CHAPTER I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter discusses the financial position of the State Government, based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the Chapter also contains a section on the analysis of indicators of financial performance of the Government, based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are described in the Appendix-A to this chapter.

1.2 Financial position of the State Government

In the Government accounting system comprehensive accounting of the fixed assets like land and building etc. owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Table 1.1 below gives an abstract of such liabilities and assets as on 31 March 2001, compared with the corresponding position on 31 March 2000. While the liabilities in this statement consist mainly of external and internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and cash balances. It would be seen from Table 1.1 that while the liabilities grew by 17.81 *per cent*, the assets grew by only 8.52 *per cent* during 2000-01, mainly as a result of an increase (8.21 *per cent*) in the deficit on the Government account. This shows an overall deterioration in the financial condition of the Government.

TABLE

Summarised financial position of the Government of Goa

As on 31 March 2000	Liabilities			As on 31 March 2001
--	**External Debt**			--
382.86	**Internal Debt**			**508.36**
	288.16	Market loans bearing interest	368.17	
	-	Market loans not bearing interest	-	
	34.45	Loans from LIC	38.62	
	60.25	Loans from other institutions	83.45	
	-	Loans from NABARD	8.69	
	-	Loans from National Co-op. Development Corporation	0.08	
	-	Ways and Means advances	9.35	
1224.79	**Loans and Advances from Central Government**			**1391.16**
	459.57	Non-Plan Loans	551.99	
	755.87	Loans for State Plan schemes	830.21	
	0.33	Loans for Central Plan Schemes	0.29	
	9.02	Loans for Centrally Sponsored schemes	8.67	
174.96	**Contingency Fund**			**199.86**
549.49	**Public Accounts**			**648.14**
	343.65	Small Savings, Provident Fund etc	388.16	
	193.01	Deposits	243.74	
	12.83	Reserve Funds	16.24	
2332.10				**2747.52**

1.1

as on 31 March 2001

(Rupees in crore)

As on 31 March 2000	**Assets**			**As on 31 March 2001**
1769.47	**Gross Capital Outlay on Fixed Assets**			**1952.26**
	132.06	Investment in shares of Companies Corporations etc.	133.51	
	1637.41	Other Capital outlay	1818.75	
35.24	**Loans and advances**			**39.31**
	13.93	Other Development loans	13.35	
	21.31	Loans to Government Servants	25.96	
-	**Reserve Fund Investment**			**-**
0.71	**Advances**			**0.71**
14.09	**Remittances**			**1.77**
68.06	**Suspense and Miscellaneous Balances**			**82.68**
41.24	**Cash**			**16.49**
	*	Cash in Treasuries and Local Remittances	*	
	3.53$^{\alpha}$	Deposits with Reserve Bank	(-)3.86$^{\alpha}$	
	1.46	Departmental Cash Balances	1.46	
	0.08	Permanent Advances	0.08	
	29.32	Cash Balance Investment	3.01	
	6.85	Earmarked Fund Investment	15.80	
395.89	**Deficit in Government Accounts**			**646.90**
	208.86	Revenue deficit of the current year	226.01	
	18.03	Accumulated deficit as on 31 March 2000	395.89	
	169.00	Appropriation to Contingency Fund	25.00	
7.40	431.66	**Net effect of balances taken over**	431.66	**7.40**
	424.26	Net capital expenditure taken over	424.26	
2332.10				**2747.52**

* Rs.7000 only

$^{\alpha}$ This represents the balance taking into account the adjustment of inter-Governmental transactions relating to 2000-01 adviced to the Reserve Bank of India upto 25 April 2001. For further details refer Explanatory note below statement No.7.

1.3 Sources and applications of fund

1.3.1 Table 1.3.2 below gives the position of sources and applications of funds during the current and preceding year. The main sources of funds include the revenue receipt of the Government recoveries of loans and advances, public debt and the receipts in Public Accounts. These are applied mainly on revenue and capital expenditure and the lending for developmental purposes. While revenue receipts share decreased from 78.01 *per cent* in 1999-2000 to 77.75 *per cent* during 2000-01, the share of recoveries of loans and advances went up from 0.32 *per cent* to 0.60 *per cent*. The receipts from the Public Accounts decreased as their share went down from 7.08 *per cent* in 1999-2000 to 5.05 *per cent* in 2000-01. This was mainly due to increase in suspense and miscellaneous transactions and remittance balance. The receipts from Public Debt increased substantially from 11.91 *per cent* in 1999-2000 to 15.30 *per cent* in 2000-01.

The funds were mainly applied for revenue expenditure whose share decreased from 91.28 *per cent* to 89.60 *per cent*, but remained significantly higher than the share of the revenue receipts (77.75 *per cent*) in the total receipts of the State Government. This led to the Revenue Deficit. The increase in Revenue expenditure and consequent revenue deficit was attributed mainly to Rs.71.29 crore spent towards purchase of power, Rs.105.32 crore for expenditure under state lotteries and Rs.18.24 crore for implementation of the voluntary retirement scheme, Rs.34.01 crore for interest payment due to increase in quantum of outstanding debt and Rs.19.21 crore spent on Urban Water Supply Programme and Sanitation works. The percentage of capital expenditure increased from 8.21 *per cent* to 9.58 *per cent*, lending for development purposes went up from 0.50 *per cent* to 0.81 *per cent*. The cash balances at the end of the year decreased from 2.64 *per cent* in 1999-2000 to 1.30 *per cent* in 2000-01.

TABLE 1.3.2
Sources and Application of Funds

(Rupees in crore)

1999-2000		Sources		2000-01
1227.90		**Revenue Receipts**		**1483.23**
5.11		**Recoveries of Loans and Advances**		**11.36**
187.40		**Increase in Public Debt other than overdraft**		**291.88**
111.41		**Net Receipts from Public Accounts**		**96.38**
	52.35	Increase in Small Savings	44.52	
	55.56	Increase in deposits and advances	50.74	
	7.91	Increase in Reserve Funds	3.42	
	(-)5.52	Net effect of suspense and Miscellaneous transactions	(-)14.62	
	1.11	Net effect of remittance transactions	12.32	
0.64		**Net effect of Contingency Fund Transaction**		**-**
41.51		**Decrease in closing balances**		**24.75**
1573.97		**TOTAL**		**1907.60**

1999-2000	Applications	2000-01
1436.76	**Revenue Expenditure**	**1709.24**
7.91	**Lending for Development and other purposes**	**15.43**
129.30	**Capital Expenditure**	**182.79**
-	**Net effect of Contingency Fund Transactions**	**0.14**
-	**Increase in closing balance**	**-**
1573.97	**TOTAL**	**1907.60**

