in preparation of budget estimates by taking into account the past performance of the departments and steps for improving utilisation of budgeted amount in future.

3.3.4 Excess expenditure and its regularisation

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

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

There was an excess disbursement of ₹ 12,625.06 crore pertaining to the years 2008-09 to 2022-23, which was yet to be regularised by the State Legislature, as detailed in **Table 3.11**.

Table 3.11: Excess expenditure from 2008-23 requiring regularisation

(₹ in crore)

Year	Grant/ Appropriation No.	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	
			Voted	Charged
2008-09 to 2014-15	8 Grants and 5 Appropriations		171.44	1168.60
2015-16	08	Treasury and Accounts Administration, North Goa	51.62	-
	A2	<i>Debt Services</i>	-	2278.83
2016-17	08	Treasury and Accounts Administration, North Goa	2.71	-
	16	Collectorate, North Goa	0.15	-
	A2	<i>Debt Services</i>	-	1680.34
2017-18	01	Legislature Secretariat	0.20	-
	08	Treasury and Accounts Administration, North Goa	173.56	-
	50	Goa College of Pharmacy	0.22	-
	A2	<i>Debt Services</i>	-	337.98
2018-19	79	Goa Gazetteer	0.01	-
	A2	<i>Debt Services</i>	-	2358.53
2019-20	A2	<i>Debt Services</i>	-	956.85
2020-21	A2	<i>Debt Services</i>	-	2808.95
2021-22	08	Treasury and Accounts Administration, North Goa	161.73	-
	A2	<i>Debt Services</i>	-	353.73
2022-23	08	Treasury and Accounts Administration, North Goa	119.61	-
Total			681.25	11943.81
Grand total (2008-2023)			12625.06	

(Source: Appropriation Accounts of the State)

As may be seen from the table above, excess disbursement of ₹ 12,505.45 crore¹ pertaining to the years 2008-09 to 2021-22 had not been regularised by the State Legislature.

It can also be seen that, during 2022-23 an excess disbursement of ₹ 119.61 crore over the State Legislature's authorisation was done under one grant (Treasury and Accounts Administration, North Goa). The details of the same are shown in **Table 3.12**.

¹ ₹12,625.06 crore – ₹119.61 crore

Table 3.12: Major Head-wise excess disbursement over authorisation during 2022-23

(₹ in crore)

Sl. No.	Grant No.	Major Head	Major Head description	Total provision	Re-appropriation	Total	Expr.	Excess (+)/ saving(-)	Reasons for excess stated by FD	
1	2	3	4	5	6	7 = 5-6	8	9= 8-7	10	
1	8	2030	Stamp and Registration	8.59	(-)0.18	8.41	8.10	(-)0.31	-	
2		2054	Treasury and Accounts Administration	24.25	(-)0.82	23.43	22.58	(-)0.85		
3		2071	Pensions and Other Retirement Benefits	1688.02	(-)0.17	1687.85	1828.83	140.98		Mainly due to payment of arrears of pre-2016 revision of pension & non-estimation of expenditure in connection with payment of retirement/death gratuity for employees covered under New Pension Scheme. Also, payment of difference of pension of prematurely retired pensioners and more claims received than anticipated in respect of Family Pensions scheme.
4		2075	Misc. General Service	38.37	(-)17.77	20.60	2.83	(-) 17.77		-
5		2235	Social Security and welfare	13.63	(-)1.63	12.00	9.56	(-) 2.44		-
Grand Total				1772.86	20.57	1752.29	1871.90	119.61		

(Source: Appropriation Accounts of the State) Expr.: Expenditure Misc.: Miscellaneous

As may be seen from **Table 3.12** above, the excess expenditure, as indicated in the Appropriation Accounts of the relevant year, was primarily due to payment of arrears of pre-2016 revision of pension & non-estimation of expenditure in connection with NPS *i.e.* payment of retirement/death gratuity, *etc.*, and also due to payment of difference of pension of prematurely retired pensioners. During the exit conference (21/02/2024), Finance Department confirmed that the proposal for regularisation of excess expenditure was taken up with the Joint Secretary (Legislature).

Recommendation 4: Excess expenditure over grants needs to be avoided through more effective budgetary controls. The State Government may take expeditious action under Article 205 of the Constitution for regularisation of excess expenditure (₹ 12,625.06 crore) by the State Legislature.

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projections and gap between expectations and actuals

Summarised position of actual expenditure during 2022-23 in 91 grants/appropriations is given in **Table 3.13**.

Table 3.13: Actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplemen- tary Grant/ Appropriation	Total provision	Actual expr.*	Net savings (-)/ excesses (+)	Surrender during March	
							Amount	As percentage of total provision
Voted	I. Revenue	15055.55	1173.25	16228.80	13113.46	(-) 3115.34	3232.49	19.92
	II. Capital	4765.41	670.12	5435.53	3441.95	(-) 1993.58	2012.44	36.91
	III. Loans & Advances	16.63	0.00	16.63	4.30	(-) 12.33		
Total		19837.59	1843.37	21680.96	16559.71	(-) 5121.25	5244.93	24.19
Charged	IV. Revenue	2 041.96	54.80	2096.76	1917.49	(-) 179.27	112.92	5.39
	V. Capital	5.10	0.00	5.10	0.05	(-)5.05	5.05	99.00
	VI. Public Debt	2582.77	0.00	2582.77	1279.45	(-) 1303.32	1000.41	38.73
Total		4629.83	54.80	4684.63	3196.99	(-) 1487.64	1118.38	23.87
Grand Total		24467.42	1898.17	26365.59	19756.70	(-) 6608.89	6363.31	24.13

(Source: Appropriation Accounts of the State) Expr.: Expenditure

*Figures of actual expenditure include recoveries adjusted as reduction of expenditure (Revenue: ₹146.47 crore; Capital: ₹16.57 crore; Total: ₹163.04 crore).

Net savings of ₹ 6,609 crore was the result of gross savings of ₹ 6,729 crore in 87 grants and three appropriations under revenue section and 79 grants and two appropriations under capital section, offset by an excess of ₹ 120 crore under one grant. Supplementary provisions of ₹ 1,898 crore was obtained during the year, which constituted eight *per cent* of the original provision.

Gross savings (₹ 6,729 crore) constituted 25 *per cent* of the total budget provision of ₹ 26,366 crore and was more than three times the supplementary provisions (₹ 1,898 crore) made during the year. This indicated that a proper review of requirements and utilisation of original grants could have obviated the need to allocate additional funds in the form of supplementary grants.

Overall trend of original budget, actual expenditure and savings/excesses during 2018-23 is detailed in **Table 3.14**.

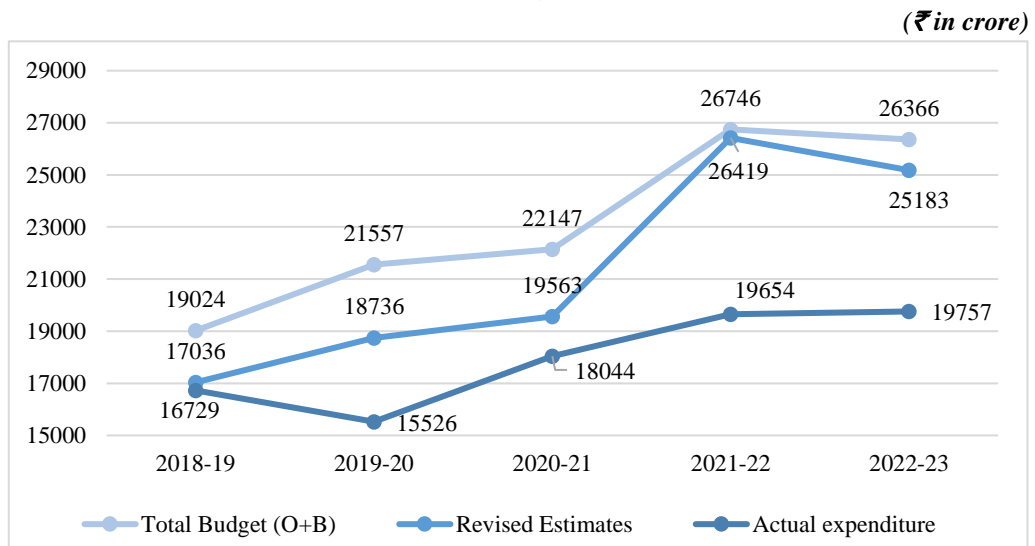
Table 3.14: Original budget, actual expenditure and saving/excesses during 2018-23

	2018-19	2019-20	2020-21	2021-22	2022-23
Original budget	17135.75	19548.69	21056.35	25055.65	24467.41
Supplementary budget	1888.67	2008.57	1090.27	1690.23	1898.17
Total Budget (Original + Supplementary) (TB)	19024.42	21557.26	22146.62	26745.88	26365.58
Revised Estimates (RE)	17036.25	18736.74	19563.35	26418.79	25183.08
Actual Expenditure (AE)	16729.00	15525.88	18043.94	19654.21	19756.70
Net savings (-)/excesses (+)	(-)2295.42	(-)6031.38	(-)4102.68	(-)7091.67	(-)6608.88
Percentage of supplementary provision to original budget	11.02	10.27	5.18	6.75	7.76
Percentage of savings to total provision	12.07	27.98	18.52	26.52	25.07
TB-RE	1988.17	2820.52	2583.27	327.09	1182.50
RE-AE	307.25	3210.86	1519.41	6764.58	5426.38
(TB-RE) as percentage of TB	10.45	13.08	11.66	1.22	4.49
(RE-AE) as percentage of TB	1.62	14.89	6.86	25.29	20.58

(Source: Appropriation Accounts and Budget Documents of the State)

The summary of variations in Appropriation Accounts is depicted in **Chart 3.5**.

Chart 3.5: Trend showing BE, RE and Actuals



(Source: Appropriation Accounts and Budget Documents of the State)

It can be seen from the **Chart 3.5** above that over the years from 2018-19 to 2022-23, Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the TB and the RE was more than 10 per cent during the three-year period 2018-21. While, it dropped to one per cent during the year 2021-22 it increased to 4.49 per cent during 2022-23. Further, Actual Expenditure (AE) was consistently lower than the RE during 2018-19 to

2022-23 and savings amounted to more than 20 per cent to total provision during 2021-22 and 2022-23.

3.4.2 Supplementary budget and opportunity cost

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

Table 3.15 presents the details of 11 such cases involving nine grants where excessive/unnecessary supplementary provisions resulted in savings of ₹ 100 crore or more in each case during 2022-23.

Table 3.15: Unutilised grants of ₹ 100 crore or more against original/supplementary provision

(₹ in crore)

Sl. No.	Name of grant	Original provision	Supplementary provision	Total	Actual expenditure	Unutilised grants/savings
1	21 Public Works (Revenue Voted)	864.81	50.00	914.81	525.39	389.42
2	31 Panchayats (Revenue Voted)	287.03	2.25	289.28	159.77	129.51
3	34 School Education (Revenue Voted)	1920.56	49.05	1969.61	1645.97	323.64
4	47 Goa Medical College (Revenue Voted)	605.13	159.30	764.43	601.99	162.44
5	48 Health Services (Revenue Voted)	892.49	12.00	904.49	643.83	260.66
6	64 Agriculture (Revenue Voted)	262.06	1.37	263.43	138.97	124.46
7	21 Public Works (Capital Voted)	1235.00	190.00	1425.00	1061.47	363.53
8	47 Goa Medical College (Capital Voted)	173.00	10.00	183.00	38.08	144.92
9	55 Municipal Administration (Capital Voted)	376.50	46.50	423.00	248.20	174.80
10	74 Water Resources (Capital Voted)	342.48	73.00	415.48	297.30	118.18
11	82 Information Technology (Capital Voted)	56.00	135.25	191.25	90.83	100.42
Total		7015.06	728.72	7743.78	5451.80	2291.98

(Source: Appropriation Accounts of the State)

As per information provided by the State Government, 105 projects with a progressive expenditure of ₹ 216.35 crore pertaining to irrigation, water supply and sanitation (13 projects) and roads, bridges and buildings (92 projects) were incomplete as on March 2023, due to paucity of funds. The savings due to unnecessary supplementary provisions could have been utilised for these projects.

3.4.3 Progress of expenditure through the year

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

In the State of Goa, no significant rush of expenditure was noticed during 2022-23, as shown in the **Table 3.16**.

Table 3.16: Progress of expenditure during 2022-23

Sl. No.	Month	Expenditure (₹ in crore)	Monthly expenditure as percentage of total expenditure
1	April	1341.55	7.33
2	May	1292.43	7.06
3	June	1467.62	8.01
4	July	1517.02	8.29
5	August	1743.97	9.52
6	September	1231.94	6.73
7	October	1457.92	7.96
8	November	1579.67	8.63
9	December	1313.79	7.18
10	January	1327.82	7.25
11	February	1520.28	8.30
12	March	2515.91	13.74
	Total	18309.92*	100

(Source: Monthly Civil Accounts of the State)

* This does not include disbursements made on account of loans and advances during the year (₹4.30 crore), public debt repayments (₹1,279.45 crore), and recoveries (₹163.04 crore).

3.4.4 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the State Government are either partially executed or not executed due to reasons such as non-approval of scheme guidelines/modalities, want of administrative sanction, non-release of budget, etc.

Appendix XI, Volume-II of Finance Accounts for the year 2022-23 gives the details of major policy decisions taken during the year or new schemes proposed in the budget. During 2022-23, 20 new schemes/major policy pronouncements

were made by the State Government in its budget for the year. Of these, the progress of only six² pronouncements could be ascertained. Of the six schemes, two schemes were already implemented during 2022-23 whereas the work on implementing the remaining four schemes was in progress and was estimated to be completed during 2023-24.

The details of the 20 major policy announcements are provided in **Appendix 3.3**.

3.5 Outcome of review of selected grants

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

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

Grant No. 21 Public Works

Public Works Department undertakes various activities such as building works, roads and bridges, mechanical works and water supply and sanitation, apart from construction and maintenance works for other departments, local bodies and some autonomous organisations. Grant No. 21 is under the administrative control of Principal Chief Engineer, Public Works Department.

The Public Works Grant consists of 11 Major Heads namely, 2059-Public Works, 2070-Other Administrative Services, 2071-Pensions and Other Retirement Benefits, 2215- Water supply and Sanitations, 2216-Housing, 3054- Roads and Bridges, 4059-Capital Outlay on Public Works, 4215-Capital Outlay on Water supply and Sanitation, 4216-Capital Outlay on Housing, 4551-Capital Outlay on Hill Areas and 5054-Capital Outlay on Roads and Bridges.

Grant No. 62 Law

Department of Law & Judiciary Law (Establishment) is responsible for examination of various matters processed by the Legal section/Establishment section pertaining to all Government departments. It has four sub-offices-Directorate of Prosecution, Law of Legal affairs, Establishment and Registration.

² Since the status of implementation of the 20 schemes was not provided in the Finance Accounts 2022-23 the same was ascertained from the 'Action Taken Report on Announcements Made in Budget Speech 2022-23' published by the Directorate of Planning, Statistics and Evaluation, Government of Goa. However, the status of only six schemes of the 20 schemes mentioned in the Finances Accounts was shown in the Action Taken Report.

This grant consists of four Major Heads namely 2014- Administration of Justice, 2071- Pensions and Other Retirement Benefits, 2235- Social Security and Welfare and 4059- Capital Outlay on Public Works.

3.5.1 Budget and expenditure

A summary of overall budget provision, actual disbursements and savings under Grant No. 21 and 62 for the years 2020-23 is shown in **Table 3.17**.

Table 3.17: Budget provision and actual expenditure under Grant No. 21 and 62
(₹ in crore)

Year	Original provision	Supplementary provision	Total	Actual expenditure	Savings	Percentage of savings w.r.t. total provision
Grant No. 21: Public Works (Revenue-voted)						
2020-21	885.69	0.00	885.69	683.37	202.32	22.84
2021-22	1671.99	0.00	1671.99	1331.18	340.81	20.38
2022-23	864.81	50.00	914.81	525.39	389.42	42.57
Grant No. 21: Public Works (Capital-voted)						
2020-21	1291.79	24.82	1316.61	626.86	689.75	52.39
2021-22	1854.16	200.27	2054.43	799.13	1255.30	61.10
2022-23	1235.00	190.00	1425.00	1061.47	363.53	25.51
Grant No. 62: Law (Revenue-voted)						
2020-21	43.94	0.05	43.99	17.55	26.44	60.10
2021-22	34.09	7.27	41.36	21.17	20.19	48.82
2022-23	42.70	0.17	42.87	27.01	15.86	37.00
Grant No. 62: Law (Capital-voted)						
2020-21	88.50	1.34	89.84	59.83	30.01	33.40
2021-22	95.51	0.00	95.51	42.08	53.43	55.94
2022-23	104.00	0.00	104.00	83.36	20.64	19.85

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

It may be seen that in Grant No.21, there were persistent savings under capital section ranging from 25.51 to 61.10 *per cent* during 2020-23. Unnecessary supplementary provisions (₹ 20 crore and above) were made under this grant even though the actual expenditure was below the original provisions under revenue section (2022-23) and capital section (2020-21 to 2022-23).

In Grant No.62, there were persistent savings ranging from 37.00 to 60.10 *per cent* (under revenue section) during 2020-23.

