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## INTRODUCTORY

The Audit Report contains two chapters on Finance Accounts and Appropriation Accounts besides six other chapters comprising 4 Reviews and 23 Paragraphs.

### HIGHLIGHTS

- ▶ The excess expenditure over revenue receipts resulted in revenue deficit.
- ▶ Interest payment increased from Rs.101 crore in 1996-97 to Rs.212 crore in 2000-2001.
- ▶ Arrears in revenue increased from Rs.72 crore to Rs.205 crore during 1997-2001.
- ▶ Return from investments in corporation, companies, co-operative banks and societies were negligible.
- ▶ Fiscal deficit has increased and it has led to borrowing and increase in the liability of the Government.
- ▶ Excess expenditure of Rs.14.79 crore requires regularization by the Legislature.
- ▶ Supplementary provision of Rs.30.79 crore remained unutilized in 29 cases.
- ▶ Under the Accelerated Rural Water Supply Programme, 52 villages have not yet been provided with safe drinking water.
- ▶ As against the expected irrigation potential of 89,660 Ha to be created under major, medium and minor irrigation projects, the irrigation potential created was 29,423 Ha and the potential actually utilized was 22,140 Ha only.
- ▶ There was a cost overrun of Rs.94.34 crore due to inadequate provision of funds for the Tillari Irrigation Project.
- ▶ Infertuous expenditure of Rs.1.07 crore was incurred on consultancy for privatization of transmission and distribution in the power sector.
- ▶ Failure in making available hindrance free site and other delayed resulted in avoidable expenditure of Rs.2.39 crore towards compensation and escalation payment.
- ▶ Revision of drawings after partial execution of work of Government Polytechnic, Mayem resulted in avoidable payment of Rs.1.17 crore.
- ▶ There was avoidable expenditure of Rs.85 lakh due to non-acceptance of tender within the validity period.
- ▶ Rs.50 lakh were irregularly released from the Contingency Fund, to a private organization, for acquiring land for construction of a cricket stadium.
- ▶ By not specifying the minimum quantity of water to be billed the Government lost Rs.4.31 crore.

i) **Summary of Finance Accounts** (Rupees in crore)

<b>CONSOLIDATED FUND</b>				
<b>Receipt</b>	<b>Amount</b>		<b>Disbursement</b>	<b>Amount</b>
Revenue	1483.23	<b>Revenue Deficit:226.01</b>	Revenue	1709.24
Misc. Capital Receipts	-		Capital	182.79
Recovery of loans and advances	11.36		Loans and advances disbursement	15.43
<b>Sub-Total</b>	<b>1494.59</b>	<b>Gross Fiscal deficit 412.87</b>		<b>1907.46</b>
Public Debt	605.71		Public Debt repayment	313.84
<b>Total</b>	<b>2100.30</b>	<b>A: Deficit in CF 121.00</b>		<b>2221.30</b>
<b>CONTINGENCY FUND</b>				
Appropriation to Contingency Fund	0.04	<b>B : Deficit in Contingency Fund (-) 0.10</b>	Unrecouped expenditure from Contingency Fund	0.14
<b>PUBLIC ACCOUNT</b>				
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
<b>Total Public Account</b>	<b>2132.34</b>	<b>C : Surplus on Public Account : Rs.96.35</b>		<b>2035.99</b>
<b>Decrease in cash balance (B+C-A) : 24.75</b>				

ii) **Summary of Appropriation Accounts**

	<b>Nature of expenditure</b>	<b>Original grant/ appropriation</b>	<b>Supplementary grant/ appropriation</b>	<b>Total</b>	<b>Actual Expenditure</b>	<b>Saving (-) Excess (+)</b>
(Rupees in crores)						
Voted	I. Revenue	1654.43	124.49	1778.92	1515.60	(-)263.32
	II. Capital	315.98	72.00	387.98	200.26	(-)187.71
	III. Loans and Advances	7.42	1.75	9.17	9.13	(-) 0.04
<b>Total Voted</b>		<b>1977.83</b>	<b>198.24</b>	<b>2176.07</b>	<b>1724.99</b>	<b>(-) 451.08</b>
Charged	IV Revenue	1.85	0.30	2.15	1.95	(-) 0.20
	V. Capital	0.10	3.36	3.46	3.30	(-) 0.16
	VI. Public Debt	380.43	152.59	533.02	534.64	(+) 1.62
<b>Total charged</b>		<b>382.38</b>	<b>156.25</b>	<b>538.63</b>	<b>539.89</b>	<b>(+) 1.26</b>
Appropriation to contingency funds		190.00	-	190.00	190.00	-
<b>Grand Total</b>		<b>2550.21</b>	<b>354.49</b>	<b>2904.70</b>	<b>2454.88</b>	<b>(-) 449.82</b>

## TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	2000-01
<b>PART A – RECEIPTS</b>					
<b>1. Revenue Receipts</b>	<b>810</b>	<b>1108</b>	<b>1147</b>	<b>1228</b>	<b>1483</b>
<b>(i) Tax Revenue</b>	<b>303(37)</b>	<b>365(33)</b>	<b>357(31)</b>	<b>458(37)</b>	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)
<b>(ii) Non Tax Revenue</b>	<b>347(43)</b>	<b>582(50)</b>	<b>651(57)</b>	<b>634(52)</b>	<b>796(54)</b>
<b>(iii) State's share in Union Taxes</b>	<b>91(11)</b>	<b>97(9)</b>	<b>97(8)</b>	<b>96(8)</b>	<b>105(7)</b>
<b>(iv) Grants in aid from GOI</b>	<b>76(9)</b>	<b>64(6)</b>	<b>42(7)</b>	<b>40(3)</b>	<b>67(4)</b>
<b>2. Misc. Capital Receipts</b>	-	-	-	-	-
<b>3. Total Revenue and non-debt capital receipts (1+2)</b>	<b>810</b>	<b>1108</b>	<b>1147</b>	<b>1228</b>	<b>1483</b>
<b>4. Recoveries of Loans and Advances</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>11</b>
<b>5. Public Debt Receipts</b>	<b>213</b>	<b>233</b>	<b>274</b>	<b>301</b>	<b>606</b>
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
<b>6. Total Receipts in the Consolidated Fund (3+4+5)</b>	<b>1027</b>	<b>1347</b>	<b>1427</b>	<b>1534</b>	<b>2100</b>
<b>7. Contingency Fund Receipts</b>	-	-	<b>3</b>	<b>170</b>	<b>165</b>
<b>8. Public Account Receipt</b>	<b>2267</b>	<b>1745</b>	<b>1538</b>	<b>1785</b>	<b>2132</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>3294</b>	<b>3092</b>	<b>2968</b>	<b>3489</b>	<b>4397</b>

<b>PART B – EXPENDITURE</b>	<b>915</b>	<b>1236</b>	<b>1416</b>	<b>1566</b>	<b>1892</b>
<b>10. Revenue Expenditure</b>	<b>788(86)</b>	<b>1122(91)</b>	<b>1288(95)</b>	<b>1437(92)</b>	<b>1709(90)</b>
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)
<b>11. Capital Expenditure</b>	<b>127(14)</b>	<b>114(9)</b>	<b>128(9)</b>	<b>129(8)</b>	<b>183(10)</b>
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)
<b>12. Disbursement of loan and advances</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>15</b>
<b>13. Total (10+11+12)</b>	<b>918</b>	<b>1239</b>	<b>1422</b>	<b>1574</b>	<b>1907</b>
<b>14. Repayment of Public Debt</b>	<b>143</b>	<b>143</b>	<b>61</b>	<b>113</b>	<b>314</b>
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
<b>15. Appropriation to Contingency Fund</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>169</b>	<b>190</b>
<b>16. Total disbursement by the state (13+14+15)</b>	<b>1062</b>	<b>1382</b>	<b>1486</b>	<b>1756</b>	<b>2311</b>
<b>17. Contingency Fund disbursements</b>	<b>-</b>	<b>-</b>	<b>3.68</b>	<b>0.04</b>	<b>0.14</b>
<b>18. Public Account disbursement</b>	<b>960</b>	<b>1217</b>	<b>1424</b>	<b>1674</b>	<b>2036</b>
<b>19. Total Disbursement by the State (16+17+18)</b>	<b>2022</b>	<b>2599</b>	<b>2914</b>	<b>3430</b>	<b>4347</b>
<b>20. Revenue Deficit (1-10)</b>	<b>22</b>	<b>(-) 14</b>	<b>(-)141</b>	<b>(-)209</b>	<b>(-)226</b>
<b>21. Fiscal Deficit (3+4-13)</b>	<b>(-) 04</b>	<b>(-) 125</b>	<b>(-) 269</b>	<b>(-) 341</b>	<b>(-) 413</b>
<b>22. Primary Deficit (21-23)</b>	<b>3</b>	<b>7</b>	<b>125</b>	<b>163</b>	<b>201</b>
<b>PART-D – OTHER DATA</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>101</b>	<b>118</b>	<b>144</b>	<b>178</b>	<b>212</b>
<b>24. Arrears of revenue (% Tax and Non-Tax Revenue Receipts)</b>	<b>72</b>	<b>139</b>	<b>189</b>	<b>165</b>	<b>205</b>