1.4 Financial operations of the State Government

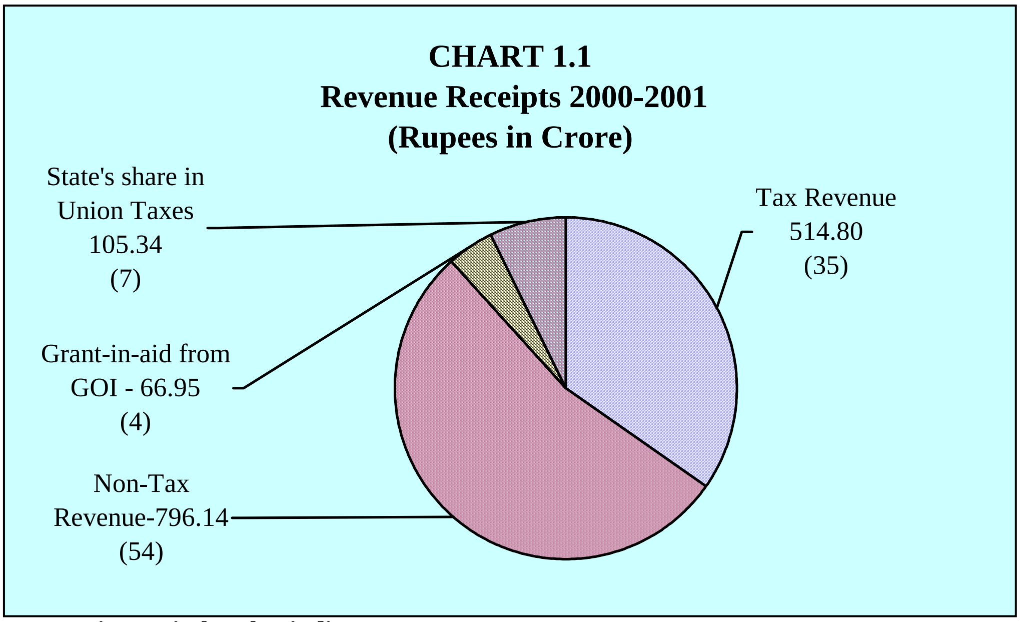
1.4.1 Table 1.4.1 annexed to this chapter gives the details of the receipts and disbursements made by the State Government. The revenue expenditure (Rs.1709.24 crore) during the year exceeded the revenue receipts (Rs.1483.23 crore) resulting in a revenue deficit of Rs.226.01 crore. The revenue receipts included tax revenue (Rs.514.80 crore), non-tax revenue (Rs.796.14 crore), State's share of Union taxes and duties (Rs.105.34 crore) and grants-in-aid from the Central Government (Rs.66.95 crore). The main sources of tax revenue were sales tax (75 *per cent*) and state excise (8 *per cent*). Non tax revenue came mainly from General Services (48 *per cent*) and energy (41 *per cent*)

1.4.2 The capital receipts comprised Rs.11.36 crore from recoveries of loans and advances and Rs.605.71 crore from public debt, against this the expenditure was Rs. 182.79 crore on capital outlay Rs.15.43 crore on disbursement of loan and advances and Rs.313.84 crore on repayment of public debt. The receipts in the Public Accounts amounted to Rs.2132.34 crore against which the disbursement of Rs.2035.99 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was a decrease in the cash balance from Rs.41.24 crore at the beginning of the year to Rs.16.49 crore at the end of the year.

1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue and receipts from the Government of India (GOI). Their relative shares are shown in Chart 1.1. The revenue receipt grew at an average annual rate of 20 *per cent* during 1996-97 to 2000-01.

1.5.2 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Table 1.3 annexed to this chapter, abstract of Receipts and Disbursements and the time series data for the five year's period from 1996-97 to 2000-01 presented in Table 1.4 below.



*Note: **Figures in bracket indicate percentage.***

TABLE 1.4
TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	2000-01
PART A – RECEIPTS					
1. Revenue Receipts	**810**	**1108**	**1147**	**1228**	**1483**
(i) Tax Revenue	**303(37)**	**365(33)**	**357(31)**	**458(37)**	515(35)
Agricultural Income Tax	-	-	-	-	-
Sales Tax	220(73)	258(71)	254(71)	348(76)	388(75)
State Excise	27(9)	32(9)	35(10)	36(8)	39(8)
Taxes on Vehicles	15(5)	31(8)	24(7)	28(6)	30(6)
Stamps and Registration fees	17(5)	17(5)	17(5)	18(4)	22(4)
Land Revenue	3(1)	3(1)	4(1)	5(1)	3(1)
Taxes on Goods and Passengers	5(1)	6(2)	4(1)	4(1)	13(2)
Other Taxes	16(6)	18(4)	19(5)	19(4)	20(4)
(ii) Non Tax Revenue	**347(43)**	**582(50)**	**651(57)**	**634(52)**	**796(54)**
(iii) State's share in Union Taxes	**91(11)**	**97(9)**	**97(8)**	**96(8)**	**105(7)**
(iv) Grants in aid from GOI	**76(9)**	**64(6)**	**42(7)**	**40(3)**	**67(4)**
2. Misc. Capital Receipts	**-**	**-**	**-**	**-**	**-**
3. Total Revenue and non-debt capital receipts (1+2)	**810**	**1108**	**1147**	**1228**	**1483**
4. Recoveries of Loans and Advances	**4**	**6**	**6**	**5**	**11**

5. Public Debt Receipts	**213**	**233**	**274**	**301**	**606**
Internal Debt (excluding ways and means advances and overdrafts	28	30	122	97	127
Net transaction under ways and means advance and overdraft	115	112	25	73	269
Loans and advances from Government of India	70	91	127	131	210
6. Total Receipts in the Consolidated Fund (3+4+5)	**1027**	**1347**	**1427**	**1534**	**2100**
7. Contingency Fund Receipts	**-**	**-**	**3**	**170**	**165**
8. Public Account Receipt	**2267**	**1745**	**1538**	**1785**	**2132**
9. Total Receipts of the State (6+7+8)	**3294**	**3092**	**2968**	**3489**	**4397**
PART B – EXPENDITURE	**915**	**1236**	**1416**	**1566**	**1892**
10. Revenue Expenditure	**788(86)**	**1122(91)**	**1288(95)**	**1437(92)**	**1709(90)**
Plan	88(11)	97(9)	106(8)	122(8)	141(8)
Non-Plan	700(89)	1025(91)	1182(92)	1315(92)	1568(92)
General Services	331(42)	554(49)	602(47)	606(42)	778(46)
Economic Services	207(26)	256(23)	325(25)	416(29)	498(29)
Social Services	250(32)	311(28)	361(28)	415(29)	432(25)
Interest payments	101(13)	118(11)	144(11)	178(12)	212(12)
11. Capital Expenditure	**127(14)**	**114(9)**	**128(9)**	**129(8)**	**183(10)**
Plan	127(100)	113(99)	127(99)	129(100)	188(100
Non Plan	-	1(1)	1(1)	-	(-)5
General Services	7(6)	12(11)	15(12)	13(10)	5(3)
Economic Services	88(69)	74(65)	75(58)	80(62)	110(58)
Social Services	32(25)	28(25)	38(30)	36(28)	73(39)
12. Disbursement of loan and advances	**3**	**3**	**6**	**8**	**15**
13. Total (10+11+12)	**918**	**1239**	**1422**	**1574**	**1907**
14. Repayment of Public Debt	**143**	**143**	**61**	**113**	**314**
Internal Debt (excluding ways and means advances and overdraft)	1	1	2	4	11
Net transactions under ways and means advances and overdraft	115	112	25	73	259
Loans and advances from Govt. of India	27	30	34	36	44
15. Appropriation to Contingency Fund	**-**	**-**	**3**	**169**	**190**
16. Total disbursement by the state (13+14+15)	**1062**	**1382**	**1486**	**1756**	**2311**