Main reasons for savings under these two grants, as indicated in the Appropriation Accounts, were non-receipt of cash assignments, proposal not being processed, non-filling of vacant posts, non-clearance of bills, less procurement of stores, non-receipt of claims, non-release of funds, less work sanctioned, non-finalisation of proposals for digitization of court records, fewer bills received than expected, *etc.*

3.5.2 Non-utilisation of entire provision

In two sub-heads under Grant No. 21, there were 100 per cent savings against provisions made during 2022-23 (amount exceeding ₹ five crore in each case). The substantial amount of provision remained unutilised due to non-release of funds.

Table 3.18: Details of Sub-heads with substantial surrenders during the year 2022-23

(₹ in lakh)

Sl. No.	Head of Account	Total Grant/ Appropriation	Amount surrendered	Percentage of surrender
Grant No. 21 – Public Works				
1	4215-01-101-02-Water Supply Scheme at Assonora	2500.00	2500.00	100.00
2	4215-01-102-07-Jal Jeevan Mission (JJM) (A)	5000.00	5000.00	100.00

(Source: Appropriation Accounts of the State)

3.5.3 Substantial savings under sub-heads

Scrutiny of Grants No. 21 and 62 for the year 2022-23 showed that budget allocations under 19 schemes were surrendered (ranging from ₹ 0.99 crore to ₹ 62.30 crore) in the last month of the financial year (amount exceeding ₹ one crore in each case).

Table 3.19: Substantial savings surrendered in the last month of the year

(₹ in lakh)

Sl. No.	Name of scheme	Total grants	Expenditure	Surrenders	Percentage of surrenders w.r.t. grants
Grant No. 21					
1	2059-01-053-01- Maintenance & Repairs	4200.00	2619.43	1580.57	37.63
2	2059-80-001-01- Direction	2555.51	1526.02	1034.79	40.49
3	2059-80-001-02- Execution	4558.50	2354.07	2204.44	48.36
4	2071-01-117-01- Defined Contribution Pension Scheme	4500.00	1484.35	3015.65	67.01
5	2215-01-001-01- Direction	6756.00	489.84	6230.38	92.22
6	2215-02-107-02- Operation and Maintenance of Sewerage Treatment Plant	950.00	494.58	455.42	47.94
7	3054-03-337-01- Road Works	750.00	93.77	656.24	87.50
8	3054-80-800-03- National Highway Project	2284.50	1175.62	1109.27	48.56
9	4215-01-101-01- Water Supply Scheme at Opa	2500.00	863.13	1636.89	65.48

Sl. No.	Name of scheme	Total grants	Expenditure	Surrenders	Percentage of surrenders w.r.t. grants
10	4215-01-101-03- Other Water Supply Schemes	2000.00	708.24	1291.76	64.59
11	4215-01-102-06-National Rural Drinking Water Programme	5000.00	1905.15	3094.86	61.90
12	4215-01-102-08-Jal Jeevan Mission (State Share)	5000.00	2101.15	898.85	17.98
13	4216-01-106-01- Construction of Residential Building for Govt. Servants, Goa & Delhi	1000.00	20.30	979.70	97.97
14	5054-03-101-01-Bridges	2250.00	300.20	449.80	19.99
15	5054-03-800-01-District Road	7000.00	2368.80	2131.21	30.45
16	5054-03-800-02-Mining Roads	100.00	0.76	99.24	99.24
17	5054-03-800-05- Central Road and Infrastructure Fund	8000.00	596.56	1403.44	17.54
Grant No. 62 Law					
1	2014-00-800-04- Repairs for Civil and Electrical Works	150.00	11.34	116.18	77.45
2	4059-01-051-07- Construction of Civil & Criminal Court at Margao	1400.00	0.00	700.00	50.00

(Source: Appropriation Accounts of the State)

3.5.4 Inappropriate re-appropriations

In 10 sub-heads under Grant No. 21 and Grant No. 62, funds available after re-appropriation from these sub-heads were not sufficient to meet the obligations, resulting in excess expenditure of ₹ 2,906.12 lakh during 2020-23 (excess expenditure of ₹ 20 lakh and above). However, no cases of inappropriate re-appropriation were noticed during 2020-21 and 2022-23 under Grant No. 21 (Public Works), while no such cases were noticed during 2021-22 and 2022-23 under the Grant No. 62 (Law). Details are shown in **Table 3.20**.

Table 3.20: Inappropriate re-appropriations resulting in excess expenditure

(₹ in lakh)

Sl. No.	Year	Head of Account	Original Budget/ Supplementary/ re-appropriation	Funds available after re-appropriation	Final expenditure	Excess expenditure
Grant No. 21 – Revenue and Capital (voted)						
1.	2021-22	2215-01-101-01 – Urban Water Supply Scheme in Goa	16500.00 (R) (-) 6955.69	9544.31	9735.50	191.19
2.	2021-22	2215-01-101-02 – Operation and Maintenance of Urban Water supplies	6500.00 (R) (-) 3368.64	3131.36	3204.54	73.18
3.	2021-22	2215-01-102-01 – Operation and Maintenance of Urban Water	6600.00 (R) (-) 2334.77	4265.23	4349.04	83.81
4.	2021-22	4215-01-101-01- Water Supply Scheme at Opa	3000.00 (R) (-) 2564.83	435.17	473.89	38.72
5.	2021-22	4215-01-101-03- Other Water Supply Schemes	1500.00 (R) (-) 868.39	631.61	655.48	23.87
6.	2021-22	4215-01-102-01- Rural Piped Water Supply Schemes	8000.00 (S) 1000.00 (R) (-) 5620.85	3379.15	3648.68	269.53
7.	2021-22	4215-02-106-01- Sewerage Treatment Plant and Sewage Schemes	7500.00 (R) (-) 6884.04	615.96	727.01	111.05
8.	2021-22	5054-03-337-01-Roads	4200.00 (S) 9227.00 (R) (-) 7200.76	6226.24	6294.24	68.00
9.	2021-22	5054-04-800-03-Rural Roads	64000.00 (S) 3000.00 (R) (-) 42796.49	24203.51	26225.83	2022.32
Total			130027	52432.54	55314.21	2881.67
Grant No. 62 – Revenue (voted)						
1.	2020-21	2014-00-102-01-High Court Bench at Goa	2662.00 (R) (-) 1521.25	1140.75	1165.20	24.45
Grand Total			132689	53573.29	56479.41	2906.12

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

3.5.5 Rush of expenditure

Public Works (Grant No. 21) and Law (Grant No. 62) spent ₹ 53.26 crore out of total expenditure of ₹ 90.59 crore (59 per cent) in March 2023, indicating rush of expenditure in the last month of financial year. Details are given in **Table 3.21**.

Table 3.21: Flow of expenditure during March of the year 2023

(₹ in lakh)

Sl. No.	Head of Account (up to Sub-head)	Expenditure during March 2023	Total expenditure incurred during the year	Percentage of expenditure incurred during March 2023
Grant No. 21				
1	2059-60-053-11- Maintenance works of School Education	13.40	13.40	100.00
2	2059-60-053-22- Maintenance works of Institute of Psychiatry & Human Behaviour	10.69	10.69	100.00
3	2059-60-053-40-Court Complexes and Residences	82.46	82.46	100.00
4	2215-01-101-03-Raw Water Charges to Water Resources Department	500.00	500.00	100.00
5	2215-01-101-04-Electricity Charges	499.72	500.00	99.94
6	4059-01-051-02-Public Works	529.29	1291.05	41.00
7	4215-01-101-06-Augmentation of Water Supply Schemes at Opa, Assonora and Sanquelim	323.68	817.24	39.60
8	4215-01-101-12- External Assistance for Water Supply and Sanitation (JICA)	1500.00	2700.00	55.56
9	5054-04-800-05-Central Road Fund	596.56	596.56	100.0
Grant No. 62				
1	2014-00-800-10-National Mission for Safety of Women (Fast Track Special Court- Nirbhaya Fund)	20.63	47.26	43.65
2	4059-01-051-04-Development of Infrastructural Facilities for Judiciary	1250.00	2500.00	50.00
Total		5326.43	9058.66	58.80

(Source: Appropriation Accounts of the State) JICA: Japan International Cooperation Agency

3.5.6 Non-receipt of Utilisation Certificates

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

As on 31 March 2023, 59 UCs involving ₹ 280.07 crore due for the period up to 2021-22 under Grant No.21 were outstanding, as shown in **Table 3.22**.

Table 3.22: Non-receipt of Utilisation Certificates

(₹ in crore)

Name of Grant	Year	No. of UCs awaited	Amount
21 – Public Works	Up to March 2019-2020	-	-
	2020-21	13	58.27
	2021-22	46	221.80
	Total	59	280.07

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

3.5.7 Implementation of Single Nodal Agency accounts for CSS (Grant No. 21– Public Works and 62- Law)

Department of Expenditure, Government of India had notified procedure (March 2021) for release of funds to States for implementation of Centrally Sponsored Schemes (CSS). The aim as per the procedure, which came into effect from July 2021, was to ensure effective cash management and improve transparency in public expenditure management.

As per the procedure, the State Government was to designate a Single Nodal Agency (SNA) for each CSS which was to be registered in the Public Financial Management System (PFMS). Each SNA was to open a bank account in Scheduled Commercial Bank and map it to PFMS for the receipt of funds. This was to restrict use of the funds by the State Government as they were required to transfer funds received to the concerned SNA's account within a period of 21 days of its receipt alongwith corresponding State Share.

It was observed that the one CSS namely Jal Jeevan Mission (JJM) under Grant No. 21 and two Centrally Sponsored Schemes namely Setting up of Fast Track Special Court and Development of Infrastructure Facilities for the Judiciary under Grant No. 62-Law were implemented by both departments during the year.

All the three CSS were given designated SNA and mapped to PFMS. The unspent amount in SNA Accounts as per SNA 01 of PFMS of the three CSS were ₹1.53 crore (Jal Jeevan Mission), ₹ 0.33 crore (Setting up of Fast Track Special Court) and ₹ 20.95 crore (Development of Infrastructure Facilities for the Judiciary) as on 31 March 2023.

3.5.8 Jal Jeevan Mission (JJM)

Jal Jeevan Mission is a CSS with 50:50 (Centre:State) share under the Department of Drinking Water and Sanitation, Ministry of Jal Shakti, Government of India. The Public Works Department is the Implementing Agency in the State. The main aim of this mission is to ensure Functional Household Tap Connection (FHTC) to every rural household in the country and to provide 55 litres per capita per day (LPCD). A Single Nodal Account has been opened under JJM for the State and expenditure is through PFMS since 2019-20.

During 2020-21 and 2021-22 the Central Government transferred a total of ₹ 28.97 crore (₹ 6.20 crore in 2020-21 and ₹ 22.77 crore in 2021-22) as its share to the State Government under the Jal Jeevan Mission Scheme. Out of the total transfer, the State Government could spend only ₹ 17.02 crore (59 per cent) towards Central Share during the two-year period 2020-22, leaving a balance of ₹ 11.95 crore (41 per cent) lying unused. As the State Government failed to utilise 41 per cent of the grants given by the Centre, it could not avail the grants

due for the year 2022-23 amounting to ₹ 24.99 crore. Consequently, the State Government had to make an excess contribution of ₹ 8.50 crore during 2022-23 (in addition to its share of 50 *per cent*) to the SNA account to meet its payment obligations during the year. The State could have avoided using its additional own resources, had it succeeded in utilising grants given by the Centre in time.

3.6 Conclusion

- State Government incurred an expenditure of ₹ 14.03 crore without any budget provision under three grants. This was in violation of Article 204 of the Constitution, which lays down that no money shall be withdrawn from the Consolidated Fund except under appropriation made by law by the State Legislature.
- At the end of the financial year, 25.07 *per cent* of the total budgetary provision remained unutilised. Supplementary provisions, constituting 7.76 *per cent* of the original budget, made during the year proved unnecessary, as savings were significantly higher than the supplementary provisions.
- Excess expenditure amounting to ₹ 119.61 crore during the current year as well as ₹ 12,505.45 crore for the period from 2008-09 to 2021-22 was pending regularisation, in terms of Article 205 of the Constitution.
- In eight cases involving seven grants, there were persistent savings of more than ₹ 100 crore ranging from 14 to 86 *per cent* during the last three years (2020-21 to 2022-23).
- In 10 sub-heads under Grant No. 21 and Grant No. 62, funds available after re-appropriation were not sufficient to meet the obligations, resulting in excess expenditure of ₹ 29.06 crore during 2020-23. Further, 59 *per cent* of the expenditure incurred in both grants was done in the last month of the year (2022-23), indicating a rush of expenditure towards the end of the year.

Chapter IV

**Quality of Accounts and
Financial Reporting
Practices**

Chapter IV: Quality of Accounts and Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance in any organisation. Reports on compliance and controls can assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

This Chapter provides an overview of the status of the State Government's compliance with various financial rules, procedures and directives as well as the timeliness and quality of reporting of the same during the year 2022-23.

4.1 Funds transferred directly to State implementing agencies

The Central Government transfers a sizeable quantum of funds directly to the State implementing agencies¹ for implementation of various schemes/programmes in the social and economic sectors. As the funds are not routed through the State budget/treasury, the Finance Accounts of the State do not capture these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them do not reflect the complete picture.

With effect from 01 April 2014, Government of India (GoI) decided to release all assistance for Centrally Sponsored Schemes (CSS)/Additional Central Assistance directly to the State Governments and not to the State implementing agencies. In Goa, however, Central funds of ₹ 2,928.32 crore were transferred directly to the State implementing agencies during 2022-23. The direct transfer of funds to the implementing agencies has increased by 50.05 per cent as compared to 2021-22 (₹ 1,951.61 crore).

A major part (₹ 2,837.93 crore) of these funds was shown as 'Other Schemes for which funds are routed outside the State Budget' in the State Finance Accounts of 2022-23.

Of the balance funds transferred, the major schemes receiving direct transfers of Central funds were National Highway Authority of India (₹ 17.56 crore) and MPLAD Scheme (South Goa) (₹ 17.00 crore).

4.2 Delay in submission of Utilisation Certificates

Rule 238 of General Financial Rules, 2017 (GFR) prescribes that Utilisation Certificates (UCs) for grants provided for a specific purpose should be obtained by the departmental officers from the grantees and after verification, these

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

should be forwarded to Directorate of Accounts within one year from the date of their sanction, unless specified otherwise.

At the end of 2022-23, 11,705 UCs aggregating ₹ 2,546.40 crore which were due for submission, were outstanding against the grants disbursed up to 2021-22. Department-wise break-up of outstanding UCs is given in **Appendix 4.1** while the age-wise pendency is summarised in **Table 4.1**.

Table 4.1: Age-wise status of outstanding UCs as of 31 March 2023

Sl. No.	Range of delay of outstanding UCs (in years)	Utilisation certificates outstanding	
		No.	Amount (₹ in crore)
1.	1 to 3	3357	1303.76
2.	3 to 5	1646	439.94
3.	5 to 7	926	171.32
4.	7 and above	5776	631.38
	Total	11705	2546.40

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

Of the total outstanding UCs, 5003 (43 per cent) amounting to ₹ 1,743.70 crore (68 per cent) were outstanding from one to five years while 6,702 (57 per cent) involving ₹ 802.70 crore (32 per cent) were pending for more than five years.

Table 4.2: Year-wise break-up of outstanding UCs

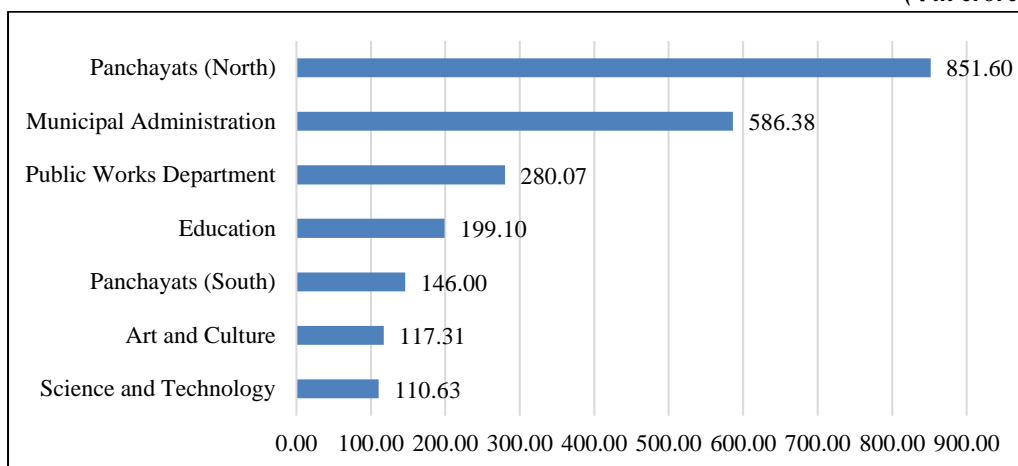
(₹ in crore)

Year	No. of UCs	Amount
Up to 2012-13	4637	440.00
2013-14	618	111.85
2014-15	521	79.53
2015-16	408	57.49
2016-17	518	113.83
2017-18	727	308.43
2018-19	919	131.51
2019-20	829	165.88
2020-21	777	398.42
2021-22	1751	739.46
Total	11705	2546.40

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

Major cases of non-submission of UCs (in numbers) pertained to Directorate of Panchayats (North) (32 per cent), Directorate of Panchayats (South) (28 per cent) and Directorate of Education (nine per cent) (**Appendix 4.1**).

Chart 4.1: Departments with highest outstanding UCs in terms of money value
(₹ in crore)



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

Directorate of Panchayats (North)

As detailed in **Appendix 4.1**, Directorate of Panchayats had the highest number of pending UCs (3,712 out of 11,705). The Director of Panchayats had requested Directorate of Accounts (May 2022) to waive-off the requirement of UCs for the period from 1991-92 to 2009-10 as the Department was unable to locate the UCs for that period. However, the Directorate of Accounts was yet to reply to the Department on the matter (October 2023).