<b>25. Financial Assistance to Local Bodies etc.</b>	<b>93</b>	<b>125</b>	<b>133</b>	<b>164</b>	<b>163</b>
<b>26. Ways and Means Advances/Overdraft availed (days)</b>	<b>140</b>	<b>108</b>	<b>16</b>	<b>22</b>	<b>16</b>
<b>27. Interest on Ways and Means Advances/Overdraft</b>	<b>0.34</b>	<b>0.31</b>	<b>0.02</b>	<b>0.16</b>	<b>0.59</b>
<b>28. Gross State Domestic Product (GSDP)</b>	<b>3550</b>	<b>3690</b>	<b>4285*</b>	<b>4369*</b>	<b>4714*</b>
<b>29. Outstanding Debt (year end)</b>	<b>1399</b>	<b>1565</b>	<b>1854</b>	<b>2151</b>	<b>2532</b>
<b>30. Outstanding guarantees (year end)</b>	<b>9</b>	<b>29</b>	<b>28</b>	<b>52</b>	<b>160</b>
<b>31. Maximum amount guaranteed (during the year)</b>	<b>-</b>	<b>32</b>	<b>4</b>	<b>43</b>	<b>111</b>
<b>32. Number of incomplete projects</b>	<b>N.A</b>	<b>N.A</b>	<b>7</b>	<b>20</b>	<b>24</b>
<b>33. Capital blocked in incomplete projects</b>	<b>N.A</b>	<b>N.A</b>	<b>126.67</b>	<b>21.22</b>	<b>15.20</b>

Note: Figures in brackets represent *percentages* (rounded) to total of each subheading.

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\* Provisional figure

## 1. FINANCE ACCOUNTS

Finance Accounts of the State Government present the details of all transactions pertaining to both receipts and expenditure under appropriate classifications. Apart from the summary of all transactions in the Government Accounts, the Finance Accounts contain (a) summary of debt position, (b) loans and advances of the State Government, (c) guarantee given by the State Government and (d) summary of balances.

<b>Receipts/ Expenditure on Revenue Account</b>	During 2000-2001, total receipts and expenditure of Goa on revenue account were Rs.1483.23 crore and Rs.1709.24 crore respectively, leaving revenue deficit of Rs.226.01 crore. The revenue expenditure accounted for 90 per cent of the total expenditure of State Government. The Non-Plan expenditure (Rs.1568 crore) constituted 92 per cent of the revenue expenditure.
<b>Revenue Receipts</b>	Revenue receipts increased from Rs.1227.90 crore in 1999-2000 to Rs.1483.23 crore in 2000-2001. While 54 per cent of the revenue receipts comprised of non-tax revenue (Rs.796.14 crore) tax revenue mobilized was 35 per cent only (Rs.514.80 crore). The remaining 11 per cent came from State's share Union Taxes and grants.
<b>Interest Payment</b>	Interest payment increased from Rs.101 crore in 1996-97 to Rs.212 crore in 2000-2001 and consumed 41 per cent of the tax revenue of the State Government.
<b>Arrears of Revenue</b>	Arrears of revenue increased from Rs.72 crore in 1996-97 to Rs.205 crore in 2000-2001, an increase of 185 per cent during the five years period. The arrears of revenue constituted 14 per cent of the total revenue receipts of the State Government.
<b>Investment and Returns</b>	Government made an investment of Rs.1.57 crore during 2000-2001 in the statutory corporations, Government companies and co-operative institutions, increasing the total investment to Rs.133.51 crore. However, the dividend/interest received on these investments during 1996-97 to 2000-2001 was negligible and ranged between 0.19 per cent and 0.52 per cent of the total investment.

**Fiscal Deficit** Fiscal deficit had been continuously increasing since 1996-97. It rose from Rs.104.01 crore in 1996-97 to Rs.412.87 crore in 2000-2001, showing an increase of 297 per cent. The recurrence of fiscal deficit led to borrowing and increase in liability of the Government.

**Increase in internal borrowings** The internal debt of the State increased from Rs.140.42 crore in 1996-97 to Rs.508.36 crore in 2000-2001. The outstanding central loans and advances also increased by Rs.414.93 crore during the period 1996-2001.

## 2. APPROPRIATION ACCOUNTS

Appropriation Accounts present the total amount of funds (original and supplementary) authorized by the Legislature in the budget grants under each voted grant and charged appropriation vis-à-vis the actual expenditure incurred against each and the savings or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularization by the Legislature.

**Summary of Appropriation Accounts** Against the total budget provision of Rs.2904.70 crore (including supplementary) actual expenditure was Rs.2454.88 crore. The overall savings of Rs.449.82 crore was the result of saving of Rs.464.61 crore in 75 grants and appropriations offset by excess of Rs.14.79 crore in 5 grants and appropriations.