17. Contingency Fund disbursements	**-**	**-**	**3.68**	**0.04**	**0.14**
18. Public Account disbursement	**960**	**1217**	**1424**	**1674**	**2036**
19. Total Disbursement by the State (16+17+18)	**2022**	**2599**	**2914**	**3430**	**4347**
20. Revenue Deficit (1-10)	**22**	**(-) 14**	**(-)141**	**(-)209**	**(-)226**
21. Fiscal Deficit (3+4-13)	**(-) 04**	**(-) 125**	**(-) 269**	**(-) 341**	**(-) 413**
22. Primary Deficit (21-23)	**3**	**7**	**125**	**163**	**201**
PART-D – OTHER DATA					
23. Interest Payments (included in revenue expenditure)	**101**	**118**	**144**	**178**	**212**
24. Arrears of revenue (% Tax and Non-Tax Revenue Receipts)	**72**	**139**	**189**	**165**	**205**
25. Financial Assistance to Local Bodies etc.	**93**	**125**	**133**	**164**	**163**
26. Ways and Means Advances/Overdraft availed (days)	**140**	**108**	**16**	**22**	**16**
27. Interest on Ways and Means Advances/ Overdraft	**0.34**	**0.31**	**0.02**	**0.16**	**0.59**
28. Gross State Domestic Product (GSDP)	**3550**	**3690**	**4285♣**	**4369♣**	**4714♣**
29. Outstanding Debt (year end)	**1399**	**1565**	**1854**	**2151**	**2532**
30. Outstanding guarantees (year end)	**9**	**29**	**28**	**52**	**160**
31. Maximum amount guaranteed (during the year)	**-**	**32**	**4**	**43**	**111**
32. Number of incomplete projects	**N.A**	**N.A**	**7**	**20**	**24**
33. Capital blocked in incomplete projects	**N.A**	**N.A**	**126.67**	**21.22**	**15.20**

Note: Figures in brackets represent *per cent*ages (rounded) to total of each sub-heading.

Tax Revenue

1.5.3 The tax revenue constitutes 35 per *cent* of the revenue receipts. Time series data show that the contribution of Sales Tax (major constituent) decreased from 76 *per cent* in 1999-2000 to 75 *per cent* in 2000-01, though its share remained constant during 1996-97 to 1998-99.

♣ Provisional figure

Non Tax Revenue

1.5.4 The non-tax revenue constituted 54 *per cent* of the revenue receipts of Government and their share in the revenue receipts decreased from 57 *per cent* in 1998-99. However there was an increase of Non-Tax Revenue from Rs.634 crore in 1999-2000 to Rs.796 crore in 2000-01.

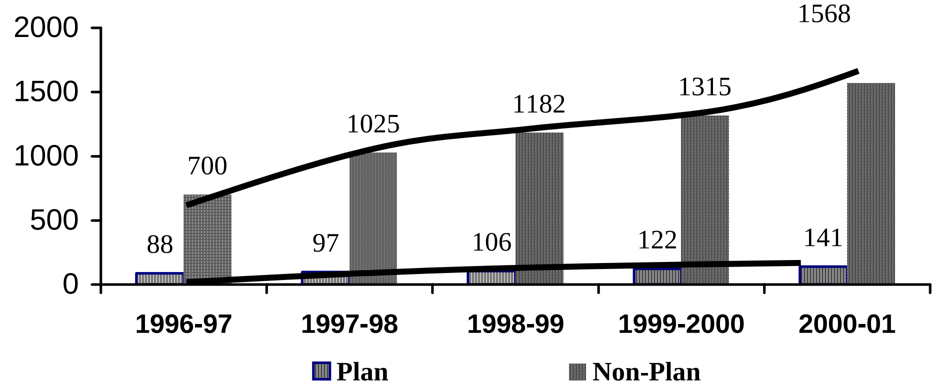
State's share of Union taxes and duties and grants-in-aid from Central Government

1.5.5 The State's share of Union taxes (excise duties and income and corporate taxes) and Grants-in-aid from Government of India constituted 11 *per cent* of the revenue receipts of the state. Grants-in-aid from Government of India increased by one *per cent* during the year. As a *percent*age of revenue receipt (they both taken together) declined from 20 *per cent* in 1996-97 to 11 *per cent* during 2000-01.

1.6 Revenue expenditure

1.6.1 The revenue expenditure accounted for most (90 *per cent*) of the expenditure of the State Government and increased by 19 *per cent* during 2000-01. Non –Plan revenue expenditure constituted a major part of the revenue expenditure during the five years from 1996-97 to 2000-01 and ranged between 89 and 92 *per cent* of the total revenue expenditure. The increase in revenue expenditure was however mainly on non-plan side. A comparison shows that the rate of growth in non-plan component (92 *per cent*) of revenue expenditure far surpassed the plan expenditure (8 *per cent*) during the five years (1996-2001).

CHART 1.2
GROWTH OF PLAN & NON-PLAN EXPENDITURE
(Rupees in Crore)



1.6.2 Sector-wise analysis shows that while the expenditure on General services increased by 135 *per cent* from Rs.331 crore in 1996-97 to Rs.778 crore in 2000-01, the corresponding increases in expenditure on Social

Services and Economic services were 73 *per cent* and 140 *per cent* respectively. As a proportion of total expenditure the share of General Services increased from 42 *per cent* in 1996-97 to 46 *per cent* in 2000-01, the share of Social services decreased from 32 *per cent* to 25 *per cent* and that of Economic Services increased from 26 *per cent* to 29 *per cent*.

Interest payments

1.6.3 Interest payments increased steadily from Rs.101 crore in 1996-97 to 212 crore in 2000-01. This is further discussed in the section on financial indicators. The main component of the increase in interest payments was the payment of interest on loans and advances from Government of India which had risen from 70 crore in 1996-97 to 210 crore in 2000-01.