Audit observed that, grants register to be maintained by the sanctioning authority in GFR 21 was not being maintained by the Department. Hence, there was no control mechanism for monitoring grant utilisation/submission of UCs.

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

During the exit conference (21/02/2024), the Finance Department informed that as the year-wise and department-wise data is available, efforts will be made to clear the backlog of UCs.

4.3 Abstract Contingent bills

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

Details of submission of DC bills against AC bills drawn up to March 2023 are given in **Table 4.3**.

Table 4.3: Pendency in submission of DC bills against AC bills (30 June 2023)

(₹ in crore)

Year	AC bills drawn		DC bills received		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Up to 2021-22	12173	6419.47	11875	6339.28	298	80.19
2022-23	785	822.93	609	778.37	176	44.56
Total	12958	7242.40	12484	7117.65	474	124.75

(Source: Finance accounts of the State)

As may be seen from the table above, departments had drawn 785 AC bills for an amount of ₹ 822.93 crore in 2022-23 and submitted 609 DC bills for an amount of ₹ 778.37 crore. Thus, 176 DC bills amounting to ₹ 44.56 crore remained unadjusted as of 30 June 2023. There was no assurance that the expenditure of ₹ 44.56 crore had actually been incurred during the financial year for the purpose for which it was authorised by the Legislature.

In addition, 298 DC bills amounting to ₹ 80.19 crore for the years up to 2021-22 were yet to be submitted by the departments concerned. Thus, at the end of March 2023, 474 DC bills amounting to ₹ 124.75 crore were pending settlement.

Age analysis of unadjusted AC bills is shown in **Table 4.4**.

Table 4.4: Age-wise status of unadjusted AC bills as on 31 March 2023

Sl. No.	Range of delay of outstanding DC bills (in years)	Outstanding DC bills	
		No.	Amount (₹ in crore)
1.	1 to 3	296	77.79
2.	3 to 5	58	17.32
3.	5 to 7	18	8.82
4.	7 and above	102	20.82
	Total	474	124.75

(Source: Information furnished by Directorate of Accounts)

Year-wise details of outstanding unadjusted AC bills are shown in **Table 4.5**.

Table 4.5: Year-wise details of outstanding unadjusted AC bills

(₹ in crore)

Year	Unadjusted AC bills	Amount of Unadjusted AC bills
Up to 2012-13	50	3.62
2013-14	12	0.26
2014-15	12	4.42
2015-16	10	0.23
2016-17	18	12.29
2017-18	09	1.92
2018-19	09	6.90
2019-20	30	11.75
2020-21	28	5.57
2021-22	120	33.23
2022-23	176	44.56
Total	474	124.75

(Source: Information furnished by Directorate of Accounts)

Oldest unadjusted AC bill for ₹ 40,000 pertained to Collectorate, North Goa for the year 1988-89. Further, of the total unadjusted AC Bills at the end of March 2023, 120 AC bills amounting to ₹ 29.64 crore were pending for adjustment, for five years and above, for want of submission of DC Bills by the concerned departments.

Major defaulting departments that did not submit DC bills were: Collectorate, North Goa (₹ 47.82 crore), Collectorate, South Goa (₹ 33.79 crore) and Goa Medical College (₹ 15.69 crore).

Collectorate, North Goa

Collectorate, North Goa had the highest number of unadjusted 161 AC bills. Scrutiny of records relating to unadjusted AC bills of Collectorate, North Goa revealed the following:

- During the previous audit of the Department (conducted for the year ending March 2022) it was found that there were 33 AC bills drawn between 1989 and 2017 amounting to ₹ 12.78 crore that were not traceable from the records maintained by the Collectorate. However, during the current audit (for the year ending March 2023) it was informed by the Collectorate that the 33 bills have been traced and one DC bill out of 33, amounting to ₹ 5.31 lakh was settled in January 2024. The settlement of the remaining bills is in progress (March 2024).

During the exit conference (21/02/2024), the Principal Secretary, Finance Department, stated that significant portion of the pending bills stemmed from AC bills drawn for election-related expenses and concerned officials for the upcoming elections have been instructed to settle the election accounts before being relieved of their duties.

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

4.4 Personal Deposit Accounts

Personal Deposit Accounts (PDAs)/Personal Ledger Accounts (PLAs) are deposit accounts opened with the approval of the Finance Department (FD) and kept in treasuries in the name of the Administrators² of the accounts. Every PDA/PLA so authorised forms part of the Public Account.

As per Rule 179 to 182 of Receipts and Payments Rules, 1997, Government of Goa, Administrators are entitled to credit receipts into and effect withdrawals

² Personal Deposit Account holders

directly from the treasury account for a specific purpose. The Administrators shall only be Government officers acting in their official or any other capacity.

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

Year-wise position of PDA/PLA from 2020-21 to 2022-23 is given in **Table 4.6.**

Table 4.6: Year-wise details of PDA/PLA

(₹ in crore)

Year	Opening balance	Receipts (additions during the year)	Disbursements (closed/ withdrawn during the year)	Closing balance (31 March of the year)
2020-21	122.60	52.93	56.54	118.99
2021-22	118.99	28.51	48.86	98.64
2022-23	98.64	23.05	18.70	102.99

(Source: Information furnished by Directorate of Accounts)

As on 31 March 2023, a sum of ₹ 102.99 crore was held under 93 PDAs/PLAs by 21 departments. Additions during the year were ₹ 23.05 crore out of which, ₹ 14.36 crore was transferred from the Consolidated Fund of the State and the remaining ₹ 8.69 crore was credited through challans.

Two departments, District Collector, North and Directorate of Technical Education were selected for review based on the significant unspent balances lying in their respective PDAs/PLAs at the end of the previous financial year *i.e.* 2021-22. The District Collector, North operated two PDAs whereas the Directorate of Technical Education operated one PDAs. Scrutiny of PDAs of Collectorate, North Goa revealed that both the PDAs held by the Department were closed and the balances³ transferred to the Public Account⁴ through transfer entries in March and July 2023. Similarly, the balance of ₹ 1.13 crore lying in the PDA operated by Directorate of Technical Education was transferred to the Consolidated Fund through a transfer entry in April 2023.

Out of a total of 93 Administrators of PDAs in the State, only 78 had reconciled and verified their balances with the treasury figures, while 15 Administrators neither reconciled nor verified their balances with the treasury.

During the exit conference (21/02/2024), the Finance Department informed that all inoperative PDAs (except for three which were kept open on request of the

³ Total ₹ 4.64 crore (₹ 4.63 crore and ₹ 1.13 lakh)

⁴ The balance of ₹ 4.63 crore was transferred to Major Head 8121-122 (State Disaster Response Fund) in July 2023 and ₹ 1.13 lakh was transferred to Suspense Account 8658 – 102 (Civil) in March 2023

departments concerned) have been closed in the current year. Further, it was also assured that necessary action would be taken for reconciliation of all PDAs/PLAs.

Recommendation 2: Finance Department may continue to periodically review all the PDAs to ensure that amounts unnecessarily lying in PDAs/PLAs are immediately remitted to the Consolidated Fund.

4.5 Single Nodal Accounts

Ministry of Finance, Government of India vide letter No. 1 (13) PFMS/ FCD/ 2020 dated 23/03/2021 had notified procedure for release of funds under CSS and monitoring utilisation of the funds released through SNA. For each CSS, a SNA is set up with its own Bank Account in a scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

During 2022-23, the State Government received ₹ 305.15 crore being Central share during the year and as on 31 March 2023, the Government transferred ₹ 360.09 crore (including previous year's untransferred balance of ₹ 54.94 crore) being Central share and corresponding State share of ₹ 209.27 crore to the SNAs. The total transfer of ₹ 569.36 crore was through fully vouched Contingent Bills. However, detailed vouchers and supporting documents of actual expenditure were not received by Directorate of Accounts from the SNAs.

As per PFMS SNA 01 Report, ₹ 376.31 crore was lying unspent in the bank accounts of SNAs as on 31 March 2023. The unspent balances in SNA accounts belonged majorly to CSS like Mission for Development of 100 Smart Cities (₹ 99.26 crore), Samagra Shiksha (₹ 35.70 crore), Saksham Anganwadi and Poshan 2.0 (₹ 20.12 crore), Infrastructure Facilities for Judiciary (₹ 20.95 crore), Tertiary Care Programs (₹ 28.04 crore), Swach Bharat Mission-Rural (₹ 15.79 crore).

4.6 Bookings under Minor Head 800

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

Audit scrutiny revealed that State Government has operated this minor head extensively during the five-year period (2018-23). The amounts booked under this minor head are shown in **Table 4.7**.

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

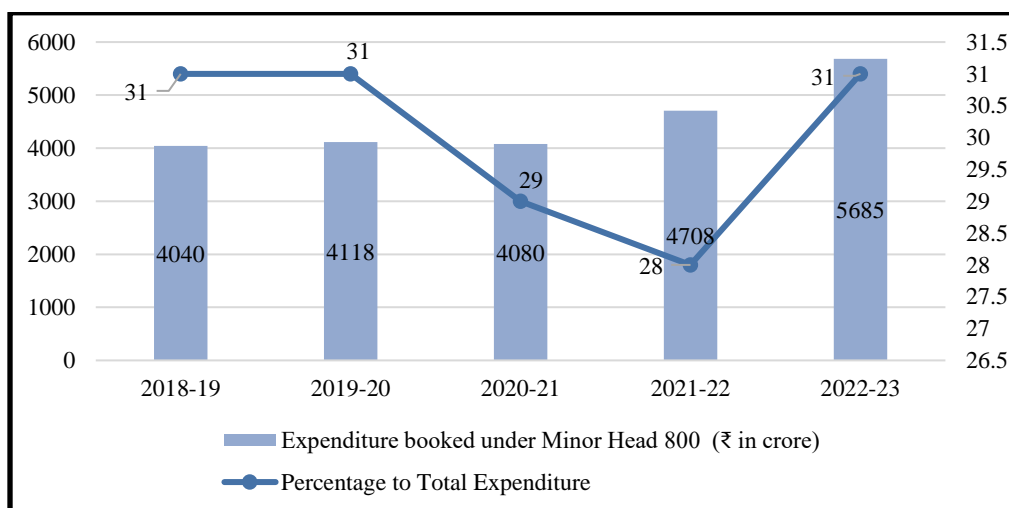
Year	Expenditure under Minor Head 800 (₹ in crore)	As percentage of total expenditure	Receipts under Minor Head 800 (₹ in crore)	As percentage of total receipts
2018-19	4039.50	30.52	656.62	5.73
2019-20	4117.84	30.97	386.46	3.42
2020-21	4079.61	28.96	384.91	3.69
2021-22	4708.07	27.85	502.85	3.52
2022-23	5684.74	31.05	858.07	4.96

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

Finance Accounts 2022-23 of Government of Goa disclosed that expenditure aggregating ₹ 5,684.74 crore, constituting 31 per cent of the total expenditure (₹ 18,313 crore) was classified under Minor Head ‘800-Other Expenditure’ in 63 Major Heads under revenue and capital sections. Similarly, receipts aggregating ₹ 858.07 crore, constituting five per cent of the total revenue receipts (₹ 17,284 crore) was classified under Minor Head ‘800-Other Receipts’ in 43 Major Heads.

Chart 4.2 shows the trends in booking of expenditure under Minor Head 800, during 2018-23.

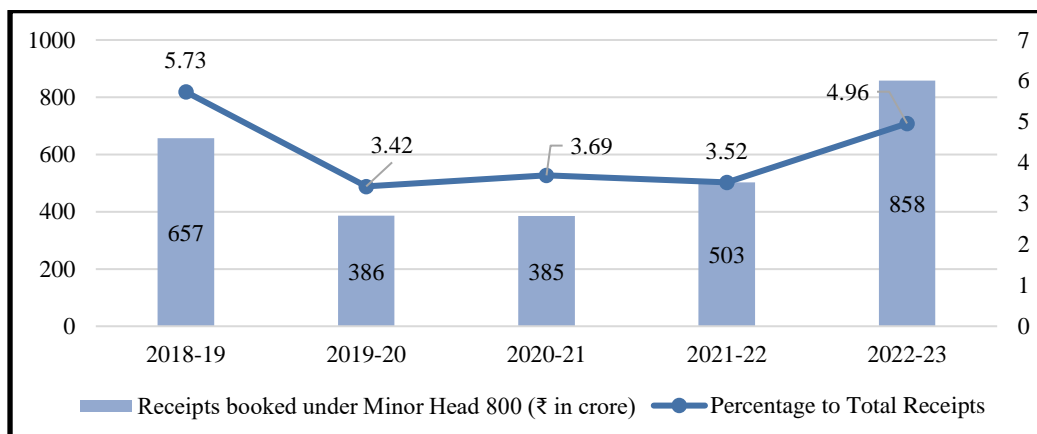
Chart 4.2: Trends in booking of expenditure under omnibus Minor Head 800 during 2018-23



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

It may be seen from **Chart 4.2** that during 2022-23 booking of expenditure under omnibus Minor Head 800 increased significantly by ₹ 977 crore (21 per cent) over the previous year 2021-22. Percentage of expenditure under Minor Head 800 to total expenditure registered a decline during the years 2020-21 and 2021-22, the same registered an increase in 2022-23 to 31 per cent.

Chart 4.3: Trends in booking of receipts under omnibus Minor Head 800 during 2018-23



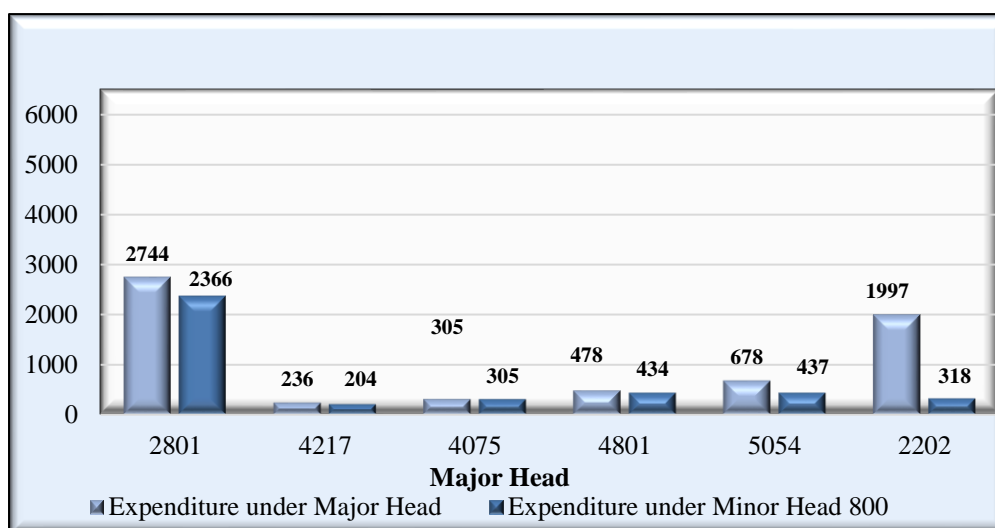
(Source: Finance Accounts of the State for the respective years)

It may be seen from **Chart 4.3** that during 2022-23 receipts booked under Minor Head 800 also increased significantly by ₹ 355 crore (71 per cent) compared to the previous year 2021-22. Further, share of receipts (booked under Minor Head 800) to total revenue receipts ranged between 3.42 per cent and 5.73 per cent during 2018-23.

During 2022-23, there were 13 Major heads wherein an expenditure of more than ₹ 100 crore was booked under Minor Head 800. Out of thirteen, six cases where expenditure of more than ₹ 200 crore was booked under Minor Head 800 are shown in **Chart 4.4**.

Chart 4.4: Major heads where expenditure of more than ₹ 200 crore was booked under Minor Head 800 during 2022-23

(₹ in crore)



(Source: Finance Accounts of the State)

As may be seen from **Chart 4.4**, there were six Major Heads where an expenditure of ₹ 200 crore or more was booked under Minor Head 800. Except

Major Head 2202, the remaining five Major Heads had more than 50 *per cent* of their total expenditure booked under Minor Head 800.

In the case of Major Head 2801 (Power) an expenditure of ₹ 2,366 crore (86 *per cent*) was booked under Minor Head 800. This expenditure was incurred towards cost of bulk supply of power from National Thermal Power Corporation Limited, Karnataka Power Transmission Corporation Limited and Rajasthan State Petroleum Corporation Limited. The expenditure could have been booked either partially or wholly under Minor Head 101 (Purchase of Power) falling under any of the Sub-Major Heads namely, 02 (Thermal Power Generation), 01 (Hydel Power Generation) or 06 (Rural Electrification) through budgetary allocations under those heads of accounts.

Further, in case of Major Head 4075 (Other Miscellaneous General Services), State Government booked the entire expenditure of ₹ 305 crore for the Major Head 4075 under Minor Head 800 – 01 (Contribution to Goa State Infrastructure Development Corporation) – 06 (Other Capital Expenditure). However, this has been rectified in the budget estimates for the fiscal year 2023-24 through allocation of funds under Major Head 4059- Minor head 051- (Demand No. 32).

Three cases of receipt of more than ₹ 100 crore classified under Minor Head 800 were noticed under Major Head 0030 (Stamps and Registration Fees) (₹ 110.83 crore), 0039 (State Excise) (₹ 106.51 crore) and 0070 (Other Miscellaneous Services) (₹ 429.43 crore).