**Excess expenditure** Excess expenditure of Rs.14.79 crore requires regularization by the Legislature.

**Unnecessary supplementary provisions** Supplementary provisions of Rs.30.79 crore made in 29 cases proved unnecessary.



### 3. AUDIT REVIEWS

#### 3.1 Rural Water Supply and Accelerated Urban Water Supply Programmes

The Accelerated Rural Water Supply Programme (ARWSP) and Accelerated Urban Water Supply Programme (AUWSP) envisaged providing safe drinking water supply to the rural population and the urban population in small towns respectively.

<b>52 Villages remained to be provided with safe drinking water</b>	Out of 95 villages which had remained to be provided with safe drinking water as of April 1997, 52 villages were yet (April 2001) to be covered.
<b>Central Allocation of Rs.97.93 lakh not utilised</b>	The AUWSP was implemented only in 2 towns and central allocation of Rs.97.93 lakh was not utilised.
<b>Non-release of allocated grants of Rs.11.73 crore</b>	Slow progress in utilization of grants released by Central Government resulted in non-release of allocated grants to the extent of Rs.11.73 crore under ARWSP.

#### 3.2 Review of Irrigation Department (Department of Water Resources)

The Irrigation Department (Water Resources Department) is responsible for optimum integrated development and utilization of the water resources of the state in a scientific manner.

<b>Non-utilization of irrigation potential created</b>	As against the expected irrigation potential of 89660 ha to be created under major, medium and minor irrigation projects, the irrigation potential created was 29423 ha and the potential actually utilized was 22140 ha only, as on 31 March 2001.
<b>Cost overrun of Rs.94.34 crore</b>	The inadequate provisions of funds for the Tillari Irrigation Project (a joint venture of Government of Goa and Government of Maharashtra) by the Government of Goa has resulted in time overrun of 5 years in completion of the project and cost overrun of Rs.94.34 crores as of March 2001.

## 4. AUDIT PARAGRAPHS

### 4.1 Avoidable/unfruitful/infructuous expenditure

**Idle investment of Rs.29.13 lakh on residential quarters** Lack of proper co-ordination between the Health Department and Public Works Department had resulted in blocking Government funds of Rs.29.13 lakh for about two years.

**Training infrastructure created at a cost of Rs.15.92 lakh remained largely unutilized** Training infrastructure created at a cost of Rs.15.92 lakh remained largely unutilised due to faulty estimation of need for such training.

**Infructuous expenditure of Rs.1.07 crore on consultancy charges** The decision of the Government to stop the process of privatisation of transmission and distribution system in the power sector, resulted in an infructuous expenditure of Rs.1.07 crore.

**Avoidable expenditure of Rs.2.39 crore on compensation** Failure of the department in making available hindrance free site, delay in supplying drawings and excessive variation in quantities resulted in avoidable expenditure of Rs.2.39 crore towards compensation and escalation payment to the contractor

**Avoidable payment of escalation charges of Rs.1.17 crore** The revision of drawings after partial execution of work had resulted in avoidable payment of Rs.116.82 lakh

**Avoidable expenditure of Rs.85 lakh** Failure of the department in accepting the lowest offer within the validity period of the tender resulted in retendering and avoidable expenditure of Rs.85 lakh on laying of a pipeline

### 4.2 Non-achievement of objectives

**Idle expenditure of Rs.23.95 lakh** of Failure to supply pipes to the contractor resulted in idle expenditure of Rs.23.95 lakh for more than three years and denial of intended benefits to villagers due to non-completion of work

### 4.3 Other points of interest

<b>Irregular release of Rs.50 lakh from Contingency fund</b>	Release of Rs.50 lakh from Contingency Fund of the State for payments to a private organization for the purpose of acquiring land for construction of a cricket ground resulted in retention of Government money outside Government account and also interest cost of Rs.11 lakh to the Government
<b>Loss of revenue of Rs.4.31 crore</b>	Failure of the department to specify the monthly minimum quantity of water to be billed in the water supply agreement with an industrial concern and non-execution of a water supply contract with a hotel resulted in loss of revenue of Rs.4.31 crore to the Government
<b>Loss of revenue of Rs.2.62 lakh</b>	There was loss of revenue of Rs.2.62 lakh due to non-inclusion of Rs.17.46 lakh in the turnover of receipts for assessment of luxury tax
<b>Leasing of University land at nominal rent</b>	The Goa University leased 10000 Sq. m land to a Registered Society and two Government of India Departments for a period of 99 years at a nominal lease rent of one rupee per annum without the approval of the Government
<b>Idle investment of Rs.33.37 lakh</b>	Lack of proper assessment of demand from prospective buyers for duplex bungalows had resulted in idle investment of Rs. 33.37 lakh on six duplex bungalows for over two years.
<b>Loss of Rs.15 lakh</b>	The Goa Handicrafts, Rural and Small Scale Industries Development Corporation Limited suffered loss of Rs.15 lakh due to purchase of steel without assessing the demand and subsequent sale of the same on discount.

**Officers who may be contacted for detailed information  
about this Audit Report**

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