Financial assistance to local bodies and other institutions

1.6.4 The quantum of assistance provided to different local bodies' etc. during the period of five years ending 2000-01 was as follows:

TABLE 1.5

Sl. No	Name of local body/ authority	1996-97	1997-98	1998-99	1999-2000	2000-01
		(Rupees in crore)				
1.	**Universities and Educational Institutions**					
	- Grant	78.49	103.85	114.78	143.64	129.90
	- Loan	0.10	0.01	-	-	0.01
2.	**Municipal Councils**					
	- Grant	3.83	7.71	5.04	4.67	7.25
	- Loan	0.05	0.05	-	-	-
3.	**Panchayati Raj Institutions**					
	- Grant	1.47	3.11	3.30	5.35	3.84
	- Loan	0.04	0.05	0.04	0.01	0.03
4.	**Rural Development Agencies**					
	- Grant	1.58	2.11	1.72	2.17	1.96
	- Loan	-	-	-	-	-
5.	**Sports and Youth Affairs**					
	- Grant	1.46	2.09	1.75	2.60	5.74
	- Loan	-	-	-	-	-
6.	**Other Institutions**					
	- Grant	6.07	6.03	6.85	5.73	7.77
	- Loan	0.18	0.04	0.07	0.01	6.02

Total **- Grant** **- Loan**	**92.90** **0.37**	**124.90** **0.15**	**133.17** **0.11**	**164.16** **0.02**	**156.46** **6.06**
Grand Total	**93.27**	**125.05**	**133.28**	**164.18**	**162.94**
Percentage of growth over previous year	11.38	34.07	6.58	23	(-)1.00
Assistance as percentage of Revenue Receipts	11.50	11.28	11.61	13.37	10.98
Assistance as percentage of revenue expenditure	11.83	11.14	10.34	11.43	9.53

1.6.5 The assistance to the local bodies etc., increased from 93.27 crore in 1996-97 to 162.94 crore in 2000-01, an increase of 75 *per cent* during the period of five years. The assistance to local bodies and others ranged between 10 *per cent* and 13 *per cent* of revenue receipts and between 9 *per cent* and 11 *per cent* of revenue expenditure during the period of five years.

1.6.6 Educational institutions (including university) were the major beneficiaries whose share increased from 78.59 crore in 1996-97 to 129.91 crore in 2000-01 indicating the increase of 65.30 *per cent* for the period of five years.

Loans and Advances by the State Government

1.6.7 The Government gives loans and advances to Government companies, Corporations, local bodies, autonomous bodies, co-operatives, non-Government institutions etc., for developmental and non-developmental activities. The position for the last five years given below shows that while amount of advances increased significantly there was a decrease in repayment during 2000-01 as a result, the closing balance of recoverable loans increased by 7 *per cent* compared to closing balance of 1996-97.

TABLE 1.6

	1996-97	**1997-98**	**1998-99**	**1999-2000**	**2000-01**
	(Rupees in crore)				
Opening balance	37.74	35.58	31.91	32.43	35.23
Amount advanced during the year	2.95	2.29	6.40	7.91	15.43
Amount repaid during the year	4.11	5.96	5.88	5.11	11.36
Closing balance	36.58	31.91	32.43	35.23	39.30
Net addition	(-)1.16	(-)3.67	0.52	2.81	4.07
Interest received	1.43	1.85	1.72	1.61	1.86

Out of loans advanced to Goa Housing Board, the detailed accounts of which were kept by the Directorate of Accounts, Government of Goa, recovery of Rs.6.85 crore (Principal: Rs.2.66 crore and interest: Rs.4.19 crore) was in arrears as on 31 March 2001. In respect of loans, the detailed accounts of which were maintained by the departmental officers, only 13 out 29 departments furnished details to the Director of Accounts, Government of Goa. In these departments recovery of Rs.10.92 crore (Principal: Rs.4.79 crore and interest Rs.6.13 crore) were in arrears. Thus amount of outstanding loans is understated, as 16 departments did not furnish the necessary information to Director of Accounts.

1.7 Capital expenditure

Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government i.e Public Sector Undertakings (PSUs), corporations, etc. and loans and advances. There has been a steep decline in the capital expenditure and its share in total expenditure had fallen from 14 *per cent* in 1996-97 to 10 *per cent* in 2000-01. Exhibit IV shows that most of the capital expenditure has been on economic and social service and on plan side.

1.8 Quality of expenditure

1.8.1 Government spends money for different activities ranging from maintenance of law and order and regulatory functions to various developmental activities. Government expenditure is broadly classified into Plan and Non-Plan and revenue and capital. While the Plan and Capital expenditure are usually associated with asset creation, the non-plan and revenue expenditure are identified with expenditure on establishment, maintenance and services. By definition, therefore, in general, the Plan and Capital expenditure can be viewed as contributing to the quality of expenditure.

1.8.2 Wastage in public expenditure, and funds blocking in incomplete projects would also impinge negatively on the quality of expenditure. Similarly funds transferred to Deposit heads in the Public Account, after booking them as expenditure can also be considered as a negative factor in judging the quality of expenditure. As the expenditure was not actually incurred in the concerned year, it should be excluded from the figures of expenditure for that year. Another possible indicator is the increase in the expenditure on General services, to the detriment of Economic and Social services.

1.8.3 The following table lists out the trend in these indicators

TABLE 1.7

	1996-97	1997-98	1998-99	1999-2000	2000-01
1. Plan expenditure as a percentage of - Revenue expenditure - Capital expenditure	 11 100	 9 99	 8 99	 8 100	 8 100
2. Capital expenditure as a percentage of total expenditure	14	9	9	8	10
3. Expenditure on General services (*per cent*) - Revenue - Capital	 42 6	 49 11	 47 12	 42 10	 46 3
4. Amount of wastage and diversion of funds detected during test audit (Rupees in crore)	10.86	10.93	37.91	8.10	6.93
5. Non remunerative expenditure in incomplete projects	N A	N A	126.67	21.22	15.20
6. Unspent balance under deposit heads, booked as expenditure at the time of their transfer to the deposit head	Nil	Nil	Nil	Nil	Nil

It would be seen that the share of Plan expenditure on the revenue side has been declining since 1996-97from 11 to 8 *per cent* in 2000-01 whereas the share on capital expenditure to total expenditure declined from 14 *per cent* to 10 *per cent* during the same period.

1.9 Financial Management

The issue of financial management in the Government should relate to efficiency, economy, effectiveness in expenditure operations. Subsequent chapters on this report deal extensively with these issues especially as they relate to the expenditure management in the Government, based on the findings of the test audit. Some other parameters, which can be segregated from the accounts and other related financial information of the Government, are discussed in this section.