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

The Finance Department assured during the exit conference (21/02/2024) that in the forthcoming 2023-24 Accounts, the booking under Minor Head 800 would be reduced to 15 *per cent* from 31 *per cent* recorded during 2022-23.

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

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

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

Remittances embrace all adjusting heads, under which remittances of cash between treasuries, and transfers between different accounting circles are booked. The initial debits or credits to the heads in these divisions are cleared

eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

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

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

Table 4.8: Balances under Suspense and Remittance Heads

(₹ in crore)

Name of Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts office Suspense	495.79	496.04	504.34	494.73	508.40	494.81
Net	Cr. 0.25		Dr. 9.61		Dr. 13.59	
102 - Suspense Account (Civil)	44.92	45.22	45.17	45.67	45.65	47.05
Net	Cr. 0.30		Cr. 0.50		Cr. 1.40	
107 – Cash Settlement Suspense Account	524.54	289.02	550.50	289.02	611.37	289.03
Net	Dr. 235.52		Dr. 261.48		Dr. 322.34	
109 - Reserve Bank Suspense	(-)4.58	(-)1.19	(-)5.32	(-)1.26	(-)4.99	(-)1.30
Net	Cr. 3.39		Cr. 4.06		Cr. 3.69	
110 - Reserve Bank Suspense – Central Accounts Office	4076.32	3273.62	4277.50	3473.62	4998.51	3017.09
Net	Dr. 802.70		Dr. 803.88		Dr. 1981.42	
112 – Tax Deducted at Source	20.91	38.34	18.52	40.61	18.64	39.71
Net	Cr. 17.43		Cr. 22.09		Cr. 21.07	
129 – Material Purchase Settlement Suspense Account	...	34.76	...	34.76	...	34.76
Net	Cr. 34.76		Cr. 34.76		Cr. 34.76	
Total Net	Dr. 982.09		Dr. 1013.56		Dr. 2256.43	

(Source: Finance Accounts of the State)

Gross figures under major suspense heads show that aggregate net balance under Major Head 8658 was ₹ 2,256.43 crore (Dr.) in 2022-23, which was not booked under the relevant heads of account, thus, rendering the net expenditure figures mentioned in the Finance Accounts non-transparent to that extent.

Account Officer (PAO)-Suspense – (Minor Head 101)

This head is intended for settlement of transactions between Director of Accounts and various Pay and Accounts Officers. Outstanding debit balance under this head would mean that payments were made by the Director of Accounts, which were yet to be recovered. Outstanding credit balance would mean that payments have been received by the Director of Accounts on behalf of a Pay and Accounts Officer, which were yet to be paid. During 2022-23, net

debit balance under this head increased from ₹ 9.61 crore in 2021-22 to ₹ 13.59 crore.

Suspense Account-Civil – (Minor Head 102)

This minor head is operated by the Director of Accounts to provisionally accommodate the differences noticed in the transactions which cannot be taken to the final head of expenditure/receipt accounts for want of certain information/documents *viz.* challans, vouchers, *etc.* Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively. During the last three years (2020-23), the net credit balance under this head ranged between ₹ 0.30 crore and ₹ 1.40 crore.

Reserve Bank Suspense–Central Accounts Office–(Minor Head 110)

To facilitate the prompt transfer of actual credits for loans and grants payable to all State Governments and *vice-versa*, the Central Accounts Section of the Reserve Bank of India in Nagpur uses the Major Head '8658-Suspense Accounts,' utilising the minor head '110-Reserve Bank Suspense-Central Accounts Office' for such transfers.

A credit or debit balance under this head indicates that the PAO (Central Ministry) is yet to pass transfer entries after transactions between the Centre and State have taken place. The passing of transfer entries means affecting a minus credit or debit (as the case may be) that nullifies the balance in the suspense head.

At the end of March 2023, the net debit balance under this head was ₹ 1,981.42 crore. This was more than twice the balance reported (₹ 803.88 crore) at the end of the previous year, 2021-22.

Tax Deducted at Source (TDS) Suspense – (Minor Head 112)

This minor head is intended to accommodate receipts on account of income tax deducted at source. Receipts on account of TDS are credited to Major Head 8658 - Suspense Accounts under Minor Head 112 - TDS Suspense. These credits are to be cleared by the end of each financial year and credited to the Income Tax Department. During the last three years (2020-23), the net credit balance under this head due for credit to Income Tax Department ranged between ₹ 17.43 crore and ₹ 22.09 crore.

4.8 Reconciliation of departmental figures

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

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

Timely reconciliation enables the controlling officers of departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts. The Public Accounts Committee in its 48th Report (1992) recommended punitive action against erring Budget Controlling Authorities (BCA).

During the year 2022-23, receipts amounting to ₹ 19,053.12 crore (95.68 per cent) of total receipts (₹ 19,913.60 crore) and expenditure amounting to ₹ 19,561.61 crore (99.84 per cent) of total expenditure (₹ 19,593.66 crore) were reconciled by the State Government. This is a significant improvement compared to reconciliation done during 2021-22, wherein, receipts amounting to ₹ 12,356.13 crore (63.53 per cent of total receipts) and expenditure amounting to ₹ 14,395.07 crore (73.71 per cent of total expenditure) were reconciled by the State Government.

The details of two BCAs involving 82 units that had not reconciled their expenditure during 2022-23 are shown in **Table 4.9**.

Table 4.9: Major BCAs who did not reconcile their expenditure

(₹ in crore)

Sl. No.	BCAs who did not reconcile their expenditure	Amount not reconciled
1.	Home	25.94
2.	Employment	6.12
	Total	32.06

(Source: Information furnished by Directorate of Accounts)

Further, with respect to receipts, nine out of 91 BCAs did not carry out reconciliation of the units under their control amounting to ₹ 860.48 crore.

Details of four major BCAs (out of nine) who did not reconcile their receipts amounting to ₹ 859.35 crore, are indicated in **Table 4.10**.

Table 4.10: Major BCAs who did not reconcile their receipts

(₹ in crore)

Sl. No.	BCAs who did not reconcile their receipts	Amount not reconciled
1	Transport	428.17
2	Home	353.87
3	Health Services	66.90
4	Ports Administration	10.41
	Total	859.35

(Source: Information furnished by Directorate of Accounts)

Hence, significant progress has been achieved over the course of the past year and efforts may be continued to achieve cent percent reconciliation.

4.9 Compliance with Accounting Standards

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

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

Table 4.11: Compliance with Accounting Standards

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

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

4.10 Submission of accounts/separate audit reports of autonomous bodies

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

Status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and their placement in the Legislature is given in the **Appendix 4.2**. Delay in submission of accounts to Audit (beyond the specified target dates) and placement of SARs in the Legislature by the autonomous bodies is summarised in **Table 4.12**.

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

Submission of accounts for audit		Presentation of Report in Legislature	
Delay (in months)	No. of autonomous bodies	Delay (in years)	Number of autonomous bodies
0-3	01	0-1	07
3-6	05	1-3	00
6-9	00	3-5	01
9-25	01	5 years and above	01
25 months and above	05	-	-

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

As may be seen from **Appendix 4.2**, there were 32 accounts pending submission by 12 autonomous bodies for various periods. Details are given in **Table 4.13** below.

Table 4.13: Arrears in submission of accounts by Autonomous Bodies

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to January 2024
1.	Goa University	2022-23	01
2.	Goa Housing Board	2022-23	01
3.	Goa Tillari Irrigation Development Corporation	2012-13	03
4.	Khadi and Village Industries Board	2022-23	01
5.	Goa State Commission for Backward Classes	2022-23	01
6.	South Goa Zilla Panchayat	2018-19	05
7.	North Goa Zilla Panchayat	2009-10	14
8.	Goa Secondary and Higher Secondary Education Board	2022-23	01
9.	District Legal Services Authority, North Goa	2021-22	02
10.	Goa State Compensatory Afforestation Fund Management and Planning Authority	2016-17	01
11.	Goa Samagra Shiksha Abhiyan Society	2019-20	01
12.	Goa Real Estate Regulatory Authority	2022-23	01
Total			32

(Source: Compiled by Office of the PAG, Goa)

Submission of accounts by these 12 autonomous bodies was delayed by 02 to 162 months while presentation of one out of nine accounts in the State Legislature was delayed by more than five years.

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

4.11 Departmental commercial undertakings/corporations/companies

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

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

Heads of departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General for audit within a specified timeframe. As of September 2023, there were two such undertakings⁵ having arrears in preparation of their accounts. Department-wise position of arrears in preparation of *proforma* accounts and investments made by the Government in these two undertakings is given in **Table 4.14**.

Table 4.14: Position of arrears as on 30 September 2023 in preparation of *proforma* Accounts

Department	No. of undertaking under the Department	Name of undertaking	Year up to which accounts finalised	Investment as per last accounts (₹ in crore)
Inland Water Transport	1	River Navigation Department	2005-06	108.29
Power	1	Electricity Department	2021-22	1872.93
Total				1981.22

(Source: Information furnished by departments concerned)

As seen from the table above, the accounts of Inland Water Transport (IWT) were last submitted to audit for the year 2005-06 and all accounts since 2006-07 are in arrears. The issue of non-submission of accounts for audit by IWT has been brought to the notice of the State Government at regular intervals.

⁵ River Navigation Department and Electricity Department

Annual accounts are essential for performance evaluation, financial monitoring and decision-making and compliance with applicable rules and regulations. Non-preparation of accounts and their audit has serious consequences for accountability and the overall governance of the entity. Compliance audit of the IWT department for the years 2018-19 and 2019-20 revealed weaknesses/lapses in internal controls. Departmental inquiry into instances of fraud and misappropriation of cash brought out by audit was in progress. However, the IWT was yet to commence the preparation of its annual accounts.

4.12 Misappropriations, losses and defalcations

Rule 33 of the General Financial Rules, 2017 provides that any loss or shortage of public money, revenue or receipts has to be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and the concerned Principal Accounts Officer.

State Government reported 29 cases of misappropriation, defalcation, *etc.* involving Government money of ₹ 1.77 crore up to January 2024, on which final action was pending. Department-wise/age-wise break-up of pending cases is given in **Appendix 4.3**.

As may be seen from **Appendix 4.3**, out of 29 cases, six cases pertained to Chief Electrical Engineer, Panaji. Out of these six, five cases amounting to ₹ 104.16 lakh were pending for more than 10 years. Age profile of pending cases and number of pending misappropriation cases are summarised in **Table 4.15**.

Table 4.15: Age profile of pending misappropriation cases

Age profile and nature of pending cases			
Range in years	No. of cases	Amount involved (₹ in lakh)	Nature/characteristics of cases
0-5	07	6.38	Misappropriation of cash/stores
5-10	06	52.64	
10 years and above	16	118.42	
Total	29	177.44	

(Source: Information furnished by departments concerned)

Reasons for pendency of 29 cases have been classified under three categories as detailed in **Table 4.16**.

Table 4.16: Reasons for outstanding cases of misappropriation

Reasons for delay/outstanding pending cases	No. of cases	Amount (₹ in lakh)
Departmental action started but not completed	11	13.68
Pending in courts of law	15	157.84
Awaiting orders for recovery/write-off	3	5.92
Total	29	177.44

(Source: Information furnished by departments concerned)

4.13 Follow-up action on State Finances Audit Report

Fourteen Audit Reports on the State Finances of the Government of Goa have been presented to the State Legislature from 2008-09 to 2021-22, of which two reports pertaining to the financial years 2008-09 and 2009-10 have been discussed by the Public Accounts Committee (April 2024).

4.14 Conclusion

- During 2022-23, 31 *per cent* of the total expenditure of the State Government was classified under Minor Head 800 – Other Expenditure. Indiscriminate bookings under omnibus Minor Head 800 – Other Expenditure not only affected transparency in financial reporting but also prevented proper analysis of allocative priorities and quality of expenditure.
- Utilisation Certificates (UCs) aggregating ₹ 2,546.40 crore were outstanding against grants disbursed up to 2021-22. Similarly, Abstract Contingent (AC) bills amounting to ₹ 124.75 crore were pending due to non-submission of Detailed Contingent (DC) bills. Non-submission of UCs and DC bills by the departments for funds drawn for specific purposes violated the prescribed financial rules and State Government directives.
- Twelve autonomous bodies, which fell within the ambit of CAG’s audit, had arrears of accounts ranging from 02 to 162 months.
- As on 31 March 2023, balances amounting to ₹ 376.31 crore were lying unutilised in various Single Nodal Accounts of the State Government.

Chapter V

**Financial Performance of
State Public Sector
Enterprises**

Chapter V: Financial Performance of State Public Sector Enterprises

This Chapter discusses the financial performance of Government Companies and Statutory Corporations. Impact of significant comments issued as a result of supplementary/statutory audit of the financial statements of these State Public Sector Enterprises (SPSEs) conducted by the Comptroller and Auditor General of India (CAG) for the year 2022-23 (or of earlier years which were finalised during the current year) has also been discussed.

5.1 Definition of Government Companies

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

5.2 Mandate of Audit

Audit of Government Companies is conducted by the CAG under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for these companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit of the company's financial statements. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

5.2.1 Number of SPSEs and Status of accounts

At the beginning of 2022-23, there were 16 SPSEs under the purview of CAG audit. One company¹ came under the audit jurisdiction of CAG in June 2023 with entrustment of supplementary audit of accounts from the Financial Year 2019-20. As a result, the number of SPSEs under jurisdiction of CAG stood at 17 as per the details given below.

Type of SPSEs	Working SPSEs	Non-working SPSEs	Total
Government Company	15	Nil	15
Statutory Corporation	1	1 ²	2

¹ Goa State Minorities Finance and Development Corporation Limited

² Goa Information Technology Development Corporation

None of the companies included in these SPSEs was listed on the stock exchange. The list of above SPSEs are given in **Appendix 5.1**. This chapter analyses the financial performance of SPSEs³, based on their latest finalised financial statements received till 30 September 2023⁴ and as per information received from these SPSEs.

The nature of SPSEs and the position of accounts of all the 17 SPSEs as on 30 September 2023, is given in **Table 5.1**.

Table 5.1: Status of accounts of SPSEs

Nature of SPSEs	Total No.	No. of SPSEs which submitted their accounts during the reporting period ⁵				No. of SPSEs whose accounts were in arrears as on 30 September 2023 (No. of accounts in arrears)
		Accounts for 2022-23	Accounts for 2021-22	2020-21 and earlier	Total	
Companies	15	03	08	08	19	12(42)
Corporations	2	00	01	01	02	2(17)
Total	17	03	09	09	21	14(59)

(Source: Information compiled by office of PAG, Goa)

Thus, 14 out of 17 SPSEs had 59 accounts in arrears as on 30 September 2023.

Delay in submission of accounts is being brought to the notice of the State Government periodically for necessary intervention. In the absence of annual Financial Statements (FSs) and their audit, proper utilisation of grants and loans disbursed to those SPSEs and their accounting cannot be vouched for. Apart from reflecting on the inadequate monitoring by the State Government, absence of FSs indicates lack of accountability from these SPSEs over the funds released by the Government of Goa.

5.2.2 Summary of financial performance of SPSEs

Table 5.2 shows the detailed financial position and working results of all the 17 SPSEs, as per their latest finalised accounts as 30 September 2023.

Table 5.2 shows the summarised financial position of these 17 SPSEs.

Table 5.2: Summary of financial performance of SPSEs

(₹ in crore)

Particulars	No. of SPSEs	Amount
Number of SPSEs	17	-
Paid-up capital	17	390.84
Long-term loans	8	669.34
Net profit	8	61.40
Net loss	8	18.12
Dividend Paid/Payable	3	1.83
Total assets	16	4179.68
Shareholders' Fund/Net Worth	17	510.72

(Source: Information compiled on the basis of accounts finalised up to 30 September 2023)

³ One Company namely, Goa State Minorities Finance & Development Corporation Limited has not submitted its first accounts since 2019-20. Therefore, financial performance of only 16 SPSEs has been analysed.

⁴ Due date for submission of financial statements for the year 2022-23

⁵ From October 2022 to September 2023

5.3 SPSEs and their contribution to the GSDP of the State

SPSEs are established to carry out activities of a commercial nature and occupy an important place in the State's economy.

A ratio of turnover of the SPSEs to the Gross State Domestic Product (GSDP) shows the extent of activities of the SPSEs in the State's economy. The details of turnover of working SPSEs are given in **Appendix 5.2**. Turnover of working SPSEs and GSDP for a period of three years ending 31 March 2023 is given in **Table 5.3**.

Table 5.3: Details of turnover of SPSEs vis-à-vis GSDP of Goa

(₹ in crore)				
Sl. No.	Sector	2020-21	2021-22	2022-23
1	Public Works	586.22	294.02	408.30
2	Transport	204.82	150.80	195.32
3	Industries, Trade & Commerce	157.98	131.50	143.04
4	Agriculture, Food and Allied Industries	126.78	107.60	119.67
5	Information Technology and Communication	21.66	101.41	66.24
6	Culture and Tourism	27.02	27.02	71.47
7	Others	12.00	12.00	10.77
Total Turnover		1136.47	824.35	1014.81
GSDP of Goa		75705	82604	90642
Percentage of turnover to GSDP of Goa		1.50	1.00	1.12

(Source: Information compiled on the basis of accounts finalised up to 30 September 2023)

Contribution of SPSEs to GSDP of Goa declined from 1.50 per cent in 2020-21 to 1.12 per cent in 2022-23.

Major contribution to GSDP by SPSEs was from Public Work Sector (0.45 per cent) and Transport Sector (0.22 per cent) during the year 2022-23.