Investment and returns

1.9.1 Investments are made out of the capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved are as under:

TABLE 1.8 (i)

Sector	Number of concerns	Amount invested	
		As on 31 March 2001	During 2000-01
		(Rupees in crore)	
1. Statutory Corporations	2	18.01	Nil
2. Government Companies	12	96.99	1.25
3. Joint Stock Companies	78	0.04	Nil
4. Co-operative Institutions	359	18.47	0.32
TOTAL	**451**	**133.51**	**1.57**

The details of investments and the returns realised during the last five years by way of dividend and interest were as follows:

TABLE 1.8(ii)

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government borrowings (Percentage)
	(Rupees in crore)			
1996-97	123.91	0.52	0.42	13.75 to 13.85
1997-98	128.17	0.67	0.52	13.05
1998-99	131.05	0.44	0.33	12.15 and 12.50
1999-2000	132.06	0.33	0.25	11.85 to 12.25
2000-01	133.51	0.25	0.19	10.52 to 14

Thus, while the Government was raising high cost borrowings from the market, its investments in Government companies etc., fetched insignificant returns.

Incomplete projects

1.9.2 As on 31 March 2001, there were 24 incomplete projects I which Rs.15.20 crore were blocked. This showed that the Government was spreading its resources thinly without any returns. The major projects involved were (i)construction of Institute of Psychiatry and Human Behaviour, Bambolim (Rs.3.98 crore) (ii) Rajiv Gandhi Kala Mandir, Ponda (Rs.3.15 crore), (iii)Government Higher Secondary School, Altinho (Rs.1.14 crore), (iv) Goa Science Centre (Rs.1.64 crore), (v) Special Repairs Programme in KM 18 to 28 in Panvel-Panaji sector of NH 17 (Rs.1.23 crore), (vi) Additions to ITI, Farmagudi (Rs.84.57 lakh((vii) Computerisation of land records and Survey Maps (Rs.86.40 lakh)

Arrears of revenue

1.9.3 The arrears of revenue increased from 72 crore in 1996-97 to 205 crore in 2000-01, an increase of 185 *per cent* during the five year period. The arrears of revenue of Rs.205 crore in 2000-01 constitute 14 *per cent* of total revenue receipts of the State Government.

Ways and means advances and overdraft

1.9.4 Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.0.19 crore on all days. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking ways and means advances (WMA)/ Overdraft (OD) from the Bank. In addition, special ways and means advances are also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government and hence reflects on the financial management in Government. During the year 2000-01, the Government obtained Ways and Means advances of Rs.243.25 crore from Reserve Bank of India and an amount of Rs.233.90 crore was repaid during the year and Rs.9.35 crore were outstanding. Rs.50.39 lakh was paid as interest on these advances in 2000-01. During the year an overdraft amounting to Rs.25.44 crore was obtained from RBI which was fully repaid during the year alongwith the accrued interest of Rs.8.68 lakh.

Deficit

1.9.5 Deficits in Government account represent gaps between the receipts and expenditure. The nature of deficit is an important indicator of the prudence of financial management in the Government. Further, the ways of financing the deficit and the application of the funds raised in this manner are important pointers of the fiscal prudence of the Government. The discussion in this section relates to three concepts of deficit viz. Revenue Deficit, Fiscal Deficit and Primary Deficit.

1.9.6 The Revenue Deficit is the excess of revenue expenditure over the revenue receipts. The Fiscal Deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received). Primary deficit is fiscal deficit less interest payments. The following table gives a break-up of the deficit in Government account.

TABLE 1.9 (Rupees in crore)

CONSOLIDATED FUND				
Receipt	**Amount**		**Disbursement**	**Amount**
Revenue	1483.23	**Revenue Deficit:226.01**	Revenue	1709.24
Misc. Capital Receipts	-		Capital	182.79
Recovery of loans and advances	11.36		Loans and advances disbursement	15.43
Sub-Total	1494.59	**Gross Fiscal deficit 412.87**		1907.46
Public Debt	605.71		Public Debt repayment	313.84
Total	2100.30	**A: Deficit in CF 121.00**		2221.30

CONTINGENCY FUND				
Appropriation to Contingency Fund	0.04	**B : Deficit in Contingency Fund (-)0.10**	Unrecouped expenditure from Contingency Fund	0.14
PUBLIC ACCOUNT				
Small Savings, PF etc	104.04		Small Savings, PF etc.	59.52
Deposits and advances	130.83		Deposits and advances	80.10
Reserve Funds	10.36		Reserve Funds	6.95
Suspense and miscellaneous	832.82		Suspense and miscellaneous	847.45
Remittances	1054.29		Remittances	1041.97
Total Public Account	**2132.34**	**C : Surplus on Public Account : Rs.96.35**		**2035.99**
Decrease in cash balance (B+C-A) : 24.75				

The fiscal deficit of Rs.412.87 crore was financed by net proceeds of the Public Debt (Rs.291.87 crore) and surplus from Public Account. Exhibit IV shows that the deficit has shown an increasing trend over the last three years. There was an overall increase of Rs.309 crore in 2000-01 in Fiscal deficit as compared to 1996-97. Revenue deficit constituted 55 *per cent* of the Fiscal deficit.

Application of borrowed funds (Fiscal Deficit)

1.9.6 The fiscal deficit (FD) represents total net borrowings of the Government. These borrowings are applied for meeting the Revenue Deficit (RD) for making the Capital Expenditure (CE) and for giving loans to various bodies for developmental and other purposes. The relative proportions of these applications would indicate the financial prudence of the State Government and also the sustainability of its operation because continued borrowing for revenue expenditure would not be sustainable in the long run. The following table shows the position in respect of the Government of Goa for the last five years

TABLE 1.10

Ratio	1996-97	1997-98	1998-99	1999-2000	2000-01
RD/FD	(-)0.21 *	0.11	0.52	0.61	0.55
CE/FD	1.22	0.91	0.48	0.38	0.44
Net loans/FD	(-)0.01	(-)0.02	--	0.01	0.01
Total	**1**	**1**	**1**	**1**	**1**

* Revenue surplus during 1996-97 and hence the figure is negative

It would be seen that while the State was surplus on revenue accounts during 1996-97 borrowed fund was used to meet revenue deficit thereafter increasingly from 11 *per cent* to 55 *per cent* during 1997-98 and 2000-01. As a result, the availability of funds for the Capital expenditure was affected and reduced from 122 *per cent* to 44 *per cent* during the years 1997-2001.

Guarantees given by the State Government

1.9.7 Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital etc. raised by the statutory corporations, Government companies and co-operative institutions etc. and payment of interest and dividend by them. They constitute contingent liability of the State. Under Article 293 of the Constitution the State Legislature had laid down the maximum limits of Rs.350 crore within which Government may give guarantees on the security of the Consolidated Fund of the State. Exhibit-IV lists the amount of guarantees given by the Government and the amounts outstanding at the end of each year during 1997-2000. There was a significant increase in the amount of outstanding guarantee from Rs.52 crore at the end of 1999-2000 to Rs.160 crore for 2000-01. There was an increase in amount of guarantee given during the year 1999-2000 from Rs.43 crore to Rs.111 crore.

1.10 Public Debt

1.10.1 The Constitution of India provides that a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law has been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years are given in the following table. During the five year period, the total liabilities of the Government had grown by 81 *per cent*. This was on account of 262 *per cent* growth in internal debt, 42 *per cent* growth in loans and advances from Government of India and 124 *per cent* growth in other liabilities. During 2000-01 Government borrowed Rs.80 crore in open market at the interest rates of 10.52 and 12.00 *per cent* per annum.

TABLE 1.11

(Rupees in crore)

Year	Internal Debt	Loans and advances from Central Government	Total Public Debt	Other liabilities	Total liabilities	Ratio of debt to GSDP
1996-97	140.42	976.23	1116.65	282.63	1399.28	0.31
1997-98	169.74	1036.78	1206.52	358.92	1565.44	0.33
1998-99	289.93	1130.32	1420.25	433.67	1853.92	0.43
1999-00	382.86	1224.79	1607.65	543.01	2150.66	0.49
2000-01	508.36	1391.16	1899.52	633.01	2532.53	0.54

1.10.2 The amount of funds raised through Public Debt, the amount of repayment and net funds available are given in the following table.

TABLE 1.12

	1996-97	1997-98	1998-99	1999-2000	2000-01
Internal Debt					
- Receipt					
- Repayment	143.21	141.96	147.31	170.25	395.76
(Principal +					
Interest	131.83	132.83	52.63	119.59	342.32
- Net funds					
available	11.38	9.13	94.68	50.66	53.44
(*per cent*)	(8)	(6)	(69)	(30)	(14)
Loans and advances from Government					
- Receipt during the year	70.44	90.76	127.07	130.52	209.95
- Repayment	87.67	97.49	109.74	126.31	135.86
- Net funds	(-)17.23	(-)6.73	17.33	4.21	74.09
available (*per cent*)	(-)(24)	(-)(7)	(14)	(3)	(35)
Other liabilities					
- Receipt during					
the year	112.68	165.17	98.31	101.82	104.04
- Repayment					
- Net funds	80.08	119.53	70.19	86.30	96.35
available (*per*	32.60	45.64	28.12	15.52	7.69
cent)	(29)	(28)	(29)	(15)	(8)

It would be seen that very little of the borrowings are available for investment and other expenditure after meeting the repayment obligation. Considering that the outstanding debt has been increasing year after year, the net availability of funds through public borrowings is going to reduce further.

1.11 Indicators of financial performance

1.11.1 A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity it would be necessary to know how far the means of financing are sustainable. Similarly, if the Government wishes to increase its level of activity it would be pertinent to examine the flexibility of the means of financing and finally Government's increased vulnerability in the process. All the State Governments continue to increase the level of their activity principally through Five Year Plans, which translate to annual development plans and are provided for in the State Budget. Broadly, it can be stated that non-plan expenditure entails expansion of activity. Both these activities require resource mobilization increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows:-

(i) Sustainability

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing its debt burden.

(ii) Flexibility

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expanding its revenue or increasing its debt burden.

(iii) Vulnerability

Vulnerability is the degree to which a Government becomes dependent on an therefore vulnerable to sources to funding outside its control or influence, both domestic and international.

(iv) Transparency

There is also the issue of financial information provided by the Government. This consists of annual Financial statement (Budget) and the Accounts. As regards the budget the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimtes. As regards, accounts, timeliness in submission, for which milestones exist and completeness of accounts would be principal criteria.

1.11.2 Information available in Finance Accounts can be used to flush out sustainability, flexibility and vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in the Appendix-B. The Table 1.11(iv) indicates the behaviour of these indices/ratios over the period from 1996-97 to 2000-01. The implications of these indices/ratios for the state of the financial health of the State Government are discussed in the paragraphs that follow the table.

TABLE 1.13
Financial Indicators for Government of Goa

Government of Goa	**1996-97**	**1997-98**	**1998-99**	**1999-2000**	**2000-01**
SUSTAINABILITY					
B C R (Rupees in crore)	71.89	44.44	(-)70.17	(-)126.54	(-)137.09
Interest Ratio	0.12	0.10	0.12	0.14	0.14
Capital Outlay/Capital Receipts	0.73	0.57	0.41	0.32	0.26
Total Tax Receipts/GSDP at current prices	0.11	0.13	0.27	0.28	0.31
State Tax Receipts/GSDP at current prices	0.09	0.09	0.24	0.25	0.28
Returns on Investment	0.52	0.67	0.44	0.25	0.18

FLEXIBILITY					
B C R (Rupees in crore)	71.89	44.44	(-) 70.17	(-)126.54	(-)137.09
Capital repayment/Capital borrowings	0.33	0.31	0.17	0.29	0.52
Total Tax Receipts/GSDP	0.43	0.21	0.27	0.28	0.31
State Tax Receipts/GSDP	0.09	0.09	0.24	0.25	0.28
Debt/SDP	0.06	0.08	0.40	0.45	0.49
VULNERABILITY					
Revenue Surplus/Deficit	(+)21.99	(-)14.05	(-)140.78	(-)208.86	(-)226.01
Fiscal Deficit	104.01	124.64	269.11	340.96	412.87
Primary Deficit	3.51	6.53	124.23	162.81	200.71
Primary Deficit/Fiscal Deficit	0.03	0.05	0.45	0.48	0.49
Revenue Deficit/Fiscal Deficit	0.21	0.11	0.52 0.03	0.61	0.55
Outstanding guarantee/ Revenue Receipts	0.01	0.03	0.99	0.04	0.11
Assets/Liabilities	1.10	1.08		0.83	0.76

1.11.3 The behaviour of the indices/ratios is discussed below

(i) Balance from current revenue (BCR)

BCR is defined as revenue receipts minus plan assistance grants minus non-plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting plan expenditure.

The table shows that though the State Government has had positive BCRs in two out of five years, but in 1998-99 to 2000-01 the BCR was negative suggesting that the Government had to depend only on borrowings for meeting its plan expenditure.

(ii) Interest ratio

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In case of Goa the ratio has moved in the narrow range of 0.10 to 0.14. It has gone up from 0.10 to 0.14 from 1997-98 to 2000-01. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden.

(iii) Capital outlay/capital receipts

The ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long terms in as much as it indicates that a party of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance In the case of Goa the ratio has shown a declining trend and in 2000-01 well below 0.26 indicating that a substantial part of the capital receipts are not available for investment. The ratio declined from 0.73 in 1996-97 to 0.26 in 2000-01 indicating a worsening sustainability.

iv) Tax receipts Vs. Gross State Domestic Products (GSDP)

Tax receipts consist of State taxes and state's share of central taxes. The latter can also be viewed as a part of central taxes paid by people living in the state. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. Time series analysis shows that in case of Goa this ratio with GSDP at current prices fluctuated from 0.11 to 0.31 during the period from 1996-97 to 2000-01. Similarly the ratio of State tax receipts compared to GSDP has been increasing from at 0.09 to 0.28. The ratio suggests that while the State Government had the option to raise more resources through taxation, it chose the easier option of borrowing to meet its increasing revenue and fiscal deficit.