As on 31 March 2023, State Government had invested ₹ 320.58 crore (Equity of ₹ 313.65 crore and long-term loans of ₹ 6.93 crore) in these SPSEs. In addition to it, ₹ 812.81 crore of grants and subsidies was provided to 10 of these SPSEs by Government of Goa during the period 2022-23.

5.4 Investments in SPSEs and budgetary support to SPSEs

5.4.1 Equity holding and loans in SPSEs

The sector-wise equity contribution by State Government and long-term loans including the loans given by State Government in 16 working SPSEs during the last two years (2021-23) is given in **Table 5.4**.

Table 5.4: Sector-wise investments of State Government in SPSEs(*₹ in crore*)

Sector-wise investment ⁶ by State Government						
Sector	2021-22			2022-23		
	Equity	Loans	Total	Equity	Loans	Total
Industries, Trade & Commerce	111.50	0.00	111.50	116.50	0.00	116.50
Public Works	11.20	0.00	11.20	11.21	0.00	11.21
Information Technology & Communication	13.40	0.00	13.40	13.40	0.00	13.40
Agriculture, Food and Allied Industries	5.25	1.24	6.49	5.24	1.24	6.48
Culture and Tourism	22.65	2.06	24.71	22.65	1.84	24.49
Transport	108.45	0.00	108.45	108.45	0.00	108.45
Others	36.75	1.45	38.20	36.20	3.85	40.05
Total	309.20	4.75	313.95	313.65	6.93	320.58

(Source: Information compiled on the basis of accounts finalised up to 30 September 2023)

As on 31 March 2023, State Government's total investment of ₹ 320.58 crore in SPSEs comprised equity capital of ₹ 313.65 crore (97.84 per cent) and long-term loans of ₹ 6.93 crore (2.16 per cent). Major share of State Government's investment was in Industries and Commerce and Transport sectors, which together constituted 71.72 per cent of the total equity during 2022-23.

5.4.2 Budgetary support to SPSEs

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

Summarised details of budgetary outgo in the form of equity, loans, grants/subsidies, loans converted to equity, outstanding guarantees, etc. for the last three years ending March 2023 are given in **Table 5.5**.

Table 5.5: Budgetary support to SPSEs(*₹ in crore*)

Sl. No	Particulars	2020-21		2021-22		2022-23	
		No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
(i)	Equity Capital Outgo	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	Loans given	Nil	Nil	1	1.20	1	1.20
(iii)	Grants/Subsidies provided	10	493.68	11	784.58	10	812.81
(iv)	Total outgo (i+ii+iii)		493.68		785.78		814.01
(v)	Loans written off	Nil	Nil	Nil	Nil	Nil	Nil
(vi)	Loans converted into equity	Nil	Nil	Nil	Nil	Nil	Nil
(vii)	Guarantees issued	2	312.87	1	363.30	Nil	Nil
(viii)	Outstanding Guarantees	3	677.67	2	385.44	2	303.90

(Source: Information furnished by SPSEs)

⁶ Investment includes equity and long-term loans.

As can be seen from **Table 5.5**, budgetary support by State Government towards equity, loans and grants/subsidies ranged between ₹ 493.68 crore and ₹ 814.01 crore during last three years (2020-23). Outstanding guarantee commitments of the State Government decreased from ₹ 677.67 crore in 2020-21 to ₹ 303.90 crore in 2022-23.

5.4.3 Disinvestment, restructuring and privatisation of SPSEs

During 2022-23, no disinvestment and restructuring or privatisation of SPSEs were done by the State Government.

5.4.4 Analysis of outstanding loans given to SPSEs

5.4.4.1 Outstanding long-term loans

As on 31 March 2023, outstanding long-term loans in eight out of 16⁷ SPSEs was ₹ 669.34 crore (**Table 5.2**). Outstanding long-term loans of SPSEs decreased by ₹ 220.17 crore during 2022-23 over the previous year (₹ 889.51 crore).

Out of total outstanding loans as on 31 March 2023 (₹ 669.34 crore), loans amounting to ₹ 662.41 crore was given by the Central Government, financial institutions, banks, Central PSE, *etc.* The remaining loan of ₹ 6.93 crore was extended by the State Government, of which, a significant amount (₹ 3.85 crore) was given to Goa State Scheduled Tribes Finance and Development Corporation Limited.

5.4.4.2 Adequacy of assets to meet loan liabilities

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

Coverage of long-term loans by value of total assets in eight SPSEs as on 31 March 2023 was positive, as shown in **Table 5.6**.

Table 5.6: Coverage of long-term loans with total assets in eight SPSEs

Nature of SPSEs	Positive Coverage			
	No. of SPSEs	Long-term loans	Assets	Percentage of assets to loans
		(₹ in crore)		
Government Companies	7	599.23	2362.82	394.31
Statutory Corporations	1	70.11	626.18	893.14
Total	8	669.34	2989.00	446.56

(Source: Information compiled on the basis of accounts finalised up to 30 September 2023)

⁷ One Company namely, Goa State Minorities Finance & Development Corporation Limited has not submitted its first accounts since 2019-20. Therefore, financial performance of only 16 SPSEs has been analysed

It is thus, evident that the eight SPSEs having positive coverage had assets (₹ 2,989 crore) more than their long-term loans.

5.5 Returns from SPSEs

5.5.1 Profits earned by SPSEs

As per the latest accounts finalised up to September 2023 (16 SPSEs) there were eight SPSEs⁸ that earned profit as compared to seven reported during the previous year. The profits earned decreased to ₹ 61.40 crore from ₹ 70.42 crore reported in 2021-22.

Details of the top three SPSEs which contributed maximum profit are given in **Table 5.7**.

Table 5.7: Top three SPSEs which contributed maximum profit

Sl. No.	Name of SPSEs	Net Profit (₹ in crore)	Percentage of profit to total profit of SPSEs
1	Economic Development Corporation Limited	52.47	85.46
2	Goa State Infrastructure Development Corporation Limited	3.33	5.42
3	Goa Handicrafts, Rural & Small-Scale Industries Development Corporation Limited	2.46	4.00
Total		58.26	94.89

(Source: Latest financial Statements of SPSEs)

The above three SPSEs contributed 94.89 per cent of the total profits (₹ 61.40 crore) earned by eight SPSEs during 2022-23.

Net profit ratio⁹ is depicted in **Table 5.8**.

Table 5.8: Net Profit Ratio of SPSEs

Sector	Net Profit (₹ in crore)	Turnover (₹ in crore)	Net profit Ratio (in per cent)
Industries, Trade and Commerce	43.22	143.04	30.22
PWD	2.95	408.30	0.72
Information Technology &	(-)2.57	66.24	(-) 3.88
Agriculture, Food and Allied Industries	(-)0.76	119.67	(-)0.63
Culture and Tourism	0.60	71.47	0.83
Transport	(-)0.83	195.32	(-) 0.43
Others	0.68	10.77	6.31
Total	43.29	1014.81	4.27

(Source: Latest Financial Statements of SPSEs)

5.5.2 Dividend paid by SPSEs

A higher dividend pay-out ratio means that a larger portion of a company's earnings is being distributed to shareholders as dividends, while a lower

⁸ Accounts received up to 30 September 2023

⁹ Net profit/Turnover*100

dividend pay-out ratio means that a smaller portion of earnings is being paid out.

Out of eight SPSEs that registered profits as per their latest finalised accounts, three declared dividends during 2022-23 as remaining five SPSEs did not earn enough profits to declare dividend. The details are provided in **Table 5.9** below.

Table 5.9: Dividends payout by SPSEs

(₹ in crore)

Year	No. of SPSEs where equity infused by State Government		No. of SPSEs which earned profits during the year		No. of SPSEs which declared/paid dividends during the year		Dividend payout ratio (percentage)
	No. of SPSEs	Equity infused	No. of SPSEs	Equity infused	No. of SPSEs	Dividends declared/ paid	
1	2	3	4	5	6	7	8=7/5*100
2020-21	15	314.92	05	118.99	02 ¹⁰	1.41	1.18
2021-22	15	309.20	06	126.54	02 ¹¹	1.41	1.11
2022-23	16 ¹²	313.65	08	128.42	03 ¹³	1.83	1.42

(Source: Information compiled on the basis of accounts finalised up to 30 September 2023)

5.6 Debt Servicing

5.6.1 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in SPSEs which had interest burden are given in **Table 5.10**.

¹⁰ EDC Limited and Goa State Infrastructure Development Corporation Limited

¹¹ EDC Limited and Goa State Infrastructure Development Corporation Limited

¹² Goa Electronics Limited (GEL) being a subsidiary of Economic Development Corporation (EDC) Limited, State Government does not hold any equity in GEL.

¹³ EDC Limited, Goa State Infrastructure Development Corporation Limited and Goa Tourism Development Corporation Limited

Table 5.10: Interest coverage ratio of SPSEs

Year	Particulars	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	Number of SPSEs having liability of loans from Government, and other financial institutions	Number of companies having interest coverage ratio more than 1	Number of companies having interest coverage ratio less than 1
2020-21	Industries, Trade & Commerce	31.95	55.33	2	1	1
	Public Works Department (PWD)	73.89	77.04	1	1	0
	Culture & Tourism	0.04	(-)4.94	1	0	1
	Transport	1.95	(-)10.73	1	0	1
	Information Technology & Communication	0.44	0.27	1	0	1
	Other	0.11	0.18	1	1	0
	Total	108.38	117.15	7	3	4
2021-22	Industries, Trade & Commerce	25.11	86.52	2	1	1
	PWD	67.46	70.40	1	1	0
	Culture & Tourism	0.04	(-) 4.94	1	0	1
	Agriculture, Food & Allied Industries	0.02	(-) 0.22	1	0	1
	Other	0.11	0.18	1	1	0
	Total	92.74	151.94	6	3	3
2022-23	Industries, Trade & Commerce	8.56	(-) 3.14	1	0	1
	PWD	46.19	50.34	1	1	0
	Information Technology & Communication	10.36	7.06	1	0	1
	Other	0.11	(-) 0.03	1	0	1
	Total	65.22	54.23	4	1	3

(Source: Latest Financial Statements of SPSEs)

It was observed that one SPSE (Goa State Infrastructure Development Corporation Limited) pertaining to PWD Sector which had the highest liability of ₹ 372.92 crore in long-term loans (as on 31 March 2023), had an interest coverage ratio of more than one, meaning that the company's income was sufficient to cover its interest expenses during 2022-23.

5.7 Financial performance of SPSEs

5.7.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT)

by the capital employed¹⁴. The details of RoCE during the period from 2020-21 to 2022-23 are given below in **Table 5.11**.

Table 5.11: Return on Capital Employed

Year	Cluster	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (in per cent)
2020-21	Industries, Trade & Commerce	55.64	504.15	11.04
	PWD	74.22	810.21	9.16
	Information Technology & Communication	1.87	115.36	1.62
	Agriculture food & allied industries	(-)1.61	5.41	(-) 29.76
	Culture & Tourism	(-)4.94	9.68	(-)51.03
	Transport	(-)10.73	(-)47.62	22.53
	Others	(-)3.5	60.35	(-)5.8
	Total	110.95	1457.54	7.61
2021-22	Industries, Trade & Commerce	86.83	504.81	17.20
	PWD	70.86	719.01	9.86
	Information Technology & Communication	3.75	103.10	3.64
	Agriculture food & allied industries	(-)1.15	3.78	(-)30.42
	Culture & Tourism	(-)4.94	9.68	(-)51.03
	Transport	(-) 6.61	(-)61.37	10.77
	Others	(-)3.50	60.35	(-)5.8
	Total	145.24	1339.36	10.85
2022-23	Industries, Trade & Commerce	72.42	477.61	15.16
	PWD	49.96	584.81	8.54
	Information Technology & Communication	8.30	81.99	10.12
	Agriculture food & allied industries	(-)0.67	4.27	(-)15.69
	Culture & Tourism	0.60	25.40	2.36
	Transport	(-)0.82	(-)66.76	1.23
	Others	0.81	72.74	1.11
	Total	130.60	1180.06	11.07

(Source: Latest Financial Statements of working SPSEs)

It was observed that the overall RoCE for 17 SPSEs was positive during the three-year period 2020-21 to 2022-23. However, the Agriculture and allied industries sector reported a negative RoCE throughout this period.

5.7.2 Return on Equity by SPSEs

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company, if net income and shareholders' fund are both positive.

The Return on Equity¹⁵ (RoE) of the eight profit earning SPSEs stood at 11.08 *per cent* in 2022-23. The RoE in all the 16 working SPSEs including eight loss-making SPSEs was 8.48 *per cent* in 2022-23.

Shareholders' fund is calculated by adding paid-up capital and free reserves minus net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's shareholders, if all assets were sold

¹⁴ Capital Employed = Paid-up Share capital + Free Reserves and surplus + Long-term loans – Accumulated losses – Deferred Revenue Expenditure.

¹⁵ Return on equity= (Net Profit after Tax/ Shareholder's Equity) X 100 where Shareholder's equity= paid-up capital + free reserves -accumulated losses- deferred revenue expenditure

and all debts paid. A positive shareholder's fund reveals that the company has enough assets to cover its liabilities while negative shareholder equity means liabilities exceed assets.

The details of Shareholders' Fund and RoE relating to working SPSEs are given below in **Table 5.12**.

Table 5.12: Return on Equity relating to SPSEs

Year	Particulars	Net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (Percentage)
2020-21	Industries, Trade & Commerce	7.73	333.94	2.31
	PWD	(-0.63)	57.72	--
	Information Technology & Communication	1.40	20.21	6.93
	Agriculture food & allied Industries	(-1.80)	4.17	--
	Culture & Tourism	(-4.98)	7.62	--
	Transport	(-12.68)	(-64.64)	--
	Others	(-3.61)	55.71	--
	Total	(-14.57)	414.73	--
2021-22	Industries, Trade & Commerce	54.48	365.89	14.89
	PWD	2.38	59.29	4.01
	Information Technology & Communication	(-1.37)	19.86	--
	Agriculture food & allied Industries	(-1.63)	2.55	--
	Culture & Tourism Sector SPSEs	(-4.98)	7.63	--
	Transport Sector SPSEs	(-7.67)	(-61.37)	--
	Others SPSEs	(-3.61)	55.76	--
	Total	37.60	449.61	8.36
2022-23	Industries, Trade & Commerce	43.22	407.50	10.61
	PWD	2.95	61.88	4.77
	Information Technology & Communication	(-2.57)	16.58	--
	Agriculture food & allied Industries	(-) 0.76	3.03	--
	Culture & Tourism	0.60	23.56	2.55
	Transport	(-)0.83	(-)66.76	--
	Others	0.68	64.93	1.05
	Total	43.29	510.72	8.48

(Source: As per latest finalised accounts of SPSEs)

During 2020-21 RoE could not be calculated as the total net income of all SPSEs was negative, whereas during 2021-22 and 2022-23 overall RoE turned positive attributable to Industries, Trade & Commerce Sector SPSEs reporting profits.

5.7.3 Rate of Return on the basis of Present Value of Investment

In order to bring the historical cost of investment to its present value (PV) at the end of each year up to 31 March 2023, the past investments/year-wise funds infused by the State Government in the SPSEs have been compounded at the year-wise average rate of interest on Government borrowings which is

considered as the minimum cost of funds to the Government for the concerned year. Therefore, PV of the State Government investment was computed where funds had been infused by the State Government in the shape of equity, interest-free loans and grants/subsidies for operational and management expenses, and reduced by disinvestments (if any) since inception of these Companies till 31 March 2023.

The PV of the State Government investment in SPSEs was computed on the basis of following assumptions:

- Interest-free loans have been considered as investment infusion by the State Government.
- The average rate of interest on Government borrowings for the concerned financial year¹⁶ was adopted as compounded rate for arriving at PV since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.

SPSE-wise position of State Government investment in the 17 SPSEs in the form of equity and interest-free loans on historical cost basis for the period up to 2010-11 to 2022-23 have been given in **Appendix 5.3**. The consolidated position of the PV of the State Government investment and the total earnings relating to 17 SPSEs for the last five years (2018-23) is indicated below in **Table 5.13**.

Table 5.13: Year-wise details of investments by State Government and its present value (PV) for the period 2018-19 to 2022-23

Year	PV of total investment at the beginning of the year	Total investment during the year	Average rate of interest on Government borrowings (in per cent)	Total investment at the end of the year	PV of total investment at the end of the year	Minimum expected return	Total earnings for the year ¹⁷
2018-19	836.05	11.43	6.90	847.48	905.95	58.48	53.01
2019-20	905.95	0.01	6.82	905.96	967.75	61.79	(98.47)
2020-21	967.75	1.28	6.48	969.03	1031.82	62.79	(14.58)
2021-22	1031.82	1.2	6.41	1033.02	1099.24	66.22	37.61
2022-23	1099.24	6.63	6.11	1105.87	1173.44	67.57	43.29

(₹ in crore)

(Source: Information compiled on the basis of accounts finalised up to 30 September 2023)

The balance of investment by the State Government in the SPSEs at the end of the year 2022-23 increased to ₹ 1,105.87 crore in 2022-23 from ₹ 847.48 crore at the end of 2018-19. The PV of funds infused by the State Government up to 31 March 2023 amounted to ₹ 1,173.44 crore. During the period 2018-19 to 2022-23 total earnings remained below the minimum expected return to recover cost of funds infused in these SPSEs.

¹⁶ The average rate of interest on Government borrowings was adopted from the Reports of the CAG on State Finances.

¹⁷ Total earnings for the year depicts total of net earnings (profit/loss) for the year concerned relating to 15 SPSEs where capital was infused by the State Government.

5.8 SPSEs incurring losses

5.8.1 Losses incurred

There were eight working SPSEs that incurred losses as per their latest finalised accounts. Losses incurred by these SPSEs decreased from ₹ 56.63 crore in 2020-21 to ₹ 18.12 crore in 2022-23, as shown in **Table 5.14**.

Table 5.14: Number of SPSEs incurring losses during 2020-21 to 2022-23

(₹ in crore)

Year	Particulars	No of loss making SPSEs	Net loss for the year	Accumulated loss	Net Worth ¹⁸
2020-21	Industries, Trade & Commerce Sector SPSEs	1	(-)30.72	(-)98.89	(-)39.62
	PWD Sector SPSEs	1	(-)2.73	0.00	19.43
	Information Technology & Communication Sector SPSEs	1	(-)0.02	0.00	17.34
	Agriculture food & allied Industries Sector SPSEs	2	(-)1.80	(-)1.45	4.17
	Culture & Tourism Sector SPSEs	1	(-)4.98	(-)15.02	7.63
	Transport Sector SPSEs	1	(-)12.68	(-)173.09	(-)64.64
	Others SPSEs	2	(-)3.70	0.00	51.84
	Total	9	(-) 56.63	(-) 288.45	(-)3.85
2021-22	Industries, Trade & Commerce Sector SPSEs	1	(-)12.51	(-)107.30	(-)52.81
	Information Technology & Communication Sector SPSEs	1	(-)2.33	(-)1.32	15.01
	Agriculture food & allied Industries Sector SPSEs	2	(-)1.63	(-)3.07	2.54
	Culture & Tourism Sector SPSEs	1	(-)4.98	(-)15.02	7.63
	Transport Sector SPSEs	1	(-)7.67	(-)169.82	(-)61.37
	Others SPSEs	2	(-)3.70	0.00	51.84
	Total	8	(-) 32.82	(-) 296.54	(-) 37.16
2022-23	Industries, Trade & Commerce Sector SPSEs	1	(-)11.71	(-)119.01	(-)55.89
	PWD Sector SPSEs	1	(-)0.38	0.00	19.41
	Information Technology & Communication Sector SPSEs	2	(-)3.53	(-)4.85	11.73
	Agriculture food & allied Industries Sector SPSEs	1	(-)0.91	(-)1.22	(-)0.61
	Transport Sector SPSEs	1	(-)0.83	(-)175.21	(-)66.76
	Others SPSEs	2	(-)0.76	(-)0.77	48.36
	Total	8	(-) 18.12	(-) 301.06	(-) 43.76

(Source: As per latest finalised accounts of SPSEs)

¹⁸ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write back of depreciation provision.

In 2022-23, out of total loss of ₹18.12 crore incurred by eight SPSEs, loss of ₹ 15.22 crore (84 per cent) was incurred by two SPSEs (Goa Industrial Development Corporation and Info Tech Corporation of Goa Limited), which fall under Industries, Trade and Commerce sector and Information Technology & Communication sector respectively.

5.8.2 Erosion of Capital in SPSEs

As on 31 March 2023, there were eight SPSEs with accumulated losses of ₹ 306.06 crore as detailed in **Appendix 5.4**. These eight SPSEs incurred losses amounting to ₹ 14.51 crore as per latest finalised accounts as of 30 September 2023.

The net worth of three out of these eight SPSEs had been completely eroded by accumulated losses and their net worth was either zero or negative. The net worth of these three SPSEs has remained negative since 2017-18. The net worth of these three SPSEs was (-) ₹ 123.26 crore, against equity investment of ₹ 131.17 crore.

There were no outstanding Government Loan in these SPSEs as on 31 March 2023 as detailed in **Table 5.15**.

Table 5.15: Details of SPSEs whose net worth has eroded as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of SPSEs	Latest Year accounts	Total Paid Up Capital	Net loss after Interest, Tax and Dividend	Accumulated Losses (-)	Net Worth	Period since Net worth has remained negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
1	Goa Meat Complex Limited	2021-22	0.62	0.91	1.22	(-)0.61	2017-18	0.25	0.00
2	Kadamba Transport Corporation Limited	2021-22	108.45	0.83	175.21	(-)66.76	2017-18	108.45	0.00
3	Goa Industrial Development Corporation	2021-22	63.12	11.71	119.01	(-)55.89	2017-18	22.47	0.00
	Total		172.19	13.45	295.44	(-)123.26		131.17	0.00

(Source: As per latest finalised accounts of SPSEs)

Total expenditure and revenue of these three SPSEs and Government revenue grant received by them as per the financial statements for the year 2021-22 were as given in **Table 5.16**.

Table 5.16: Details of revenue, expenditure and grants in respect of SPSEs whose net worth has eroded as per their latest finalised accounts

(₹ in crore)

Name of SPSEs	Total Revenue (excluding Government grant)	Total Expenditure	Grant received	Percentage of own revenue to total expenditure
Goa Meat Complex Limited	0.18	5.58 ¹⁹	4.50	3.23
Kadamba Transport Corporation Limited	55.32	196.65 ²⁰	140.00	28.13
Goa Industrial Development Corporation	37.71	49.42	-	76.30

(Source: As per the latest accounts finalised till September 2023)

As could be seen from the above Table, there was huge shortfall in revenue generation by the SPSEs vis-à-vis its expenditure. Goa Meat Complex Limited and Kadamba Transport Corporation Limited were largely dependent on Government grants for meeting major share of their operational and administrative expenses. The revenue generated by Goa Meat Complex Limited and Kadamba Transport Corporation Limited were only sufficient to meet 3.23 per cent and 28.13 per cent respectively of their operational and administrative expenses. Goa Industrial Development Corporation was not dependent on Government grant as the Corporation had adequate fund to meet its expenses.

Recommendation 1: State Government may review the functioning of all loss-making SPSEs, especially those whose net worth had been completely eroded and take necessary steps to improve their financial performance.

5.9 Audit of State Public Sector Enterprises

CAG appoints the statutory auditors of a Government Company and Government Controlled Other Company under Sections 139 (5) and 139 (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

5.10 Appointment of statutory auditors of State Public Sector Enterprises by the CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

The statutory auditors of the nine Companies for the year 2023-24 were appointed by the CAG up to September 2023. Appointments of statutory auditors of other six companies were not made as their accounts of previous years were in arrears.

¹⁹ Includes establishment/administrative expenditure of ₹ 5.32 crore

²⁰ Includes establishment/administrative expenditure of ₹ 148.55 crore

5.11 Submission of accounts by State Public Sector Enterprises

5.11.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting²¹ (AGM). The Annual Report must be laid before Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Details of pendency of annual accounts of various SPSEs as on 30 September 2023, are detailed in the following paragraph.

5.11.2 Timeliness in preparation of accounts by SPSEs

As of 31 March 2023, there were 17 SPSEs under the purview of CAG's audit. Of these, accounts for the year 2022-23 were due from 17 SPSEs. However, only three SPSEs submitted their accounts for the year 2022-23 for audit by the CAG by 30 September 2023. 59 accounts of 14 SPSEs were in arrears, as detailed in **Appendix 5.5**, for various reasons.

Details of arrears in submission of accounts of SPSEs are given in **Table 5.17**.

²¹ In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case within a period of six months, from the date of closing of the financial year *i.e.* 30 September.

Table 5.17: Details of arrears in submission of accounts

Particulars		SPSEs	Number of Accounts
Total number of SPSEs under the purview of CAG's audit as on 31/03/2023		17	00
Less: New SPSEs from which accounts for 2022-23 were not due		00	00
Number of SPSEs from which accounts for 2022-23 were due		17	17
Number of SPSEs which presented the accounts for the year 2022-23 for CAG's audit by 30 September 2023		03	03
Number of accounts in arrears		14	59
Break- up of Arrears	(i) Under Liquidation	00	00
	(ii) Defunct	00	00
	(iii) Others	14	59
Age-wise analysis of arrears against 'Others' category	One year (2022-23)	14	14
	Two years (2020-21 and 2021-22)	07	14
	Three years and more	06	31

(Source: Information compiled by Audit)

5.11.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of two statutory corporations (Goa Industrial Development Corporation and Goa Information Technology Development Corporation) is conducted by the CAG as a sole auditor. No statutory corporations presented its accounts for the year 2022-23 for audit before 30 September 2023. As on 30 September 2023, 17 accounts of two Statutory Corporations were pending.

The Finance Department during the exit conference (21/02/2024) assured of intervention in ensuring that the accounts by different SPSEs are submitted in a timely manner.

Recommendation 2: State Government may issue necessary instructions to administrative departments to set targets for timely submission of accounts by SPSEs and for speedy clearance of accounts in arrears.

5.12 CAG's oversight – Audit of accounts and supplementary audit

5.12.1 Financial reporting framework

Companies are required to prepare the Financial Statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards renamed as National Financial Reporting Authority²². The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules framed in consultation with the CAG and any other specific

²² Effective from 01 October 2018.

provision relating to accounts in the Act governing such corporations.

5.12.2 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013 conduct audit of accounts of Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.12.3 Supplementary Audit of accounts of Government Companies

The primary responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the Financial Statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

5.13 Result of CAG's oversight role

5.13.1 Audit of accounts of SPSEs

Twenty-one Financial Statements for the year 2022-23 and previous years were received from 15 SPSEs during the period from 01 October 2022 to 30 September 2023. 14 Financial Statements of 13 SPSEs were reviewed in audit by the CAG and Non-Review Certificates were issued for seven accounts of five SPSEs. The results of the review are detailed below:

5.13.2 Amendment of Financial Statements

During 2022-23 there was no case of SPSEs amending their Financial Statements before laying the same in the AGM.

5.13.3 Revision of Auditors Report

During 2022-23, there was one²³ case of revision of statutory auditors' report as a result of supplementary audit of the Financial Statements conducted by the CAG.

5.13.4 Significant comments of the CAG issued as a supplement to the Statutory Auditors' Report on SPSEs

Financial impact of significant comments issued during October 2022 to September 2023 on Financial Statements of SPSEs was ₹ 24.65 crore on profitability and ₹ 24.67 crore on the financial position.

5.14 Conclusion

- As on 31 March 2023, there were 17 SPSEs including two Statutory Corporations in the State. Out of 17 SPSEs, 14 did not adhere to the prescribed timeline regarding submission of their Financial Statements. There were 59 accounts of 14 SPSEs in arrears.
- Out of the total profit of ₹ 61.40 crore earned by eight SPSEs, 94.89 *per cent* was contributed by three SPSEs. Out of eight SPSEs which earned profits as per the latest finalised accounts, only three SPSEs declared dividend.
- Out of total loss of ₹ 18.12 crore incurred by SPSEs, loss of ₹ 15.22 crore was incurred by two SPSEs (Goa Industrial Development Corporation Limited and Info Tech Corporation of Goa Limited).

²³ Independent Auditors' Report on the financial statements of Goa Tourism Development Corporation Limited

- Financial impact of significant comments issued during October 2022 to September 2023 on Financial Statements of SPSEs was ₹ 24.65 crore on profitability and ₹ 24.67 crore on the financial position.

Panaji
The 21 June 2024



(ANITHA BALAKRISHNA)
Principal Accountant General, Goa

Countersigned

New Delhi
The 27 June 2024



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

APPENDIX 1.1
(Referred to in paragraph 1.1)

A. General data (Basic statistics of the State)			
Sl. No.	Particulars	Figures	
1.	Area	3702 sq.km.	
2.	Population		
	a. 2013	0.15 crore	
	b. 2023	0.16 crore	
3.	Density of Population (as per 2011 census) (All-India Density = 382 persons per sq. km.)	394 persons per sq. km.	
	Density of Population [#] (2023) (All-India Density = 422 persons per sq. km.)	425 persons per sq. km.	
4.	Population below poverty line (BPL) ^{\$} (All-India Average = 21.92 per cent)	5.09 per cent	
5.	Literacy rate* (2022-23) (All-India = 73.00 per cent)	88.70 per cent	
6.	Infant mortality [^] (All-India Average = 28 per 1,000 live births)	Five	
7.	Life Expectancy at birth [@] (All-India ^{&} (2016-20) = 70 years)	68.50 years	
8.	Gross State Domestic Product (GSDP) 2022-23 at current price	₹ 90,642 crore	
9.	Per capita GSDP CAGR (2013-23)	Goa	10.24
		All-India	9.12
10.	GSDP CAGR (2013-23)	Goa	10.94
		All-India	10.34
11.	Decadal Population Growth (2013-23)	Goa	6.42
		All-India	11.68

B. Financial data									
Particulars		2013-14 to 2016-17 (CAGR)		2017-18 to 2020-21 (CAGR)		Growth rate of 2021-22 over 2020-21		Growth rate of 2022-23 over 2021-22	
		GS	Goa	GS	Goa	GS	Goa	GS	Goa
		(Per cent)							
a.	Revenue Receipts	14.30	14.04	3.41	(-1.89)	25.60	36.84	13.41	20.99
b.	Own Tax Revenue	8.51	5.96	3.52	(-4.27)	25.62	39.85	19.78	34.83
c.	Non Tax Revenue	8.62	17.73	(-1.04)	(-1.45)	45.35	30.45	12.94	2.17
d.	State's shares in Union Taxes & Duties	23.21	39.38	(-3.67)	(-3.36)	48.60	46.21	7.25	9.17
e.	Grants-in-Aid from Government of India	24.64	(-6.37)	16.10	13.52	(-5.37)	22.66	5.49	43.83
f.	Total Receipts	17.81	12.40	9.71	4.78	15.57	18.43	10.83	11.58
g.	Revenue Expenditure (RE)	14.85	9.23	8.21	4.68	12.25	17.65	11.45	4.62
h.	Capital Expenditure	28.89	14.73	1.13	(-1.97)	25.59	34.32	18.93	27.71
i.	Capital Outlay	21.84	17.59	0.89	(-1.57)	28.23	34.25	14.18	27.75
j.	Disbursement of Loans and Advances	72.50	(-9.14)	3.48	(-69.13)	1.22	300	75.33	0.00
k.	Total Expenditure	17.18	10.21	7.17	3.31	13.96	20.02	12.53	8.28
l.	RE on Education	12.20	6.31	6.72	4.62	11.47	4.18	13.21	11.46
m.	RE on Health & Family Welfare	18.84	11.28	12.25	8.89	19.71	20.33	0.88	03.21
n.	Salary and Wages	11.04	9.78	7.63	1.53	11.23	11.30	8.52	15.55
o.	Pension	11.71	14.31	10.39	6.65	11.88	30.89	11.38	14.66
p.	Subsidies	18.96	15.26	5.92	0.38	18.29	3.38	15.24	8.73

Population Projections for India and States 2011-2036 by National Commission on Population, Ministry of Health

\$ Ministry of Statistics and Programme Implementation

* Source: Census 2011

^ Sample Registration System (SRS) Bulletin

@ SRS based Abridged Life Tables 2015-19, Registrar General of India & Life expectancy - SRS Based Abridged Life Tables (2016-20)

GS-General State

APPENDIX 2.1

(Referred to in paragraph 2.1)

Abstract of receipts and disbursements for the year 2022-23

(₹ in crore)

Section-A: Revenue					
Receipts			Disbursements		
2021-22		2022-23	2021-22	2022-23	
14286.27	1. Revenue receipts	17283.70	14226.88	1. Revenue expenditure	14884.49
5805.23	Tax revenue	7826.93	4963.88	General services	5432.25
			5558.59	Social Services (inclusive of Grants-in-Aid and contribution)	5332.77
3787.25	Non-tax revenue	3868.47	2137.51	Education, Sports, Art and Culture	2383.12
			1308.62	Health and Family Welfare	1350.88
3356.98	State's share of Union Taxes	3665.19	1130.12	Water Supply, Sanitation, Housing and Urban Development	386.75
			69.43	Information and Broadcasting	65.42
117.95	Non-Plan grants	47.14	48.36	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	126.72
149.70	Grants for State Plan Schemes	0.23	66.02	Labour and labour Welfare	68.23
			795.77	Social Welfare and Nutrition	951.65
154.98	Grants for Central and Centrally sponsored Plan Schemes	336.44	2.76	Others	0.00
3.02	Finance Commission Grants	8.40	3704.41	Economic Services (inclusive of GIA and contribution)	4119.47
911.16	Other Transfers to States with Legislatures	1530.90	432.21	Agriculture and Allied Activities	447.40
			304.42	Rural Development	211.71
			13.72	Special Areas Programmes	9.04
			130.92	Irrigation and Flood control	143.76
			2236.94	Energy	2750.68
			129.63	Industry and Minerals	103.93
			330.22	Transport	331.27
			53.78	Science, Technology and Environment	29.43
			72.57	General Economic Services	92.25
14286.27		17283.70	14226.88	Total	14884.49
	II. Revenue deficit carried over to Section B		59.39	II. Revenue surplus carried over to Section B	2399.21
	Total		14286.27	Total	17283.70