(v) Return on Investment (ROI)

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The table presents the returns on Government investments in statutory corporations, Government companies, joint stock companies and co-operative institutions. It shows that the ROI in case of Government of Goa has been negligible and has moved in a narrow range of 0.18 to 0.67 *per cent* during 1996-97 to 2000-01 During 2000-01 the ROI has declined to 0.18 from 0.25 of previous year.

(vi) Capital repayment Vs. Capital borrowings

This ratio would indicate the extent to which the capital are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In case of Goa Government, this ratio increased from 0.17 in 1998-99 to 0.52 in 2000-01 indicating reduced availability of borrowing for investment.

(vii) Debt Vs. Gross State Domestic Product (GSDP)

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of Goa this ratio has moved in the very high range of 0.06 to 0.49 *per cent* from 1996-97 to 2000-01.

(viii) Revenue deficit/Fiscal deficit

The revenue deficit is the excess of revenue expenditure over revenue receipt and represents the revenue expenditure financed by borrowings etc. Evidently the higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a *per cent*age of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus the higher the ratio the worse off the state because that would indicate that the debt burden is increasing without adding to the repayment capacity of the State. During 2000-01, 55 *per cent* of the borrowings were applied to revenue expenditure. Though in 1996-97 the fiscal deficit was 21 *per cent*, it started decreasing and reached 11 *per cent* in 1997-98. However, the trend started increasing from 1998-99 (52 *per cent*) and reached 61 *per cent* in 1999-2000 and again decreased to 55 *per cent* in 2000-01. Thus most of the borrowed funds were spent on revenue expenditure.

(ix) Primary deficit vs. fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. This means that the less the value of the ratio the less the availability of funds for capital investment. In the state of Goa though the ratio increased from 0.03 in 1996-97 to 0.49 in 2000-01 indicating an increase in the availability of borrowed funds after accounting for interest payments. This was not because of any significant reduction in the interest payment but because of a significant increase in the borrowings. This would result in increase in liability of interest payments in future years. Consequently less and less funds would be available for spending on programmes in future years.

(x) Guarantees vs. revenue receipts

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay viz. its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipt of the Government would indicate the degree of vulnerability of the State Government. In the case of Goa, it increased to 0.11 in 2000-01 from 0.01 in 1996-97, indicating a very significant increase in the risk exposure of the revenues of the State Government.

(xi) Assets and liabilities

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be a contra indicator to solvency. The ratio declined from 1:10 in 1996-97 to 0.76 in 2000-01 which was indicative of the worsening financial position of the Government.

(xii) Budget

There was no delay in submission of the budget and their approval. The details are given in the following table.

TABLE 1.14

Preparation	Month of submission	Month of approval
Budget	July 2000	July 2000
Supplementary I	August 2000	September 2000
Supplementary II	March 2001	March 2001

Chapter II of this Report carries a detailed analysis of variations in the budget estimates and the actual expenditure as also of the quality of budgetary procedure and control over expenditure. It indicates defective budgeting and inadequate control over expenditure, as evidenced by persistent resumption (surrenders) of significant amounts every year vis-à-vis the final modified grant. Significant variations (excess/saving) between the final modified grant and actual expenditure were also persistent.

Conclusion

The ratio of primary deficit to fiscal deficit shows that interest payments have been substantial going up to nearly 50 *per cent* of net capital borrowing and have also increased as proportion of revenue receipts as shown by rising trend of the interest ratio. All these have adverse implications for sustainability, as also falling BCR.

The application of an increasingly large share of borrowing for revenue expenditure (RD/FD has risen from 0.11 in 1997-98 to 0.55 in 2000-01) has made the State finance vulnerable to sources of funding outside its control. Mounting revenue deficit, including heavy interest payments has left little for investment.

APPENDIX A

(Reference: Paragraph 1.1)

Part A – Government Accounts

I. Structure:

The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund (iii) Public Account

Part I: Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries, of loans go into the Consolidated Fund of the State, constituted under Article 266 (1) of the Constitution of India. All the expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely Revenue Accounts (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts and Capital Expenditure, Public Debt and Loans etc).

Part II : Contingency Fund

The Contingency Fund created under Article 267 (2) of the Constitution of India is in the nature of the imprest placed at the disposal of the Government of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of the Fund authorised by the Legislature during the year was Rs.10 crore.

Part III : Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc. which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government vis-à-vis the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants require regularization by the Legislature.

APPENDIX B

Part B List of Indices/ratio and basis for their calcultation
(Referred to in paragraph 1.11)

Indices/Ratio		
Sustainability		
Balance from the Current Revenue	B C R	Revenue receipts minus all Plan grants (under Major Head 1601-02-03-04) and Non-Plan revenue expenditure
Primary Deficit		Fiscal Deficit minus Interest Payments
Interest Ratio		Interest payments-Interest receipts Total revenue receipts-Interest receipts
Capital Outlay Vs. Capital Receipts	Capital Outlay	Capital expenditure as per statelment No. 13 of the Finance Accounts
	Capital Receipts	Internal loans(net of ways and means advances)+Loans and advances from Government of India+Net receipts from small savings, PF etc.+ repayment received of loans advanced by State Government – Loans advanced by the State Government.
Total tax receipts Vs. GSDP		Statement 1 of Finance Accounts
State Tax receipts Vs. GSDP		State Tax receipts plus State's share of Union Taxes
Flexibility		
Balance from current Revenue		As above
Capital repayment Vs. Capital borrowings	Capital Repayment	Disbursement under Major Heads 6003 and 6004 minus repayment on accounts of Ways and Means Advances/Overdraft under both the Major Heads
	Capital Borrowings	Addition under Major Heads 6003 and 6004 minus addition on account of Ways and Means Advances/Over-draft under both the major Heads
Total tax receipts Vs. GSDP	State Tax Receipts	Statement No. 9 of the Finance Accounts
	Total Tax Receipts	State Tax receipts plus State's share of Union Taxes

Debt Vs. GSDP	Debt	Borrowings and other obligations at the end of the year (Statement No. 4 of the Finance Accounts)
Vulnerability		
Revenue Deficit		Revenue expenditure minus Revenue Receipts (Paragraph 1.9.5 of Audit Report)
Fiscal Deficit		Total expenditure minus Revenue receipts and non-debt public receipts (Paragraph 1.9.6 of Audit Report)
Primary Deficit Vs. Fiscal Deficit	Primary Deficit	Fiscal deficit minus interest payments
Total outstanding guarantees including letters of comfort Vs. Total revenue receipts of the Government	Outstanding guarantees	Table 1.4
	Revenue Receipts	Table 1.2
Assets Vs. Liabilities	Assets and Liabilities	Table 1.1

TABLE

Abstract of Receipts and Disbursement

(Reference:

Receipts			
1999-2000			**2000-01**
1227.90	**I – Section A – Revenue**		**1483.23**
458.48	**Tax Revenue**	**514.80**	
633.38	Non-Tax Revenue	796.14	
95.92	State's share of Union Taxes	105.34	
3.83	Non-Plan Grants	14.82	
21.83	Grants for State Plan Scheme	26.26	
14.46	Grants for Central and Centrally Sponsored Schemes	25.87	
208.86	**II – Revenue Deficit carried over to Section B**		**226.01**
1436.76			**1709.24**

1.3

for the year 2000-01

Paragraph 1.4)

(Rupees in crore)

Disbursements					
1999-2000		**Non-Plan**	**Plan**	**Total**	**2000-01**
1436.76	**I – Revenue Expenditure**				**1709.24**
605.70	**A-General Services**	**774.99**	**3.41**	**778.40**	
415.05	**B-Social Services**	**339.83**	**92.92**	**432.75**	
236.79	Education, Sports, Arts and Culture	202.03	24.06	226.09	
76.60	Health and Family Welfare	64.95	17.41	82.36	
65.07	Water Supply and Sanitation	50.07	34.22	84.29	
10.96	Housing and Urban Development	6.98	5.75	12.73	
1.44	Information and Broadcasting	1.11	0.55	1.66	
0.82	Welfare of SC/ST and Other Backward classes	0.20	0.83	1.03	
8.81	Labour and Labour Welfare	6.06	3.62	9.68	
14.09	Social Welfare and Nutrition	8.00	6.48	14.48	
0.47	Others	0.43	-	0.43	
416.01	**C-Economic Services**	**453.37**	**44.72**	**498.09**	
33.80	Agriculture and allied activities	20.56	14.27	34.83	
11.55	Rural Development	7.80	2.84	10.64	
2.31	Special Areas Programme	-	2.32	2.32	
16.19	Irrigation and Flood Control	15.81	4.38	20.19	
301.60	Energy	364.91	7.93	372.84	
5.61	Industry and Minerals	1.58	5.79	7.37	
35.91	Transport	36.86	3.76	40.62	
0.79	Science, Technology & Environment	-	0.84	0.84	
8.25	General Economic Services	5.85	2.59	8.44	
1436.76					**1709.24**

Section

Receipts			
1999-2000			**2000-01**
82.75	**III – Opening Cash Balance including Permanent Advance and Cash Balance Investment**		**41.24**
-	**IV – Miscellaneous Receipts**		**-**
5.11	**V – Recoveries of Loans and Advances**		**11.36**
-	From Power Projects	-	
3.50	From Government Servants	4.49	
1.61	From Others	6.87	
-	**VI-Revenue Surplus Brought Down**		**-**
300.77	**VII-Public Debt Service**		**605.71**
97.19	Internal Debt other than Ways and Means Advances	127.07	
73.06	Ways and Means Advances	268.69	
130.52	Loans and Advances from Central Government	209.95	

B

(Rupees in crore)

Disbursements					
1999-2000		**Non-Plan**	**Plan**	**Total**	**2000-01**
-	**III–Opening Overdraft from Reserve Bank of India**				**-**
129.30	**IV - Capital Outlay**				**182.79**
12.64	**A- General Services**	**-**	**5.13**	**5.13**	
36.57	**B- Social Services**	**-**	**72.58**	**72.58**	
7.28	Education, Sports, Arts and culture	-	7.04	7.04	
5.34	Health & Family Welfare	-	3.99	3.99	
23.04	Water Supply, Sanitation, Housing & Urban Development	-	60.85	60.85	
0.05	Welfare of SC/ST and Other Backward classes	-	0.05	0.05	
0.21	Social Welfare & Nutrition	-	0.11	0.11	
0.65	Other Social Services	-	0.54	0.54	
80.09	**C-Economic Services**	**(-)5.01**	**110.09**	**105.08**	
1.95	Agriculture & Allied activities	(-)5.01	2.10	(-)2.91	
0.87	Special Areas Programme	-	0.93	0.93	
25.78	Irrigation & Flood Control	-	50.35	50.35	
27.00	Energy	-	20.25	20.25	
(-) 0.06	Industry & Minerals	-	0.09	0.09	
21.65	Transport	-	32.96	32.96	
-	Science,Technology & Environment	-	0.01	0.01	
2.90	General Economic Services	-	3.40	3.40	
7.91	**V-Loans and Advances disbursed**				**15.43**
-	For Power Projects	-	-	-	
7.70	To Government servants	-	9.13	9.13	
0.21	To others	-	6.30	6.30	
208.86	**VI-Revenue Deficit brought down**				**226.01**
113.37	**VII-Repayment of Public Debt**				**313.84**
4.26	Internal Debt other than ways and means advances & overdrafts	-	10.92	10.92	
73.06	Ways & Means advances & overdraft	-	259.34	259.34	
36.05	Repayment of loans & advances to Central Government	-	43.58	43.58	

Receipts			
1999-2000			**2000-01**
169.68	**VIII-Appropriation to Contingency Fund**		**165.00**
-	**IX-Amount transferred to Contingency**		**25.04**
1785.54	**X-Public Accounts Receipts**		**2132.34**
101.82	Small savings and Provident Fund	104.04	
8.46	Reserve Funds	10.36	
123.01	Deposits and Advances	130.83	
656.01	Suspense and Miscellaneous	832.82	
896.24	Remittances	1054.29	
2343.85			**2980.69**

Disbursements					
1999-2000		**Non-Plan**	**Plan**	**Total**	**2000-01**
169.00	**VIII-Appropriation to Contigency Fund**				**190.00**
0.04	**IX-Expenditure from Contingency Fund**				**0.14**
1674.13	**X-Public Accounts Disbursement**				**2035.99**
49.47	Small Savings and Provident Fund	-	-	59.52	
0.55	Reserve Fund	-	-	6.95	
67.45	Deposits and Advances	-	-	80.10	
661.53	Suspense and Miscellaneous	-	-	847.45	
895.13	Remittances	-	-	1041.97	
41.24	**XI Cash Balance at end**				**16.49**
*	Cash in Treasuries	-	-	*	
3.53	Deposits with Reserve Bank of India	-	-	(-)3.86	
1.54	Departmental cash balance including permanent advance	-	-	1.54	
36.17	Cash Balance Investment	-	-	18.81	
2343.85					**2980.69**

*Rs.7,000 only.

Explanatory Note

(For Tables 1.1, 1.2 and 1.3)

1. The summarised financial statements are based on the Finance Accounts and the Appropriation Accounts of the State Government and are subject to the notes and the explanations contained therein.

2. Although a part of the revenue expenditure (grant) and loans are used for capital formation by the recipients, its classification in the Government accounts remains unaffected by the end use.

3. There was a net difference of Rs.11.77 lakh between the figure reflected in the accounts (Rs.386 lakh) and those intimated by the Reserve Bank of India at the end of the year (Rs.374.23 lakh). The difference is under reconciliation.