Section-B: Others					
Receipts			Disbursements		
2021-22		2022-23	2021-22	2022-23	
1925.83	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	1822.02	-	III. Opening Overdraft from Reserve Bank of India	-
-	IV. Miscellaneous Capital receipts	-	2680.93	IV. Capital Outlay	3425.41
			394.15	General Services	480.11
			927.60	Social Services	901.19
			132.91	Education, Sports, Art and Culture	114.18
			188.81	Health and Family Welfare	78.42
			575.76	Water Supply, Sanitation, Housing and Urban Development	675.82
			-	Information and Broadcasting	0.00
			29.35	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	29.91
			0.78	Social Welfare and Nutrition	0.86
			-	Other Social Services	2.00
			1359.17	Economic Services	2044.11
			(-)3.23	Agriculture and Allied Activities	23.86
			51.06	Rural Development	96.74
			2.77	Special Areas Programmes	2.50
			190.15	Irrigation and Flood Control	294.80
			264.54	Energy	479.84
			14.38	Industry and Minerals	118.49
			542.75	Transport	772.96
			141.61	Science, Technology and Environment	125.99
			155.14	General Economic Services	128.93
			2680.93	Total	3425.41
2.16	V. Recoveries of Loans and Advances	2.10	3.87	V. Loans and Advances disbursed	4.31
2.55	From Government Servants	1.76	0.87	To Government Servants	1.88
(-)0.39	From Others	0.34	3.00	To Others	2.43
59.39	VI. Revenue Surplus brought down	2399.21		VI. Revenue Deficit brought down	-

Receipts			Disbursements		
2021-22		2022-23	2021-22	2022-23	
3512.87	VII. Public debt receipts	2575.38	971.26	VII. Repayment of Public debt	1227.02
	External debt		-	External debt	
2500.00	Internal debt other than Ways and Means Advances and overdrafts	2002.63	876.02	Internal debt other than Ways and Means Advances and Overdrafts	1149.74
-	Net transactions under Ways and Means Advances	-	-	Net transactions under Ways and Means Advances	-
-	Net transactions under overdraft	-	-	Net transactions under overdraft	-
1012.87	Loans and Advances from Central Government	572.75	95.24	Repayment of Loans and Advances to Central Government	77.28
-	VIII. Appropriation to Contingency Fund	-	-	VIII. Appropriation to Contingency Fund	-
-	IX. Amount transferred to Contingency Fund	-	-	IX. Expenditure from Contingency Fund	-
14811.02	X. Public Account receipts	17881.27	14833.18	X. Public Account disbursements	18058.49
415.79	Small Savings and Provident Funds	411.47	439.29	Small Savings and Provident Funds	476.49
321.91	Reserve Funds	355.96	178.16	Reserve Funds	452.09
9829.55	Suspense and Miscellaneous	11134.92	9963.51	Suspense and Miscellaneous	11183.41
3486.89	Remittances	5039.74	3567.88	Remittances	5180.22
756.88	Deposits and Advances	939.18	684.54	Deposits and Advances	766.28
	XI. Closing Overdraft from Reserve Bank of India		1822.02	XI. Cash Balance at end	1964.75
			1105.47	Investment of earmarked balance	1280.03
			(-)6.51	Deposits with Reserve Bank	136.41
			1.90	Departmental Cash Balance including permanent Advances	1.83
			721.16	Cash Balance Investment	546.48
34597.54	Total	41963.68	34597.54	Total	41963.68

(Source: Finance Accounts of the State)

APPENDIX 2.2
(Referred to in paragraph 2.1)
Time series data on the State Government finances

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Part-A Receipts					
1. Revenue Receipts (RR)	11438	11297	10440	14286	17284
(i) Own Tax Revenue	4871(43)	4700(42)	4151(40)	5805(41)	7827(46)
State Goods and Services Tax (SGST)	2529(52)	2438(52)	1985(48)	2758(48)	3536(45)
Taxes on Sales, Trade, etc.	1013(21)	1033(22)	990(24)	1383(24)	1899(24)
State Excise	478(10)	492(10)	515(12)	650(11)	866(11)
Taxes on Vehicles	299(6)	269(6)	220(5)	261(4)	412(5)
Stamp duty and Registration fee	432(9)	393(8)	350(9)	645(11)	986(13)
Land Revenue	67(1)	37(1)	34(1)	66(1)	84(1)
Taxes on goods and passengers	30(1)	32(1)	41(1)	22(0.5)	25(0.5)
Other Taxes	23(0)	6(0)	16(0)	20(0.5)	19(0.5)
(ii) Non-tax Revenue	2874(25)	2737(24)	2903(28)	3787(27)	3869(22)
(iii) State's share in Union taxes and duties	2878(25)	2480(22)	2296(22)	3357(23)	3665(21)
(iv) Grants-in-aid (GIA) from Government of India	815(7)	1380(12)	1090(10)	1337(9)	1923(11)
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	05	04	03	02	02
4. Total Revenue and Non-debt capital receipt (1+2+3)	11443	11301	10443	14288	17286
5. Public Debt Receipts	2529	2700	4587	3513	2576
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2459	2654	3604	2500	2003
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	70	46	983	1013	573
6. Total Receipts in the Consolidated Fund (4+5)	13972	14001	15030	17801	19862
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts receipts	13684	12736	12957	14811	17881
9. Total receipts of the State (6+7+8)	27656	26737	27987	32612	37743
Part-B Expenditure/Disbursement	13232	13283	14090	16908	18309
10. Revenue Expenditure	11083(84)	11622(87)	12093(86)	14227(84)	14884(81)
General Services (including interests payments)	3793(34)	3942(34)	4144(34)	4964(35)	5432(36)
Social Services (including GIA and contributions)	4223(38)	4339(37)	4529(38)	5559(39)	5333(36)
Economic Services (including GIA and contributions)	3067(28)	3341(29)	3420(28)	3704(26)	4119(28)
11. Capital Expenditure	2149(16)	1660(12)	1997(14)	2681(16)	3425(19)
General Services	515(24)	300(18)	437(22)	394(15)	480(14)
Social Services	763(36)	587(35)	603(30)	928(35)	901(26)
Economic Services	871(41)	773(47)	957(48)	1359(50)	2044(60)

(Figures in parentheses indicate percentages)

	2018-19	2019-20	2020-21	2021-22	2022-23
Part-B Expenditure/Disbursement					
12. Disbursement of Loans and Advances	03	13	01	04	04
13. Total (10+11+12)	13235	13295	14091	16912	18313
14. Repayments of Public Debt	920	1025	751	971	1227
Internal Debt (excluding Ways and Means Advances and Overdrafts)	827	927	653	876	1150
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	93	98	98	95	77
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	14157	14321	14843	17883	19540
17. Net Loans and Advances	02	(-)09	01	(-)02	(-)02
18. Contingency Fund disbursements	02	-	-	-	-
19. Public Accounts disbursements	13189	12237	12704	14833	18058
20. Total disbursement by the State (16+18+19)	27348	26558	27547	32716	37598
Part-C Deficits					
21. Revenue Deficit(-)/Revenue Surplus (+)(1-10)	355	(-)325	(-)1653	59	2400
22. Fiscal Deficit (4-13)	(-)1792	(-)1994	(-)3648	(-)2624	(-)1027
23. Primary Deficit(-)/Surplus(+) (22+24)	(-)448	(-)529	(-)2058	(-)841	789
Part-D Other Data					
24. Interest Payments (included in revenue expenditure)	1344	1465	1590	1783	1816
25. Ways and Means Advances (WMA)/Overdraft availed (days)	320	96	167	83	03
Ways and Means advances availed	296	96	167	83	03
Overdraft availed	24	-	-	-	-
26. Interest on WMA/Overdraft	03	1.01	1.96	0.78	0.01
27. Gross State Domestic Product (GSDP)	71853	75032	75705	82604	90642
28. Outstanding fiscal liabilities (year-end)	20412	22554	26521	29118	30304
29. Outstanding guarantees including interest (year-end)	1093	883	967	662	405
30. Maximum amount guaranteed (year-end)	1467	1076	1355	1193	742
31. Number of incomplete projects	266	207	203	141	105
32. Capital blocked in incomplete projects	1304	1007	545	249	216

<i>Part-E Fiscal Health Indicators (in per cent)</i>	2018-19	2019-20	2020-21	2021-22	2022-23
I. Resource Mobilisation					
Own Tax revenue/GSDP	6.78	6.26	5.48	7.03	8.64
Own Non-tax Revenue/GSDP	4.00	3.65	3.83	4.58	4.27
Central Transfer/GSDP	4.01	3.31	3.03	4.06	4.04
II. Expenditure Management					
Total Expenditure/GSDP	18.42	17.72	18.61	20.47	20.20
Total Expenditure/Revenue Receipts	115.71	117.69	134.97	118.38	105.95
Revenue Expenditure/Total Expenditure	83.74	87.42	85.82	84.12	81.28
Expenditure on Social Services/Total Expenditure	37.67	37.05	36.42	38.36	34.04
Expenditure on Economic Services/Total Expenditure	29.75	30.94	31.06	29.94	33.65
Capital Expenditure/Total Expenditure	16.24	12.48	14.17	15.85	18.70
Capital Expenditure on Social and Economic Services/Total Expenditure	12.35	10.23	11.07	13.52	16.08
III. Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.49	(-)0.43	(-)2.18	0.07	2.65
Fiscal deficit/GSDP	(-)2.49	(-)2.66	(-)4.82	(-)3.18	(-)1.13
Primary Deficit (surplus)/GSDP	(-)0.62	(-)0.71	(-)2.72	(-)1.02	0.87
Revenue Deficit/Fiscal Deficit	(-)19.81	16.34	45.31	(-)2.25	(-)233.69
Primary Revenue Balance/GSDP	2.36	1.52	(-)0.08	2.23	4.65
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP ¹	28.41	30.06	33.92	33.21	31.57
Fiscal Liabilities/RR	178.46	199.65	254.03	203.82	175.33
Debt Redemption (Principal + Interest)/Total Debt Receipts	89.52	92.22	51.04	78.39	118.14

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

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

APPENDIX 3.1

(Referred to in paragraph 3.3.2)

Unnecessary supplementary provisions of ₹ five crore or more during 2022-23

(₹ in crore)

Sl. No.	Name of the Grant	Original provision	Supplementary provision	Actual expenditure	Savings out of original provision
Revenue (voted)					
1.	02 General Administration	103.97	11.57	99.86	4.11
2.	13 Transport	211.91	6.40	190.17	21.74
3.	21 Public Works	864.81	50.00	525.39	339.42
4.	25 Home Guards and Civil Defense	32.15	5.18	30.21	1.94
5.	34 School Education	1920.55	49.05	1645.97	274.58
6.	42 Sports and Youth Affairs	101.97	11.41	72.01	29.96
7.	43 Art and Culture	133.25	5.64	124.54	8.71
8.	47 Goa Medical College	605.13	159.30	601.99	3.14
9.	48 Health Services	892.49	12.00	643.83	248.66
10.	58 Women and Child Development	428.19	85.56	418.23	9.96
11.	70 Civil Supplies	65.98	22.03	50.02	15.96
12.	78 Tourism	87.90	10.00	62.45	25.45
13.	82 Information Technology	87.84	22.08	59.40	28.44
14.	85 Department of Rural Development	112.26	11.00	42.18	70.08
Total		5648.40	461.22	4566.25	1082.15
Capital (voted)					
15.	21 Public Works	1235.00	190.00	1061.47	173.53
16.	31 Panchayats	117.11	23.06	96.74	20.37
17.	34 School Education	65.30	9.80	8.83	56.47
18.	42 Sports and Youth Affairs	49.97	6.00	30.00	19.97
19.	47 Goa Medical College	173.00	10.00	38.08	134.92
20.	51 Goa Dental College	47.83	19.82	8.03	39.80
21.	55 Municipal Administration	376.50	46.50	248.20	128.30
22.	61 Skill Development and Entrepreneurship	21.98	6.00	3.34	18.64
23.	67 Ports Administration	48.70	9.75	21.58	27.12
24.	74 Water Resources	342.48	73.00	297.30	45.18
25.	81 Department of Tribal Welfare	56.71	25.00	36.28	20.43
Total		2534.58	418.93	1849.85	684.73
Grand Total		8182.98	880.15	6416.10	1766.88

(Source: Appropriation Accounts of the State)

APPENDIX 3.2*(Referred to in paragraph 3.3.3)***Details of savings of ₹ one crore and above not surrendered during 2022-23***(₹ in crore)*

Sl. No.	Name of grant	Savings	Amount surrendered	Amount not surrendered
Revenue (voted)				
1.	6 Election Office	82.23	77.78	4.45
2.	21 Public Works	389.42	387.09	2.33
3.	23 Home	4.91	1.75	3.16
4.	48 Health Services	260.66	253.55	7.11
5.	57 Social Welfare	55.64	44.90	10.74
6.	58 Women and Child Development	95.52	93.17	2.35
7.	61 Skill Development and Entrepreneurship	47.16	45.99	1.17
8.	76 Electricity	59.21	57.27	1.94
9.	81 Department of Tribal Welfare	43.23	40.15	3.08
Capital (voted)				
10.	23 Home	10.00	5.00	5.00
11.	42 Sports and Youth Affairs	25.97	24.66	1.31
12.	54 Town and Country Planning	20.53	5.27	15.26
13.	81 Department of Tribal Welfare	45.43	31.02	14.41
Total		1139.91	1067.60	72.31

(Source: Appropriation Accounts of the State)

APPENDIX 3.3
(Referred to in paragraph 3.4.4)
Major Policy Decisions of the Government during the year or New Schemes Proposed in the Budget (as on 31 March 2023)

Sl. No.	Nature of the policy decisions/New Scheme	Implication for		If one-time, indicate the impact	Status of Implementation		
		Receipts/ Expenditure/ Both	Recurring/One Time		Implemented in 2022-23	In progress and planned to be implemented during 2023-24	Not Implemented
1	Implementation of Intelligent Transport Management System	Both	Recurring	NA		Yes	
2	Goa Digital Meter Scheme/Vehicle Location Tracking Device (VLDT)	Expenditure	Recurring	NA	NA	NA	NA
3	Setting up of Command and Control Centre for Vehicle Tracking Platform	Expenditure	Recurring	NA	NA	NA	NA
4	CM-CARES Scheme for Coding and Robotics	Expenditure	One-Time	to improve the coding skills in the young student's population in Goa State	NA	NA	NA
5	Diamond Jubilee-Government Investment for Technical Education Scheme	Expenditure	Recurring	...	NA	NA	NA
6	National Action Plan for Senior Citizens	...	...	...	NA	NA	NA
7	Covid-19 relief Marginalised/Un-organised Sector	...	...	...	NA	NA	NA
8	Construction of Jetties under Sagarmala Programme (A)	...	Recurring	...	NA	NA	NA
9	Promotion of payment through Card and Digital / rebates	Expenditure	Recurring	NA	NA	NA	NA
10	Subsidy to Domestic Consumer	Expenditure	Recurring	NA	NA	NA	NA
11	Bharat Net	Expenditure	...	...	NA	NA	NA

Sl. No.	Nature of the policy decisions/New Scheme	Implication for			Status of Implementation		
		Receipts/Expenditure/Both	Recurring/One Time	If one-time, indicate the impact	Implemented in 2022-23	In progress and planned to be implemented during 2023-24	Not Implemented
12	Additional three times compensation to the persons whose lands have been acquired for construction of Greenfield International Airport at Mopa in Pernem Taluka	...	...	₹ 7.64 lakh	NA	NA	NA
13	Construction of New Approach Road to Mopa Airport	Expenditure	...	...	...	Yes	...
14	Widening and improvement of existing approach road to Mopa Airport	Expenditure	...	...	Yes	...	...
15	Set-up garment making facilities with computer aided design technology at two location in the state	...	One-Time	₹ 30 lakh	...	Yes	...
16	Setting-up Kunbi craft village in South Goa.	...	One-Time	...	...	Yes	...
17	Promotion of Shri Anna Millet Cultivation in the state of Goa	Expenditure	...	...	NA	NA	NA
18	To implement a mechanism wherein coir fiber extracted from the coconut husk, which would otherwise be wasted, would be supplied to the coir artisans to enable them to produce value added coir product like corridor mats, geo-textiles and such other coir handicrafts items.	...	Recurring	₹ 10 lakh	Yes	...	...

Sl. No.	Nature of the policy decisions/New Scheme	Implication for			Status of Implementation		
		Receipts/ Expenditure/ Both	Recurring/One Time	If one-time, indicate the impact	Implemented in 2022-23	In progress and planned to be implemented during 2023-24	Not Implemented
19	Expanding and Modernisation of fire Services (Central Share 90%)	...	...	...	NA	NA	NA
20	Expanding and Modernisation of fire Services (State Share 10%)	...	...	...	NA	NA	NA

(Source: Appendix XI of Finance Accounts Voll -II and Action Taken Report on announcements made in Budget Speech 2022-23)

*NA – Information not available

APPENDIX 4.1
(Referred to in paragraph 4.2)
Department-wise status of outstanding UCs

Sl. No.	Name of Department	No. of outstanding utilisation certificates (UCs)	Amount (₹ in crore)
1.	Directorate of Panchayats (North)	3712	851.60
2.	Directorate of Municipal Administration	706	586.38
3.	Public Works Department	59	280.07
4.	Directorate of Education	1095	199.10
5.	Directorate of Panchayats (South)	3322	146.00
6.	Directorate of Art & Culture	1079	117.31
7.	Department of Science and Technology	178	110.63
8.	Department of Rural Development	50	70.97
9.	Directorate of Agriculture	52	68.46
10.	Directorate of Social Welfare	507	35.84
11.	Directorate of Animal Husbandry and Veterinary Services	83	25.22
12.	Directorate of Women and Child Development	476	17.68
13.	Directorate of Sports & Youth Affairs	194	10.22
14.	General Administration Department	14	9.93
15.	Directorate of Transport	2	8.35
16.	Town & Country Planning	4	2.19
17.	Directorate of Fisheries	9	1.96
18.	Directorate of Higher Education	3	1.82
19.	Under Secretary (Revenue)	2	1.18
20.	Department of Forest	2	0.55
21.	Under Secretary, Home Department (FF)	126	0.41
22.	Directorate of Official Language	2	0.32
23.	Public Health Department/ Home Department (FF Health)	26	0.17
24.	Goa Legislature Secretariat	2	0.04
Total		11705	2546.40

(Source: Information provided by Directorate of Accounts)

APPENDIX 4.2

(Referred to in paragraph 4.10)

Statement showing delay in submission of accounts (beyond specified target dates) and tabling of SARs of autonomous bodies in State Legislature as of January 2024

Sl. No.	Name of body/authority	Period of entrustment of audit and section under which audited	Year for which accounts received by Audit	Period up to which SAR issued to State Government	Whether SAR required to be placed in the Legislature/Date of issue of SAR by Audit to State Government/Date of placement of SAR	Delay in submission of accounts to Audit up to January 2024 (months) (Beyond target dates)
	1	2	3	4	5	6
1	Goa University	01.04.2020 to 31.03.2025 Section 19(3)	2021-22	2021-22	Yes/06.10.2023/ Not yet placed	2022-23 (06)
2	Goa Housing Board	01.04.2022 to 31.03.2027 Section 19(3)	2021-22	2021-22	Yes/31.10.2023/ Not yet placed	2022-23 (02)
3	Goa Tillari Irrigation Development Corporation	01.04.2012 to 31.03.2015 Section 19(3)	2011-12	2011-12	Yes/29.07.2019/ Not yet placed	2012-13 (126) 2013-14 (114) 2014-15 (102)
4	Khadi and Village Industries Board	01.04.2018 to 31.03.2023 Section 19(3)	2021-22	2021-22	Yes/30.01.2024/ Not yet placed	2022-23 (05)
5	Goa State Commission for Backward Classes	01.04.2019 to 31.03.2024 Section 19(3)	2021-22	2021-22	Yes/29.11.2023/ Not yet placed	2022-23 (06)
6	Goa Secondary and Higher Secondary Education Board	01.04.2020 to 31.03.2025 Section 20(1)	2021-22	2021-22	No/22.03.2023/Not Applicable	2022-23 (06)
7	South Goa Zilla Panchayat	01.04.2019 to 31.03.2024 Section 20(1)	2017-18	2017-18	Yes/16.04.2019/ 19.06.2023	2018-19 (54) 2019-20 (42) 2020-21 (30) 2021-22 (18) 2022-23 (06)
8	North Goa Zilla Panchayat	01.04.2019 to 31.03.2024 Section 20(1)	2008-09	2008-09	Yes/24.06.2015/ Not yet placed	2009-10 (162) 2010-11 (150) 2011-12 (138) 2012-13 (126) 2013-14 (114) 2014-15 (102) 2015-16 (90) 2016-17 (78) 2017-18 (66) 2018-19 (54) 2019-20 (42) 2020-21 (30) 2021-22 (18) 2022-23 (06)
9	Goa State Legal Services Authority	As per Act Section 19(2)	2022-23	2022-23	Yes/05.02.2024/ Not yet placed	-
10	District Legal Services Authority, South Goa	As per Act Section 19(2)	2022-23	2022-23	Yes/07.09.2023/ Not yet placed	-

Sl. No.	Name of body/authority	Period of entrustment of audit and section under which audited	Year for which accounts received by Audit	Period up to which SAR issued to State Government	Whether SAR required to be placed in the Legislature/Date of issue of SAR by Audit to State Government/Date of placement of SAR	Delay in submission of accounts to Audit up to January 2024 (months) (Beyond target dates)
	1	2	3	4	5	6
11	District Legal Services Authority, North Goa	As per Act Section 19(2)	2020-21	2020-21	Yes/18.09.2023/ 07.02.2024	2021-22(18) 2022-23(06)
12	Goa State Compensatory Afforestation Fund Management and Planning Authority	01.04.2012 to 31.03.2017 Section 20(1)	2015-16	2015-16	No/08.06.2017/Not Applicable	2016-17 (78)
13	Goa Samagra Shiksha Abhiyan Society	01.04.2015 to 31.03.2020 Section 20(1)	2018-19	2018-19	Yes/01.01.2021/ Placed on 01.08.2023	2019-20 (42)
14	Goa Real Estate Regulatory Authority	As per Act Section 19(2)	2021-22	2021-22	Yes/01.09.2023/ 08.02.2024	2022-23 (06)

(Source: Information compiled by Office of the PAG, Goa)

APPENDIX 4.3

(Referred to in paragraph 4.12)

**Department-wise/age-wise break-up of the cases of misappropriations, defalcations, etc.
(Cases where final action was pending at the end of January 2024)**

(Figures in bracket indicate ₹ in lakh)

Sl. No.	Name of Department	Up to 5 years	5 to 10 years	10 years and above	Total No. of cases
1	Director General of Police	-	-	1 (not assessed)	1 (not assessed)
2	Directorate of Civil Supplies and Consumer Affairs	-	-	3 (5.92)	3 (5.92)
3	Directorate of Sports and Youth Affairs	-	1 (not assessed)	-	1 (not assessed)
4	Directorate of Transport	-	1 (8.13)	-	1 (8.13)
5	Directorate of Panchayats	5 (0.72)	3 (not assessed)	5 (5.14)	13 (5.86)
6	Collectorate, North Goa	1 (1.39)	-	-	1 (1.39)
7	Chief Electrical Engineer	-	1 (44.51)	5 (104.16)	6 (148.67)
8	Goa Medical College	-	-	2 (3.20)	2 (3.20)
9	Inspector General of Prisons	1 (4.27)	-	-	1 (4.27)
Total		7 (6.38)	6 (52.64)	16 (118.42)	29 (177.44)

(Source: Information provided by various departments)

APPENDIX 5.1
(Referred to in paragraph 5.2.1)
List of State Public Sector Enterprises

Sl. No.	State Public Sector Enterprises	Remarks
Industries, Trade & Commerce		
1.	Goa Handicrafts, Rural & Small-Scale Industries Development Corporation Limited	Working
2.	EDC Limited	Working
3.	Goa Industrial Development Corporation	Working
Public Works Department		
4.	Goa State Infrastructure Development Corporation Limited	Working
5.	Sewerage and Infrastructural Development Corporation of Goa Limited	Working
Information Technology & Communication		
6.	Info Tech Corporation of Goa Limited	Working
7.	Goa Electronics Limited	Working
8.	Goa Information Technology Development Corporation	Non-Working
Agriculture Food & Allied Industries		
9.	Goa Meat Complex Limited	Working
10.	Goa State Horticulture Corporation Limited	Working
Culture & Tourism		
11.	Goa Tourism Development Corporation Limited	Working
Transport		
12.	Kadamba Transport Corporation Limited	Working
Others		
13.	Goa Forest Development Corporation Limited	Working
14.	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	Working
15.	Goa State Scheduled Tribes Finance and Development Corporation Limited	Working
16.	Goa State Minorities Finance & Development Corporation Limited	Working
17.	Imagine Panaji Smart City Development Limited	Working

(Source: Information compiled by Audit)

APPENDIX 5.2

(Referred to in paragraph 5.3)

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised accounts as on 30 September 2023

Sl. No.	Name of SPSEs	Period of accounts	Paid-up capital	Long-Term Loans	Net profit/loss before interest and tax	Net profit/loss after interest and tax	Turnover	Net worth	Capital employed	Accumulated profit(+)/ Loss (-)
A Industries & Commerce Sector SPSEs										
1.	Goa Handicrafts, Rural & Small Scale Industries Development Corporation Limited	2022-23	8.00	0.00	2.46	2.46	29.75	4.36	4.36	(-) 3.64
2.	EDC Limited	2021-22	100.92	0.00	73.10	52.47	75.58	459.03	459.03	358.11
3.	Goa Industrial Development Corporation	2021-22	63.12	70.11	(-) 3.14	(-) 11.71	37.71	(-) 55.89	14.22	(-) 119.01
	Total A		172.04	70.11	72.42	43.22	143.04	407.50	477.61	235.46
B Public Works Department Sector SPSEs										
4.	Goa State Infrastructure Development Corporation Limited	2021-22	3.72	372.92	50.34	3.33	401.36	42.47	415.39	38.75
5.	Sewerage and Infrastructural Development Corporation of Goa Limited	2021-22	7.55	150.01	(-) 0.38	(-) 0.38	6.94	19.41	169.42	11.86
	Total B		11.27	522.93	49.96	2.95	408.30	61.88	584.81	50.61
C Information Technology & Communication SPSEs										
6.	Info Tech Corporation of Goa Limited	2014-15	16.33	65.41	7.06	(-) 3.51	47.53	11.50	76.91	-4.83
7.	Goa Electronics Limited	2021-22	1.80	0.00	1.26	0.96	18.71	4.85	4.85	3.05
8.	Goa Information Technology Development Corporation	2006-07	0.25	0.00	(-) 0.02	(-) 0.02	0.0	0.23	0.23	-0.02
	Total C		18.38	65.41	8.30	(-) 2.57	66.24	16.58	81.99	(-) 1.80
D Agriculture Food & Allied Industries SPSEs										
9.	Goa Meat Complex Limited	2021-22	0.62	0.00	(-) 0.89	(-) 0.91	4.68	(-) 0.61	(-) 0.61	(-) 1.22
10.	Goa State Horticultural Corporation Limited	2019-20	5.00	1.24	0.22	0.15	114.99	3.64	4.88	(-) 1.36
	Total D		5.62	1.24	(-) 0.67	(-) 0.76	119.67	3.03	4.27	(-) 2.58

Sl. No.	Name of SPSE	Period of accounts	Paid-up capital	Long-Term Loans	Net profit/loss before interest and tax	Net profit/loss after interest and tax	Turnover	Net worth	Capital employed	Accumulated profit(+)/ Loss (-)
E	Culture and Tourism SPSEs									
11.	Goa Tourism Development Corporation Limited	2022-23	22.65	1.84	0.60	0.60	71.47	23.56	23.56	0.91
	Total E		22.65	1.84	0.60	0.60	71.47	23.56	23.56	0.91
F	Transport Sector SPSEs									
12	Kadamba Transport Corporation Limited	2021-22	108.45	0.00	(-) 0.82	(-) 0.83	195.32	(-) 66.76	(-) 66.76	(-) 175.21
	Total F		108.45	0.00	(-) 0.82	(-) 0.83	195.32	(-) 66.76	(-) 66.76	(-) 175.21
G	Other SPSEs									
13	Goa Forest Development Corporation Limited	2018-19	2.69	0.00	1.37	1.37	5.18	8.73	8.73	6.04
14.	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	2010-11	3.55	3.96	(-) 0.03	-0.14	0.68	2.78	6.74	(-) 0.77
15.	Goa State Scheduled Tribes Finance and Development Corporation Limited	2022-23	45.15	3.85	(-) 0.62	-0.62	3.95	45.58	49.43	21.26
16.	Goa Minorities Finance and Development Corporation Limited	Due from 2019	0.05	0.00	0.00	0.00	0.00	0.05	0.05	0.00
17.	Imagine Panaji Smart City Development Limited	2017-18	1.00	0.00	0.09	0.07	0.96	7.79	7.79	6.79
	Total G		52.44	7.81	0.81	0.68	10.77	64.93	72.74	33.32
	Grand Total (A+B+C+D+E+F+G)		390.85	669.34	130.60	43.29	1014.81	510.72	1178.22	140.71

(Source: Information compiled from accounts of SPSEs)

Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write

APPENDIX 5.3

(Referred to in paragraph 5.7.3)

Statement showing State Government funds infused in SPSEs during the period from 2010-11 to 2022-23

(₹ in crore)

Year	Present value of total investment at the beginning of the year	Equity infused by the state Government during the year	Interest-free loans given by the state Government during the year	Interest-free loans converted during the year	Total investment during the year	Average rate of interest on Government borrowings (in per cent)	Total investment at the end of the year	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year ²
i	ii	iii	iv	v	vi=(iii+iv-v)	vii	viii=(ii+vi)	ix=viii*{1+(vii/100)}	x=(viii*vii/100)	xi
Up to 2010-11	411.93	12.42	(0.60)	Nil	11.82	7.62	423.75	456.04	32.29	6.18
2011-12	456.04	16.90	(1.33)	Nil	15.57	7.59	471.61	507.41	35.80	(3.19)
2012-13	507.41	36.10	Nil	Nil	36.10	7.69	543.51	585.31	41.80	31.92
2013-14	585.31	0.50	(0.53)	Nil	(0.03)	7.44	585.28	628.82	43.54	22.64
2014-15	628.82	Nil	(0.53)	Nil	(0.53)	7.59	628.29	675.98	47.69	7.35
2015-16	675.98	5.50	(0.53)	Nil	4.97	7.30	680.95	730.66	49.71	50.98
2016-17	730.66	Nil	(0.72)	Nil	(0.72)	7.09	729.94	781.69	51.75	47.83
2017-18	781.69	Nil	(0.55)	Nil	(0.55)	7.03	781.14	836.05	54.91	49.52
2018-19	836.05	11.97	(0.54)	Nil	11.43	6.90	847.48	905.95	58.48	53.01
2019-20	905.95	0.01	Nil	Nil	0.01	6.82	905.96	967.75	61.79	(98.47)
2020-21	967.75	1.28	Nil	Nil	1.28	6.48	969.03	1031.82	62.79	(14.58)
2021-22	1031.82	Nil	1.20	Nil	1.20	6.41	1033.02	1099.24	66.22	37.61
2022-23	1099.24	4.45	2.18	Nil	6.63	6.11	1105.87	1173.44	67.57	43.29
Total		89.13	(-1.95)		87.18					

(Source: Information compiled from accounts of SPSEs)

² Total earnings for the year depicts total of net earnings (profit/loss) for the year concerned relating to 15 SPSEs where capital was infused by the State Government.

APPENDIX 5.4
(Referred to in paragraph .5.8.2)
Details of SPSEs having accumulated losses

Sl. No.	Sector Type	Name of SPSEs	Period of Accounts	Year in which finalised	Net Profit/loss after Interest, Tax and Dividend	Paid-Up Capital	Long-Term Loan	Free reserve	Accumulated Losses (-)	Capital Employed	Net Worth				
Government Companies (A)															
1.	Agriculture Food & Allied Industries	Goa Meat Complex Limited	2021-22	2022-23	(-) 0.91	0.62	0.00	0.00	(-) 1.22	(-) 0.61	(-) 0.61				
2.	Agriculture Food & Allied Industries	Goa State Horticultural Corporation Limited	2019-20	2023-24	0.15	5.00	1.24	0.00	(-) 1.36	4.88	3.64				
3.	Industries, Trade & Commerce	Goa Handicrafts, Rural & Small-Scale Industries Development Corporation Limited	2022-23	2023-24	2.46	8.00	0.00	0.00	(-) 3.64	4.36	4.36				
4.	Other	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	2010-11	2022-23	(-) 0.14	3.55	3.96	0.00	(-) 0.77	6.74	2.78				
5.	Transport	Kadamba Transport Corporation Limited	2021-22	2022-23	(-) 0.83	108.45	0.00	0.00	(-) 175.21	(-) 66.76	(-) 66.76				
6.	Information Technology & Communication SPSEs	Info Tech Corporation of Goa Limited	2014-15	2023-24	(-) 3.51	16.33	65.41	0.00	(-) 4.83	76.91	11.50				
Total(A)									(-) 2.78	141.95	70.61	0	187.03	25.52	(-) 45.09
Government Corporations (B)															
7.	Industries, Trade & Commerce SPSEs	Goa Industrial Development Corporation	2021-22	2022-23	(-) 11.71	63.12	70.11	0.00	(-) 119.01	14.22	(-) 55.89				
8.	Information Technology & Communication SPSEs	Goa Information Technology Development Corporation	2006-07	2023-24	(-) 0.02	0.25	0.00	0.00	(-) 0.02	0.23	0.23				
Total(B)									(-) 11.73	63.37	70.11	0.00	(-) 119.03	14.45	(-) 55.66
Grand Total (A+B)									(-) 14.51	205.32	140.72	0.00	(-) 306.06	39.97	(-) 100.75

(Source: Information compiled from accounts of SPSEs)

APPENDIX 5.5

(Referred to in paragraph 5.11.2)

Information regarding accounts in arrears of State Public Sector Enterprises

Sl. No.	Name of the Company	Year for which Accounts are in arrears	No. of accounts in arrears	Status of the Company
1.	EDC Limited	2022-23	01	Working
2.	Goa Industrial Development Corporation	2022-23	01	Working
3.	Goa State Infrastructure Development Corporation Limited	2022-23	01	Working
4.	Sewerage and Infrastructural Development Corporation of Goa Limited	2022-23	01	Working
5.	Info Tech Corporation of Goa Limited	2015-16 to 2022-23	08	Working
6.	Goa Electronics Limited	2022-23	01	Working
7.	Goa Information Technology Development Corporation	2007-08 to 2022-23	16	Non-Working
8.	Goa Meat Complex Limited	2022-23	01	Working
9.	Goa State Horticulture Corporation Limited	2020-21 to 2022-23	03	Working
10.	Kadamba Transport Corporation Limited	2022-23	01	Working
11.	Goa Forest Development Corporation Limited	2019-20 to 2022-23	04	Working
12.	Goa State Scheduled Caste and Other Backward Classes Finance and Development Corporation Limited	2011-12 to 2022-23	12	Working
13.	Goa State Minorities Finance & Development Corporation Limited	2019-20 to 2022-23	04	Working
14.	Imagine Panaji Smart City Development Limited	2018-19 to 2022-23	05	Working

(Source: Information compiled by Audit)

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